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To VEBA or Not To VEBA

VEBA. Voluntary Employee Benefit Association is a tax exempt trust that provides payment for medical expenses as explained by the IBT.

The key purpose of this trust is to fund our medical expenses while avoiding paying taxes on these earned monies by us and the company.

As I had mentioned in the previous newsletter about the Cadillac Excise Tax being pushed back from 2017 to 2018 and now to 2020, the company and union are fearful of the high cost stress this could put on our health care benefits at United Airlines. This is the reason they insist on a 20/80 medical concession with VEBA and Teamcare to boot.

Here's a link describing possible options to the 40% Cadillac Excise Tax:

<http://www.modernhealthcare.com/article/20151001/NEWS/150939989>

Here's an outtake of that article:

He says the best option would be to cap those federal income and payroll tax exclusions employers enjoy when they pay for their employees' high-priced coverage.

In 2014, the federal government lost \$263 billion in income and payroll taxes because of the tax exemption on employer-sponsored health insurance, [according to the Joint Committee on Taxation \(PDF\)](#).

Currently there are movements from both sides, corporations and labor unions, lobbying to remove or modify the Cadillac Tax. As stated above one idea is to remove the exempt status of the health care benefits most enjoy today. If that's the case then what happens to those VEBA accounts that this union is pushing so hard for? How would these accounts be viewed? It's possible that the IRS could decide to tax our health care benefits as an alternative to the Cadillac Excise Tax. Point is, why are we even considering such an idea while the government doesn't have a clue either? Stop VEBA and Stop Teamcare. What's the rush? Leave our Health Care Alone!

More VEBA and Teamcare

To follow up from the left, VEBA is not a necessity at this time. The Cadillac Tax has been pushed back to 2020. Now think about it, what happens in 2020. The Presidential Election happens. Does anyone really think the politicians will allow the Cadillac Excise Tax to be implemented during the election year? Hell no!

It will either be pushed back again or a better alternative could be found. As mentioned, the corporations don't want it, the unions don't want it and the politicians don't have the grapes to implement it.

How's It Work?

Let's pretend we are now in VEBA and Teamcare. So how does it work? We want to take money out of our VEBA account that only allows payments to health care costs. Who decides if we can withdraw our money from our account? How long is the process to get your own money from the account if approved? Do we pay out of pocket until a check arrives from our VEBA account or is it immediate?

When we are Teamcare who decides if we are covered under certain medical conditions? The doctor? The HMO or PPO themselves? Can Teamcare decline coverage in certain conditions or modify coverage without approval of the members? Who will represent us under Teamcare, people with no skin in the game or actual members who are involved.

So under this new "idea" we could possibly have to deal with a whole new set of bureaucracies just to see a doctor or pay for medical. When and if VEBA goes broke or Teamcare begins to fail what could be done to our benefits in order to try and save these possible failures? Well, just look what's going on with the IBT Central States Pension Plan, cuts, cuts and more cuts, without the member's approval. Is that a path we really want to go down? I think not.

So, while we await the results of this "proposal" sign the petition that is coming around to you to stop Teamcare and VEBA. If you don't have someone in your area collecting signatures then here's a link to print the petition and have it signed: <http://ualmechanics.com/assets/12-15-15%20Petition%20to%20Stop%20Teamcare%20at%20United%20Airlines.pdf> If you have any questions about the petition or wish to volunteer you can contact those in charge at UALMechanics@earthlink.net