

CO-CHAIR:
CONGRESSIONAL AUTOMOTIVE CAUCUS
CONGRESSIONAL NATIVE AMERICAN CAUCUS

DALE E. KILDEE
5TH DISTRICT, MICHIGAN

September 14, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 The Capitol
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
H-204 The Capitol
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader Boehner:

I write to you today to urge the U.S. House of Representatives to take up legislation by the end of the year to extend the Health Coverage Tax Credit that was expanded by the American Recovery and Reinvestment Act. The Health Coverage Tax Credit is necessary to help the thousands of Delphi retirees who have recently lost their health insurance due to the restructuring of the auto industry.

Delphi Corporation entered bankruptcy protection in 2005. In February 2009, Delphi salaried retirees lost their healthcare benefits for themselves and their families. Just months later, the Pension Benefit Guaranty Corporation terminated Delphi's pension plan and became the trustee, causing drastic reductions in retiree pension benefits.

Fortunately, retirees over age 55 receiving pension benefits from the PBGC are eligible to receive the Health Coverage Tax Credit. The HCTC pays a percentage of qualifying health insurance premiums for eligible individuals and their families. The Recovery Act expanded the HCTC to pay 80 percent of qualified health plan premiums. This expansion has helped many Delphi retirees receive the necessary healthcare they would not otherwise be able to afford after the loss of their health insurance.

The HCTC was enacted by Congress in 2002. While there is no sunset provision in the HCTC legislation, payment for the tax credit is contingent upon funding for the Trade Adjustment Assistance Program (TAA). The Recovery Act included the Trade Adjustment Assistance Health Coverage Improvement Act that funded and expanded the HCTC. Unfortunately, this legislation is set to expire at the end of 2010. If we do not act, thousands of Delphi retirees and other individuals will see dramatic increases in their health insurance premiums.

Extending the HCTC must be a priority in the final months of the 111th Congress. I hope you will work with me to help the Delphi retirees and thousands of other individuals who benefit from this program.

Sincerely,



Dale E. Kildee, M.C.

Cc: The Honorable Sander M. Levin, Chairman of the Committee on Ways and Means
The Honorable Dave Camp, Ranking Member of the Committee on Ways and Means
The Honorable David R. Obey, Chairman of the Committee on Appropriations
The Honorable Jerry Lewis, Ranking Member of the Committee on Appropriations