



# Client Alert

July 5, 2012

## Form W-2 Reporting for Employer-Sponsored Health Coverage: Is Your Organization Prepared?

The Patient Protection and Affordable Care Act (the "Act") requires employers to report the cost of coverage under an employer-sponsored group health or medical plan. This requirement was optional for all employers in 2011. For 2012 (meaning Forms W-2 for calendar year 2012 generally furnished to employees in 2013), the reporting requirement is now mandatory for sponsors of group health or medical plans, except for certain qualified small employers.

The Internal Revenue Service recently updated its online "Frequently Asked Questions" to clarify certain issues. These include: the type of employers subject to the reporting requirements; whether reporting is mandatory or optional for a particular type of coverage; whether the employee portion of applicable premiums needs to be reported; and where on Form W-2 the premium costs should be reported. For example, dental and vision plans not integrated into another group medical or health plan are among the types of coverage within the optional reporting category.

### **IRS Circular 230 Notice**

Internal Revenue Service regulations state that only a formal opinion that meets specific requirements can be used to avoid tax penalties. Any tax advice in this communication is not intended or written to be used, and cannot be used by a taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer, because it does not meet the requirements of a formal opinion.

**Please contact an attorney in the Armstrong Teasdale Tax Department if you would like to discuss your employer-sponsored group health or medical plan reporting requirements under the Act.**

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