



March 19, 2013

The Honorable Richard Hudson
U.S. House of Representatives
Washington, DC 20515

The Honorable Robert Pittenger
U.S. House of Representatives
Washington, DC 20515

Re: Support for H.R. 1254, Auto Enroll Repeal Act of 2013

Dear Congressmen Hudson and Pittenger:

We write on behalf of the members of the National Restaurant Association in strong support of the Auto Enroll Repeal Act, and to thank you for your leadership on this issue. This important legislation would eliminate the burdensome automatic enrollment requirement in the 2010 health care law.

The National Restaurant Association is the leading business association for the restaurant and food service industry. The industry is comprised of 998,000 restaurant and foodservice outlets employing 13.1 million people who serve 130 million guests daily. Restaurants are job creators. Despite being an industry of predominately small businesses, the restaurant industry is the nation's second-largest private-sector employer, employing 10 percent of the U.S. workforce.

Due to the characteristics of the restaurant industry's workforce, the auto-enrollment mandate could cause financial hardship and greater confusion about the law for employees, and place a significant administrative burden on employers. Since 43 percent of restaurant employees are under age 26 and more likely to be moving from job to job or eligible for enrollment in parents' plans, many are likely to inadvertently miss opt-out deadlines and will be automatically enrolled in their employer's health plan causing significant, unexpected financial hardship. Additionally, this raises complicated questions for employers about how to handle situations where employees fail to make timely required payments for their premiums.

Since the health care law's employer mandate already subjects large employers to potential penalties if they fail to offer affordable health care coverage to full-time employees and their dependents, the auto-enrollment mandate is redundant. It adds a layer of bureaucracy and burdens businesses without increasing employees' access to coverage.

Some compare automatically enrolling employees in health benefit plans to automatically enrolling them in a 401(k) plan, but this isn't a good parallel. The financial contribution associated with health benefits can be much larger, for example: 9.5 percent of household income toward the cost of the premium for employees of large employers versus an average 3 percent automatic 401(k) contribution. The financial burden on employees of automatic enrollment in health benefit

plans would be much greater than that of 401(k) plans. Additionally, 401(k) rules allow employees to access their contributions when they opt-out of automatic enrollment; however health benefit premium contributions cannot be retrieved.

Again, thank you for introducing the Auto Enroll Repeal Act, which addresses a challenging part of the 2010 health care law for both employees and employers. We strongly support passage of this important piece of legislation and look forward to working with you to advance this bill through Congress.

Sincerely,



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Vice President
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