

DATE: January 2018

TO: All University of Cincinnati Employees

FROM: Elizabeth S. Aumann, Benefits Director
Fred Beckett, Director of Payroll Operations

REF: Form 1095-C
Form W-2 Information and Changes for 2018

Form 1095-C - Employer-Provided Health Insurance Offer and Coverage

- Form 1095-C is a tax form required under the Affordable Care Act (ACA).
 - Form 1095-C, Employer-Provided Health Insurance Offer and Coverage is used by employers with 50 or more full time employees to report the information about offers of health coverage and enrollment in health coverage for their employees. If you were enrolled or eligible for enrollment in a UC medical plan or were considered a full-time employee at any point in 2017, then you should receive Form 1095-C.
 - Think of the form as “proof of insurance” for the IRS.
 - While the information on the form may help you complete your tax return, the form is NOT needed to file. You can file your federal tax return even if you have not received one of these statements.
 - The IRS requires employers to provide this form by March 2, 2018. The form will be mailed to your home address as maintained in Employee Self Service (ESS).
 - The form WILL NOT be mailed with the UC W-2 and is NOT available electronically.

If you have any questions regarding the form, please refer to the above website or submit your question in writing to Benefits@uc.edu.

Form W-2

- 2017 Online W-2s will be available mid-January for those who have signed up or will be signing up to receive their W-2 online.
 - An email will be sent to you when your W-2 is available to view and print.
 - You may print as many copies as you need.
- If you did not elect to receive your W-2 online, it will be mailed by January 31, 2018 to your home address as maintained in Employee Self Service (ESS).
 - Duplicate 2017 W-2s will only be available using Employee Self Service. If you need a duplicate 2017 W-2, enroll in Online W-2s via Employee Self Service by following these [instructions](#).
 - All requests for a reissued W-2 from prior years (2016 and prior) must be made online at http://www.uc.edu/af/controller/payroll/resources/request_duplicate_W-2.html
- W-2s will consist of four copies.
 - One of them will be marked COPY C FOR EMPLOYEE’S RECORDS, and should be retained permanently.
 - If your 2017 payroll record includes wage or tax information for multiple localities (two or more cities or a city and a school district), or for more than one state because you moved during the year between OH,

KY, and IN, you will receive this information on multiple Forms W-2 (also see Boxes 18, 19, and 20, below).

Please verify that the following data is correct on your W-2, your pay statements and Form 1095-C:

- Your name should match your name on your Social Security Card.
- Your Social Security Number should match your number on your Social Security Card.
- Your current home address should be displayed.
- Your correct taxing jurisdictions should be included.

Corrections are to be requested as follows:

- Change of address - through Employee Self Service.
- Name changes, Social Security Number corrections, and tax jurisdiction changes – contact Human Resources at 513-556-6381.

Below are answers to the most frequently asked questions:

- **Box 1; WAGES, TIPS, OTHER COMPENSATION.** This is the taxable amount reported to the Internal Revenue Service (IRS). It includes any taxable fringe benefits (such as the taxable portion of graduate level tuition remission), as well as the taxable value of group-term life insurance (see Box 12, below).
- Your taxable (Box 1) gross should be entered on the wages line of your Federal tax return. It includes all earnings and UC benefit credits paid to you in 2017, less all of your pre-tax benefit and retirement deductions.
- **Box 5; MEDICARE WAGES AND TIPS.** Income subject to the Medicare tax is not reduced by any retirement deferrals, but it is increased and decreased by credits and pre-tax deductions for Choice Benefits, as well as pre-tax parking deductions. There was no applicable limit on Medicare wages in 2017.
- **Box 6; MEDICARE TAX WITHHELD.** State employees in Ohio do not pay into Social Security, but state and local government employees hired, or rehired, after 3/31/86 must pay the Medicare portion of the Social Security (FICA) tax. The only applicable exceptions at UC are student employees working while enrolled at least half time and attending classes, and international students and scholars visiting the U.S. for a limited period and considered tax nonresidents under F-1 or J-1 visas. The Medicare tax rate is 1.45% or 2.35% for taxable earnings over \$200,000.00.
- **Box 10; DEPENDENT CARE BENEFITS.** This is the pre-tax amount paid into a dependent care flexible spending account as part of the UC Benefits program. Only dependent care benefits are reportable. Other pre-tax deductions withheld under UC's Benefits plan are not reportable.
- **Boxes 12a, 12b, 12c, and 12d.** Up to six figures may appear, when applicable, as described here and in the Notice to Employee on the back of your Form W-2. May result in a 2nd W-2 being printed. Each of the following codes may be applicable:
 - **C - Taxable value of life insurance coverage.** The calculated taxable value of group-term life insurance in excess of \$50,000 that has been added into Box 1 as "other compensation".
 - **E - Section 403(b) pre-tax deductions.** Total "elective deferrals", which include pre-tax employee deductions to the "grandfathered" (pre-1977) TIAA/Fidelity/Vanguard retirement plan, as well as all of UC's supplemental Tax Deferred Opportunities (TDO), other than the Ohio Deferred Compensation Plan. STRS, OPERS, ARP, and City Retirement deductions DO NOT add into this total. Internal Revenue Code Section 403(b) plan deferrals

