

ALERT

IRS ALLOWS EXTRA TIME FOR NEW FORM W-2 REPORTING REQUIREMENT

October 15, 2010

When Congress enacted "Health Care Reform" earlier this year, it added a new reporting requirement: *When an employer issues a Form W-2 to an employee, it will be required to report the cost of that employee's coverage under any group health plans that are sponsored by that employer.*

This reporting requirement was scheduled to take effect for Form W-2's that are issued for wages paid in 2011. Although a Form W-2 for 2011 compensation would not normally need to be issued until January 2012, this requirement was already beginning to generate numerous questions from employers as they tried to figure out what information they would need to track after the new year began in order to be able to comply with this new reporting requirement.

The fact that the IRS has not yet issued any form of guidance explaining this requirement in any level of detail made this even more difficult for employers.

The IRS has, however, given employers some good news. In an IRS Notice that was issued October 12, *they have officially suspended the Form W-2 reporting requirement for the cost of coverage under an employer-sponsored group health plan for Form W-2's that are issued for 2011.*

This means that employers will not need to comply with the new Form W-2 reporting requirement until they start issuing Form W-2's for wages paid in 2012.

Additionally, the IRS announced that it expects to issue further guidance on this reporting requirement before the end of 2010. This will give employers at least a year from the time detailed guidance is provided until they actually have to start tracking the information needed to comply with the new Form W-2 reporting requirement.

If you have any questions regarding the W-2 reporting requirement, please feel free to call Eric Namee, Steven Smith, Ruhe Wadud Rutter, or Brad Schlozman at (316) 267-2000.

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