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IRS Extends Delay of Health Care Reporting Requirement for Small Business

Last year's health care reform legislation, the Patient Protection and Affordable Care Act (the "Act"), requires certain information reporting by employers relating to employer-sponsored health care insurance coverage for tax years beginning on or after January 1, 2011. The Act generally requires that the aggregate cost of the applicable employer-sponsored health care insurance coverage must be reported to employees on Form W-2.

Previous guidance issued last October made the new reporting requirement optional for all employers for the 2011 Form W-2 (which will typically be provided to employees in January 2012). The IRS has now issued interim guidance further extending the Act's optional health care insurance coverage information reporting requirements for small employers through at least 2012 (or until further guidance is issued by the IRS, if later). It should come as welcomed relief, as small employers won't be required to report the cost of health insurance coverage on any forms required to be provided to employees until January 2014 – at the earliest.

Under the Act, a small employer is considered one who files fewer than 250 Forms W-2. Accompanying guidance is provided for larger employers who are subject to the information reporting requirements for the 2012 Form W-2 (and to those who choose to voluntarily comply with the reporting requirements in either 2011 or 2012). The complete guidance can be found in IRS Notice 2011-28 (which can be accessed at www.irs.gov). Let us know if we can be of further assistance relating to the Act's information reporting requirements.



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