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Lane Gorman Trubitt, PLLC
Accountants & Advisors

Your Accounting for a New Economy

IRS Provides Guidance and Relief on Health Care Reporting Requirements

There were many questions regarding the informational reporting requirements of the cost of health insurance coverage on each employee's annual W-2 Form which the Internal Revenue Service (IRS) attempted to clear up at the end of March with the issuance of interim guidelines.

With this new guidance the IRS emphasized that employer-provided health coverage is still excludable from an employee's income and is not taxable. The new information included on the W-2 is only to inform employees of the cost of their healthcare coverage.

The Affordable Care Act requires that all employers report the cost of their employer-sponsored healthcare coverage on each employee's W-2 Form. Last fall Notice 2010-69 made it optional for employers to comply with the 2011 W-2 Forms. The IRS extended the optional period for small business filing less than 250 returns to the 2012 W-2 Forms as well. For companies looking to voluntarily comply, the notice also provides information on how it should be reported, what coverage needs to be included and how to determine the cost of coverage.

If you have any question regarding these new requirements and what to expect in the coming years, do not hesitate to contact your trusted LGT advisor at (214) 871-7500.