



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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May 2, 2005

Hon. Pete Stark
239 Cannon House Office Bldg.
Washington, D.C. 20515

Hon. Sherrod Brown
2332 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Representatives Stark and Brown:

We understand that this week you will be introducing the proposed "Medicare Early Access Act." The UAW strongly supports this legislation, and urges Representatives to join you in sponsoring and supporting this important measure.

The "Medicare Early Access Act" would allow individuals age 55-65 who do not have other health insurance coverage to purchase coverage through Medicare. In addition, to counteract the alarming drop in employer-provided coverage for retirees, this bill would allow early retirees to participate in the Medicare program, with their employer still providing wrap-around coverage.

Under this proposal, enrollees would be required to pay premiums to cover the full cost of Medicare services. However, all enrollees would be provided with a 75 percent refundable tax credit to offset a significant portion of the premium costs.

The UAW strongly supports your legislation for two reasons. First, it would help to provide affordable health care coverage for millions of individuals age 55-65. As you are aware, this pre-Medicare population is particularly vulnerable. Thousands of individuals in this age group have lost health coverage due to bankruptcies, plant closings and layoffs, as well as cut backs in employer-provided coverage. The costs of buying individual coverage are usually exorbitant, leaving many persons without any access to affordable health insurance coverage.

Second, your legislation would address the legacy health care cost problem facing older manufacturing companies and their workers and retirees. By allowing companies to enroll their early retirees in the Medicare program, and to receive the refundable tax credit, the bill would help to level the playing field and reduce the competitive disadvantage now faced by companies that are struggling with heavy legacy costs. This would help to protect the

benefits of retirees at these older manufacturing companies, as well as the jobs of active employees.

For both of these reasons, the UAW strongly supports the proposed Medicare Early Access Act. We commend you for introducing this important legislation, and look forward to working with you in support of this measure.

Sincerely,

A handwritten signature in black ink that reads "Alan Reuther". The signature is written in a cursive, flowing style.

Alan Reuther
Legislative Director

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