



TUESDAY, OCTOBER 12, 2010

HEALTH CARE REFORM UPDATE

IRS ISSUES A DELAY FOR W-2 HEALTH COST REPORTING

Today the Internal Revenue Service (IRS) announced that it will defer the new W-2 health cost reporting requirement for employers. Under the Patient Protection and Affordable Care Act (PPACA), employers are required to begin reporting the cost of coverage under an employer-sponsored group health plan, for the 2011 tax year. In an effort to provide employers with the time needed to amend their current payroll systems, process and procedures, the IRS has now issued Notice 2010-69, making it optional for employers to report this for the 2011 tax year and deferring the requirement to 2012.

Additionally, the IRS issued a draft Form W-2 which includes the codes employers may use for reporting the cost of coverage of employer-sponsored group health plans. Additional guidance on the W-2 reporting requirement will be issued later this year.

It is worth noting that although this announcement makes reporting the cost of coverage optional for 2011, the IRS continues to stress that amounts reportable are **not** taxable, rather cost of coverage details are meant to be information only, to make it easier for employees to understand their overall health care costs.

To view the IRS Announcement in its entirety please click here:
<http://www.irs.gov/newsroom/article/0,,id=228881,00.html>

To view IRS Notice 2010-69 please click here: <http://www.irs.gov/pub/irs-drop/n-2010-69.pdf>

As your partner, we are committed to bringing you the latest news regarding the PPACA, to help you to understand and comply with all guidelines pertaining to health care reform legislation. If you have any questions about the reporting requirements please contact your Trion Account Manager.

We invite you to review past issues of our *Health Care Reform Update* at <http://www.trion.com/healthreform>. We hope you find our updates helpful, and encourage you to continue to share your questions and comments with us by emailing health.reform@trion.com or calling 610.945.1198.
Thank you.

###