



# HEALTH INSURANCE REPORTING REQUIREMENT FOR BUSINESS BY DESIGN PAYROLL CLIENTS

- **WHAT IS THIS?**

The IRS has specific reporting requirements in order to deduct your health insurance premiums for S-Corporations.

- **WHO DOES THIS APPLY TO?**

Anyone who is paying for their own health insurance premiums, and wants them to be 100% deductible must read this.

- **WHAT DO YOU NEED TO DO?**

You will need to get Business by Design the TOTAL AMOUNT of your health insurance premiums to be paid for 2019. We will need this amount to complete your payroll for 2019.

**IMPORTANT NOTE:** If this health insurance is not added to your Wage Reporting and W-2 for 2019, the IRS will **DISALLOW** your deduction for health insurance premiums.

- **WHEN DO I NEED TO PROVIDE THIS INFORMATION?**

**DECEMBER 20, 2019.**

Business by Design is asking you to provide this information to us no later than DECEMBER 20, 2019. This will allow us enough time to properly report this on your annual W-2 Wage earnings.

Failure to do so can result in additional payroll fee of **\$200** or a disallowed health insurance premiums deduction.

- **WHAT IF I HAVE NOT TAKEN A WAGE?**

If you have paid health insurance premiums and want them to be 100% deductible, you will need to have a WAGE from your corporation of AT LEAST the amount of the annual premium.

During your 2019 tax review, we will provide you with the information you will need to handle this properly.

- **WHAT ACCOUNT SHOULD MY HEALTH PREMIUMS BE PAID FROM?**

Your health insurance premiums should be paid by your corporation. By doing this, you will ensure the 100% deductibility of these premiums.

**IF YOU HAVE PAID YOUR PREMIUMS OUT OF YOUR PERSONAL ACCOUNT** – Your Corporation will need to reimburse you for the total amount of your premiums paid for 2019. If you do not have enough funds in the corporation to reimburse yourself, you will need to reclassify other distributions as a reimbursement for this insurance.

- **WHAT IF I HAVE OTHER EMPLOYEES I AM PAYING?**

If you have other employees in your company, you will need to be sure you are meeting the requirements to avoid the discrimination rules. The benefit your corporation provides to you – you may have to offer to your employees.

NOTE – This does not apply to hiring your spouse or your children in the business.

- **WHAT IS INCLUDED IN THE HEALTH INSURANCE PREMIUM TOTAL?**

You will need to include the following types of insurance premiums paid (or to be paid) between 1/1/19 and 12/31/19:

- Health Insurance Premiums

- Dental Insurance Premiums

- Medicare Part B, C, and D Premiums – These are deducted from your Social Security check. You will need to remember to be reimbursed by your S-Corporation for these premiums. Include Medicare Supplemental Insurance Premiums.

- Be sure to account for changes in your premiums that occur throughout the year and in the month of December.

**SEE NEXT PAGE FOR THE  
INFORMATION YOU WILL NEED  
TO SEND BACK TO BUSINESS  
BY DESIGN**

# PLEASE E-MAIL OR UPLOAD TO myBBDPass

e-mail: [mybbdpass@mybbd.com](mailto:mybbdpass@mybbd.com)

Please fill in the **TOTAL AMOUNT** of premiums you have paid or will have paid from 1/1/19 to 12/31/19. **Make sure to account for December premium changes or premiums paid in December for January 2020.**

The amount reported should only be amounts paid for you, your spouse, and your children that were paid for by the S-Corporation. This does **NOT** include any premiums paid from spouse's work or any other pre-tax deducted premium.

The amount reported does not include medical expenses, only insurance premiums from 1/1/19 to 12/31/19.

DATE: \_\_\_\_\_

CORPORATION NAME: \_\_\_\_\_

NAME(S) OF INSURED: \_\_\_\_\_

A. HEALTH PREMIUMS **PAID JANUARY TO NOVEMBER**(NOT MEDICARE): \$ \_\_\_\_\_

B. HEALTH PREMIUMS **FOR DECEMBER 2019**(NOT MEDICARE): \$ \_\_\_\_\_  
(THIS AMOUNT MAY DIFFER FROM YOUR PRIOR MONTHS PAYMENTS)

C. TOTAL DENTAL PREMIUMS FOR 2019(NOT MEDICARE): \$ \_\_\_\_\_

D. TOTAL MEDICARE PART B, C, AND D PREMIUMS FOR 2019: \$ \_\_\_\_\_  
(INCLUDE MEDICARE SUPPLEMENTAL INSURANCE ON THIS LINE)

**TOTAL OF ALL PREMIUMS FOR 2019(ADD A, B, C, & D):** \$ \_\_\_\_\_

IF YOU HAD LONG TERM CARE PREMIUMS FOR 2019 PLEASE ENTER THE AMOUNT BELOW:

LONG TERM CARE PREMIUMS FOR 2019 - **TAXPAYER:** \$ \_\_\_\_\_

LONG TERM CARE PREMIUMS FOR 2019 - **SPOUSE:** \$ \_\_\_\_\_