

February 3, 2025

As representatives of the Texas business community, we are writing on behalf of employers who rely on the Employee Retirement Income Security Act (ERISA) to provide high-quality health benefits to millions of Texans. We urge you to protect this vital law, which has safeguarded both employees and employers for nearly 50 years.

When ERISA was passed by Congress in 1974, it preempted states from passing laws affecting the administration or design of employer health plans. This important preemption has remained intact for 50 years, providing a consistent regulatory framework that allows employers to operate confidently across state lines, minimizing the administrative burdens that would otherwise come with a patchwork of state-level regulations.

- **ERISA protects the state of Texas and taxpayers** by encouraging private employers to offer benefit plans for their employees rather than relying on public resources.
- **ERISA protects employees** by establishing consistent guidelines for retirement and health plans offered by multi-state private employers.
- **ERISA protects employers** by supporting a uniform benefit program for all employees and by avoiding complications of a patchwork system between states.

In Texas, nearly 15 million people rely on employer-provided health insurance, and more than half of that population is covered under ERISA-regulated self-funded health plans. These plans are the backbone of our state's health care coverage. ERISA's uniformity is essential to Texas' economic success, enabling businesses to offer competitive benefits and maintain operational efficiency without the complexities of varying state mandates. For small and medium-sized businesses in particular, ERISA's protections are crucial for providing affordable and consistent benefits across their workforce.

Unfortunately, recent legislative efforts have sought to circumvent ERISA's protections by imposing state-level healthcare mandates on employers. These efforts risk significantly increasing healthcare costs for Texas employers and their employees. Allowing expensive state mandates to interfere with ERISA protections would create a patchwork of conflicting rules, making it harder for businesses to offer consistent, affordable health benefits and weakening Texas' ability to attract and retain businesses.

It's also important to note that last session, efforts to pierce ERISA by extending state healthcare mandates to ERISA-regulated plans received little support. Key proposals, such as HB 2021, did not even receive a committee vote. This lack of action demonstrates the Legislature's recognition of the crucial role these protections play in allowing businesses to offer consistent, affordable benefits to employees.

This session, preserving ERISA will again be a top priority for the Texas business community. Rising healthcare costs only further emphasize the need to maintain ERISA's uniform standards, which have helped businesses manage expenses and remain competitive in national and global markets. Additional state mandates would not only increase compliance costs but could also discourage businesses from expanding their operations in Texas, jeopardizing the economic growth that has made Texas a leader in innovation and investment.

We respectfully ask that you stand with the business community to protect this landmark law. By doing so, we can safeguard the long-term success of Texas businesses, support the health and well-being of our workforce, and ensure that Texas remains a leading destination for innovation, investment, and job creation.

Thank you for your attention to this critical issue. The Texas business community stands ready to collaborate on solutions that ensure a strong future for both businesses and workers.

