

## **2012 W-2 REPORTING FAQ**

Q. Does the cost of an employee's health care benefits shown on the Form W-2 mean that the benefits are taxable to the employee?

A. No. There is nothing about the reporting requirement that causes or will cause excludable employer-provided health coverage to become taxable. The purpose of the reporting requirement is to provide employees useful and comparable consumer information on the cost of their health care coverage.

Q. When will employers have to start reporting the cost of healthcare coverage on the Form W-2?

A. Reporting for the 2011 calendar year required to be furnished to employees in January 2012 was optional. After 2011, employers are required to report the cost of health benefits provided on the Form W-2.

Q. What amount should the employer report on the Form W-2 for health coverage? The amount the employer paid? The amount the employee paid? Or both?

A. The amount reported will include both the portion paid by the employer and the portion paid by the employee. (if any).

Q. What amount of health benefits should be reported on the Form W-2 for an employee that leaves during the year and requests a W-2 before the end of the year?

A. If an employee makes such a request in writing, the employer must provide the W-2 within 30 days.

Q. Will employers now be required to issue a Form W-2 to retiree or other former employees to whom the employer would not otherwise issue a Form W-2?

A. No

Q. Where can I get more information about the employer's requirement to report the aggregate cost of an employee's health care benefits on the Form W-2?

A. Detailed information about the interim rules for this reporting requirements and the additional transition rules for certain employers and with respect to certain types of coverage can be found in Notice 2012-9 and the instructions for the 2012 Form W-2. Additional information regarding the reporting of health care contributions may be found at the following IRS websites: <http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage> and <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

If you have any questions regarding the upcoming change in your W-2 reporting, please contact the Health Plans Office at (213) 367-2023.