

# ACA'S "CADILLAC TAX" IMPLEMENTATION DELAYED UNTIL 2022

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**Practices & Industries**

Employee Benefits

The effective date for the Affordable Care Act's 40% excise tax on high cost employer sponsored health plan coverage, commonly referred to as the "Cadillac Tax," has once again been delayed. Originally scheduled to become effective in 2018, the effective date for this largely unpopular tax was first postponed until 2020, and now it has been delayed again until 2022. The ACA amended the Internal Revenue Code to include section 4980I, providing that health plan coverage exceeding certain limits (\$10,200 for individual coverage and \$27,500 for family coverage, indexed for inflation) would be subject to the non-deductible tax. Although many will be relieved at the news of this further delay, until the tax is fully repealed, employers should account for it when making future plan design decisions.