IRS

Affordable Care Act Topics

- Individuals and Families
- Employers
- Other Organizations
- List of Tax Provisions
- Legal Guidance and Other Resources
- **Affordable Care Act Tax Provisions Home**

- Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio

Affordable Care Act (ACA) Tax Provisions

News

Health Insurance Marketplace Opens – find out more

You may be eligible for the Premium Tax Credit

Premium Tax Credit electronic flyer (IRS Publication 5120) released

More ...

Individuals & Families

The Affordable Care Act (ACA), or health care law, includes new health insurance coverage and financial assistance options, including the Premium Tax Credit, for individuals and families purchasing insurance through the Marketplace. The IRS administers the tax provisions included in the law. Visit HealthCare.gov for more information on coverage options and assistance.

> **More ...**

Employers

The Affordable Care Act (ACA), or health care law, contains many tax and other provisions for employers. The IRS administers the tax provisions included in the law. Visit HealthCare.gov and SBA.gov/healthcare for more information on other provisions.

> **More...**

Other Organizations

- Insurers
- Certain Business Types
- Tax-Exempt & Government Organizations

> **More ...**

CURRENT AS OF 12/5/2013

IRS

Affordable Care Act Topics

- Individuals and Families
- Employers
- Other Organizations
- List of Tax Provisions
- Legal Guidance and Other Resources
- **Affordable Care Act Tax Provisions Home**

- Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio

Affordable Care Act Tax Provisions for Employers

The Affordable Care Act, or health care law, contains new benefits and responsibilities for employers. The size and structure of your workforce – small, large, or part of a group – helps determine what applies to you. However, if you have no employees, the following information does not apply to you.

Small Employers

Small employers, generally those with fewer than 50 full-time employees, may be eligible for credits and other benefits.

> **More…**

Large Employers

A large employer has 50 or more full-time employees or equivalents.

> **More…**

HealthCare.gov
Get more information about the Affordable Care Act from the Department of Health & Human Services.
Go to HealthCare.gov

How do I know if I am a small or large employer? Why does it matter?

An employer's size is determined by the number of its employees. Employer benefits, opportunities and requirements are dependent upon the employer's size and the applicable rules. Generally, an employer with 50 or more full-time employees or equivalents will be considered a large employer.

Employers with:

- Fewer than 25 full-time equivalent employees may be eligible for a Small Business Health Care Tax Credit to help cover the cost of providing coverage.
- Generally 50 or fewer employees may be eligible to buy coverage through the Small Business Health Options Program (SHOP). Learn more at HealthCare.gov
- 50 or more full-time equivalent employees will need to file an annual return reporting whether and what health insurance they offered employees. In addition, they are subject to the Employer Shared Responsibility provisions.

Certain affiliated employers with common ownership or part of a controlled group must aggregate their employees to determine their workforce size. Proposed regulations (pdf) and FAQs provide more information about determining the size of your workforce.

Page Last Reviewed or Updated: 20-Sep-2013

CURRENT AS OF 12/5/2013

IRS

Affordable Care Act Topics

- Individuals and Families
- Employers
- Other Organizations
- List of Tax Provisions
- Legal Guidance and Other Resources
- **Affordable Care Act Tax Provisions Home**

- Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio

Affordable Care Act Tax Provisions for Small Employers

Some of the provisions of the Affordable Care Act, or health care law, apply only to small employers, generally those with fewer than 50 full-time employees or equivalents.

If you have fewer than 50 employees, but are a member of an ownership group with 50 or more full-time equivalent employees, you are subject to the rules for large employers.

Coverage

- Beginning Oct. 1, 2013, if you have 50 or fewer employees, you can purchase affordable insurance through the Small Business Health Options Program (SHOP).
- To learn more about how the Affordable Care Act may affect your business, visit HealthCare.gov.

Reporting

- Effective for calendar year 2015, if you provide self-insured health coverage to your employees, you must file an annual return reporting certain information for each employee you cover. This rule is optional for 2014. Learn more.
- Beginning Jan. 1, 2013, you must withhold and report an additional 0.9 percent on employee wages or compensation that exceed $200,000. Learn more.
- You may be required to report the value of the health insurance coverage you provided to each employee on his or her Form W-2.

Payments & Credits

- You may be eligible for the Small Business Health Care Tax Credit if you cover at least 50 percent of your full-time employee's premium costs and you have fewer than 25 full-time equivalent employees with average annual wages of less than $50,000.
- If you self-insure, you may be required to pay a fee to help fund the Patient-Centered Outcomes Research Trust Fund.

Page Last Reviewed or Updated: 05-Dec-2013

HealthCare.gov

Get more information about the Affordable Care Act from the Department of Health & Human Services.

Go to HealthCare.gov

CURRENT AS OF 12/5/2013

IRS

Affordable Care Act Topics

- Individuals and Families
- Employers
- Other Organizations
- List of Tax Provisions
- Legal Guidance and Other Resources
- **Affordable Care Act Tax Provisions Home**

- Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio

Affordable Care Act Tax Provisions for Large Employers

Some of the provisions of the Affordable Care Act, or health care law, apply only to large employers, generally those with 50 or more full-time equivalent employees. For example, in 2015 large employers will have annual reporting responsibilities concerning whether and what health insurance they offered to their full-time employees.

Coverage

- Beginning Oct. 1, 2013, if you have 50 or fewer employees, you can purchase affordable insurance through the Small Business Health Options Program (SHOP).
- To learn more about market reforms and various plan requirements, visit HealthCare.gov.

Reporting

- Effective for calendar year 2015, you must file an annual return reporting whether and what health insurance you offered your employees. This rule is optional for 2014. Learn more.
- Effective for calendar year 2015, if you provide self-insured health coverage to your employees, you must file an annual return reporting certain information for each employee you cover.This rule is optional for 2014. Learn more.
- Beginning Jan. 1, 2013, you must withhold and report an additional 0.9 percent on employee wages or compensation that exceed $200,000. Learn more.
- You may be required to report the value of the health insurance coverage you provided to each employee on his or her Form W-2.

Payment & Provisions

- Effective for calendar year 2015, you may have to make a payment if you do not offer adequate, affordable coverage to your full-time employees, and one or more of those employees get a Premium Tax Credit. Learn more.
- If you self-insure, you may be required to pay a fee to help fund the Patient-Centered Outcomes Research Trust Fund.

Page Last Reviewed or Updated: 05-Dec-2013

CURRENT AS OF 12/5/2013

News Essentials

- What's Hot
- News Releases
- IRS - The Basics
- IRS Guidance
- Media Contacts
- Facts & Figures
- Problem Alerts
- Around the Nation
- e-News Subscriptions

The Newsroom Topics

- Multimedia Center
- Noticias en Español
- Radio PSAs
- Tax Scams
- The Tax Gap
- 2013 Fact Sheets
- 2013 Tax Tips
- Armed Forces
- **Latest News Home**

Affordable Care Act Topics

- Individuals and Families
- Employers
- Other Organizations
- List of Tax Provisions
- Legal Guidance and Other Resources
- **Affordable Care Act Tax Provisions Home**

- Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio

Affordable Care Act Tax Provisions

Check out the new Affordable Care Act Tax Provisions Home Page

Información en Español: Disposiciones de La Ley del Cuidado de Salud de Bajo Precio

Update

The open enrollment period to purchase health insurance coverage for 2014 through the Health Insurance Marketplace runs from Oct. 1, 2013, through March 31, 2014. If you are seeking information about how to obtain health care coverage or financial assistance to purchase health care coverage for you and your family, visit the Health and Human Services website, HealthCare.gov.

Effect of Sequestration on Small Business Health Care Tax Credit

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments issued to certain small tax-exempt employers claiming the refundable portion of the Small Business Health Care Tax Credit under Internal Revenue Code Section 45R, are subject to sequestration. This means that refund payments processed on or after Oct.1, 2013, and on or before Sept. 30, 2014, to a Section 45R applicant will be reduced by the fiscal year 2014 sequestration rate of 7.2 percent, irrespective of when the original or amended tax return was received by the IRS. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

Affected taxpayers will be notified through correspondence that a portion of their requested payment was subject to the sequester reduction and the amount.

