

**Congress of the United States**  
**Washington, DC 20515**

May 19, 2022

The Honorable Janet L. Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

The Honorable Charles P. Rettig  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, D.C. 20224

Dear Secretary Yellen and Commissioner Rettig:

We write today in strong support of the proposed regulation by the U.S. Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) entitled, “Affordability of Employer Coverage for Family Members of Employees,” which was published in the Federal Register on April 7, 2022.<sup>1</sup> The proposed regulation would allow millions of Americans with unaffordable employer-sponsored coverage to access premium tax credits in the Affordable Care Act (ACA) Marketplaces. This proposed rule is entirely consistent with congressional intent behind the statutory text of the ACA which aimed to help families obtain affordable health coverage.

The ACA has resulted in significant improvements to our health care system by expanding access to health insurance, lowering health care costs, and increasing the quality of care. Through the American Rescue Plan, 14.5 million Americans are receiving affordable coverage through the ACA Marketplaces. By reducing premiums and out-of-pocket costs, the financial assistance made available under the ACA has provided millions of working families with peace of mind and economic security.

The proposed regulation by Treasury and IRS would strengthen the ACA by fixing the “family glitch.” Rather than determining the affordability of an employer plan, and the associated eligibility for the premium tax credit, based solely on the cost of self-only coverage, the proposed regulation would look to the cost of coverage that includes the employee’s family members. Thus, the proposed regulation would ensure that those family members without affordable family coverage through an employer can benefit from the premium tax credit to purchase high-quality Marketplace plans. We have long believed that this is the appropriate reading of the statute. The Administration projects that this proposal would enable hundreds of thousands of uninsured Americans to gain health coverage, and nearly one million Americans would see their coverage become more affordable. Independent analysis suggests that fixing the

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<sup>1</sup> Affordability of Employer Coverage for Family Members of Employees, 87 Fed. Reg. 67 (Apr. 7, 2022) (to be codified at 26 C.F.R. pt. 1), <https://www.govinfo.gov/content/pkg/FR-2022-04-07/pdf/2022-07158.pdf>.

family glitch would particularly benefit the family members of workers in the service industry and those employed by small businesses.<sup>2</sup>

We urge Treasury and the IRS to swiftly finalize this proposed regulation and we applaud the Biden Administration's ongoing commitment to ensuring all Americans have access to affordable, comprehensive health coverage.

Sincerely,



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Richard E. Neal  
Chair  
House Committee on Ways and Means



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Ron Wyden  
Chair  
Senate Committee on Finance

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<sup>2</sup> Gary Claxton et al., *Many Workers, Particularly at Small Firms, Face High Premiums to Enroll in Family Coverage, Leaving Many in the 'Family Glitch'*, KAISER FAMILY FOUND. (Apr. 12, 2022), <https://www.kff.org/health-reform/issue-brief/many-workers-particularly-at-small-firms-face-high-premiums-to-enroll-in-family-coverage-leaving-many-in-the-family-glitch/>.