

ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits



“CADILLAC TAX” DISPROPORTIONATELY TARGETS WOMEN

Today, [181 million Americans](#) rely on health insurance from an employer. Numerous studies and data analyses reveal that women, who typically have higher health coverage costs, may experience a significant reduction in benefits because of a new 40% tax, which is misleadingly labeled the “Cadillac Tax.”

What is the “Cadillac Tax?”

The “Cadillac Tax” is a 40% tax on employer-provided health coverage that exceeds certain benefit thresholds – projected to be \$11,100 for self-only coverage and \$29,750 for family coverage in 2022. Congress’ original intent was to target only a small number of “overly generous” plans. However, nonpartisan analyses reveal that it will also hit some modest health plans simply because they are offered in high-cost areas or because they cover large numbers of people whose health costs are typically higher than average — such as women and families.

Women’s Health Insurance Coverage Targeted by the “Cadillac Tax”

There are [approximately 98 million women ages 19-64 in the U.S. and nearly 58 million \(59%\)](#) of them depend on employer-provided health coverage either through their job or through their spouse.

Historically, women have had higher than average health care costs and have been more expensive to insure than men. The most recent data from the U.S. Department of Health and Human Services indicates that per capita health spending for females was approximately 23 percent more than for males in 2012. In addition, a 2014 survey by Mercer found that people employed by organizations where the workforce is primarily female pay on average 13% more for single coverage than people employed by organizations where the workforce is predominantly male. Given the higher costs, employers that hire women will be more likely to be hit with the “Cadillac Tax.”

The “Cadillac Tax” is Leading to Higher Costs and Skinnier Benefits

To avoid the “Cadillac Tax,” employers have already been forced to reduce benefits and increase out-of-pocket costs. The shift toward higher out-of-pocket expenses that is being driven by the 40% tax is likely to affect women in particular. According to a [fact sheet](#) by the Kaiser Family Foundation, because women are more likely than men to be covered as dependents, a woman is at greater risk of losing her insurance if her spouse loses a job, or her spouse’s employer drops family coverage or increases premium and out-of-pocket costs to unaffordable levels, or if she becomes widowed or divorced.

Rising health care costs are a concern for American women, even if they have insurance. According to the Kaiser Family Foundation, 36% of women reported they were not confident they would be able to afford usual medical costs, despite having insurance. If the “Cadillac Tax” is implemented, more women could be forced to forgo health services due to increased unaffordable cost-sharing and deductibles.

WOMEN CANNOT AFFORD THE “CADILLAC TAX”

If we wait, it will be too late

Repeal the “Cadillac Tax”