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From: Bailey and Company Benefits Group
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Subject: Cadillac Tax Delayed

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news

This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.



On Friday, December 18th, Congress passed a two-year delay of the “Cadillac Tax”. The Cadillac Tax is a 40 percent excise tax on high-cost employer-sponsored health plans. This delay was part of a year-end tax extender and government funding package, the Consolidated Appropriations Act, 2016, known as the “Omnibus.” President Obama is expected to sign these changes into law.

Implementation of the 40 percent excise tax is delayed until 2020. While the tax was originally non-tax deductible, the bill changes that and makes the excise tax a deductible business expense.

Also, within the bill, the Health Insurance Industry Fee is suspended for 2017. This fee only impacts insured health plans.

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