



Provided by BB&T Insurance Services, Inc., McGriff, Seibels & Williams, Inc., BB&T Insurance Services of California, Inc., and Precept Insurance Solutions, LLC

# Types of Coverage Subject to Form W-2 Reporting

Legislative Alert 38-2016 December 15, 2016

<p><b>Coverage Chart:</b></p>	<ul style="list-style-type: none"> <li>▪ This chart only includes information that must be reported in box 12 of Form W-2, using Code DD</li> <li>▪ "Optional" items are designated this way based on transition relief, and their optional status may be changed by future IRS guidance.</li> <li>▪ Any change will not be applicable until the tax year beginning at least six months after the date that the new guidance is issued.</li> </ul>	<p><b>W-2 Reporting Effective Date:</b></p>	<ul style="list-style-type: none"> <li>▪ For 2011, Form W-2 reporting was optional for all employers.</li> <li>▪ W-2 reporting remains optional for small employers (those that filed fewer than 250 Forms W-2 for the preceding calendar year) until the IRS issues further guidance.</li> <li>▪ All other employers were required to comply with this reporting requirement beginning in 2012.</li> </ul>	<p><b>Links and Resources:</b></p>	<ul style="list-style-type: none"> <li>▪ This chart is available on the <a href="#">IRS website</a></li> <li>▪ The information in this chart is based on IRS <a href="#">Notice 2012-9</a></li> <li>▪ IRS <a href="#">Questions &amp; Answers</a> on Form W-2 reporting are available</li> <li>▪ <a href="#">Form W-2</a> and <a href="#">general instructions</a> are also available.</li> </ul>
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The Affordable Care Act (ACA) requires employers to report the aggregate cost of employer-sponsored group health coverage on employees' Forms W-2. This reporting requirement is intended to provide employees with useful and comparable information on the cost of their health coverage. It does not cause employer-provided health coverage to become taxable.

This ACA Overview includes a chart provided by the Internal Revenue Service (IRS) to outline the types of coverage subject to the Form W-2 reporting requirement. This chart reviews the Form W-2 reporting requirements for health coverage, and has no impact on requirements to report these items elsewhere.

It includes only the information that must be reported in **box 12 of Form W-2, using Code DD**, as required under Internal Revenue Code (Code) Section 6051(a)(14) (enacted as part of the ACA). It does not cover any existing Form W-2 reporting requirements.

Coverage Type	Form W-2, Box 12, Code DD		
	Report On Form W-2	Do Not Report On Form W-2	Optional Reporting
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 (health 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 health care 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		
Military plan provided by a governmental entity		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	

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