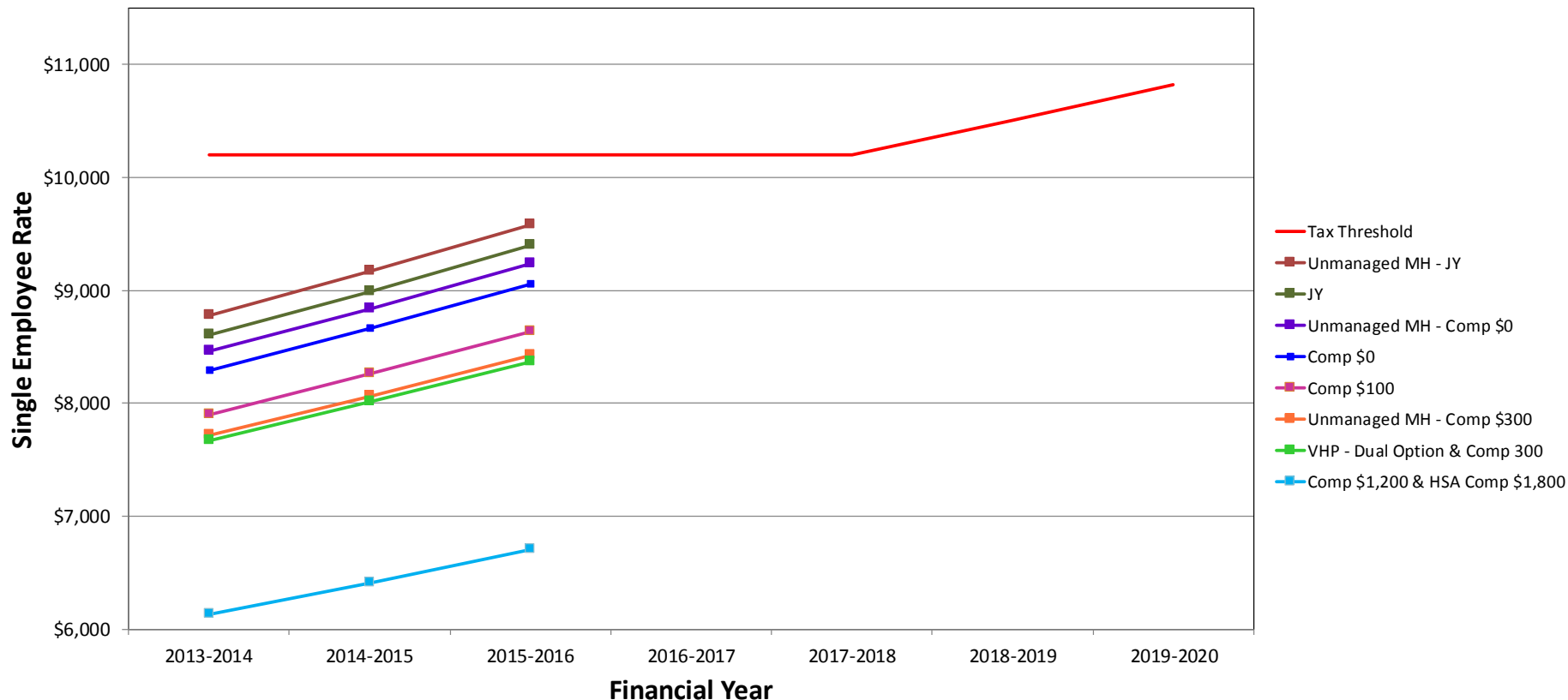


FY16 - Excise Tax Exposure



VEHI Excise Tax Exposure Analysis - FY16



Important

Please see the following page for important notes and considerations on the Excise Tax Exposure analysis.

Important Notes on Exposure Analysis



- **The exposure analysis illustration is for single employee rates.**
 - The original law established both single and family thresholds, with no allowance for two-person tiers. VEHI is awaiting final federal guidance on how the “family” threshold will apply to two-person and family tiers before conducting analysis on these plans.
- **“Plan Value” is used to determine exposure, rather than the VEHI rate alone.**
 - While VEHI Rates have been used to illustrate exposure, the excise tax will apply to the total plan value. Current guidance suggests that plan value will include VEHI rates **AND** all employer contributions toward an HRA, all employee and employer contributions toward an FSA, and all employer contributions and employee pre-tax contributions toward an HRA. Final guidance is expected to clarify inputs for plan value as 2018 approaches.
- **Excise tax threshold may be adjusted as 2018 approaches.**
 - Certain factors may be cause the thresholds to move up or down from their current levels, and plans may exceed or avoid excise thresholds as a result.