IRC §7216, Disclosure or Use of Information by Tax Return Preparers

Final Treasury Regulations on rules and consent requirements relating to the disclosure or use of tax return information by tax return preparers became effective Dec. 28, 2012. For additional information about how these apply to services and education related to the Affordable Care Act, please see our questions and answers.

Medical Loss Ratio (MLR)

Beginning in 2011, insurance companies are required to spend a specified percentage of premium dollars on medical care and quality improvement activities, meeting a medical loss ratio (MLR) standard. Insurance companies that are not meeting the MLR standard will be required to provide rebates to their consumers beginning in 2012. For information on the federal tax consequences to an insurance company that pays a MLR rebate and an individual policyholder who receives a MLR rebate, as well as information on the federal tax consequences to employees if a MLR rebate stems from a group health insurance policy, see our frequently asked questions.

Reporting Employer Provided Health Coverage in Form W-2

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan on an employee's Form W-2, Wage and Tax Statement, in Box 12, using Code DD. Many employers are eligible for transition relief for tax-year 2012 and beyond, until the IRS issues final guidance for this reporting requirement.

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

More information about the reporting can be found on Form W-2 Reporting of Employer-Sponsored Health Coverage.

Net Investment Income Tax

A new Net Investment Income Tax went into effect on Jan. 1, 2013. The 3.8 percent Net Investment Income Tax applies to individuals, estates and trusts that have certain investment income above certain threshold amounts. On Nov. 26, 2013, the IRS and the Treasury Department issued final regulations which provide guidance on the general application of the Net Investment Income Tax and the computation of Net Investment Income. In addition, on Nov. 26, 2013, the IRS and the Treasury Department issued proposed regulations on the computation of net investment income as it relates to certain specific types of property. Comments may be submitted electronically, by mail or hand delivered to the IRS. For additional information on the Net Investment Income Tax, see our questions and answers.

Additional Medicare Tax

A new Additional Medicare Tax went into effect on Jan. 1, 2013. The 0.9 percent Additional Medicare Tax applies to an individual's wages, Railroad Retirement Tax Act compensation and self-employment income that exceeds a threshold amount based on the individual's filing status. The threshold amounts are $250,000 for married taxpayers who file jointly, $125,000 for married taxpayers who file separately and $200,000 for all other taxpayers. An employer is responsible for withholding the Additional Medicare Tax from wages or compensation it pays to an employee in excess of $200,000 in a calendar year. On Nov. 26, 2013, the IRS and the Department of the Treasury issued final regulations which provide guidance for employers and individuals relating to the implementation of Additional Medicare Tax, including the requirement to withhold Additional Medicare Tax on certain wages and compensation, the requirement to report Additional Medicare Tax, and the employer process for adjusting underpayments and overpayments of Additional Medicare Tax. In addition, the regulations provide guidance on the employer and individual processes for filing a claim for refund for an overpayment of Additional Medicare Tax. For additional information on the Additional Medicare Tax, see our questions and answers.

CURRENT AS OF 12/5/2013

Minimum Value

On April 26, 2012, the Department of the Treasury and IRS issued Notice 2012-31, which provides information and requested public comment on an approach to determining whether an eligible employer-sponsored health plan provides minimum value. Additionally, on April 30, 2013, the Treasury Department and the IRS issued proposed regulations relating to minimum value of eligible employer-sponsored plans and other rules regarding the premium tax credit. The proposed regulations solicit public comments. Starting in 2014, whether such a plan provides minimum value will be relevant to eligibility for the premium tax credit and application of the employer shared responsibility payment.

Information Reporting on Health Coverage by Employers

On Sept. 5, 2013, the Department of the Treasury and IRS issued proposed regulations (REG-136630-12) on employer health insurance coverage information reporting. The information reporting relates to health insurance coverage that is offered by certain employers, referred to as applicable large employers, and reporting is to be provided by each applicable large employer member. Comments on the proposed regulations may be submitted electronically, by mail or by hand delivery. Additionally, on July 9, 2013, the Department of the Treasury and the IRS announced transition relief for 2014 from this annual information reporting. Notwithstanding this transition relief, once the information reporting rules have been issued, employers and other reporting entities are encouraged to voluntarily comply with the information reporting provisions for 2014. For more information, please see Notice 2013-45.

Information Reporting on Health Coverage by Insurers

On Sept. 5, 2013, the Department of the Treasury and IRS issued proposed regulations (REG-132455-11) on minimum essential coverage information reporting. The information reporting is to be provided by health insurance issuers, certain sponsors of self-insured plans, government agencies and certain other parties that provide health coverage. Comments on the proposed regulations may be submitted electronically, by mail or by hand delivery. Additionally, on July 9, 2013, the Department of the Treasury and the IRS announced transition relief for 2014 from this annual information reporting. Notwithstanding this transition relief, once the information reporting rules have been issued, insurers and other reporting entities are encouraged to voluntarily comply with the information reporting provisions for 2014. For more information, please see Notice 2013-45.

Disclosure of Return Information

On Aug. 13, 2013, the Department of the Treasury and the IRS issued final regulations with rules for disclosure of return information to the Department of Health and Human Services that will be used to carry out eligibility determinations for advance payments of the premium tax credit, Medicaid and other health insurance affordability programs. For additional information on the final regulations, see our questions and answers.

Small Business Health Care Tax Credit

This credit helps small businesses and small tax-exempt organizations afford the cost of covering their employees and is specifically targeted for those with low- and moderate-income workers. The credit is designed to encourage small employers to offer health insurance coverage for the first time or maintain coverage they already have. In general, the credit is available to small employers that pay at least half the cost of single coverage for their employees. On Aug. 23, 2013, the Department of Treasury and the IRS issued proposed regulations which include information on the transition of eligibility for the credit and requiring the purchase of insurance coverage through an Exchange. Comments may be submitted electronically, by mail or hand delivered to the IRS. Learn more by browsing our page on the Small Business Health Care Tax Credit for Small Employers.

Application of the Affordable Care Act to Health Reimbursement Arrangements, Health Flexible Spending Arrangements and Certain Other Employer Healthcare Arrangements

The Affordable Care Act's market reforms apply to group health plans. On Sept. 13, 2013, the IRS issued Notice 2013-54, which explains how the Affordable Care Act's market reforms apply to certain types of group health plans, including health reimbursement arrangements (HRAs), health flexible spending arrangements (health FSAs) and certain other employer healthcare arrangements, including arrangements under which an employer reimburses an employee for some or all of the premium expenses incurred for an individual health insurance policy. The notice also provides guidance on employee assistance programs or EAPs and on section 125(f)(3), which prohibits the use of pre-tax employee contributions to cafeteria plans to purchase coverage on an Affordable Insurance Exchange (also called a Marketplace). The notice applies for plan years beginning on and after Jan. 1, 2014, but taxpayers may apply the guidance provided in the notice for all prior periods.

DOL has issued a notice in substantially identical form to Notice 2013-54, DOL Technical Release 2013-03, and HHS will shortly issue guidance to reflect that it concurs with Notice 2013-54. On Jan. 24, 2013, DOL and HHS issued FAQs that addressed the application of the Affordable Care Act to HRAs.

Health Flexible Spending Arrangements

Effective Jan. 1, 2011, the cost of an over-the-counter medicine or drug cannot be reimbursed from Flexible Spending Arrangements (FSAs) or health reimbursement arrangements unless a prescription is obtained. The change does not affect insulin, even if purchased without a prescription, or other health care expenses such as medical devices, eye glasses, contact lenses, co-pays and deductibles. This standard applies only to purchases made on or after Jan. 1, 2011. A similar rule went into effect on Jan. 1, 2011, for Health Savings Accounts (HSAs), and Archer Medical Savings Accounts (Archer MSAs). Employers and employees should take these changes into account as they make health benefit decisions. For more information, see news release IR-2010-95, Notice 2010-59, Revenue Ruling 2010-23 and our questions and answers. FSA and HRA participants can continue using debit cards to buy prescribed over-the-counter medicines, if requirements are met. For more information, see news release IR-2010-128 and Notice 2011-5. Additionally, Notice 2013-57 provides information about the definition of preventive care for purposes of high deductible health plans associated with HSAs.

