



W-2 Reporting of Employer-Sponsored Health Coverage is Optional for Small Businesses in 2012

March 29, 2011

Yesterday (March 29, 2011), the IRS issued interim guidance to small businesses on the new annual W-2 reporting requirements. The Affordable Care Act requires all employers to report the cost of employer-provided health care coverage on the Form W-2.

Recent guidance made this requirement optional for all employers for 2011. Yesterday's guidance provides further relief for smaller employers (those with less than 250 W-2s to file) by making this requirement optional for them in 2012.

The IRS emphasized that this new reporting to employees is for information purposes only, and does not cause employer-provided health coverage to become taxable.