



HEALTH ISSUES

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U.S. House Passes “Cadillac Tax” Repeal

The U.S House of Representatives has passed a [bill](#) that would repeal an excise tax (known as the Cadillac tax) on high-cost employer health insurance plans. The legislation, which was approved with limited debate and no amendments, passed with a vote of 419-6. The bill now goes to the U.S. Senate for consideration.

The Cadillac tax, originally established under the Affordable Care Act (ACA), places a surcharge of 40 percent on premiums for high-cost, employer-sponsored health insurance plans (including health saving accounts, health reimbursement arrangements, and flexible spending accounts). Under the ACA, the tax was originally scheduled to take effect in 2018. However, its implementation was delayed twice by Congress, and the tax is now scheduled to go into effect into 2022. According to an [estimate](#) by the Congressional Budget Office, the Cadillac tax would be expected to increase net federal revenues by \$193 billion over the next decade.

If you have any questions regarding this *Academy Alert*, please contact David Linn, senior policy analyst (linn@actuary.org, 202-785-6931).

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