SUGGESTED CONTRACT LANGUAGE TO ADDRESS THE POTENTIAL IMPOSITION OF THE “CADILLAC” TAX ON HEALTH AND WELFARE PLANS

“In providing for contributions to the [insert legal title of health and welfare fund] health and welfare fund, it was the expectation of the parties to the collective bargaining agreement that the trustees of the fund would take all necessary steps to ensure that the benefits provided by the fund will not subject contributing employers to the direct, or indirect payment of any high-cost plan excise tax. In the event that such a tax is assessed against either the contributing employers or the plan administrator, there shall be an immediate reduction to the hourly wage rates that are set forth in this collective bargaining agreement, in an amount equivalent to the hourly cost per employee of such tax.”