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Congress Repeals Cadillac Tax and Health Insurance Tax

In a year-end spending agreement, Congress has repealed the Cadillac Tax and the Health Insurance Tax, two taxes impacting employers that were included in the Affordable Care Act. This move equates to significant healthcare savings for employers and consumers alike.

The Cadillac Tax was set to go into effect in 2022 and would've imposed a 40% excise tax on an estimated 47% of employers, which would've been a significant blow to employer-sponsored health insurance. The Health Insurance Tax, which is essentially a sales tax on health insurance, has been intermittently implemented and has led to increased premiums. This tax will remain in place for 2020 but is repealed under this week's legislation effective January 1, 2021.

As always, we will continue to monitor developments related to healthcare legislation and provide updates with any impacts. Contact your [Scott Benefits Consultant](#) with any questions.

Written by Greg Stancil

Greg Stancil serves as a Senior Account Executive at Scott Benefit Services with over 17 years of experience in the healthcare industry, working with PPO networks, carriers and as a consultant. He also serves as Director of Legislative Affairs, in which he oversees Scott's client healthcare reform plan actuarial validation and affordability custom modeling, healthcare client checklist, due diligence process and client HCR monthly webinar series. Additionally, Greg conducts healthcare reform workshops across the country and manages Scott's healthcare reform blog.

Greg attended Luther Rice University and has his Registered Health Underwriter (RHU), Chartered Healthcare Consultant (ChHC) and Certificate of Studies in Healthcare Reform designations from the American College.