



CLIENT BULLETIN

Cadillac Tax Delayed Until 2022!

The recently passed budget Bill, [H.R. 195](#), contained a provision delaying the effective date of the Cadillac Tax until 2022. Although it is commonly called the Cadillac Tax, it is technically called the "excise tax on high cost employer-sponsored health coverage."

This is big news as the Cadillac Tax would impose a 40% tax on the "excess benefit" with respect to the cost of coverage of an employee under any applicable employer-sponsored coverage, including multiemployer group health plans. There appears to be bipartisan support to eventually repeal the tax, but for the moment the day of reckoning is just kicked down the road again.

The Cadillac Tax was originally set to go into effect on January 1, 2018; however, in the latter part of 2015 it was delayed to January 1, 2020. See [Benefit News Briefs 2015-65](#) for more on that previous delay.

For a detailed description of the Cadillac Tax see [Benefit News Briefs 2014-10](#).

In particular, Subdivision D, Section 4002 of the Bill amends Section 9001(c) of the [Patient Protection and Affordable Care Act](#) (ACA) by changing the effective date of the excise tax (currently taxable years after December 31, 2019) to taxable years after December 31, 2021. See [H.R. 195](#) at PDF page 11.

Action Item

Rejoice! We will continue to report on any future changes to the effective date of the Cadillac Tax.

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