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NEWS RELEASE

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Council commends legislation offering critical relief to employer-sponsored health plans

Bill would delay 'Cadillac Tax,' provide relief from ACA employer mandate

WASHINGTON, DC - "Legislation introduced today by Representatives Mike Kelly (R-PA) and Devin Nunes (R-CA) is a helpful step for employer sponsors of health coverage," American Benefits Council President James A. Klein said today. "We thank them as well as Ways and Means Committee Chairman Kevin Brady (R-TX) for voicing support of the employer-sponsored system. We look forward to working with them to enact legislation fully repealing the harmful 40 percent 'Cadillac Tax' and the burdensome employer mandate."

Ways and Means Republican members unveiled a series of measures on December 12, including H.R. 4616, which provides relief from the Affordable Care Act's (ACA) employer "pay or play" requirement for 2015 through 2018 and delays the 40 percent "Cadillac Tax" on employer-sponsored coverage for one additional year.

"As we noted in our [December 8 letter to Congress](#), if tax reform legislation repeals ACA's individual mandate penalties - as it seems poised to do - it is essential that it also provide relief from the employer mandate penalties," Klein said. "Employers are already receiving enforcement notices from the IRS, requiring employers to review complex reporting and respond within extremely short deadlines, making relief an urgent necessity."

Likewise, the additional one-year delay in the enforcement of the "Cadillac Tax" is a helpful step for plan sponsors. "Employers and workers need certainty. The only way to achieve that is permanent repeal of this onerous and inequitable tax on middle-class families," Klein said.

"We know Congress faces many challenges and a long to-do list," Klein said. "But at a time of great instability in the individual insurance market, it is crucial that lawmakers protect the employer-sponsored system covering more than 178 million Americans. We look forward to working with representatives Kelly, Nunes and Brady toward that goal."

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.