

SEBB Organizations

Reporting the Cost of Employer-Sponsored Health Care Coverage on IRS Form W-2

For Calendar Year 2024 (W-2s issued in January 2025)

Federal Requirement for Reporting on W-2's

Federal law requires reporting of employer-sponsored medical, dental, and vision costs on employee W-2 Forms. *(HCA relied on IRS instructions from Form W-2 (Cat. No. 25979S) and Interim Relief Instruction Notice 2011-28 in preparing these instructions and examples.)*

Employers are required to determine and report three numbers:

1. Employee contributions toward medical, dental, and vision insurance premiums.
2. The cost of employer-sponsored medical, dental, and vision care.
3. The cost of employer contributions and optional employee contributions through payroll deduction to a Health Savings Account (HSA) *(if employee is enrolled in a HDHP)*.

Numbers Provided by the SEBB Program

The SEBB Program, as the plan administrator, is providing applicable rates for employers to carry-out their reporting responsibility. See the attached table entitled "Employer Reporting for the Cost of Employer-Sponsored Health Coverage on IRS Form W-2."

Calculating Numbers for W-2 Reporting

1. **Employee Contribution** – Calculating and reporting the employee contribution for medical, dental, and vision insurance premiums:
 - a. Identify the employee's tier (i.e., subscriber only, subscriber and spouse, subscriber, and child(ren), or employee, spouse, and child(ren)).
 - b. Identify employee's medical, dental, and vision plans.
 - c. Identify employee's pre-tax deductions.
 - d. Identify employee's applied premium surcharges for tobacco use and spouse or state-registered domestic partner, if applicable.
 - e. Sum the pre-tax "**Employee Contribution**" for medical and report in box 14 of the W-2.
 - If the employee waived medical, report zero.
 - Consider each month separately to account for any mid-year changes in tier, plan, or premium surcharges. Then calculate the total for the tax year.

2. **Employer Contribution** – Calculating and reporting the cost of employer-sponsored medical, dental, and vision care:
 - a. Identify the employee’s tier (i.e., subscriber only, subscriber and spouse, subscriber and child(ren), or employee, spouse, and child(ren)).
 - b. Identify the employee’s medical, dental, and vision plans.
 - c. Sum the “**Cost of Employer-Sponsored Medical Care**”, “**Dental Care**”, and “**Vision Care**” and report in box 12 of the W-2 using code DD.
 - If the employee waived medical, report dental and vision.
 - Consider each month separately to account for any mid-year changes in tier or plan. Then calculate the total for the tax year.
 - Include the cost of any non-tax qualified dependents medical insurance and state-registered domestic partner premium surcharges as part of the aggregate cost of health insurance. Report as defined in the guidance provided in the Tax Issues for Non-Qualified Tax dependents on the Rates page of the [Benefits-Admins](#) website.
3. **Health Savings Account** – Calculating and reporting the Health Savings Account (HSA) contribution of the employer and the employee:
 - a. Sum the “**Cost of Employer-Paid Health Savings Account**” plus any optional payroll deductions toward the HSA made by the employee plus the \$125 wellness incentive, if the employee received the incentive for 2024, and include in box 12 using code W.
 - Include both pre- and post-tax employee discretionary payroll deductions to the HSA.

Examples of Calculating and Reporting Employer-Sponsored Health Care Cost

Examples of calculating the employer-sponsored health care cost (#2 above) and cost of employer-paid and employer contributions to an HSA through payroll deduction (#3 above)

Example A – (see guidance letters A and A1 on the rate chart):

Single employee (subscriber) enrolled in Kaiser NW 2 for medical, Uniform Dental Plan for dental, EyeMed for vision and incurring the tobacco use premium surcharge.

Kaiser NW 2	\$ 757.32	(see A on rates chart)
Uniform Dental Plan	+ \$ 51.77	(see A1 on rates chart)
EyeMed	+ \$ 6.60	(see A2 on rates chart)
Tobacco Use Premium Surcharge	+ \$ <u>25.00</u>	
Total cost of health care per month	\$ 840.69	

Multiply total cost of health care per month by the number of months the employee was enrolled in the plans for that tax year. Report the total in box 12 on the W-2 form using code DD.

