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DATE: January 29, 2016
TO: All Employees
FROM: Terri F. Prevost, CPA
Director of Business Affairs
RE: 2015 W-2 Questions

Please find below a recap of the most frequently asked questions concerning W-2 forms:

Question: Why are my taxable wages on my W-2 less than what I actually make?

Answer: Taxable wages on your W-2 will probably be less than what you actually make because of certain "cafeteria" deductions or payments taken out of your check that are NOT taxable per IRS rules. Such deductions include retirement, health insurance, annuity contributions, flexible medical spending account contributions and other deductions that qualify for such treatment.

Question: Why are my Medicare wages higher than my taxable wages?

Answer: The computation for Medicare taxes does not recognize the same "cafeteria" deductions that are used for taxable wages. Medicare only recognizes health insurance related deductions as not taxable for Medicare.

Question: What does the amount in Box 12, Code DD represent?

Answer: As a requirement of the Patient Protection and Affordable Care Act, employers are required to report the "total cost" of our health insurance benefits on the employee's W-2. **This requirement is for information purposes only, and it does not represent a new tax.**

Additional Form 1095-C-Health Insurance Reporting for Tax Purposes

All full-time employees will be receiving a 2015 Form 1095-C by March 31, 2016 (the IRS deadline). This form is required by the Internal Revenue Service and will provide the employee with information related to health insurance coverage for the employee, spouse, and dependents as applicable. This form is not required to prepare your individual income tax return for 2015 if you had 12 months of health insurance coverage with STPSB. However, if you had less than 12 months of health insurance coverage or no health insurance coverage, this form will be necessary to file your income taxes. If you elect to file your income tax return without this form, an amended tax return may need to be filed.

Please direct any additional questions you may have to shannon.jenkins@stpsb.org.