Providing innovative solutions that improve the health and productivity of your employees and your bottom line.

The amount that your employer paid towards your health care coverage will be reported in Box 12, using code DD, on your W-2. You are not taxed on this amount.

**The reason is two-fold:**

*First*, it is supposed to help you understand the true cost of your health care coverage.

*Second*, it will help the IRS with verifying that taxpayers have coverage.

It is an information only box and you are not being taxed on the amount listed there. Beginning in 2018, some, "high dollar value" health plans (called Cadillac Plans) will be subject to a federal excise tax. However, insurance carriers (in the case of insured coverages) and the Plan Sponsor (in the case of self-funded plans) will owe those taxes and not you, the taxpayer.

The value of the cost of health coverage includes the plans and tiers you had in place each month of the calendar year. Plans that are included in the “value of the cost of health coverage” can include: medical and prescription drug coverage, dental and vision coverage (if the coverage is bundled with Medical/Rx), any Healthcare FSA credits that are provided by your employer (but not the monies you defer from your salary), and any other health-like-plans that you use pre-tax dollars to purchase (like AFLAC, Colonial Life, Illness or Indemnity policies, etc.).

*Certain smaller employers are exempt from this requirement in 2012.*