Example B – (see guidance letters B, B1, B2, and B3 on the rate chart):

Married employee and spouse (subscriber and spouse) are enrolled in UMP high-deductible plan with HSA for medical, Willamette for dental, and MetLife for vision. In addition, the employee earned the wellness incentive for 2022.

UMP high-deductible plan with HSA	\$ 1271.05	(see B on rates chart)
Willamette	+ \$ 104.74	(see B1 on rates chart)
MetLife	+ \$ <u>15.56</u>	(see B2 on rates chart)
Total cost of health care per month	\$ 1391.35	
Employer Contribution for HSA	\$ 62.71	(see B3 on rates chart)
Optional HSA Employee Contribution through payroll deduction	+ \$ <u>xx.xx</u>	
Wellness Incentive (if earned for 2024)	+ \$ <u>125.00</u> *	
Total HSA contribution per month	Total	

Multiply total cost of health care per month by the number of months the employee was enrolled in the plans for that tax year. Report the total health care in box 12 on the W-2 form using code DD.

Multiply total HSA contribution per month by the number of months the contributions were made to the HSA for that tax year, then add the \$125 wellness incentive* if the employee earned it. Report the total HSA contribution in box 12 in the W-2 form using code W.

**The wellness incentive is a onetime deposit of \$125; do not multiply the \$125 by the number of months contributions were made.*

Example C – (see guidance letter C on the rate chart):

Married employee waived medical and enrolled full family in Uniform Dental Plan and EyeMed vision plan only.

Uniform Dental Plan	+ \$ 155.31	(see C1 on rates chart)
EyeMed	+ \$ <u>19.80</u>	(see C2 on rates chart)
Total cost of health care per month	\$ 175.11	

Multiply total cost of health care per month by the number of months the employee was enrolled in the plans for that tax year. Report the total in box 12 on the W-2 form using code DD.

Example D – Employee is not eligible for insurance.

Not eligible for benefits	\$ 0.00	(Nothing to report on W-2)
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Washington State Health Care Authority
2024 SEBB Rate Book

Employer Reporting for the Cost of Employer Sponsored Health Coverage On IRS Form W-2

