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To: Participating Agency and Participating Employer Chief Executive Officers
& Health Benefits Administrators

From: Robert W. DuBois, Director of the Employee Benefits Division

Subject: W-2 Health Cost Reporting

Date: December 28, 2012

The Patient Protection and Affordable Care Act (PPACA) amended the Internal Revenue Code to require employers to report the aggregate cost of employer-sponsored group health plan coverage on Form W-2 for taxable years beginning on or after January 1, 2011. The Internal Revenue Service (IRS) previously delayed this reporting requirement until taxable years beginning on or after January 1, 2012, with the first reporting to occur on Form W-2s that are issued in early 2013. The IRS continues to provide transition relief to those employers that are required to file fewer than 250 Form W-2s; reporting is not required for those employers unless and until further guidance is issued by the IRS. Additionally, employers are not required to report on enrollees for whom there is no obligation to issue a Form W-2.

To assist employers in complying with this requirement, we have developed a NYBEAS report that will provide a list of all enrollees that had active benefits for any period of time during the listed plan year, as well as the aggregate (full share) cost for those active benefits. The information will be downloadable as a Microsoft Excel spreadsheet and will include the following fields: Name, Social Security Number, Alternate ID, Benefit Program, Benefit Plan, Coverage Type, Year and Aggregate Cost. **The report will be available beginning January 2, 2013.**

The aggregate cost that is listed in the report will reflect all active benefits each enrollee had during the plan year, including any changes or breaks in coverage. The aggregate cost will include both the employer and the employee share of coverage. The aggregate cost will not include amounts related to inactive benefit programs (retiree, vestee, COBRA, etc.).

To access the Health Insurance Cost Report, simply log in to NYBEAS and select the following:

NYBEAS Reports → Annual Health Cost Report

Then, enter your five digit agency code and select **Search**. You will then be able to click on a link which will allow you to open or save the report. We strongly encourage you to save the report to a secure area as the files will be only accessible in NYBEAS until February 28, 2013.

If you have any questions concerning the W-2 Reporting requirement, please contact your attorney, accountant or tax professional. You may also view the most recent IRS Notice 2012-09 at the following direct link: <http://www.irs.gov/pub/irs-drop/n-12-09.pdf>. Our office is unable to provide tax advice and the report that is provided cannot be customized to an individual employer. If you need assistance accessing the report or need information concerning NYBEAS access for your agency, please call our office at (518) 474-2780.