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OPERS concerned about impact of excise tax on retiree health care plan

An excise tax, or so called “Cadillac tax,” was included as part of the Affordable Care Act (ACA). Scheduled to take effect in 2018, it is a nondeductible excise tax of 40 percent of the value of health coverage that exceeds certain benefit thresholds – initially, \$10,200 for self-only coverage and \$27,500 for family coverage. The thresholds will also be higher for retiree-only plans, or if the majority of covered employees are engaged in specified high-risk professions such as law enforcement and construction, and for group demographics including age and gender.



When the ACA was passed, the excise tax was purported to only target a very small percentage of health plans. In fact, it is expected to affect health plans of all types covering millions of Americans—including retirees, low and moderate income families, public sector employees, small businesses and the self-employed.

To read more about OPERS’ stances, including backing a repeal or exemption from the excise tax, click [here](#).