



December 2011 UpDate Newsletter

Mileage Updates 2012

Medical mileage and moving mileage for 2012 will be **\$.23 per mile**; charitable mileage will be **\$.14 per mile** and business mileage will be **\$.55 per mile** for 2012.

W-2 Group Health Premium Reporting for 2012

Several clients have asked for a summary of how the W-2 Reporting Requirements for group health insurance will work effective in 2012 (reported in 2013)

Here is a quick overview of the basic rules. Please refer to this IRS website for specific guidance <http://www.irs.gov/pub/irs-drop/n-11-28.pdf>.

- Reporting of group health insurance on the W-2 form does not make the premiums taxable.
- Interim guidance tells us that W-2 forms must include group health premium information beginning in 2012 (reported in 2013). This information will also be reported to the Social Security Administration in 2013 for 2012.
- It's optional to report this data in 2012 for 2011 information.
- **Small groups who file fewer than 250 W-2 Forms (in the previous year) are not required to comply with this reporting until 2014 for the 2013 calendar year.**

Premiums to be reported include the following:

- group health insurance
- group self-funded health insurance

Premiums that need not be reported on the W-2 include:

- Archer MSA or HSA Trust contributions
- Flexible Benefit Plan Health Care Spending Account dollars, unless the employer provides benefit dollars or credits to be used under the flexible benefit plan, then specific reporting rules do apply (no reporting of the health care spending account dollars are required if the plan is a salary-reduction only plan, with no employer benefit dollars provided).
- Long-term care insurance, dental and vision insurance
- Accident, cancer, critical illness, and hospital income insurance
- Liability insurance, workers compensation, automobile insurance or other supplemental and related products.

Both the employer and the employee premium combined (for single or family coverage) is reported on the W-2 Form. Self-funded major medical plans must base the premium amount on actuarially sound data or post cost methods.

The health insurance premium dollars are reported in Box 12, Code DD on the W-2 Form. Special rules may apply to church and government plans.