

How the Health Care Reform Legislation Will Impact Your Individual and Employer Clients

IN 2011

- All employers must include on W2s the aggregate cost of employer-sponsored health benefits, for informational purposes. If an employee receives health insurance coverage under multiple plans, the employer must disclose the aggregate value of all such health coverage, but exclude all contributions to HSAs and Archer MSAs and salary-reduction contributions to FSAs. Applies to benefits provided during taxable years after December 31, 2010.
- The tax on distributions from a Health Savings Account that are not used for qualified medical expenses increases from 10% to 20%.
- OTC drugs will no longer be reimbursable under HSAs, medical FSAs, HRAs and Archer MSAs unless they are prescribed by a doctor.
- Small employers (less than 100 lives) will be allowed to adopt new “simple cafeteria plans.”
- All employers would be required to enroll employees in a new national public long-term care program, unless the employee opted out.
- All business owners will be subject to new expanded federal income tax requirements on payments of fixed or determinable income or compensation.
- The Department of Labor will begin annual studies on self-insured plans using data collected from Form 5500.