



REYNOLDS & REYNOLDS INC.

Preparing for 2012

Employer-Provided Health Coverage W-2 Reporting Requirements Reminder

The Affordable Care Act requires employers to report the cost of employer-provided health care coverage on the Form W-2. This provision is currently optional for all employers in 2011. However, employers that file 250+ Forms W-2 will need to comply in calendar year 2012 (i.e., Forms W-2 that generally would be furnished to employees in January 2013).

The amount reported should include both the portion paid by the employer and the portion paid by the employee. Additionally, the reportable cost is calculated using the insured premium charged or the COBRA premium. It should be noted that this will not cause excludable employer-provided health coverage to become taxable. The purpose is to provide employees information on the cost of their health care coverage.

For additional information, our original article can be found at:

http://www.reynolds-reynolds.com/Health_Care_Reform.html

Guidance and a Q&A addressing the requirements are available at www.irs.gov.

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