In addition, starting in 2013, there are new rules about the amount that can be contributed to an FSA. Notice 2012-40 provides information about these rules and flexibility for employers applying the new rules. On Oct. 31, 2013, the Department of the Treasury and IRS issued Notice 2013-71,

CURRENT AS OF 12/5/2013

flexible spending arrangements. Learn more by reading the news release issued by the U.S. Department of the Treasury.

Further, Notice 2013-54 provides guidance regarding the application of the Affordable Care Act's market reforms to certain health FSAs.

Medical Device Excise Tax

On Dec. 5, 2012, the IRS and the Department of the Treasury issued final regulations on the new 2.3-percent medical device excise tax (IRC §4191) that manufacturers and importers will pay on their sales of certain medical devices starting in 2013. On Dec. 5, 2012, the IRS and the Department of the Treasury also issued Notice 2012-77, which provides interim guidance on certain issues related to the medical device excise tax. Additional information is available on the Medical Device Excise Tax page and Medical Device Excise Tax FAQs on IRS.gov.

Changes to Itemized Deduction for Medical Expenses

Beginning Jan. 1, 2013, you can claim deductions for medical expenses not covered by your health insurance when they reach 10 percent of your adjusted gross income. This change affects your 2013 tax return that you will file in 2014. There is a temporary exemption from Jan. 1, 2013, to Dec. 31, 2016, for individuals age 65 and older and their spouses. For additional information, see our questions and answers.

Health Insurance Premium Tax Credit

Starting in 2014, individuals and families can take a new premium tax credit to help them afford health insurance coverage purchased through an Affordable Insurance Exchange. The premium tax credit is refundable so taxpayers who have little or no income tax liability can still benefit. The credit also can be paid in advance to a taxpayer's insurance company to help cover the cost of premiums. On May 18, 2012, the Department of the Treasury and the IRS issued final regulations which provide guidance for individuals who enroll in qualified health plans through Exchanges and claim the premium tax credit, and for Exchanges that make qualified health plans available to individuals and employers. On Jan. 30, 2013, the Department of the Treasury and IRS released final regulations on the premium tax credit affordability test for related individuals. On April 30, 2013, the Department of the Treasury and the IRS issued proposed regulations relating to minimum value of eligible employer-sponsored plans and other rules regarding the premium tax credit. The proposed regulations solicit public comments. Additionally, Notice 2013-41, issued on June 26, 2013, provides information for determining whether or when individuals are considered eligible for coverage under certain Medicaid, Medicare, CHIP, TRICARE, student health or state high risk pool programs. This determination will affect whether the individual is eligible for the premium tax credit. Comments may be submitted electronically, mailed or hand delivered to the IRS. On June 28, 2013, the Department of the Treasury and IRS issued proposed regulations on the new reporting requirements for Exchanges. Comments may be submitted electronically, mailed or hand delivered to the IRS. For more information on the credit, see our questions and answers.

Individual Shared Responsibility Provision

Starting in 2014, the Individual Shared Responsibility provision calls for each individual to either have minimum essential coverage for each month, qualify for an exemption, or make a payment when filing his or her federal income tax return. On Aug. 27, 2013, the Department of the Treasury and the IRS issued final regulations on the Individual Shared Responsibility provision. Additionally, Notice 2013-42, issued on June 26, 2013, provides transition relief from the shared responsibility provision for employees and their families who are eligible to enroll in certain employer-sponsored health plans with a plan year other than a calendar year if the plan year begins in 2013 and ends in 2014. For additional information on the Individual Shared Responsibility provision, the final regulations and Notice 2013-42, see our questions and answers. Additional information on exemptions and minimum essential coverage is available in final regulations issued by the U.S. Department of Health & Human Services. The open enrollment period to purchase health insurance coverage for 2014 through the Health Insurance Marketplace runs from Oct. 1, 2013, through March 31, 2014.

Health Coverage for Older Children

Health coverage for an employee's children under 27 years of age is now generally tax-free to the employee. This expanded health care tax benefit applies to various work place and retiree health plans. These changes immediately allow employers with cafeteria plans — plans that allow employees to choose from a menu of tax-free benefit options and cash or taxable benefits — to permit employees to begin making pre-tax contributions to pay for this expanded benefit. This also applies to self-employed individuals who qualify for the self-employed health insurance deduction on their federal income tax return. Learn more by reading our news release or this notice.

Excise Tax on Indoor Tanning Services

A 10-percent excise tax on indoor UV tanning services went into effect on July 1, 2010. Payments are made along with Form 720, Quarterly Federal Excise Tax Return. The tax doesn't apply to phototherapy services performed by a licensed medical professional on his or her premises. There's also an exception for certain physical fitness facilities that offer tanning as an incidental service to members without a separately identifiable fee. For more information on the tax and how it is administered, see the Indoor Tanning Services Tax Center.

Adoption Credit

For tax years 2010 and 2011, the Affordable Care Act raised the maximum adoption credit per child and the credit was refundable. For more information related to the adoption credit for tax years 2010 and 2011, see our news release, tax tip, questions and answers, flyer, Notice 2010-66, Revenue Procedure 2010-31, Revenue Procedure 2010-35 and Revenue Procedure 2011-52.

For tax year 2012, the credit has reverted to being nonrefundable, with a maximum amount (dollar limitation) of $12,650 per child. If you adopted a child in 2012, see Tax Topic 607 for more information.

Transitional Reinsurance Program

The ACA requires all health insurance issuers and self-insured group health plans to make contributions under the transitional Reinsurance Program to support payments to individual market issuers that cover high-cost individuals. For information on the tax treatment of contributions made under the Reinsurance Program, see our frequently asked questions.

CURRENT AS OF 12/5/2013

Medicare Shared Savings Program

The Affordable Care Act establishes a Medicare shared savings program (MSSP) which encourages Accountable Care Organizations (ACOs) to facilitate cooperation among providers to improve the quality of care provided to Medicare beneficiaries and reduce unnecessary costs. More information can be found in Notice 2011-20, which solicited written comments regarding what additional guidance, if any, is needed for tax-exempt organizations participating in the MSSP through an ACO. This guidance also addresses the participation of tax-exempt organizations in non-MSSP activities through ACOs. Additional information on the MSSP is available on the Department of Health and Human Services website.

The Centers for Medicare and Medicaid Services has released final regulations describing the rules for the Shared Savings Program and accountable care organizations. Fact Sheet 2011-11 confirms that Notice 2011-20 continues to reflect IRS expectations regarding the Shared Savings Program and ACOs, and provides additional information for charitable organizations that may wish to participate.

Qualified Therapeutic Discovery Project Program

This program was designed to provide tax credits and grants to small firms that show significant potential to produce new and cost-saving therapies, support U.S. jobs and increase U.S. competitiveness. Applicants were required to have their research projects certified as eligible for the credit or grant. IRS guidance describes the application process.

Submission of certification applications began June 21, 2010, and applications had to be postmarked no later than July 21, 2010, to be considered for the program. Applications that were postmarked by July 21, 2010, were reviewed by both the Department of Health and Human Services (HHS) and the IRS. All applicants were notified by letter dated October 29, 2010, advising whether or not the application for certification was approved. For those applications that were approved, the letter also provided the amount of the grant to be awarded or the tax credit the applicant was eligible to take.

The IRS published the names of the applicants whose projects were approved as required by law. Listings of results are available by state.

Learn more by reading the IRS news release, the news release issued by the U.S. Department of the Treasury, the page on the HHS website and our questions and answers.

