

W-2 Reporting Requirement Delayed for Employers with Less than 250 Employees



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On Tuesday March 29th the IRS released Notice 2011-28 which provides guidance on the reporting of the cost of employer sponsored health insurance on employee's W-2s. The notice contains 31 questions and answers designed to help employers understand the reporting requirements. The announcement, and a copy of Notice 2011-28, can be found at <http://www.irs.gov/newsroom/article/0,,id=237870,00.html>

In a significant development for many employers, the IRS has further delayed the W-2 reporting requirement for employers with less than 250 employees. The delay applies to any employer required to file fewer than 250 W-2s for the 2011 tax year. These employers will not be required to report health insurance costs on employees W-2s until the 2013 tax year (i.e. W-2s that are provided to employees early in 2014).

Employers who file 250 or more W-2s for tax year 2011 are still required to report health costs on W-2s beginning with the 2012 tax year.