



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

FOR IMMEDIATE RELEASE

Some Apparent “Reprieves” For Employers Struggling With the New Health Care Law

EDWARDSVILLE, IL, November 8, 2010 - Vicki Rolens, Managing Director of the Federation of American Consumers (FACT), says that a number of reprieves have reportedly been granted to employers by the federal government concerning the new health care law.

“It is difficult to report on any aspect of this law,” says Rolens, “as changes are occurring regularly and there are apparently some serious doubts about what parts of the law will or won’t actually be enacted.”

Among some of the latest “reprieves” mentioned by Rolens:

IRS says employers won’t need to begin reporting the cost of health care coverage under an employer-sponsored group plan until 2012 (i.e., on W-2s issued in 2013). Reporting in 2011 will be optional, with no penalties issued for those who choose to wait until reporting becomes mandatory. The Treasury Dept. and IRS approved the delay to give employers time to update their payroll systems or procedures.

IRS also just released a draft 2011 Form W-2 that shows employers will report the health care amounts in Box 12, using the new Code DD. The back of Copy B reminds employers that the amounts reported aren’t taxable – the information is just there to help employees better understand the value of their benefits.

Originally, an employer-sponsored plan beginning on or after September 23, 2010, was required to cover an employee’s married or unmarried children up to age 26. Now, children can be excluded until 2014 if they have access to insurance through their own employers.

Initially, any firm changing carriers couldn’t keep its grandfathered status; now it can.

And, there is now an apparent grace period on a requirement that “all communications be culturally and linguistically appropriate.”

“More clarifications are supposed to forthcoming,” says Rolens, “and there will almost undoubtedly be additional modifications, major and minor, as time passes by. About the best any of us can do is find an accountant and/or tax attorney who keeps as current as possible on this complex matter.”

This news release has been issued by the Federation of American Consumers and Travelers (FACT), a consumer organization formed under the not-for-profit corporation laws of the District of Columbia in 1984. FACT serves more than 1 million consumers nationwide. Additional information on FACT may be found in the Encyclopedia of Associations, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. The association does not offer support to -- and does not receive support from -- any political party or movement. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from medical insurance and dental discounts to prescription drug savings and scholarships. FACT’s administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025