Group Health Plan Requirements

The Affordable Care Act establishes a number of new requirements for group health plans. Interim guidance on changes to the nondiscrimination requirements for group health plans can be found in Notice 2011-1, which provides that employers will not be subject to penalties until after additional guidance is issued. Additionally, TD 9575 and REG-140038-10, issued by DOL, HHS and IRS, provide information on the summary of benefits and coverage and the uniform glossary. Notice 2012-59 provides guidance to group health plans on the waiting periods they may apply before coverage starts. On March 19, 2013, HHS, DOL and IRS issued proposed regulations on the ninety-day waiting period limitation. The proposed regulations solicit public comments to be submitted to DOL.

More information on group health plan requirements is available on the websites of the Departments of Health and Human Services and Labor and in additional guidance.

Further, Notice 2013-54 provides guidance regarding the application of the Affordable Care Act's market reforms to certain types of group health plans, including health reimbursement arrangements (HRAs), health flexible spending arrangements (health FSAs) and certain other employer healthcare arrangements, including arrangements under which an employer reimburses an employee for some or all of the premium expenses incurred for an individual health insurance policy.

Annual Fee on Health Insurance Providers

The Affordable Care Act created an annual fee on certain health insurance providers beginning in 2014. On Nov. 26, 2013, the Treasury Department and IRS issued final regulations on this annual fee imposed on covered entities engaged in the business of providing health insurance for United States health risks.

Tax-Exempt 501(c)(29) Qualified Nonprofit Health Insurance Issuers

The Affordable Care Act requires the Department of Health and Human Services (HHS) to establish the Consumer Operated and Oriented Plan program (CO-OP program). It also provides for tax exemption for recipients of CO-OP program grants and loans that meet additional requirements under section 501(c)(29). IRS Notice 2011-23 outlined the requirements for tax exemption under section 501(c)(29) and solicited written comments regarding these requirements as well as the application process. Revenue Procedure 2012-11, issued in conjunction with temporary regulations and a notice of proposed rulemaking, sets out the procedures for issuing determination letters and rulings on the exempt status of organizations applying for recognition of exemption under 501(c)(29).

An overview of the CO-OP program is available on the HHS website.

Medicare Part D Coverage Gap "donut hole" Rebate

The Affordable Care Act provides a one-time $250 rebate in 2010 to assist Medicare Part D recipients who have reached their Medicare drug plan's coverage gap. This payment is not taxable. This payment is not made by the IRS. More information can be found at www.medicare.gov.

Additional Requirements for Tax-Exempt Hospitals

The Affordable Care Act added new requirements for charitable hospitals. (See Notice 2010-39 and Notice 2011-52.) On June 22, 2012, the IRS issued proposed regulations which provide information on the requirements for charitable hospitals relating to financial assistance and emergency medical care policies, charges for emergency or medically necessary care provided to individuals eligible for financial assistance, and billing and collections. On April 3, 2013, the IRS issued proposed regulations on the requirement that charitable hospitals conduct community health needs assessments (CHNAs) and adopt implementation strategies at least once every three years. The proposed regulations also discuss the related excise tax and reporting requirements for charitable hospitals and the consequences for failure to satisfy the requirements. On Aug. 14, 2013, the IRS

CURRENT AS OF 12/5/2013

information on which form to use when making an excise tax payment for failure to meet the community health needs assessment requirements and the due date for filing the form. The proposed regulations solicit public comments.

Annual Fee on Branded Prescription Pharmaceutical Manufacturers and Importers

The Affordable Care Act created an annual fee payable beginning in 2011 by certain manufacturers and importers of brand name pharmaceuticals. On Aug. 15, 2011, the IRS issued temporary regulations and a notice of proposed rulemaking on the branded prescription drug fee. The temporary regulations describe the rules related to the fee, including how it is computed and how it is paid. On Aug. 5, 2013, the IRS issued Notice 2013-51, which provides additional guidance on the branded prescription drug fee for the 2014 fee year. For information on the fee for the 2012 fee year and for the 2013 fee year, see Notice 2011-92 and Notice 2012-74.

Modification of Section 833 Treatment of Certain Health Organizations

The Affordable Care Act amended section 833 of the Code, which provides special rules for the taxation of Blue Cross and Blue Shield organizations and certain other organizations that provide health insurance. IRS Notice 2010-79 provides transitional relief and interim guidance on the computation of an organization's taxpayer's Medical Loss Ratio (MLR) for purposes of section 833, the consequences of nonapplication and changes in accounting method. Notice 2011-04 provides additional information and the procedures for qualifying organizations to obtain automatic consent to change its method of accounting for unearned premiums. Notice 2012-37 extends the transitional relief and interim guidance provided in Notice 2010-79 for another year to any taxable year beginning in 2012 and the first taxable year beginning after Dec. 31, 2012.

On May 10, 2013, the IRS issued proposed regulations that describe how the MLR for purposes of section 833 is computed. Comments and requests for a public hearing must be received by Aug. 12, 2013.

Limitation on Deduction for Compensation Paid by Certain Health Insurance Providers (amended section 162(m))

The Affordable Care Act amended section 162(m) of the Code to limit the compensation deduction available to certain health insurance providers. The amendment goes into effect for taxable years beginning after Dec. 31, 2012, but may affect deferred compensation attributable to services performed in a taxable year beginning after Dec. 31, 2009. On April 1, 2013, the Treasury Department and IRS issued proposed regulations on this provision. Comments may be submitted electronically, by mail, or hand delivered to the IRS.

Employer Shared Responsibility Payment

The Affordable Care Act establishes that certain employers must offer health coverage to their full-time employees or a shared responsibility payment may apply. On Dec. 28, 2012, the Department of the Treasury and the IRS issued proposed regulations on the Employer Shared Responsibility provisions. Comments may be submitted by mail or hand-delivered to the IRS. For additional information on the Employer Shared Responsibility provisions and the proposed regulations, see our questions and answers. Other information, much of which has been incorporated into the proposed regulations, may be found in news releases IR-2011-92 and IR-2011-50 and Notices 2011-73, 2011-36, 2012-17 and 2012-58. On July 9, 2013, the Department of the Treasury and the IRS announced transition relief from the Employer Shared Responsibility provisions for 2014. For more information, please see Notice 2013-45

Patient-Centered Outcomes Research Institute Fee

The Affordable Care Act imposes the Patient-Centered Outcomes Research Institute (PCORI). Funded by the Patient-Centered Outcomes Research Trust Fund, the institute will assist patients, clinicians, purchasers and policy-makers in making informed health decisions by advancing clinical effectiveness research. The trust fund will be funded in part by fees paid by issuers of certain health insurance policies and sponsors of certain self-insured health plans.

The IRS and the Department of the Treasury have issued final regulations on this fee. Additional information on the fee is available on the PCORI page and in our questions and answers and chart summary. Form 720, Quarterly Federal Excise Tax Return, was revised to provide for the reporting and payment of the PCORI fee.

Retiree Drug Subsidies

Under § 139A of the Internal Revenue Code, certain special subsidy payments for retiree drug coverage made under the Social Security Act are not included in the gross income of plan sponsors. Plan sponsors receive these retiree drug subsidy payments based on the allowable retiree costs for certain qualified retiree prescription drug plans. For taxable years beginning on or after Jan. 1, 2013, new statutory rules affect the ability of plan sponsors to deduct costs that are reimbursed through these subsidies. See our questions and answers for more information.

For More Information

For tips, fact sheets, questions and answers, videos and more, see our Affordable Care Act of 2010: News Releases, Multimedia and Legal Guidance page.

Related Item: Affordable Care Act Tax Provisions Home Page

Page Last Reviewed or Updated: 26-Nov-2013

CURRENT AS OF 12/5/2013

IRS

Form W-2 Reporting of Employer-Sponsored Health Coverage

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families). However, federally recognized Indian tribal governments are not subject to this requirement.

