



NATIONAL ASSOCIATION OF  
REALTORS®

*The Voice of Real Estate*



July 20, 2009

United States House of Representatives  
Washington, DC 20515

Dear Representative,

As Congress continues its important work on health care reform, we write to urge that any final health reform measure address the unique problems experienced by America's self-employed workforce. With over 22 million individuals, the self-employed are a significant portion of the American workforce. As a result of their individual small size, they have been hit particularly hard by the skyrocketing health care costs, forcing many of them to become uninsured. In a 2008 study, the National Association of the Self-Employed (NASE) found that 20 percent of the nation's self-employed have no health coverage. In certain industries, such as real estate, that percentage is even higher.

Our organizations share the goal of giving every American access to affordable health care, but also believe that it is critical that the unique challenges that face the self-employed be recognized and addressed as part of anticipated health reforms. As our nation's smallest businesses, many of the mandates and reforms that are being discussed will fall on these entrepreneurs in disproportionate numbers, often with unintended consequences.

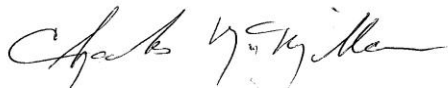
While we applaud many of the core tenets being discussed such as risk-pooling, guaranteed coverage, and other underwriting and rating reforms, we also believe that in order for the self-employed to benefit from health care reform, Congress should first "do no harm." We urge you to:

- **Avoid saddling individuals with coverage they can't afford.** Any individual mandate must include adequate "affordability credits" to address the high cost of insurance for individuals. These credits should take into account the uneven flow of revenue experienced in many industries where budgeting from year to year, or even month to month, can be difficult. Because of this difficulty, we believe the self-employed should be given the ability to choose whether they participate as either an individual or small business, so they can pick the designation that best meets their individual needs.
- **Make tax treatment of health care fair for all employers.** While Congress debates whether or not to tax benefits, it is important to remember that the self-employed are not able to deduct the cost of their health insurance premiums for the purposes of calculating self-employment taxes. Consequently, the self-employed are the only business entity that does not receive a full deduction for health insurance costs. This inequity results in the self-employed paying 15.3% in additional taxes and must be fixed.

- **Oppose a mandate on employers to provide coverage.** The smallest business owners are those who face the largest hurdles in providing employee health coverage at any price. Imposing a mandate on these small employers to buy coverage could instead force them out of business. If Congress decides to include an employer mandate, it is imperative that (1) the tax credits offered to the self-employed and small employers be large enough to offset what could otherwise be a business-ending cost and (2) penalties and hardship waivers be realistic.
- **Promote greater transparency and efficient approaches for obtaining health coverage.** The self-employed need a health care system that makes accessing, purchasing and utilizing health care simple and easy. They need trustworthy information on coverage options and costs. The self-employed business owner's time is best spent running and growing their business, not managing their health care.

We thank you for your continued efforts to help all Americans access quality, affordable coverage. We hope that you will continue to keep the special needs of the self-employed in mind as legislation advances and we look forward to working with you on this most important matter.

Sincerely,



Charles McMillan, CIPS, GRI  
2009 President, National Association of REALTORS®



Robert Hughes  
President, National Association for the Self-Employed