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PPACA Cadillac Tax Looming Large for Employers

STRONG & BUCKELEW

According to a new study by Truven Health Analytics, one in five employer health plans will incur a "Cadillac" tax by 2020. In their report, Truven predicts 15% of employer plans will be affected by the Patient Protection and Affordable Care Act (PPACA) provision that levies a 40% tax on employers with high-cost health plans when it goes into effect in 2018, climbing to 19% of plans impacted by 2020. The provision taxes any individual plan that costs more than \$10,200 per year and family plans that total more than \$27,500 per year, which can add up to as much as \$480 per employee per year in taxes. Additionally, 81% of early retiree plans will incur the tax in 2018, increasing to 84% by 2020, the study said.

Please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220 with any questions you may have.



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