Transition Relief
For certain employers, types of coverage, and situations, there is transition relief from the requirement to report the value of coverage on the 2012 Forms W-2 (the forms for calendar year 2012 that employers generally are required to provide employees in January 2013). This relief will apply to future calendar years until the IRS publishes additional guidance. However, any guidance that expands the reporting requirements will apply only to calendar years that start at least six months after the guidance is issued. See the "Optional Reporting" column in the below chart for the employers, types of coverage, and situations eligible for the transition relief.

Reporting on the Form W-2
The value of the health care coverage will be reported in Box 12 of the Form W-2, with Code DD to identify the amount. There is no reporting on the Form W-3 of the total of these amounts for all the employer's employees.

In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. See the chart, below, and the questions and answers for more information.

An employer is not required to issue a Form W-2 solely to report the value of the health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide a Form W-2.

The chart below illustrates the types of coverage that employers must report on the Form W-2. Certain items are listed as "optional" based on transition relief provided by Notice 2012-9 (restating and clarifying Notice 2011-28). Future guidance may revise reporting requirements but will not be applicable until the tax year beginning at least six months after the date of issuance of such guidance.

The chart reviews the reporting requirements for Box 12, Code DD, and has no impact on requirements to report these items elsewhere. For example, while contributions to Health Savings Arrangements (HSA) are not to be reported in Box 12, Code DD, certain HSA contributions are reported in Box 12, Code W (see General Instructions for Forms W-2 and W-3).

Form W-2 Reporting of Employer-Sponsored Health Coverage			
Coverage Type	**Form W-2, Box 12, Code DD**		
	Report	**Do Not Report**	**Optional**
Major medical	X		
Dental or vision plan not integrated into another medical or health plan			X
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			X
Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts		X	
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	X		
Health Reimbursement Arrangement (HRA) contributions			X
Health Savings Arrangement (HSA) contributions (employer or employee)		X	
Archer Medical Savings Account (Archer MSA) contributions (employer or employee)		X	
Hospital indemnity or specified illness (insured or self-funded), paid on after-tax basis		X	
Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer	X		
Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA		Optional if employer does not charge a COBRA premium

CURRENT AS OF 12/5/2013

On-site medical clinics providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Wellness programs providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Multi-employer plans			X
Domestic partner coverage included in gross income	X		
Governmental plans providing coverage primarily for members of the military and their families		X	
Federally recognized Indian tribal government plans and plans of tribally charted corporations wholly owned by a federally recognized Indian tribal government		X	
Self-funded plans not subject to Federal COBRA			X
Accident or disability income		X	
Long-term care		X	
Liability insurance		X	
Supplemental liability insurance		X	
Workers' compensation		X	
Automobile medical payment insurance		X	
Credit-only insurance		X	
Excess reimbursement to highly compensated individual, included in gross income		X	
Payment/reimbursement of health insurance premiums for 2% shareholder-employee, included in gross income		X	
Other Situations	**Report**	**Do Not Report**	**Optional**
Employers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers)			X
Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form W-2 before the end of that year			X
Forms W-2 provided by third-party sick-pay provider to employees of other employers			X

The chart was created at the suggestion of and in collaboration with the IRS' Information Reporting Program Advisory Committee (IRPAC). IRPAC's members are representatives of industries responsible for providing information returns, such as Form W-2, to the IRS. IRPAC works with IRS to improve the information reporting process.

Related Information:

- IR-2011-31, IRS Issues Interim Guidance on Informational Reporting of Employer-Sponsored Health Coverage
- Notice 2010-69, Interim Relief with Respect to Form W-2 Reporting of the Cost of Coverage of Group Health Insurance Under § 6051(a)(14)
- Webinar, Reporting of Employer Healthcare Coverage on Form W-2.

Page Last Reviewed or Updated: 26-Apr-2013

CURRENT AS OF 12/5/2013

IRS

Employer-Provided Health Coverage Informational Reporting Requirements: Questions and Answers

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. To allow employers more time to update their payroll systems, Notice 2010-69, issued in fall 2010, made this requirement optional for all employers in 2011. IRS Notice 2011-28 provided further relief by making this requirement optional for certain smaller employers for 2012 Forms W-2 (meaning the Forms W-2 for calendar year 2012 generally furnished to employees in 2013). Notice 2012-9, issued in January 2012, restates and clarifies guidance in Notice 2011-28. It provides guidance for employers that are subject to this requirement for the 2012 Forms W-2 and those that choose to voluntarily comply with it for either 2011 or 2012.

The following questions and answers provide information for employers on reporting the cost of the health insurance coverage, including information on transition relief for 2012, how to report, which coverage to include, and how to determine the cost of the coverage. There are many more questions and answers included in Notice 2012-9 that cover a variety of issues.

Q1. Does the cost of an employee's health care benefits shown on the Form W-2 mean that the benefits are taxable to the employee?

A. No. There is nothing about the reporting requirement that causes or will cause excludable employer-provided health coverage to become taxable. The purpose of the reporting requirement is to provide employees useful and comparable consumer information on the cost of their health care coverage.

Q2. When will employers have to start reporting the cost of health care coverage on the Form W−2?

A. Reporting for the 2011 calendar year (meaning the Form W-2 generally required to be furnished to employees in January 2012) was optional. For years after 2011, employers generally are required to report the cost of health benefits provided on the Form W-2. Transition relief is available for certain employers and with respect to certain types of coverage, as explained in Q&A-4, below. Reporting for the employers covered by the transition relief, and with respect to the types of coverage covered by the transition relief, is not required until future guidance is provided, and in no event will reporting by these employers and with respect to these types of coverage be required on any 2012 Forms W-2 (generally required to be furnished to employees in January 2013).

Q3. Which employers are subject to this reporting requirement?

A. Except as provided in the transition relief described in the next Q&A, all employers that provide "applicable employer-sponsored coverage" (see Q&A-5 below) under a group health plan are subject to the reporting requirement. This includes federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families), churches and other religious organizations, and employers that are not subject to the COBRA continuation coverage requirements, but does not include federally recognized Indian tribal governments or, until further guidance, any tribally chartered corporation wholly owned by a federally recognized Indian tribal government.

Third-party sick-pay providers that provide the Forms W-2 to the employees of the employers with which they have contracted do not have to report the cost of coverage. However, a Form W-2 provided by the employer to the employee must report the cost of coverage regardless of whether that Form W-2 includes sick pay or whether a third-party sick pay provider is furnishing a separate Form W-2 reporting the sick pay.

Q4. What transition relief is being provided by Notice 2012-9? To which employers and types of coverage does it apply and how long does it last?

A. For certain employers and with respect to certain types of coverage listed below, the requirement to report the cost of coverage will not apply for the 2012 Forms W-2 (the forms required for the calendar year 2012 that employers generally are required to provide employees in January 2013) and will not apply for future calendar years until the IRS publishes guidance giving at least six months of advance notice of any change to the transition relief. However, reporting by these employers and for these types of coverages may be made on a voluntary basis.

The transition relief applies to the following:

(1) employers filing fewer than 250 Forms W-2 for the previous calendar year (for example, employers filing fewer than 250 2011 Forms W-2 (meaning Forms W-2 for the calendar year 2011, which generally are filed with the SSA in early 2012) will not be required to report the cost of coverage on the 2012 Forms W-2 (which generally are filed with the SSA in early 2013). For purposes of this relief, the number of Forms W-2 the employer files includes any forms it files itself and any filed on its behalf by an agent under § 3504 (see Q&A-3 of Notice 2012-9 for more information). In addition, for purposes of this relief, the employer is determined without the application of any aggregation rules;

(2) multi-employer plans;

(3) Health Reimbursement Arrangements;

(4) dental and vision plans that either

- are not integrated into another group health plan or
- give participants the choice of declining the coverage or electing it and paying an additional

CURRENT AS OF 12/5/2013

(5) self-insured plans of employers not subject to COBRA continuation coverage or similar requirements;

(6) employee assistance programs, on-site medical clinics, or wellness programs for which the employer does not charge a premium under COBRA continuation coverage or similar requirements; and

(7) employers furnishing Forms W-2 to employees who terminate before the end of a calendar year and request a Form W-2 before the end of that year.

