

## Tax reform passes – incentives for employer sponsored benefits remain in place

After many months of speculation and negotiations, Congress has passed legislation that makes sweeping changes to the way the federal government taxes individuals and corporations. As this bill made its way to passage, Unum worked hard – and successfully – to ensure that the final legislation does nothing to negatively impact the accessibility and affordability of employee benefits.

The bill does, however, make a number of changes that impact our company in general, and employer sponsored benefits in particular:

- Lowers the corporate rate from 35 to 21 percent, bringing it more in line with the corporate tax rate in other major economies around the world.
- Leaves untouched the tax incentives for employer sponsored benefits. This is a very favorable outcome and reflective of the public policy messages that our company and industry have promoted over the past several years concerning the importance of the employer sponsored safety net in increasing financial security for American families.
- Effectively repeals the Affordable Care Act mandate for individuals to purchase health insurance by eliminating penalties for those that choose not to do so. This is expected to minimally impact our industry and our products because it deals mainly with the individual market, leaving untouched the employer mandate to offer health insurance.
- Employers receive an incentive to offer paid leave benefits, but only for employees who do so under the federal Family and Medical Leave Act rather than under state and local leave requirements. It remains to be seen how this incentive will impact the proliferation of state local laws on this issue.

**Tax incentives for employer sponsored benefits remain untouched**

**To discuss your clients' needs and find out more about the services available to you, contact your Unum representative today.**

### Looking ahead

This enacted legislation for now at least settles several matters related to both taxes and the Affordable Care Act. We view the legislative environment following the passage of this bill as low risk for policy developments that could negatively impact employer sponsored benefits.

The role of the employer in providing financial protection is as critical as ever, and Unum will continue to closely monitor these issues and advocate on behalf of the American worker.