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ILA cheers delay in Cadillac tax on medical benefits

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The president of the [International Longshoremen's Association](#) said the union is pleased that the appropriations bill that Congress approved this month includes a two-year delay in the “Cadillac tax” on high-end medical plans.

“This is a great victory for the ILA and its members,” said ILA President Harold J. Daggett. “I commend these ILA member and their families and friends who campaigned hard against this Cadillac tax, for contacting their representatives and making their voices heard.”

The tax on high-end medical plans was a key part of funding for the Affordable Care Act. Unions have opposed the tax, arguing that it undermines benefits they have negotiated over the years, sometimes in lieu of wage increases.

Uncertainty about the future of the Affordable Care Act has complicated efforts to negotiate an early agreement on a new long-term contract or extension of the ILA's U.S. East and Gulf coast master contract with United States Maritime Alliance.

Last spring, ILA and USMX representatives began exploring the possibility of a long-term contract, possibly extending till 2025. The discussions are expected to resume in early 2016. The current ILA-USMX contract runs until Sept. 30, 2018.

The future of Obamacare also will have an influence on the next round of West Coast contract talks between the International Longshore and Warehouse Union and the Pacific Maritime Association.

PMA President James McKenna has suggested an early start to negotiation of a West Coast contract to replace the current one, which expires in July 2019.

Like the ILA, the ILWU has negotiated a premium medical benefits package. Under the current Obamacare law, persons covered by these premium health care packages would eventually see the value of their plans subjected to income tax.

The two-year delay in the Cadillac tax was part of the Fiscal 2016 Omnibus Appropriations Act that lawmakers approved this month.

Unions are pushing to scrap the Cadillac tax. "To come in now and say we are going to tax one of your best benefits was ridiculous and we were not going to stand for it," Daggett said in a statement.

Daggett praised other provisions of the Omnibus package, including increased funding of the Maritime Security Program for U.S.-flag merchant ships, and harbor maintenance.

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