



TOPIC: **Notice 2015 – 16 Proposed Rules for the Excise Tax on High Cost, Employer Sponsored Health Coverage**

**EXECUTIVE SUMMARY:** Notice 2015-16 (the “Notice”) describes a number of approaches Treasury and IRS are considering with respect to certain issues under Internal Revenue Code (“Code”) § 4980I (the excise tax on high cost employer-sponsored health coverage) and invites comments on these approaches and related issues. Treasury and IRS have indicated that other issues relating to the excise tax will be addressed in a subsequent notice and, after comments have been reviewed, proposed regulations will be issued. NCCMP has prepared both general and specific comments relating to the issues raised in the Notice for your review and comment prior to filing them on behalf of the multiemployer community. NCCMP also looks forward to providing additional comments on these issues as further guidance is developed.

PURPOSE: **REQUEST FOR INPUT ON DRAFT COMMENTS**

CATEGORY: **ACA REGULATION**

ISSUER: **DEPARTMENT OF THE TREASURY / INTERNAL REVENUE SERVICE**

TARGET AUDIENCE: **HEALTH FUND TRUSTEES AND PROFESSIONAL ADVISORS**

INPUT REQUESTED: **IDENTIFICATION OF CONCERNS TO BE INCLUDED IN NCCMP COMMENTS**

OFFICIAL COMMENT PERIOD ENDS: **MAY 15, 2015**

NCCMP DEADLINE: **WEDNESDAY, MAY 13, 2015**

FORWARD COMMENTS TO: **[Multi-Elert@nccmp.org](mailto:Multi-Elert@nccmp.org)**

REFERENCE: **VOL. XV, ISSUE 3**

FOR ADDITIONAL BACKGROUND SEE: **DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE Internal Revenue Code (“Code”) § 4980I (the excise tax on high cost employer-sponsored health coverage)**

## **The Excise tax on high cost employer sponsored health coverage (the so-called Cadillac Tax) is the subject of this issue of *Multi-Elert*.**

The Department of Treasury and the Internal Revenue Service recently issued Notice 2015-16 which set forth a number of issues relating to the imposition of the excise tax for high cost plans. It requests input on a number of items including:

- The special treatment of multiemployer plans allowing use of the “other than self-only coverage” in determining the applicable threshold for the tax.
- The determination of the cost of providing coverage including possible aggregation and/or disaggregation of coverage by benefit plan;
- Treatment of HRA’s in determining the tax;
- Determination of the definition of those job categories that are eligible for treatment as high risk professions and the corresponding dollar limit adjustments;
- The definition of applicable coverage, including limited wraparound benefits, on-site medical clinics and limited scope dental and vision benefits;
- Determining the costs for retiree coverage, including dollar limit adjustments (where applicable);
- Determining the cost for self-funded plans and when plans should be able to use and/or change from among the actuarial basis and past cost methods and the applicable determination period; and
- Age and gender adjustments.

The scope of these comments is quite broad and their applicability to the variety of plans and industries in which our plans must operate argue for the broadest possible application of the methods employed by plans in meeting their obligations under the statute. We appreciate your careful review and comment on these draft comments so that our submission on behalf of the multiemployer community at-large is as comprehensive as possible.

The complete text of the comments can be accessed by clicking on, or copying and pasting the following link into you browser:

[http://nccmp.org/forEmails/MultiElertVol15Issue3\\_DraftCommentsAppendix.pdf](http://nccmp.org/forEmails/MultiElertVol15Issue3_DraftCommentsAppendix.pdf)

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*We strive to ensure that the information contained in this and every issue of Multi-Elert is correct to the extent information is available. Nevertheless, the NCCMP does not offer legal advice. Plan fiduciaries should rely on their own attorneys and other professional advisors for advice on the meaning and application of any Federal laws or regulations to their plans.*

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*If you have questions about the NCCMP, or about this or other issues of Multi-Elert, please contact the NCCMP, by phone at (202) 737-5315 or by e-mail at [nccmp@nccmp.org](mailto:nccmp@nccmp.org).*

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