	A			B			B3					
	Subscriber			Subscriber and Spouse			Subscriber and Child(ren)			Full Family		
	Employee Contribution	Cost of Employer-Sponsored Medical Care	Cost of Employer Paid Health Savings Account	Employee Contribution	Cost of Employer-Sponsored Medical Care	Cost of Employer Paid Health Savings Account	Employee Contribution	Cost of Employer-Sponsored Medical Care	Cost of Employer Paid Health Savings Account	Employee Contribution	Cost of Employer-Sponsored Medical Care	Cost of Employer Paid Health Savings Account
Kaiser Permanente NW 1	\$ 67.00	\$ 719.12		\$ 134.00	\$ 1,432.21		\$ 117.00	\$ 1,253.94		\$ 201.00	\$ 2,145.30	
Kaiser Permanente NW 2	\$ 105.00	\$ 757.32		\$ 210.00	\$ 1,508.61		\$ 184.00	\$ 1,320.79		\$ 315.00	\$ 2,259.90	
Kaiser Permanente NW 3	\$ 196.00	\$ 848.50		\$ 392.00	\$ 1,690.97		\$ 343.00	\$ 1,480.35		\$ 588.00	\$ 2,533.44	
Kaiser Permanente WA Core 1	\$ 48.00	\$ 700.26		\$ 96.00	\$ 1,394.49		\$ 84.00	\$ 1,220.93		\$ 144.00	\$ 2,088.72	
Kaiser Permanente WA Core 2	\$ 98.00	\$ 750.15		\$ 196.00	\$ 1,494.27		\$ 172.00	\$ 1,308.24		\$ 294.00	\$ 2,238.39	
Kaiser Permanente WA Core 3	\$ 149.00	\$ 800.54		\$ 298.00	\$ 1,595.05		\$ 261.00	\$ 1,396.42		\$ 447.00	\$ 2,389.56	
Kaiser Permanente WA SoundChoice	\$ 115.00	\$ 766.71		\$ 230.00	\$ 1,527.39		\$ 201.00	\$ 1,337.22		\$ 345.00	\$ 2,288.07	
Kaiser Permanente WA Summit 1	\$ 100.00	\$ 751.68		\$ 200.00	\$ 1,497.33		\$ 175.00	\$ 1,310.92		\$ 300.00	\$ 2,242.98	
Kaiser Permanente WA Summit 2	\$ 143.00	\$ 795.12		\$ 286.00	\$ 1,584.20		\$ 250.00	\$ 1,386.93		\$ 429.00	\$ 2,373.29	
Kaiser Permanente WA Summit 3	\$ 237.00	\$ 889.10		\$ 474.00	\$ 1,772.17		\$ 415.00	\$ 1,551.40		\$ 711.00	\$ 2,655.24	
Premera Blue Cross High PPO	\$ 115.00	\$ 766.88		\$ 230.00	\$ 1,527.74		\$ 201.00	\$ 1,337.52		\$ 345.00	\$ 2,288.59	
Premera Blue Cross Standard PPO	\$ 64.00	\$ 716.24		\$ 128.00	\$ 1,426.45		\$ 112.00	\$ 1,248.90		\$ 192.00	\$ 2,136.66	
Premera Blue Cross HMO	\$ 20.00	\$ 672.48		\$ 40.00	\$ 1,338.93		\$ 35.00	\$ 1,172.32		\$ 60.00	\$ 2,005.38	
Uniform Medical Plan Achieve 1	\$ 44.00	\$ 695.67		\$ 88.00	\$ 1,385.31		\$ 77.00	\$ 1,212.90		\$ 132.00	\$ 2,074.95	
Uniform Medical Plan Achieve 2	\$ 113.00	\$ 765.45		\$ 226.00	\$ 1,524.87		\$ 198.00	\$ 1,335.02		\$ 339.00	\$ 2,284.29	
Uniform Medical Plan High Deductible	\$ 21.00	\$ 678.17	\$ 31.46	\$ 42.00	\$ 1,350.10	\$ 62.71	\$ 37.00	\$ 1,189.93	\$ 62.71	\$ 63.00	\$ 1,990.78	\$ 62.71
Uniform Medical Plan Plus - PSHVN	\$ 86.00	\$ 738.36		\$ 172.00	\$ 1,470.69		\$ 151.00	\$ 1,287.61		\$ 258.00	\$ 2,203.02	
Uniform Medical Plan Plus - UW	\$ 86.00	\$ 738.36		\$ 172.00	\$ 1,470.69		\$ 151.00	\$ 1,287.61		\$ 258.00	\$ 2,203.02	

Surcharges

Tobacco Use Surcharge	\$ 25
Spouse Waiver (AV) Surcharge	\$ -

\$ 25
\$ 50

\$ 25
\$ -

\$ 25
\$ 50

	K12 Active Dental per Month											
	Subscriber			Subscriber and Spouse			Subscriber and Child(ren)			Full Family		
	Employee Contribution	Cost of Employer-Sponsored Dental Care		Employee Contribution	Cost of Employer-Sponsored Dental Care		Employee Contribution	Cost of Employer-Sponsored Dental Care		Employee Contribution	Cost of Employer-Sponsored Dental Care	
DeltaCare	\$ -	\$ 43.40		\$ -	\$ 86.80		\$ -	\$ 86.80		\$ -	\$ 130.20	
Willamette	\$ -	\$ 52.37		\$ -	\$ 104.74		\$ -	\$ 104.74		\$ -	\$ 157.11	
Uniform Dental Plan	\$ -	\$ 51.77		\$ -	\$ 103.54		\$ -	\$ 103.54		\$ -	\$ 155.31	

	K12 Active Vision per Month											
	Subscriber			Subscriber and Spouse			Subscriber and Child(ren)			Full Family		
	Employee Contribution	Cost of Employer-Sponsored Vision Care		Employee Contribution	Cost of Employer-Sponsored Vision Care		Employee Contribution	Cost of Employer-Sponsored Vision Care		Employee Contribution	Cost of Employer-Sponsored Vision Care	
Davis Vision	\$ -	\$ 4.97		\$ -	\$ 9.94		\$ -	\$ 8.70		\$ -	\$ 14.91	
MetLife	\$ -	\$ 7.78		\$ -	\$ 15.56		\$ -	\$ 13.62		\$ -	\$ 23.34	
EyeMed	\$ -	\$ 6.60		\$ -	\$ 13.20		\$ -	\$ 11.55		\$ -	\$ 19.80	

Note:
The term "health coverage" includes medical, dental, and vision coverage.