Notice 2015-16

From: John Coleman <jcoleman31984@yahoo.com>
Sent: Friday, February 27, 2015 1:43 PM
To: Notice Comments
Subject: Notice 2015-16

Hello,

I recently read Notice 2015-16 as it relates to Section 4980I — Excise Tax on High Cost Employer-Sponsored Health Coverage. As an individual, I currently contribute to a Health Saving Account (HSA) through a section 125 plan my employer offers me. In reading through the notice, I was extremely disappointed to see that the IRS is considering including employee Section 125 HSA contributions in the 40% excise tax.

For me personally, putting money into my HSA on a pretax basis has allowed me to save efficiently for future health care expenses. In the past I have used the funds to pay for health care expenses and if the IRS has the employee HSA subject to the Cadillac tax in the final rules, it is likely that employers will disallowed employees to contribute on a pretax basis to avoid the 40% excise tax. This would hurt the middle class significantly as many Americans have used this to prefund for Health Care expenses that would have been extremely difficult to pay(if not impossible) without and avoid high interest rates from hospital bills.

It is my understanding that the ACA law itself states employer HSA contributions count towards the excise tax and does not specifically address employee HSA contributions. As a result, I strongly urge the IRS to reconsider including employee HSA contributions in the 40% excise tax for the negative impact it will have on the middle class.

Thank you for your time.