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Clarifying the W-2 Reporting Requirements

REPORTING COST OF HEALTH CARE COVERAGE ON FORM W-2 DELAYED

It has come to the attention of J.S. Clark that some unscrupulous payroll vendors are requesting an Agent of Record (AOR) from employers claiming this is necessary in order to satisfy new W-2 reporting requirements created by Health Care Reform. The communication implies that this is required to meet the requirement for employers to report the cost of health coverage beginning in 2011 or 2012.

THIS IS NOT TRUE.

➤ [IRS Notice 2011-28](#) (issued 3/29/2011) states the following:

*“Employers **are not required** to report the cost of health coverage on any forms required to be furnished to employees prior to January 2013.”*

The next piece of information is relevant to most of you. If you are an employer who **files FEWER than 250 Form W-2s** annually, then you will not be required to report the cost of health coverage on any forms prior to January 2014.

➤ [IRS Notice 2011-28](#) provides “transition relief” to small employers. The Notice states:

*“Those employers to which the additional transition relief applies (which includes smaller employers that are required to file fewer than 250 2011 Forms W-2) **will not be required** to report the cost of health coverage on any forms required to be furnished to employees prior to January 2014. This transition relief will continue until the issuance of further guidance.”*

Additionally, the insurance carriers are aware of these future reporting requirements. They already have an accounting process in place to record paid medical premiums to-date. Right now, they are working on an automated statement which will report those employer-paid medical premiums during a calendar year. The information provided by the insurance carrier represents a greater source of truth than the estimates by any payroll vendor.

As your trusted Agent, we will continue to monitor closely any developments in terms of Health Care Reform reporting requirements. And when the time does come for Form W-2 reporting requirements, you can trust that J.S. Clark will ensure you meet all reporting requirements.

QUESTIONS

If you have questions concerning Health Care Reform reporting requirements, please contact your J.S. Clark Agency Account Manager.

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