

HEALTH CARE REFORM: W-2 REPORTING REQUIREMENTS

W-2 Reporting Requirement

- Payroll administrators and employers must calculate the aggregate cost of Group Health Plan coverage to report within Form W-2: Box 12, Code DD (for reporting purposes only, NOT tax purposes)
- Employers filing fewer than 250 Forms W-2 within the prior year are NOT required to report the cost of health coverage on Forms W-2
- Fully Insured Plans: Coverage costs will equal the premium charged by the insurer for an employee and dependents, including covered domestic partners
- Self-Insured Plans: Coverage costs will generally equal the COBRA premium

Reporting Requirements Include:

- Medical Plan Coverage; Medicare Supplemental Coverage; On-site Medical Clinic Coverage
- Employer-sponsored flexible spending credits contributed to a Health Flexible Spending Account (FSA)
- Optional: COBRA coverage received by an employee during the calendar year, provided such coverage is consistently reported for all terminations in the prior year

Reporting Requirements do NOT Include:

- Health Reimbursement Arrangement (HRA) Coverage; Health Savings Account (HSA) Coverage
- Multiple Employer Plan Coverage
- Long-Term Care Coverage; Accident or Disability Income Insurance
- Limited Scope Stand-alone Dental and Vision Coverage, as defined under HIPAA Excepted Benefits Rules
- Salary Reduction Contributions to a Flexible Spending Account (FSA)
- Employee Assistance Programs (EAPs), unless considered an ERISA Group Health Plan
- Workers' Compensation & Liability Insurance (e.g., General Liability & Automobile Liability)