For more information on the additional transition relief for certain employers and with respect to types of coverage, see Section IV of Notice 2012-9.

Q5. What types of health care coverage must be included in the amount reported on the Form W-2?

A. The chart on the Form W-2 Reporting of Employer-Sponsored Health Coverage lists many types of health care coverage and various other situations, and explains whether reporting is required, prohibited, or optional.

The chart was created at the suggestion of and in collaboration with the IRS' Information Reporting Program Advisory Committee (IRPAC). IRPAC's members are representatives of industries responsible for providing information returns, such as Form W-2, to the IRS. IRPAC works with IRS to improve the information reporting process.

Q6. What amount should the employer report on the Form W-2 for health coverage? The amount the employer paid? The amount the employee paid? Or both?

A. In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. In the case of a health FSA, the amount reported should not include the amount of any salary reduction contributions. See Notice 2012-9 for more detail on the interim rules that apply to reporting contributions to a health FSA.

Q7. Where on the Form W-2 should the employer report the cost of these health care benefits?

A. The cost of these health care benefits will be reported in box 12 of the Form W-2, with Code DD to identify the amount.

Q8. What amount of health benefits should be reported on the Form W-2 for employees that terminated employment during the year and had employer-provided coverage both before and after termination?

A. Under the interim rules, the employer may use any reasonable method for inclusion of the coverage provided after termination, so long as that method is applied consistently. See Notice 2012-9, Q&A-6, for examples.

Q9. What amount of health benefits should be reported on the Form W-2 for an employee that leaves during the year and requests a W-2 before the end of the year?

A. If an employee makes such a request in writing, the employer must provide the W-2 within 30 days. However, under the interim rules, the employer will not be required to report any amount of health benefits in box 12, Code DD.

Q10. Will employers now be required to issue a Form W-2 to retirees or other former employees to whom the employer would not otherwise issue a Form W-2?

A. No.

Q11. Where can I get more information about the employer's requirement to report the aggregate cost of an employee's health care benefits on the Form W-2?

A. Detailed information about the interim rules for this reporting requirement and the additional transition rules for certain employers and with respect to certain types of coverage can be found in Notice 2012-9 and the instructions for the 2012 Form W-2.

Q12. We are a business that issued 150 W-2s in 2011; our wholly owned subsidiary, B Corp, issued 200 W-2s in 2011. Is our business covered by transition relief from the requirement to report the value of coverage on the 2012 Forms W-2 because neither business filed more than 250 W-2s? In other words, do the 414 controlled group rules apply such that we are considered one employer and not eligible for the transition relief?

A. Transition relief from the requirement to report the value of coverage on the 2012 Form W-2 is available to the parent company and its subsidiary because each filed fewer than 250 Forms W-2 for the preceding calendar year. For purposes of applying this relief, the W-2 count is determined without application of any entity aggregation rules for related employers.

Form W-2c, Corrected Wage and Tax Statement

Q13. We are a large employer that issued more than 250 W-2s in 2011. Due to a misunderstanding of the requirements to report employer sponsored health coverage on Form W-2, we did not program health insurance amounts into our payroll system in time for the 2012 W-2s. We reviewed the guidance in Notice 2012-9, and we do not qualify for transition relief, however we could not find where the notice requires corrected W-2s for unreported or incorrect amounts. Must we issue W-2cs for this correction?

A. Yes. Section 6051(a) of the Code requires this information to be reported on Form W-2. An amended return, a Form W-2c, is required if an original Form W-2 fails to include the required information.

CURRENT AS OF 12/5/2013

CURRENT AS OF 12/5/2013

Affordable Care Act Topics
- Individuals and Families
- Employers
- Other Organizations
- List of Tax Provisions
- Legal Guidance and Other Resources
- **Affordable Care Act Tax Provisions Home**

- Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio

News Essentials
- What's Hot
- News Releases
- IRS - The Basics
- IRS Guidance
- Media Contacts
- Facts & Figures
- Problem Alerts
- Around the Nation
- e-News Subscriptions

The Newsroom Topics
- Multimedia Center
- Noticias en Español
- Radio PSAs
- Tax Scams
- The Tax Gap
- 2013 Fact Sheets
- 2013 Tax Tips
- Armed Forces
- **Latest News Home**

Affordable Care Act of 2010: News Releases, Multimedia and Legal Guidance

Check this page for updates

News Releases
- IR-2012-33: IRS Encourages Small Employers to Check Out Small Business Health Care Tax Credit
- IR-2011-120, Filing Deadline Extended to March 30 for Some Tax-Exempt Organizations
- IR-2011-92, Treasury, IRS Seek Public Input on Certain Employer Provisions of the Affordable Care Act
- IR-2011-90, As Tax Filing Extension Deadlines Near, IRS and HHS Announce New Round of Outreach to Small Businesses and Practitioners About the Small Business Health Care Tax Credit
- IR-2011-50, Treasury, IRS Seek Public Input on Certain Employer Provisions of the Affordable Care Act
- IR-2011-31, IRS Issues Interim Guidance on Informational Reporting of Employer-Sponsored Health Coverage; Reporting is Voluntary for All Employers for 2011 and Small Employers for 2012
- IR-2010-128, IRS Offers New Guidance on FSA and HRA Debit Cards
- IR-2010-117, IRS Helps Small Employers Claim New Health Care Tax Credit; Forms and Additional Guidance Now Available on Small Business Health Care Tax Credit
- IR-2010-103, IRS Releases Draft W-2 Form for 2011; Announces Relief for Employers
- IR-2010-100, IRS Issues Guidance on Expanded Adoption Credit Available for Tax-Year 2010
- IR-2010-96, IRS Releases Form to Help Small Businesses Claim New Health Care Tax Credit
- IR-2010-95, IRS Issues Guidance Explaining 2011 Changes to Flexible Spending Arrangements
- IR-2010-79, IRS Requests Public Input on Expanded Information Reporting Requirement
- IR-2010-76, IRS Begins Accepting Applications for Qualifying Therapeutic Discovery Project Program
- IR-2010-74, Affordable Care Act Provides Expanded Tax Benefit to Health Professionals Working in Underserved Areas
- IR-2010-73, IRS Issues Regulations on 10-Percent Tax on Tanning Services Effective July 1
- IR-2010-69, Recent Legislation Offers Special Tax Incentives for Small Businesses to Provide Health Care, Hire New Workers
- IR-2010-63, Offers Details on New Small Business Health Care Tax Credit
- IR-2010-53, Tax-Free Employer-Provided Health Coverage Now Available for Children under Age 27
- IR-2010-48, IRS Reaches Out to Millions of Employers on Benefits of New Health Care Tax Credit
- IR-2010-38, New for 2010: Tax Credit Helps Small Employers Provide Health Insurance Coverage

Additional Materials
- Publication 5093, Health Care Law Online Resources
- IRC § 7216, Disclosure or Use of Information by Tax Return Preparers, questions and answers
- Fact Sheet 2011-11, Tax-Exempt Organizations Participating in the Medicare Shared Savings Program through Accountable Care Organizations
- Treasury Department fact sheet on health insurance premium tax credit
- Fact Sheet 2011-02, Tax Changes for Small Businesses
- Publication 4894, Affordable Care Act Tax Provisions and the IRS
- Flyer on the adoption tax credit
- Flyer on changes to health care plans, including FSAs.
- Flyer on the small business health care tax credit for small employers: English | Spanish
- 3 Simple Steps fact sheet for small employers
- Small business health care tax credit scenarios for small employers
- Health care postcard notice for small employers

Tax Tips
- Tax Tip 2011-34, Seven Facts about the Expanded Adoption Credit
- Special Edition Tax Tip 2010-07, Nine Tips on the 10 Percent Tax on Tanning Services

Videos
- Small Business Health Care Tax Credit: English | Spanish
- Tanning Tax Fitness Center Exception: English | ASL

