

Part III - Administrative, Procedural, and Miscellaneous

Interim Relief with Respect to Form W-2 Reporting of the Cost of Coverage of Group Health Insurance Under § 6051(a)(14)

Notice 2010-69

This notice provides interim relief to employers with respect to reporting the cost of coverage under an employer-sponsored group health plan on Form W-2, Wage and Tax Statement, pursuant to § 6051(a)(14) of the Code. Specifically, this notice provides that reporting the cost of such coverage will not be mandatory for Forms W-2 issued for 2011. The Treasury Department and the IRS have determined that this relief is appropriate to provide employers with additional time to make any necessary changes to their payroll systems or procedures in preparation for compliance with the reporting requirement.

BACKGROUND

Section 6051(a)(14) was added to the Code by § 9002 of the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, enacted March 23, 2010. Section 6051(a)(14) provides generally that the aggregate cost of applicable employer-sponsored coverage (as defined in § 4980I(d)(1)) must be reported on Form W-2. Section 6051(a)(14) further provides that, for this purpose, the aggregate cost is to be determined under rules similar to the rules of § 4980B(f)(4), referring to the definition of

the “applicable premium” under the rules providing for COBRA continuation coverage. Section 6051(a)(14) is effective for taxable years beginning on or after January 1, 2011.

INTERIM RELIEF

Pursuant to this notice, the reporting requirement set forth in § 6051(a)(14) is not mandatory for Forms W-2 issued for 2011. Accordingly, an employer will not be treated as failing to meet the requirements of § 6051 for 2011, and will not be subject to any penalties for failure to meet such requirements, merely because it does not report the aggregate cost of employer-sponsored coverage (as defined in § 4980I(d)(1)) on Forms W-2 issued for 2011. The Treasury Department and the IRS anticipate issuing guidance on the reporting requirement set forth in § 6051(a)(14) before the end of this year.

DRAFTING INFORMATION

The principal author of this notice is Leslie Paul of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities) though other Treasury Department and IRS officials participated in its development. For further information on the provisions of this notice, contact Leslie Paul at (202) 622-6080 (not a toll-free number).