

## **Lincoln Amendment #F1 to The America's Healthy Future Act**

**Short Title:** Executive Compensation Limits on Health Insurance Providers

### **Description of Amendment:**

This amendment would create a special rule under Section 162(m) regarding the deductibility of excessive remuneration (including deferred deduction remuneration) by a health insurance provider, if at least 25 percent of the health insurance provider's gross premium income is derived from health insurance plans that meet the minimum creditable coverage requirements in the Chairman's mark ("covered health insurance provider"). Employers with self-insured plans are excluded from the definition of covered health insurance provider.

Specifically, in the case of a covered health insurance provider, no deduction shall be allowed for remuneration which is attributable to services performed by an applicable individual for such covered health insurance provider during a taxable year to the extent that such remuneration exceeds \$500,000. This special rule applies without regard to whether such remuneration is paid during the taxable year or a subsequent taxable year (in applying this rule, rules similar to those in section 162(m)(5)(A)(ii) will be applied). Applicable individuals include all officers, employees, and directors, of a covered health insurance provider. Further, in determining whether the remuneration of an applicable individual for a year exceeds \$500,000, all remuneration from all members of any controlled group of corporations (within the meaning of section 414(b)), other businesses under common control (within the meaning of section 414(c)), or affiliated service group (within the meaning of section 414(m) and(o)) are aggregated.

This amendment would raise revenue.