

It is Time to Discontinue -
**Employer Provided Private Health Insurance Premiums,
a Non-taxable Remuneration (Fringe Benefit)**

“Wielding of power effects what is built and what is destroyed¹.”

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Over 150,000 Americans receive access to health care services through private health insurance, most of whom obtain insurance as a form of remuneration (fringe benefit) through an employer.

Remuneration refers to compensation including salary, wages, hourly pay, independent contracts, employment contracts, commissions, deferred compensation, bonuses, and benefits. In 1942 a movement to provide remuneration for work in the form of a non-taxable fringe benefit, health insurance, was the result of a wage freeze during WWII². Since 1980, wages and salary have remained stagnant and are associated with a marked increase in the employees’ portion of health insurance premium payments (the non-taxable fringe benefit) and increasing deductibles³.

This results in most workers contributing about 40% of their pay toward taxes and health premiums, a case that is made by Matt Bruenig^{4,5} in the NYT article, Universal Health Care Might Cost You Less than You Think (<https://www.nytimes.com/2019/04/29/opinion/medicare-for-all-cost.html?action=click&module=Opinion&pgtype=Homepage>).

The problems (what is destroyed) caused by this remuneration scheme include:

1. Freedom for American workers diminished by “job lock”.
2. Economic Justice for American workers with median income (\$900/week fulltime⁶ OR ~ \$47,000/year) paying a larger percentage of their wages for the employer provided health insurance than the higher percentile wage earners.
3. Economic Insecurity for American workers experiencing “underinsurance” and higher bankruptcy rates.
4. A burden on employers with the responsibility of determining remuneration (fringe benefits) in the form of health insurance coverage.

A proposed solution for this unsustainable remuneration scheme includes:

1. Initiate a public national health insurance (PNHI) such an Extended Medicare for All⁷ for the purpose of providing universal health care for basic health services.
2. Discontinue the employer fringe benefit scheme and return the fringe benefit to the worker as salary or wages.
3. Utilize a progressive form of PNHI funding defined by US law and administered by the Center for Medicare and Medicaid Services (CMS) that is already defined by the IRS Code⁷.

References available on request.

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