



# Gallagher

Insurance | Risk Management | Consulting

## W-2 Reporting: Comparison of Amounts Reportable in Code DD, Box 12, and Box 1

| Type of Coverage & Individual Covered  | Box 12     | Box 1     |
|--|------------|-----------|
| <b>Medical, Drug, Hearing, EAP, On-Site Clinic, Executive Medical, Wellness<sup>1</sup></b><br>Employee, spouse, child, and tax dependent <sup>2</sup><br>Non-tax dependent <sup>3</sup>                                   | Yes<br>Yes | No<br>Yes |
| <b>Self-insured medical <u>NOT</u> subject to COBRA (e.g., church plans)</b><br>Employee, spouse, child, and tax dependent<br>Non-tax dependent  | No<br>No   | No<br>Yes |
| <b>EAP, Wellness, On-Site Clinic <u>NOT</u> subject to COBRA<sup>1</sup></b><br>Employee, spouse, child, and tax dependent<br>Non-tax dependent  | No<br>No   | No<br>Yes |
| <b>Dental and/or Vision that is <u>NOT</u> HIPAA Excepted Benefit</b><br>Employee, spouse, child, and tax dependent<br>Non-tax dependent   | Yes<br>Yes | No<br>Yes |
| <b>Dental and/or Vision that is HIPAA Excepted Benefit</b><br>Employee, spouse, child, and tax dependent<br>Non-tax dependent  | No<br>No   | No<br>Yes |
| <b>Health FSA (employee, spouse, child, and tax dependent only)</b><br>Salary reduction amount<br>Employer contribution other than salary reduction amount   | No<br>Yes  | No<br>No  |
| <b>Health Reimbursement Arrangement</b><br>Employee, spouse, child, and tax dependent<br>Non-tax dependent   | No<br>No   | No<br>Yes |
| <b>Health Savings Account (HSA), Archer Medical Savings Account<sup>4</sup>, and Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)</b><br>Employee, spouse, child, and tax dependent<br>Non-tax dependent | No<br>No   | No<br>No  |
| <b>Specific Disease, Hospital Indemnity</b><br>Employee pays 100% of premium after-tax<br>Employer contribution or employee pre-tax premium payment  | No<br>Yes  | No<br>Yes |

<sup>1</sup> EAP and wellness included only if they meet the definition of a health plan and employer charges a COBRA premium. Excludes EAP that is referral only or an incidental benefit under a LTD contract.

<sup>2</sup> Includes spouse, employee's natural, adopted, step or foster child until the end of the calendar year the child reaches age 26 and any other individual who is the employee's tax dependent.

<sup>3</sup> Value of coverage must be imputed as income to the employee.

<sup>4</sup> Employer contributions to an Archer MSA should be included in Box 12 using Code R, but should not be included in the amount reported for the cost of employer-sponsored coverage using Code DD. Employer contributions (and any employee contributions made under a cafeteria plan) to an HSA should be included in Box 12, using Code W, but should not be included in the amount reported for the cost of employer-sponsored coverage in Box 12 using Code DD. Contributions to a QSEHRA should be included in Box 12 using Code FF, but also should not be included as part of the cost of employer-sponsored coverage in Box 12, Code DD.

| Type of Coverage & Individual Covered  | Box 12 | Box 1              |
|--|--------|--------------------|
| <b>HIPAA Excepted Coverage</b> (e.g., accident or disability only coverage, workers' compensation, liability, supplemental liability, auto medical payment insurance, credit only insurance) | No     | Maybe <sup>5</sup> |
| <b>Long Term Care</b>  | No     | Maybe <sup>5</sup> |
| <b>Excess reimbursement to highly compensated employee under a self-insured health plan</b>  | No     | Yes                |
| <b>Employer contribution to multi-employer plan</b>  | No     | Maybe <sup>5</sup> |

Note: Although the IRS released final ICHRA regulations in January 2021, the Biden Administration issued a memorandum on January 20, 2021 freezing certain regulations pending review by the new administration. As a result, employers will need to wait until further action is taken by the Biden Administration to rely on the final ICHRA regulations.

---

*The intent of this analysis is to provide general information regarding the provisions of current federal laws and regulation. It does not necessarily fully address all your organization's specific issues. It should not be construed as, nor is it intended to provide, legal advice. Your organization's general counsel or an attorney who specializes in this practice area should address questions regarding specific issues.*

---

<sup>5</sup> Tax status based on the facts and circumstances – may be taxable in some cases, not taxable in others.