



Barn Report

A Dairy Keeper Resource

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Employer-Provided Health Coverage — Not Taxable; Reporting is Voluntary for All Employers for 2011 and Small Employers for 2012

Starting in tax year 2011, the Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. To give employers more time to update their payroll systems, Notice 2010-69, issued last fall, made this requirement optional for all employers in 2011. IRS Notice 2011-28 provided further relief for smaller employers filing fewer than 250 W-2 forms by making the reporting requirement optional for them at least for 2012 and continuing this optional treatment for smaller employers until further guidance is issued. Notice 2011-28 also includes information on how to report, what coverage to include and how to determine the cost of the coverage.

The 2011 Form W-2 is available for viewing on IRS.gov. This is the W-2 that most employees will receive in early 2012. The form includes the codes that employers may use to report the cost of coverage under an employer-sponsored group health plan.

This reporting is for informational purposes only, to show employees the value of their health care benefits so they can be more informed consumers. The amount reported does not affect tax liability, as the value of the employer contribution to health coverage continues to be excludible from an employee's income, and it is not taxable.

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