

From: Jess Gaines <jess@dabbslawfirm.com>
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To: Notice Comments
Cc: Liza Dabbs
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Question:

With regard to the Section 4980I 40% excise tax on the excess of the aggregate cost of the applicable coverage of an employee for a month over the applicable dollar limit for the month. If a plan sponsor offers its own Employer Group Waiver Plan (EGWP), in which Medicare pays the sponsor a portion of the premiums directly, what figure is used to calculate the cost of applicable coverage?

Example: The monthly cost of EGWP plan is \$1,000. Medicare pays for \$750 of the premium and the employer/insurer pays for \$250. Is the total \$1,000 considered the cost of health insurance or just the \$250 paid by the employer/insurer?

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