Podcasts
- Small Business Health Care Tax Credit

Webinars
- Excise Tax on Indoor Tanning Services

Legal Guidance

Announcements
- Announcement 2011-37, Portion of Form 990 Schedule H Optional for Tax-Exempt Hospitals for Tax Year 2010
- Announcement 2011-20, Delayed Filing Season for Certain Tax-Exempt Hospitals

Notices
- Notice 2013-76, Health Insurance Providers Fee; Procedural and Administrative Guidance
- Notice 2013-71, Modification of "Use-or-Lose" Rule For Health Flexible Spending Arrangements (FSAs) and Clarification Regarding 2013-2014 Non-Calendar Year Salary Reduction Elections

CURRENT AS OF 12/5/2013

Under § 125 Cafeteria Plans
- Notice 2013-54, Application of Market Reform and other Provisions of the Affordable Care Act to HRAs, Health FSAs, and Certain other Employer Healthcare Arrangements
- Notice 2013-57, Preventive health services required under Public Health Service Act section 2713 and preventive care for purposes of Health Savings Accounts
- Notice 2013-51, Branded Prescription Drug Fee; Guidance for the 2014 Fee Year
- Notice 2013-45, Transition Relief for 2014 Under §§ 6055 (§ 6055 Information Reporting), 6056 (§ 6056 Information Reporting) and 4980H (Employer Shared Responsibility Provisions)
- Notice 2013-42, Transition Relief for Employees and Related Individuals Eligible to Enroll in Eligible Employer-Sponsored Health Plans for Non-Calendar Plan Years that Begin in 2013 and End in 2014
- Notice-2013-41, Eligibility for Minimum Essential Coverage for Purposes of the Premium Tax Credit
- Notice 2012-77, Interim Guidance and Request for Comments; Medical Device Excise Tax; Manufacturers Excise Taxes; Constructive Sale Price; Deposit Penalties
- Notice 2012-59, Guidance on 90-Day Waiting Period Limitation Under Public Health Service Act § 2708
- Notice 2012-58, Determining Full-Time Employees for Purposes of Shared Responsibility for Employers Regarding Health Coverage (§ 4980H)
- Notice Requesting Information Regarding Stop Loss Insurance
- Notice 2012-40, Health flexible spending arrangements not subject to $2,500 limit on salary reduction contributions for plan years beginning before 2013 and comments requested on potential modification of use-or-lose rule.
- Notice 2012-37, Extension of Interim Guidance on Modification of Section 833 Treatment of Certain Health Organizations
- Notice 2012-33, Request for Comments on Reporting by Applicable Large Employers on Health Insurance Coverage Under Employer-Sponsored Plans
- Notice 2012-32, Request for Comments on Reporting of Health Insurance Coverage
- Notice 2012-31, Minimum Value of an Employer-Sponsored Health Plan
- Notice 2012-17, Frequently Asked Questions from Employers Regarding Automatic Enrollment, Employer Shared responsibility, and Waiting Periods
- Notice 2012-9, Interim Guidance on Informational Reporting to Employees of the Cost of Their Group Health Insurance Coverage
- Notice 2012-4, Certain Filing Changes for Tax-Exempt Organizations
- Notice 2011-92, Branded Prescription Drug Fee; Guidance for the 2012 Fee Year
- Notice 2011-73, Request for Comments on Health Coverage Affordability Safe Harbor for Employers (Section 4980H)
- Notice Soliciting Comments on Summary of Benefits and Coverage and Uniform Glossary — Templates, Instructions, and Related Materials Under the Public Health Service Act
- Notice 2011-52, Notice and Request for Comments Regarding the Community Health Needs Assessment Requirements for Tax-exempt Hospitals
- Notice 2011-51, Extension of Interim Guidance on Modification of Section 833 Treatment of Certain Health Organizations
- Notice 2011-46, Deferral of Dates Related to the 2011 Branded Prescription Drug Fee
- Notice 2011-36, Request for Comments on Shared Responsibility for Employers Regarding Health Coverage (Section 4980H)
- Notice 2011-35, Request for Comments on Funding of Patient-Centered Outcomes Research Through Fees Payable by Issuers of Health Insurance Policies and Self-Insured Health Plan Sponsors
- Notice 2011-28, Interim Guidance on Informational Reporting to Employees of the Cost of Their Group Health Insurance Coverage
- Notice 2011-23, Request for Comments Regarding Application of § 501(c)(29) of the Internal Revenue Code
- Notice 2011-20, which solicits written comments regarding what additional guidance, if any, is needed for tax-exempt organizations participating in the Medicare shared savings program (MSSP) through an accountable care organization (ACO).
- Notice 2011-5, Section 105: Amounts Received under Accident and Health Plans; Section 106: Contributions by Employers to Accident and Health Plans; Section 125: Cafeteria Plans
- Notice 2011-4, Certain Changes in Method of Accounting for Organizations to which Section 833 Applies
- Notice 2011-2, Guidance on the Application of Section 162(m)(6)
- Notice 2011-1, Affordable Care Act Nondiscrimination Provisions Applicable to Insured Group Health Plans
- Notice 2010-89, Request for Comments Regarding the Excise Tax on Medical Devices
- Notice 2010-82, Tax Credit for Employee Health Insurance Expenses of Small Employers
- Notice 2010-79, Modification of Section 833 Treatment of Certain Health Organizations
- Notice 2010-71, Branded Prescription Drug Sales
- Notice 2010-69, Interim Relief with Respect to Form W-2 Reporting of the Cost of Coverage of Group Health Insurance Under § 6051(a)(14)
- Notice 2010-66, Interim Guidance on the Adoption Credit.
- Notice 2010-63, Request for Comments on Requirements Prohibiting Discrimination in Favor of Highly Compensated Individuals in Insured Group Health Plans
- Notice 2010-59, IRS Issues Guidance Explaining 2011 Changes to Flexible Spending Arrangements
- Notice 2010-51, Information Reporting Under the Amendments to Section 6041 for Payments to Corporations and Payments of Gross Proceeds and With Respect to Property *(Note: The amendments referenced in this notice were repealed in April 2011.)*
- Notice 2010-45, Qualifying Therapeutic Discovery Project Credit
- Notice 2010-44, Tax Credit for Employee Health Insurance Expenses of Small Employers
- Notice 2010-39, Request for Comments Regarding Additional Requirements for Tax-Exempt Hospitals
- Notice 2010-38, Tax Treatment of Health Care Benefits Provided With Respect to Children Under Age 27
- Notice Requesting Information Regarding Value-Based Insurance Design in Connection With Preventive Care Benefits
- Notice of Availability of Interim Procedures for Federal External Review and Model Notices Relating to Internal Claims and Appeals and External Review Under the Patient Protection and Affordable Care Act
- Notice on Medical Loss Ratios Requesting Comments Regarding Section 2718 of the Public Health Service Act Regulations

