CUNA
Credit Union National Association
601 Pennsylvania Ave., NW | South Building, Suite 600 | Washington, DC 20004-2601 | PHONE: 202-638-5777 | FAX: 202-638-7734
cuna.org
DANIEL A. MICA
PRESIDENT & CEO

September 29, 2009

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

On behalf of the Credit Union National Association (CUNA), I am writing to express our concern regarding provisions in the Chairman's modified mark of the *America's Healthy Future Act of 2009*. These provisions concern the uneven application of incentives for small employers to provide health care coverage for their employees. CUNA represents nearly 90 percent of America's 8,000 credit unions and their 92 million members.

On September 19, 2009, the *America's Healthy Future Act of 2009* was unveiled and included the admirable goal of providing tax credits to assist small employers in purchasing health insurance for their employees. However, the bill did not provide similar incentives for not-for-profit employers that desire to provide the same employee health care coverage as for-profit employers.

Senators Kerry, Snowe, Schumer, Lincoln, and Cantwell indicated their intent to offer an amendment (#227) to extend the small business incentives in the bill to small not-for-profit employers. When the bill's markup began last week, the Chairman's modified mark was released and included a modified version of the Kerry amendment. It extended these small business incentives to qualifying nonprofit employers, but only those organized under Section 501(c)(3) of the Internal Revenue Code. The effect of this limitation is that the other twenty-seven types of not-for-profit employers organized under Section 501(c) of the Code are ineligible to receive the bill's assistance in purchasing health care for their employees. Examples of entities excluded include both federally and state chartered credit unions, many of which have less than 25 employees and could have benefited from the tax credit extension to offset federal liabilities like payroll taxes, as the modified Chairman's mark allows for 501(c)(3) employers.

AMERICA'S CREDIT UNIONS
PO Box 431 | Madison, WI 53701-0431 | 5710 Mineral Point Road | Madison, WI 53705-4454 | PHONE: 608-231-4000

We applaud your decision to assist small employers that wish to provide health care coverage to their employees. However, we believe that employer parity and basic fairness must prevail and the bill's incentives should apply to all small employers.

Thank you for your consideration and please do not hesitate to contact me or my staff with any questions.

Sincerely,

Daniel A. Mica
President & CEO