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Council applauds introduction of ‘Cadillac Tax’ repeal bill

Full repeal of onerous health tax a ‘win-win-win’ scenario for Congress, employers, families

WASHINGTON, DC – “Voters made clear in 2018 that health care needs to be more affordable. In 2019, Congress can respond by repealing the so-called ‘Cadillac Tax’ on employer-provided health coverage,” Council President James A. Klein said today.

“Thanks to representatives Joe Courtney (D-CT), Mike Kelly (R-PA), Suzan DelBene (D-WA), Elise Stefanik (R-NY), Donald Norcross (D-NJ) and Christopher Smith (R-NJ), we have legislation to rally behind: The Middle Class Health Benefits Tax Repeal Act (H.R. 748).” Klein said.

Starting in 2022, the Affordable Care Act (ACA) imposes the 40 percent “Cadillac Tax” on employer-sponsored coverage that exceeds certain thresholds “For policymakers struggling to determine how to open the government tomorrow, 2022 must seem like an eternity. But employers don’t have that luxury. They must make benefit plan decisions well in advance, to avoid imposing sudden changes in plan design or cost-sharing with employees. So repeal of the tax now must be a priority,” Klein said.

“Contrary to its inaccurate name, the ‘Cadillac Tax’ does not just affect so-called ‘overly generous’ health plans. It hits plans that are expensive for reasons beyond the control of employers and working families who are already stretched to the limit. Plans with large numbers of women, older workers, or families suffering chronic conditions or catastrophic health events are most likely to be subject to the tax. The tax is flawed in design and inequitable in application,” said Klein.

For more information on health policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.