CURRENT AS OF 12/5/2013

- REG-130843-13, Net Investment Income Tax
- REG-136630-12, Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans
- REG-132455-11, Information Reporting of Minimum Essential Coverage
- REG-113792-13, Tax Credit for Employee Health Insurance Expenses of Small Employers
- REG-115300-13, Requirement of a Section 4959 Excise Tax Return and Time for Filing the Return.
- REG-120391-10 (TD 9624), NPRM on Coverage of Certain Preventive Services under the ACA
- REG-140789-12, Information Reporting for Affordable Insurance Exchanges
- REG-126633-12, Computation of, and Rules Relating to, Medical Loss Ratio
- REG-125398-12, Minimum Value of Eligible Employer-Sponsored Plans and Other Rules Regarding the Health Insurance Premium Tax Credit
- REG-106499-12, Community Health Needs Assessments for Charitable Hospitals
- REG-106796-12, The $500,000 Deduction Limitation for Remuneration Provided by Certain Health Insurance Providers
- REG-122706-12, Ninety-Day Waiting Period Limitation and Technical Amendments to Certain Health Coverage Requirements Under the Affordable Care Act
- REG-118315-12, Health Insurance Providers Fee; Notice of proposed rulemaking and notice of public hearing
- REG-148500-12, Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage
- REG-138006-12, Shared Responsibility for Employers Regarding Health Coverage
- REG-130507-11, Net Investment Income
- REG-130074-11, Rules Relating to Additional Medicare Tax
- REG-122707-12, Incentives for Nondiscriminatory Wellness Programs in Group Health Plans
- REG-130266-11, Additional Requirements for Charitable Hospitals
- REG-119632-11, Regulations Pertaining to the Disclosure of Return Information to Carry Out Eligibility Requirements for Health Insurance Affordability Programs
- REG-136008-11, Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund
- REG-120391-10, ANPRM requesting comments on alternative ways to meet preventive services requirements by religious organization that objects to the coverage of contraceptive services for religious reasons.
- REG-125592-10 (TD 9532), Requirements for Group Health Plans and Health Insurance Issuers Relating to Internal Claims and Appeals and External Review Processes Under the Patient Protection and Affordable Care Act — NPRM for Amendment
- REG-135071-11, Application for Recognition as a 501(c)(29) Organization
- REG-113770-10, Taxable Medical Devices
- REG-140038-10, Disclosures of the Summary of Benefits and Coverage and the Uniform Glossary for Group Health Plans and Health Insurance Coverage in the Group and Individual Markets under the Patient Protection and Affordable Care Act
- REG-131491-10, Health Insurance Premium Tax Credit
- REG-112805-10 (TD 9544), Branded Prescriptions Drug Fee
- REG-120391-10 (TD 9541), Requirement for Group Health Plans and Health Insurance Issuers to Provide Coverage of Preventive Services under the Patient Protection and Affordable Care Act - NPRM for Amendment
- REG-118412-10 (TD 9506), Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act - NPRM for Amendment
- REG-125592-10 (TD 9494), Appeals Regulations under the Public Health Services Act section 2719
- REG-120391-10 (TD 9493), Requirement for Group Health Plans and Health Insurance Issuers to Provide Coverage of Preventive Services under the Patient Protection and Affordable Care Act
- REG-120399-10 (TD 9491), Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections
- REG-118412-10 (TD 9489), Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act
- REG-112841-10 (TD 9486), Indoor Tanning Services, Cosmetic Services; Excise Taxes
- REG-114494-10 (TD 9482), Group Health Plans and Health Insurance Issuers Providing Dependent Coverage of Children to Age 26

Revenue Procedures

- Revenue Procedure 2012-11 sets forth procedures for issuing determination letters and rulings on the exempt status of qualified nonprofit health insurance issuers (QNHIIs) described in § 501 (c)(29) of the Internal Revenue Code (Code).
- Revenue Procedure 2011-52, Administrative, Procedural, and Miscellaneous. Section 3, Adoption credit
- Revenue Procedure 2011-24 establishes a dispute resolution process for the preliminary fee calculation for the 2011 annual fee imposed on covered entities engaged in the business of manufacturing or importing branded prescription drugs.
- Revenue Procedure 2010-35 modifies and supersedes sections 3.03 and 3.14 of Rev. Proc. 2009-50, 2009-45 I.R.B. 617, to reflect the statutory amendments to the adoption credit under § 36C (formerly § 23) and the exclusion for adoption assistance programs under § 137.
- Revenue Procedure 2010-31 provides guidance on safe harbors for determining the finality of foreign adoptions for purposes of the adoption credit.

Revenue Rulings

- Revenue Ruling 2013-27, Gross Income Defined
- Revenue Ruling 2010-23 obsoletes Rev. Rul. 2003-102, prior guidance on reimbursing expenses for over-the-counter drugs from employer health plans.
- Revenue Ruling 2010-13, Section 45R—Average premium for small group market for determining the small employer health insurance credit

Treasury Decisions (TD)

- TD 9645, Rules Relating to Additional Medicare Tax
- TD 9644, Net Investment Income Tax
- TD 9643, Health Insurance Providers Fee
- TD 9632, Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage
- TD 9629, Requirement of a Section 4959 Excise Tax Return and Time for Filing the Return
- TD 9628, Regulations Pertaining to the Disclosure of Return Information to Carry Out Eligibility

CURRENT AS OF 12/5/2013

Requirements for Health Insurance Affordability Programs

- TD 9624, Final Regulations on Coverage of Certain Preventive Services under the ACA
- TD 9621, Final Regulations on Indoor Tanning Services; Excise Taxes
- TD 9620, Incentives for Nondiscriminatory Wellness Programs in Group Health Plans
- TD 9611, Final regulations providing guidance to individuals related to employees who may enroll in eligible employer-sponsored coverage and who wish to enroll in qualified health plans through Affordable Insurance Exchanges and claim the premium tax credit.
- TD 9604, Taxable Medical Devices
- TD 9602, Fees on Health Insurance Policies and Self-Insured Plans for Patient-Centered Outcomes Research Trust Fund
- TD 9590, Health Insurance Premium Tax Credit
- TD 9578, Final Regulations Authorizing the Exemption of Group Health Plans and Group Health Insurance Coverage Sponsored by Certain Religious Employers from Having to Cover Certain Preventive Health Services under Provisions of the Patient Protection and Affordable Care Act
- TD 9574, Application for Recognition as a 501(c)(29) Organization
- TD 9575, Summary of Benefits and Coverage and Uniform Glossary for Group Health Plans and Health Insurance Coverage in the Group and Individual Markets under the Patient Protection and Affordable Care Act
- TD 9544, Branded Prescription Drug Fee
- TD 9541, Amendment to Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services under the Patient Protection and Affordable Care Act
- TD 9532, Amendment to Interim Final Regulations Implementing the Requirements Regarding Internal Claims and Appeals and External Review Processes for Group Health Plans and Health Insurance Coverage in the Group and Individual Markets
- TD 9506, Amendment to the Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act
- TD 9494, Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Internal Claims and Appeals and External Review Processes Under the Patient Protection and Affordable Care Act
- TD 9493, Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services Under the Patient Protection and Affordable Care Act
- TD 9491, Patient Protection and Affordable Care Act: Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections
- TD 9489, Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act
- TD 9486, Final and Temporary Regulations for Indoor Tanning Services; Cosmetic Services; Excise Taxes
- TD 9482, Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26 under the Patient Protection and Affordable Care Act

Affordable Care Act Tax Provisions Home Page

Page Last Reviewed or Updated: 26-Nov-2013

CURRENT AS OF 12/5/2013

IRS.gov

Internal Revenue Service Webinar

Reporting of Employer Healthcare Coverage on Form W-2

I prefer to view the archive using:

Flash | Windows Media

IRS Presenters

Joseph Tiberio
Program Manager,
Employment Tax

Click for bio

Stephen Tackney
Special Counsel to the Associate Chief Counsel (TEGE),
Office of Chief Counsel

Click for bio

Viewing problems?

- Email us
- View help pages

Reporting of Employer Healthcare Coverage on Form W-2

Presented on:
October 31, 2011
2 p.m. Eastern Time
1 p.m. Central Time
Noon Mountain Time
11 a.m. Pacific Time

The Reporting of Employer-Sponsored Health Plan Coverage on Form W-2 (Affordable Care Act Provision 9002) webinar will explain what employers and employees need to know about the provision including:

- What changes employees will see in their Form W-2
- When employers must begin reporting the benefits on the Form W-2
- Transition relief for certain employers, plans, and situations
- Which employers need to include the benefits on the Form W-2
- How employers report the benefits on the Form W-2
- What valuation methods employers can use to determine the amounts to report on the Form W-2

Links

- Affordable Care Act Tax Provisions
- Form W-2
- Notice 2010-69
- Frequently Asked Questions
- www.irs.gov
- Receive updates from the IRS by e-mail. Visit our subscription services page on IRS.gov to choose the e-newsletters you'd like to receive. It's easy and you can edit your choices at any time.

CURRENT AS OF 12/5/2013