

# compliance ALERT

## Budget Deal Delays Cadillac Tax Until 2022

January 23, 2018

On January 22, 2018, President Trump signed a new budget law that will delay the Affordable Care Act's 40% excise tax on employer-sponsored health insurance coverage (commonly referred to as the "Cadillac Tax") until 2022.

The new budget legislation will also delay the ACA's medical device tax for two years and the health insurance tax (commonly referred to as the "ACA insurers' fee") for one year.

As background, the Cadillac Tax imposes its 40% excise tax on plans with annual premiums exceeding \$10,800 for individuals or \$29,500 for a family. Prior to this most recent legislation, Congress had delayed the Cadillac Tax from 2018 to 2020 in a budget law from 2015 (see our eAlert on that bill [here](#)).

### What Should Employers Do Next?

As it will now be nearly four years before the Cadillac Tax goes into effect, employers will have more time to prepare.

However, given that the Cadillac Tax is very unpopular, and given that there is currently strong bipartisan support to repeal it, there is a good likelihood that it may never take effect.

We will continue to monitor developments in this area closely.

### The Cadillac Tax...

...imposes a 40% excise tax on plans with annual premiums exceeding \$10,800 for individuals or \$29,500 for a family.

If you have any questions,  
please call your Corporate Synergies  
Account Manager or 866.CSG.1719.

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