



BENEFIT NEWS BRIEFS

“Cadillac Tax” Delayed until 2020

The President recently signed into law a bill that delays the effective date of the so-called “Cadillac tax” from January 1, 2018 to January 1, 2020. Many believe this is the first step in the eventual repeal of the tax.

The law also makes the tax deductible by the payers in the event it takes effect in 2020 and also calls for a study on suitable benchmarks for age and gender adjustment under the tax.

The bill is available at:

<https://www.gpo.gov/fdsys/pkg/BILLS-114hr2029enr/pdf/BILLS-114hr2029enr.pdf>.

The relevant provisions of the bill begin at page 796 of the PDF and are summarized below:

TITLE I—HIGH COST EMPLOYER SPONSORED HEALTH COVERAGE EXCISE TAX PROVISIONS

SEC. 101. Delays the effective date of the 40% excise tax on high cost employer sponsored health coverage from January 1, 2018 to January 1, 2020.

SEC. 102. Makes the excise tax deductible to companies that may be affected by it.

SEC. 103. Calls for a study on suitable benchmarks for age and gender adjustment of excise tax.

For background on the tax, see [Benefit News Briefs 2014-10 - The “Cadillac Tax” on Employer-Sponsored Health Plans](#).

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