



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In a year-end spending agreement, Congress has repealed the Cadillac Tax and the Health Insurance Tax, two taxes impacting employers that were included in the Affordable Care Act.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 This tax will remain in place for 2020 but is repealed under this week's legislation effective January 1, 2021.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 serves as a Senior Account Executive at Scott Benefit Services with over 20 years of experience in the healthcare industry working with PPO networks and carriers and as a consultant. Also, as Director of Legislative Affairs, he oversees Scott's client healthcare reform plan, actuarial validation and affordability custom modeling, legislative affairs workshops across the country, and frequently authors blog posts related to healthcare reform on the Scott Performance Thinking blog.

Greg attended Luther Rice University and holds his Registered Health Underwriter (RHU), Chartered Healthcare Consultant (ChHC), Registered Employee Benefits Consultant (REBC) and Certificate of Studies in Healthcare Reform designations from the American College. Greg serves on the Legislative Council, Employer Working Group, Taskforce to Lower Prescription Drug Costs (chair), and a variety of other local and national committees with the National Association of Health Underwriters.