

PROVIDING THE BENEFITS BALANCE™



W-2 Reporting for 2017 Calendar Year

The Affordable Care Act (ACA) requires employers to report the cost of coverage under an employer-sponsored group health plan via the Form W-2. Employers might find the IRS informational guidance (available [here](#)) and IRS Frequently Asked Questions and Answers (available [here](#)) helpful for a brief overview of the requirements. Employers should note that the IRS has stressed that the W-2 reporting requirement is informational only and will not affect the amount includible in income or the amount reported in any other box on Form W-2. The stated purpose is to provide “useful and comparable consumer information to employees on the cost of their health care coverage” (see [Internal Revenue Bulletin No. 2012-4, Jan. 23, 2012](#)).

W-2 Report Box 12

The cost of health care coverage will be reported in Box 12 on the W-2 Form, using Code DD, and is not taxable for the employee. This requirement is mandatory for the 2017 calendar year for employers who issue 250 or more W-2 Forms. Employers who issue fewer than 250 W-2s may choose to include this information as well, but they are not subject to the requirement.

W-2 Report Available on Employer Portal

MedCost Benefit Services is prepared to assist you with this reporting by providing a W-2 report via the Employer portal on the MedCost website. This report lists each employee who was covered under your health plan during the 2017 calendar year, along with an amount that represents the cost of their health care coverage. This amount has been calculated using the rate for the applicable plan option and tier of coverage. (For questions about rates, please contact your MedCost Benefit Services Account Manager.)

This report reflects:

- new hires who may have been on the plan for only a portion of the year;
- changes that may have occurred during the year, such as a change from one plan option to another, or a change from one tier to another; and
- former employees who remained on your plan as COBRA participants or retirees.

The report will be available on the MedCost Employer portal the week of January 15, 2018, in a folder called “W2 Reporting.”

Important Note

Please note, the W-2 report provides data *only* for the plans MedCost administers for you. You are responsible for ensuring that benefit plans not administered by us, but impacted by this ACA provision, are included appropriately in the aggregate cost reported to employees.

MedCost is here to assist you in any way we can with ACA reporting requirements. If you have questions or need additional information, please contact your MedCost Benefit Services Account Manager or the Compliance Department at:

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