

IRS Issues Interim Guidance to Employers on W-2 Reporting of Health Coverage Costs

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On March 29th the Internal Revenue Service ("IRS") issued Notice 2011-28 to provide interim guidance to employers with respect to reporting the cost of group health insurance provided to employees. By way of background, the new health care reform law added Section 6015(a)(14) to the Internal Revenue Code, which generally provides that the aggregate cost of employer-sponsored health insurance coverage must be reported on each covered employee's Form W-2. However, this reporting requirement is only for informational purposes and does not cause employer-provided health care coverage to become taxable income to employees. Previously, in Notice 2010-69, the IRS made this new reporting requirement optional for all employers for the 2011 Forms W-2 (which would generally be distributed to employees in January 2012). Notice 2011-28 only applies beginning with the 2012 Forms W-2 (which employers will furnish to employees in January 2013). Additionally, Notice 2011-28 provides that this Form W-2 reporting requirement is optional for smaller businesses, i.e. those filing fewer than 250 Forms W-2, prior to January 2014. Notice 2011-28 can be found [here](#).