



# Health Care Reform

## LEGISLATIVE BRIEF

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## Types of Coverage Subject to Form W-2 Reporting

The Patient Protection and Affordable Care Act (PPACA) requires employers to report the aggregate cost of employer-sponsored group health coverage on employees' Forms W-2. The purpose of the reporting requirement is 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.

For 2011, this informational reporting was optional for all employers. The reporting requirement remains optional for small employers (those that filed fewer than 250 Forms W-2 for the preceding calendar year) for 2012 and for later years until the IRS issues further guidance. All other employers must comply with the reporting requirement beginning in 2012 for the Forms W-2 that must be provided by the end of January 2013.

This Talon Benefits Legislative Brief contains a chart provided by the Internal Revenue Service (IRS) that outlines the types of coverage subject to the Form W-2 reporting requirement.

This chart is based on the guidance provided by the IRS in [Notice 2012-9](#). Items listed as "optional" are designated this way based on transition relief provided by Notice 2012-9, and their optional status may be changed by future IRS guidance. However, any change will not be applicable until the tax year beginning at least six months after the date the new guidance is issued.

Coverage Type	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 (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-		X	



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funded), paid on after-tax basis			
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		
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	
<b>Other Situations</b>	<b>Report</b>	<b>Do Not Report</b>	<b>Optional</b>
Employers required to file fewer than 250 Forms W-2 for the preceding calendar year			X
Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form			X

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W-2 before the end of that year			
Forms W-2 provided by third-party sick-pay provider to employees of other employers			X

*Source: Internal Revenue Service*

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