

From: Robert Buden <rbuden@plainville-ct.gov>
Sent: Thursday, September 10, 2015 10:11 AM
To: Notice Comments
Subject: Notice 2015-52

To Whom It May Concern:

I would like to comment on the Cadillac tax on high-cost employer health insurance coverage. This 40% "tax" is excessive and will put a large burden, not only on our local taxpayers, but our employees as well.

We, as a local municipality, have our citizens vote on the proposed expenditure budget. This is not the case on a Federal or State of CT level. Any increase is deemed unsustainable, regardless of how much the increase is. To increase a line item such as health insurance, that gives no benefit to the voters, is a sure way for the budget to fail at referendum. Failed referendums lead to an inability to properly run and operate our business. We, combined with the Board of Education, have over 500 full-time employees. Our insurance policies are self-insured, claims fluctuate year to year...adding a "40% tax" as a fixed cost is not sustainable. We estimated this cost to be approximately \$150,000.00, small in the bigger picture but a large enough increase in a line item that does not provide services to our citizens. Employee contributions should NOT be part of the excise tax we as an employer will be charged. We are not a large municipality or business in comparison to other Cities and Towns in Connecticut and the country but we are still a \$55M business. This tax will have an impact on our ability to budget.

However, I feel the biggest burden this tax puts on our municipality is on our employees due to the reporting requirements this tax creates. We offer a high deductible health care plan with an Health Savings Account (HSA) component. Tracking employee contributions, employee dependent demographic information over a 52-week calendar year is extremely cumbersome, and quite honestly, not a good use of employee time. To then put that ever-changing information into an overly complex Form 1094 or 1095, by employee, is overkill. This does not take into consideration possible software changes and costs to capture some or all of this data in a way that it can be used to prepare the required reporting forms. There is a cost to change software, train employees...this is all too much on an already smaller than necessary staff.

This health care reform was created through politics without thinking of the overall impact this will put on businesses, not business savvy individuals. The concept is good but the lack of how to pay for this is shocking. Politics should not run businesses and like it or not, government is a business and should be run like one. This does not do that.

Please take my comments to the politicians who created this mess and show them what it truly means.

Thank you for your time.

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