



Simple. Personal. Dependable.

Special Issue - May 17, 2017

Quote of the month

"Age is irrelevant, you are never too old to set another goal or to dream a new dream."

- C.S. Lewis

Greetings!

Here we go again, the employer exclusion and the Cadillac/Excise Tax are back on the table. Please use the link below and let your elected officials know how you feel.

Regards, Theresa

Operation Shout!



Take Action

On May 4, the House of Representatives passed H.R. 1628, the American Health Care Act (AHCA), a reconciliation bill to repeal and replace portions of the ACA. It will now be considered by the Senate, where it is expected to be significantly altered, including possibly addressing two critical NAHU policy priorities: the employer exclusion of health insurance and the Cadillac/excise Tax. NAHU strongly opposes any efforts that would undermine the employer-sponsored health insurance system by eliminating or placing a cap on the employer-tax exclusion of health insurance and is strongly advocating a full repeal of the Cadillac/excise Tax, which under the AHCA would only be temporarily delayed.

More than 175 million Americans currently receive their coverage through the employer-based system, largely due to the tax exclusion where employers provide contributions for an employee's health insurance that are excluded from that employee's compensation for income and payroll tax purposes. Proposals that would cap the exclusion would

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Did You Know?

We are members of:

- NJ Monmouth Ocean Association of Health Underwriters: MOAHU
- National Association of Health Underwriters: AHU
- Member of the NJBIA
- Member of the BNI Hawks
- Member of NJ Affinity Focus Group
- Member of NY Affinity Focus Group
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devalue the benefit and serve as one of the largest tax increases in history for middle-class Americans, forcing many to drop employer-sponsored insurance, including dependent coverage, and be forced to seek coverage in the volatile individual market, where premiums are ever-increasing. Employers would be incentivized to only offer coverage to their employees that would fall below the value of the cap in order to avoid paying any increased taxes, potentially resulting in a race to the bottom for employers to sponsor insurance that wouldn't meet the cap's thresholds and further shifting costs onto employees.

In addition to opposing proposals to cap the exclusion, we are strongly advocating a complete repeal of the Cadillac/excise Tax. Currently set to take effect in 2020 under a two-year delay, this tax calls for a 40% excise tax on the amount of the aggregate monthly premium of each primary insured individual that exceeds the year's applicable dollar limit, which will be adjusted annually to the Consumer Price Index plus one percent. Given that the pace of medical inflation is well beyond that of general inflation, the tax is destined to outgrow itself in short order and many employers will be impacted by the cost of the tax and the enormous compliance burden that the tax creates. The AHCA, as passed by the House, would only delay the tax until fiscal year 2026.

Over the coming weeks, as the Senate debates the AHCA and the other healthcare-reform proposals, we urge all agents, brokers and your clients to tell your senators not to do anything that would undermine the employer-sponsored health insurance system and to fully repeal the Cadillac/excise tax. You can help us spread the message by taking action below:

1. **Contact your senators.** Send an Operation Shout today asking your senators to oppose any changes the employer tax exclusion and to support a full repeal of the Cadillac/excise Tax. You can also call your senators at the numbers below.
2. **Tell your employer clients to take action.** Your employer clients would be most directly impacted by the elimination or cap of the employer tax exclusion and are seeking a full repeal of the Cadillac/excise Tax. Tell them to take action here.
- 3.

Share your story. As a licensed insurance specialist who works closely with employers to help them offer and utilize employer-sponsored health insurance, stories about how the employer tax exclusion directly impacts your clients will demonstrate the value of the exclusion and the need to preserve it, as well as the need to fully repeal the Cadillac/excise Tax. We will share your stories with appropriate legislators and staff. You can share your story here.

Take Action today and tell your senators to preserve the employer-based system and permanently repeal the Cadillac/excise Tax!

Take Action!

Don't want to send an email? No problem, you can also reach your senators by phone:

Sen. Robert Menendez (D) can be reached at (202) 224-4744.

Sen. Cory Booker (D) can be reached at (202) 224-3224.

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STAY CONNECTED

