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Reporting Total Cost of Healthcare

Overview

The **Patient Protection and Affordable Care Act (ACA)** requires employers to report the total cost of coverage under an employer-sponsored group health plan on employee **W-2** forms. The total amounts paid by the employer and the employee for the employee's coverage must be reported as one amount on each employee's W-2. The amount is displayed in **Box 12** of the W-2 under code **DD**.

In Workforce Now you can create a paydata batch specifically for this purpose. It is recommended that you process the Total Cost of Healthcare paydata batch with your last payroll of the year. It is not necessary to make entries throughout the year. If you do opt to make entries more frequently (each pay or quarter) remember that the amounts are cumulative. Each paydata batch that you process will add to the previous amounts recorded to the memo code.

Preparing the Paydata Batch

Alert: Prior to creating the paydata batch you must unarchive any terminated employees who had group health insurance costs in the reporting period. Archived employees will not be included. **NOTE:** If the W-2 Batch was automatically created, delete this. This batch will not include archived employees.

Process → Payroll → Paydata

Click **CREATE W-2 BATCH** to begin the process.

Enter a **Batch ID** and **Description**. Enter **Start** and **End** Dates.

Click **Next** to prepare the paydata batch.

Once you receive the Success message you can view and if necessary, edit your paydata batch in the list.

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If desired, there is a report you can use to review and verify your numbers.

Reports → Standard Reports → Benefits → W2 Detail

This report breaks out the individual employee and employer costs for the period specified at runtime.