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## Relief for Employers from the IRS

Rarely does it seem that employers receive good news from the Internal Revenue Service. However, on Tuesday, October 12, 2010, the exceedingly rare occurred as the IRS released Notice 2010-69 announcing that it has delayed the requirement for companies to report the cost of supplying healthcare coverage to their employees.

Readers will recall that under President Obama's Patient Protection and Affordable Care Act passed earlier this year, employers were originally required to include on workers' W2 forms what it cost to supply them with healthcare coverage starting in 2011. That requirement is now optional in 2011 to give employers time to adjust their payroll systems and establish the necessary procedures to be in compliance with the reporting requirement. The requirement will become mandatory now in 2012.



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The IRS took the opportunity to remind employers (and employees, since there seems to be some misconception among the general public) that “[a]lthough reporting the cost of coverage will be optional with respect to 2011, the IRS continues to stress that the amounts reportable are not taxable.... Included in the Affordable Care Act passed by Congress in March, the new reporting requirement is intended to be informational only, and to provide employees with greater transparency into overall health care costs.”

The IRS concluded the Notice with the announcement that it expects to issue guidance on the reporting requirement before the end of 2010. If you have questions in the meantime, please contact Blake A. Madison at (205) 633-0246 or (866) 734-9988 or by e-mail at [bmadison@tannerguin.com](mailto:bmadison@tannerguin.com).

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