



New Exemption from the Health Care Form W-2 Reporting Requirement

Nicholas M. Oertel & Joel C. Farrar

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The IRS has published guidance that might exempt your business from the new requirement to report the cost of health care on your employees' Forms W-2.

The Patient Protection and Affordable Care Act of 2010 (the "Act") obligates most employers to report the aggregate cost of their employees' health care benefits on the employees' Forms W-2. The Act applies this reporting requirement to virtually all employers beginning with Forms W-2 that are issued in early 2013 for the 2012 tax year.

The IRS has published guidance, however, that exempts an employer from this reporting requirement if it filed less than 250 Forms W-2 during the preceding calendar year. Accordingly, if you file less than 250 Forms W-2 in 2011, you will not be required to report health care information on your 2012 Forms W-2.

If you think that your business will be subject to this new reporting requirement, we suggest that you begin to prepare to meet it now, since a penalty of \$200 could be imposed for each Form W-2 that does not provide the correct information.

If you have any questions, please let us know.

AUTHORS/ CONTRIBUTORS

Joel C. Farrar

Nicholas M. Oertel

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