



The WHIP Act – A Smart Investment Towards a Healthier America (H.R. 2106 . S.913)

Public Health experts unanimously agree that people who maintain active healthy lifestyles dramatically reduce their risk of contracting chronic diseases. A physically fit population results in a decrease in healthcare costs, reduced government spending, fewer illnesses and improved worker productivity.

The Workforce Health Improvement Program (WHIP) Act would allow for the balanced tax treatment of the cost of fitness center memberships as an employee benefit. Specifically, it would reaffirm an employer's right to deduct the cost of subsidizing or providing off-site fitness center benefits for their employees. In addition, this legislation would exclude the wellness benefit from being considered taxable income for employees. We do not believe that originally the Congress intended to treat "onsite" fitness services differently than "offsite" services. The WHIP legislation would correct this inequity in our present tax system.

Urgent preventive measures are required not only to lessen the burden of disease and disability associated with excess weight and inactivity but also to contain future health care costs incurred by the aging population. For instance the average annual Medicare charges for severely obese men were \$6,469 more than for non-overweight men. For severely obese women, annual average charges were \$5,618 more than for women not overweight.

The WHIP act alone will not get every American off the couch and moving. However, recent polling reveals that 78 percent of Americans claim that they would exercise more regularly if their employer subsidized a fitness center membership. The savings to the U.S. Government that even a modest increase in Americans' physical activity levels could generate would be tremendous.

In fact, parts of corporate America are already taking advantage of the positive returns on investment that can be achieved through workplace-based wellness and exercise programs. For example, General Mills instituted a lifestyle modification program to combat worker absenteeism, which achieved \$226.32 in savings per employee after only the second year of the program (a 3.1 to 1 return on investment). Motorola invests \$6 million annually in its corporate wellness program, but reaps an impressive \$3.93 in savings for every dollar committed to the program.

If extended on a national scale, the returns on investment that these companies and others like them are achieving would amount to billions of dollars in healthcare savings. These savings would more than offset any losses to the U.S. Treasury associated with the WHIP Act.

By enacting WHIP, Congress has the opportunity to create the most conducive environment possible for promoting additional workplace fitness programs at companies, both large and small.

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