were generally limited to \$18,000 in 2017, with a \$6,000 “catch-up” deferral permitted if you were over age 50 or reached age 50 by 12/31/2017.

- G - Section 457(b) contributions. Any amount that you contributed to the Ohio Public Employees Deferred Compensation Plan (OPEDC). Up to \$18,000 could additionally be deferred into this plan in 2017. The \$6,000 “over age 50” catch-up was also applicable, or a special catch-up provision was available near “normal retirement age” (contact OPEDC for details).
- P - Excludable moving expense reimbursements. Non-taxable moving expenses for which you were reimbursed. Expenses paid directly by UC to a moving company are not reported.
- W - Employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria) plan) to your health savings account.
- DD – Aggregate reportable cost includes the cost of coverage under the UC-sponsored group health plan for the employee and any person covered by the plan because of a relationship with the employee. The amount reported with Code DD is not taxable.
- Box 13. The “Retirement plan” block must be checked for all UC employees, including student employees who chose not to contribute to OPERS based on an optional student exemption. By checking the “Retirement plan” block, an employer notifies the IRS that an employee’s eligibility for a deductible Individual Retirement Arrangement (IRA) is limited.
- Boxes 18, 19, and 20; LOCAL WAGES/TAXES/LOCALITY NAMES. In addition to the information reported for municipal income taxes withheld, Ohio SCHOOL DISTRICT INCOME TAX (SDIT) data will be provided in these boxes if any SDIT has been withheld. Only one locality will print on each W-2, so employees with more than one local tax will receive multiple copies of Form W-2, each indicating a separate locality. Please note that the combination of Indiana or Kentucky state tax and Cincinnati tax will also result in two forms printing.
- The Notice to Employee on the back of copies B and C includes information furnished by the IRS regarding income tax refunds, Form W-2 corrections, dependent care expenses, and other potentially important concerns of taxpayers.

If you have any questions regarding the information included on your Form W-2, please call Payroll Operations at 513-556-2451.

Changes for 2018 - from Payroll:

Various limits for 2018:

- The 403(b) and 457 normal limits increase from \$18,000.00 to \$18,500.00.
- The 403(b) and 457 “catch-up” deferral limits remains \$6,000.00.
- Employee paid Medicare Tax increase remains 0.9% on wages in excess of \$200,000.00.
- The \$5,250.00 income exclusion under IRC 127 (Employee Educational Assistance Programs) remains and is permanent, with no expiration date.
- The 2018 annual HSA contribution limit for individuals with self-only HDHP coverage changes from \$3,400.00 to \$3,450.00.

- The 2018 annual HSA contribution limit for individuals with family HDHP coverage changes from \$6,750.00 to \$6,900.00.
- The 2018 annual HSA catch-up limit for individuals age 55+ remains \$1,000.00.
- Changes to Federal Tax Rates, Exemption Amounts and Supplemental Flat Tax Rates for 2018 are currently under review by the IRS with updates expected in the next month. 2017 rates will be used until updates are provided for 2018.