

**REPORTING ADDITIONAL GROSS W-2 INCOME ON EMPLOYER-PROVIDED
MEDICAL/DENTAL INSURANCE COVERAGE OR REIMBURSEMENT**

This notice only applies to S Corporation shareholders owning more than 2% of the outstanding shares.

IF APPLICABLE, RESPOND BY December 1, 2011

As a valued client of Sechrest & Bloom, LLC we want to be proactive in your end-of-year planning. Briefly, a MORE than 2% S corporation Shareholder/Employee, who is covered under an established corporate plan providing medical care to S Corporation employees (including spouse and dependents if applicable), or who is reimbursed by the S Corporation for premiums paid by the 2% Shareholder for a personal plan, must include this corporate cost as additional W-2 income NOT subject to Social Security or Medicare taxes. To view this Notice on the IRS website please visit <http://www.irs.gov/pub/irs-drop/n-08-01.pdf>

Please provide this corporate cost for each "2-percent" S shareholder/employee below. Make additional copies for the number of 2% S Corporation shareholder/employees in excess of 6. This information will be used to determine compensation that must be reported on your fourth quarter payroll tax returns and included as other compensation on the employee's 2011 W-2. This information should be provided to your payroll processing department or service.

Please mail or fax this information to whomever is responsible for payroll processing. If you have questions, please call Nancy Vaccaro at Sechrest & Bloom at 978-263-7771.

	_____	_____	_____
	(S shareholder)	(S shareholder)	(S shareholder)
S Corporate ownership percentage	_____	_____	_____
Total Medical/Dental insurance costs paid by S corporation	_____	_____	_____
	_____	_____	_____
	(S shareholder)	(S shareholder)	(S shareholder)
S Corporate ownership percentage	_____	_____	_____
Total Medical/Dental insurance costs paid by S corporation	_____	_____	_____

Company Name

Signature/Title

Very truly yours,

Sechrest & Bloom, LLC