



EXPERT UPDATE



Compliance Headlines from Henderson Brothers:

- Shared Responsibility for Employers – Safe Harbor Methods IRS Notice 2012-58 Summary



Shared Responsibility for Employers – Safe Harbor Methods IRS Notice 2012-58 Summary

IRS Notice 2012-58, released on August 31, 2012, describes the safe harbor methods that employers can use to determine which employees should be treated as full-time employees for purposes of the shared responsibility provisions of health reform.

The administrative guidance in this notice also identifies that employers will not be subject to an assessable payment for an employee if the coverage offered to that employee was affordable based on the employee's W-2 wages. This affordability safe harbor enables an employer to compare the single-only employee premium contribution to each employee's W-2 wages as opposed to household income as initially communicated in the legislation. Under the safe harbor, coverage offered by an employer-sponsored plan is considered "affordable" to a particular employee if the

employer's required contribution towards single-only coverage does not exceed 9.5 percent of the employee's W-2 wages.

IRS Notice 2012- 58 can be found at: <http://www.irs.gov/pub/irs-drop/n-12-58>
Download the PDF entitled, "n-12-58"

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