

IMPORTANT - PLEASE READ

...S Corporations Only... Officer's Health Insurance

Under most circumstances health insurance paid on behalf of an S Corporation shareholder, partner, or sole proprietor is deductible.

Special rules apply to S Corporation shareholders in order to receive the benefit of the tax deduction. The health insurance premiums must be included on Line 2 of Form 941, in gross wages on your MN withholding tax return and on the W-2 in Box 1 and Box 16, as well as reported in Box 14 as Officer Health Insurance. It is also included on Form W-3 in Box 1 and Box 16. It is costly to amend quarterly payroll returns and W-2s due to reporting errors so please be sure to review the reporting instructions before preparing your W-2s.

If we prepare your W-2s, please provide the officer health insurance information to us with your year-end payroll records so we can report the premiums paid in 2023 on the applicable employment tax forms and W-2s.

If you have any questions, please contact:

Amy Anderson, Office/Payroll Manager
Piehl, Hanson, Beckman, P.A.
(320) 234-4430

or refer to:

IRS Publication 15 - Circular E, Employer's Tax Guide
IRS Publication 15-B - Employer's Tax Guide to Fringe Benefits, and/or
IRS 2023 General Instructions for Forms W-2 and W-3

You can access these publications through our website at www.phbcpa.com. Hover over Resources and select Forms and Downloads.

Officer's Health Insurance - 2023

Officer Name: _____ Amount: _____

Officer Name: _____ Amount: _____

Officer Name: _____ Amount: _____