LEGAL PROCESSING DIVISION
PUBLICATION & REGULATIONS BRANCH

Notice 2015-52

SEP 1 4 2015

Section 4980I — Excise Tax on High Cost Employer-Sponsored Health Coverage
Notice 2015-52
I. PURPOSE AND OVERVIEW

II. BACKGROUND

III. PERSONS LIABLE FOR THE § 4980I EXCISE TAX
IV. EMPLOYER AGGREGATION

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G. Inclusion in Applicable Coverage of Self-Insured Coverage Includible in Income under § 105(h)

VI. AGE AND GENDER ADJUSTMENT TO THE DOLLAR LIMIT
Section 4980I(b)(3) provides two baseline per-employee dollar limits for 2018 ($10,200 for self-only coverage and $27,500 for other than self-only coverage) but also provides that various adjustments, discussed in section V.C of Notice 2015-16, will apply to increase these amounts. As stated in Notice 2015-16, Treasury and IRS intend to include rules regarding these adjustments in proposed regulations and have invited comments on the application and adjustment of the dollar limits.
One of these adjustments, set forth at § 4980I(b)(3)(C)(iii), provides for an increase in the dollar limits based on the age and gender characteristics of all employees of an employer. In accordance with the statute, no downward adjustments can occur (that is, the statute does not provide for any decrease in the dollar limits based on age and gender). Specifically, the adjustment increases the dollar limit by an amount equal to the excess of the premium cost of the

A. Determination of Age and Gender Distribution
B. Development of Age and Gender Adjustment Tables
1. Determination of average cost for FEHPB coverage.
2. Determination of average cost for each age and gender group.
3. Determination of group ratios.

4. Determination of group premium cost. The group ratio would be multiplied by the most recent annual premium cost of the FEHBP standard option to determine the annual premium cost for each age and gender group (group premium cost). The dollar amounts representing each group premium cost would then be used to populate the adjustment tables, to be published annually.

Comment: The FEHBP standard option is trending well below the baseline amounts provided for in 4980I(b)(3), so that the national premium cost if based on the FEBHP may well produce a lower number than the specified baseline. In that case, each group premium costs should be further inflated by the consistent rate that would achieve a national premium in step 5 that is at least the specified baseline.

5. Determination of national premium cost.

6. Determination of the employer's premium cost.

7. Determination of adjustment.

VII. NOTICE AND PAYMENT

A. Notice of Calculation of Applicable Share of Excess Benefit

B. Payment of the § 4980I Excise Tax

VIII. REQUEST FOR COMMENTS

Public comments should be submitted no later than October 1, 2015. Comments should include a reference to Notice 2015-52. Send submissions to CC:PA:LPD:PR (Notice 2015-52), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (Notice 2015-52), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC 20044, or sent electronically, via the following e-mail address: Notice.comments@irscounsel.treas.gov. Please include "Notice 2015-52" in the subject line of any electronic communication. All material submitted will be available for public inspection and copying.

IX. RELIANCE

This notice does not provide guidance under § 4980I upon which taxpayers may rely. No inference should be drawn from any provision of this notice concerning any provision of § 4980I other than those addressed in this notice or concerning any other section of the Affordable Care Act.

X. DRAFTING INFORMATION

The principal author of this notice is Karen Levin of the Office of Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this notice contact Ms. Levin at (202) 317-5500 (not a toll-free call).