

Employer Sponsored Health Care Cost on W2

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. This is informational purposes only.

- If any employee is paying for their insurance out of pocket, this will need to be manually added to the 'Emplr Hth' field on the employee's 001 Deduction record.
- If the employee paid a portion of the year out of pocket and the other portion through payroll, these two amounts will need to be added together and reported on field 'Emplr Hth' .
- If the district only tracks the employee portion of health care costs in the USPS system, the district will need to create a spreadsheet with the employee YTD costs for health insurance and the Board YTD costs for Employee Health Insurance and then total these two amounts. Then using USPLOAD, this figure will need to be loaded into the 'Emplr Hth' field on the 001 Federal deduction record.
- This field overrides any DEDSCN records that have the DEDNAM records marked 'Y' for Employer Sponsored Health Care. This amount would then be reported on the Employee's W-2.
- The flag "Include as employer-sponsored health coverage" when set to Y will include the YTD totals on the employee W2
- Must report the cost of employer-sponsored Health Coverage in Box 12 using Code DD for 2013
- Life, Dental and Vision are not required to be included in the total if they are separate plans and not included as part of the medical plan
- The contribution amount by Employee and Employer for Health Saving Account (HSA) is NOT to be included as employer-sponsored health coverage. This is reported in Box 12 using (Code W).
- HSA Insurance Premiums ARE to be included in the cost of Employer-Sponsored Health Coverage in Box 12 using (Code DD). This total includes both employee and employer contributions.
- Employer-sponsored Health coverage is required for employers who filed 250 or more W2's for the preceding calendar year

<http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>