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NAHU Continues to Support Legislation to Repeal the Cadillac Tax

Washington, D.C. — The National Association of Health Underwriters (NAHU) applauds Senators Dean Heller (R-NV) and Martin Heinrich (D-NM) and Representatives Mike Kelly (R-PA), and Joe Courtney (D-CT), for reintroducing bipartisan legislation that amends the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage. The “Middle Class Health Benefits Tax Repeal Act” (S. 58 and H.R. 173) repeals the so-called “Cadillac Tax,” which will impose a 40% excise tax on health plans that exceed certain cost thresholds (\$10,200 for employee-only and \$27,500 for family coverage) beginning in 2018.

“When the law was created, it was marketed as a tax on the richest benefit plans, but that is not the case,” explained NAHU CEO Janet Trautwein. “Not only does it not actually identify plans with ‘Cadillac’-type benefits, but it’s structured in such a way that many employers, from the smallest employer to the largest corporation, may have to reconsider their ability to offer coverage to employees at all.

“The reality is that this tax will weigh heavily on a majority of American businesses that can’t afford it and will have to make severe cuts to stay above water. Many of these employers, even after reducing benefits and premiums, will still not be able to lower their annual costs under the Cadillac-tax thresholds. The Cadillac tax hits especially hard those employers with an aging workforce, those with high claims and those in areas with high medical care costs.

“We look forward to working with members of Congress on this important bipartisan effort to repeal this inequitable tax and protect employer-sponsored health coverage.”

The National Association of Health Underwriters represents 100,000 professional health insurance agents and brokers who provide insurance for millions of Americans. NAHU is headquartered in Washington, D.C. For more information, visit www.nahu.org.

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