

CBIZ Health Reform Bulletin



Subject: **Reminder: Fast Approaching Form W-2 Reporting Requirement**
Date: November 1, 2012

With 2012 quickly coming to an end, the Affordable Care Act's (ACA) requirement to report the aggregate cost of health coverage on the Form W-2 is upon us. As background, ACA requires that the aggregate cost of health coverage be reported on the Form W-2. The first reporting requirement applies to the 2012 year, due by January 31, 2013.

For purposes of this reporting obligation, "aggregate cost" means both the employer and employee's share of the cost of health coverage. Generally, if the plan is insured, the full insurance premium is used for this purpose. If the plan is self-funded, the COBRA rate less the 2% administrative fee is used. The reporting is to be done in Box 12 of the W-2 using Code DD.

The reporting requirement applies to most types of health coverage. There are exceptions for certain types of coverage such as health reimbursement arrangements and salary reduction contributions to flexible medical spending accounts. For a more detailed list of plans subject to, or exempt from the Form W-2 requirements, see the Chart posted on the IRS website ([Form W-2 Reporting of Employer-Sponsored Health Coverage](#)), as well as the [Questions and Answers](#). It is also important to remember that if an individual's health coverage changes during the year, such as from single coverage to family coverage, this must be tracked so that it can accurately be reflected on the W-2.

For more information, please refer to these CBIZ Health Reform Bulletins:

- [Additional IRS Guidance on W-2 Reporting Requirement](#) (1/6/12)
- [IRS Issues Interim Guidance on W-2 Reporting](#) (3/30/11)

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