

W-2 EMPLOYER REPORTABLE HEALTH CARE COSTS

PeopleSoft Procedures

The Affordable Care Act requires employers to report the cost of employer-sponsored group health plans on employee's as of the 2012 W-2s. While there was transition relief provided for small employers in 2012, as of 2013 **all** employers are required to provide health care W-2 reporting.

District reportable costs are automated through the benefits administration process and generally require no additional steps to ensure annual reporting on Form W-2 Box 12 code DD. Deduction codes identified for automated reporting:

Deduction Codes	Tax Class
SDMED	Before-Tax
	Nontaxable
SDMEDA	After-Tax
	Nontaxable

Any healthcare items that should be reported that are not identified in the automated reporting chart above (SDMED and SDMEDA), need to be added to the employee payline with reportables code **WHC**.

See [IRS chart below](#) for what to report / not report / optional report.

Additionally, any reportable health care costs paid outside the payroll System (ie premiums paid via commercial warrants for Cobra premiums, retirement benefits, or exception processing) must be input to the payroll system for inclusion on the employee W-2s. Reminder, there is no health care reporting requirement for employees who would not otherwise receive a W-2.

Form W-2 Reporting of Employer-Sponsored Health Coverage

Coverage Type	Form W-2, Box 12, Code DD		
	Report	Do Not Report	Optional
Major medical	X		
Dental or vision plan not integrated into another medical or health plan			X
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			X
Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts		X	
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	X		
Health Reimbursement Arrangement (HRA) contributions			X
Health Savings Arrangement (HSA) contributions (employer or employee)		X	
Archer Medical Savings Account (Archer MSA) contributions (employer or employee)		X	
Hospital indemnity or specified illness (insured or self-funded), paid on after-tax basis		X	
Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer	X		
Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
On-site medical clinics providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Wellness programs providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Multi-employer plans			X
Domestic partner coverage included in gross income	X		
Governmental plans providing coverage primarily for members of the military and their families		X	
Federally recognized Indian tribal government plans and plans of tribally chartered corporations wholly owned by a federally recognized Indian tribal government		X	
Self-funded plans not subject to Federal COBRA			X
Accident or disability income		X	
Long-term care		X	
Liability insurance		X	
Supplemental liability insurance		X	
Workers' compensation		X	
Automobile medical payment insurance		X	

Credit-only insurance		X	
Excess reimbursement to highly compensated individual, included in gross income		X	
Payment/reimbursement of health insurance premiums for 2% shareholder-employee, included in gross income		X	
Other Situations	Report	Do Not Report	Optional
Employers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers)			X
Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form W-2 before the end of that year			X
Forms W-2 provided by third-party sick-pay provider to employees of other employers			X

Helpful Links:

- [Form W-2 Reporting of Employer-Sponsored Health Coverage](#)