



Office Memorandum

Date: January 11, 2013

To: Agency Payroll and Human Resources Staff

From: Mary Muellner, Director
Statewide Payroll Services

Subject: Changes to the W-2 for Calendar Year 2012

There are several items on the Wage and Tax Statements (Form W-2s) for calendar year 2012 (to be issued in January 2013) that will be new for employees. Agency staff should be aware of these items in order to respond to questions that may come from employees.

- Eligible employees who contributed to a Roth IRA under a 457(b) deferred compensation plan will have those deductions reported in Box 12 EE.
- Most employees will see a new Box 12 DD that will include the amount that the employee and the employer contributed to the employee’s health care coverage during the calendar year. This amount is *informational only*. It is **not** taxable, and does **not** impact your tax liability. It is being reported in Box 12 DD strictly to comply with the reporting requirements of the *Patient Protection and Affordable Care Act of 2010* that requires employers to report the aggregate cost of group health coverage to their employees annually on their W-2 form.

The amount reported in Box 12 DD includes deductions with the following descriptions from an employee’s final paystub for calendar year 2012.

Those abbreviated descriptions will display on the paystub in Self Service as follows:

Medical	Medical insurance payments
Insurance	Medical insurance payments
Hlth Care BB	For active employees only. This includes amounts from Benefits Billing that were paid and also those billed, but not yet paid.

The amount reported in Box 12 DD is informational only and is **not** included in taxable income.

- Because of the additional Box 12 reporting, there will be a greater number of employees who have more than one page to their W-2. Employees with more than four Box 12 codes will have a second page to their W-2 form.
- Since the amount in Box 12 DD is for reporting purposes only, and because the amount may include items that have been billed, but not yet paid for some employees with benefits billing, a corrected W-2 form cannot be requested based on the amount in Box 12 DD.

Agency Payroll and Human Resources staff should contact Jennifer Goossen at 651-201-8072 or jennifer.goossen@state.mn.us if there are questions about reducing leave balances.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF.