

The ACA's Cadillac Tax Is Delayed Another Two Years

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03.16.2018

The Federal Register Printing Savings Act of 2017 (Act), which President Trump signed into law on January 22, 2018, ending the two and a half day federal government shut down, delayed the Affordable Care Act's "Cadillac Tax" for two more years until 2022. The Cadillac Tax is a 40% excise tax that applies to certain "high-cost" employer-sponsored health coverage. The Cadillac Tax originally was to go into effect in 2018, but President Obama delayed it until 2020. Pursuant to the Act, the Cadillac Tax now will be imposed beginning in 2022 on the cost of health plan coverage that exceeds \$10,200 for individual coverage, or \$27,500 for family coverage (as adjusted for inflation). The Cadillac Tax has been widely unpopular with both political parties, and employers and employer groups since its enactment, and Congress has demonstrated a desire to repeal it; but for now, the Cadillac Tax simply is delayed another two years.

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