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CONGRESS PASSES A BUDGET BILL THAT CONTAINED A TWO YEAR DELAY IN THE HOTLEY DEBATED CADILLAC TAX

Delay in the Cadillac Tax is welcome news for employers and employees alike

The Cadillac Tax that was scheduled to start in 2018 has now been delayed until 2020. This is welcome news to employers facing a 40% excise tax above set premium limits for their plans and for employees who would have seen coverage reduced in order to avoid the tax.

Once implemented, the Cadillac Tax, will impose an 40% excise tax on health premium in excess of \$850 a month for single coverage and \$2,292 a month for other than single coverage. The purpose of the tax is aimed at forcing employers to reduce the level of benefits on those rich plans deemed "Cadillac", however the definition only took into consideration the cost of the plan and not the medical costs in a specific area or the average age of the employee workforce.

The delay is welcome news and perhaps even more welcome is the growing support to repeal it entirely.

As more information becomes available we will keep you informed.

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