



Total Rewards Human Resources

Academic/Administration
Building, Suite 3638
5700 Cass Avenue
Detroit, MI 48202

Phone: 313-577-3000
Fax: 313-577-0637

Email: askhr@wayne.edu

Taxation of Other Eligible Person Benefits

2022 Calendar Year

For more details: <https://hr.wayne.edu/tcw/other-benefits/oep>

IRS regulations require the University to tax the fair market value of University-provided healthcare benefits (medical, dental and/or vision) for Other Eligible Persons (OEP). The IRS defines fair market value of a fringe benefit as the amount you would have to pay for an individual policy for your OEP.

Use the chart on the reverse side to determine the taxable amount to you resulting from the addition of an OEP to your medical, dental and/or vision coverage. This amount will be added to your taxable gross income.

Add together the monthly taxable amounts for medical, dental and/or vision insurance from the tables on the reverse side. This will give you the increase to your taxable gross income. To estimate the increase in your taxable income and the resulting tax increase, please follow the instructions below:

FEDERAL TAX BRACKET	PLUS STATE TAX RATE	PLUS FICA TAX RATE	PLUS DETROIT NON-RESIDENT TAX RATE	TOTAL TAX RATE
12%	4.25%	7.65%	1.2%	25.1%
22%	4.25%	7.65%	1.2%	35.1%
24%	4.25%	7.65%	1.2%	37.1%

Example 1: If you are a 12-month employee going from 2-Person to Family Blue Care Network, dental & basic vision coverage in Plan 2, are in the 22% Federal tax bracket and are adding an OEP the following estimated tax would apply:

Blue Care Network Taxable Amount:	\$329.13 (actual values on Plan 2 12-month table)
Dental & Vision Plan Taxable Amount:	\$ <u>10.26</u> (actual values on Plan 2 12-month table)
Total Bi-Weekly Taxable Amount:	\$339.39 (taxable amount to you)
Times Total Tax Rate	X <u>35.1%</u> (from table above)
Amount of Bi-Weekly Tax Increase	\$ 119.13

Example 2: If you are a 9-month employee going from 2-Person to Family Blue Care Network, dental & basic vision coverage in Plan 2, are in the 22% Federal tax bracket and are adding an OEP the following estimated tax would apply:

Blue Care Network Taxable Amount:	\$438.84 (actual values on Plan 2 9-month table)
Dental & Vision Plan Taxable Amount:	\$ <u>13.68</u> (actual values on Plan 2 9-month table)
Total Bi-Weekly Taxable Amount:	\$452.52 (taxable amount to you)
Times Total Tax Rate	X <u>35.1%</u> (from table above)
Amount of Bi-Weekly Tax Increase	\$158.83

Note: If you live in the city of Detroit you may also need to consider the Resident tax in your calculation.

Taxation of Other Eligible Person Benefits

2022 Calendar Year

Plan 2 Imputed Income Bi-Weekly Taxable Amounts (AAUP, GEOC and Non-Represented employees)

12-Month Employees

By adding OEP, going to:	Single to 2-Person Coverage	2-Person to Family Coverage	Family w/ OEP
Blue Cross/Blue Shield	\$199.58	\$434.27	\$691.86
Blue Care Network (HMO)	\$232.99	\$329.13	\$337.63
Community Blue (PPO)	\$403.45	\$550.93	\$645.37
Health Alliance Plan (HMO)	\$248.22	\$354.95	\$363.69
Priority Health (HMO)	\$130.61	\$118.79	\$162.52
Delta Dental	\$11.44	\$8.96	\$15.26
EyeMed Vision - Basic	\$1.29	\$1.30	\$2.32
EyeMed Vision - Enhanced	\$1.51	\$1.53	\$4.31

9-Month Employees

By adding OEP, going to:	Single to 2-Person Coverage	2-Person to Family Coverage	Family w/ OEP
Blue Cross/Blue Shield	\$266.10	\$579.03	\$922.48
Blue Care Network (HMO)	\$310.66	\$438.84	\$450.17
Community Blue (PPO)	\$537.94	\$734.57	\$860.49
Health Alliance Plan (HMO)	\$330.96	\$473.26	\$484.91
Priority Health (HMO)	\$174.15	\$158.38	\$216.69
Delta Dental	\$15.26	\$11.95	\$20.34
EyeMed Vision - Basic	\$1.72	\$1.73	\$3.09
EyeMed Vision - Enhanced	\$2.02	\$2.04	\$5.74

Taxation of Other Eligible Person Benefits

2022 Calendar Year

Plan 1 Imputed Income Bi-Weekly Taxable Amounts

(All employee groups, excluding AAUP, GEOC and Non-Represented employees)

12-Month Employees

By adding OEP, going to:	Single to 2-Person Coverage	2-Person to Family Coverage	Family w/ OEP
Blue Cross/Blue Shield	\$210.55	\$449.16	\$711.51
Blue Care Network (HMO)	\$243.96	\$346.84	\$355.61
Community Blue (PPO)	\$421.84	\$575.35	\$674.10
Health Alliance Plan (HMO)	\$255.30	\$366.47	\$375.39
Priority Health (HMO)	\$138.93	\$126.75	\$174.41
Delta Dental	\$12.20	\$10.22	\$15.26
EyeMed Vision - Basic	\$1.29	\$1.30	\$2.32
EyeMed Vision - Enhanced	\$1.51	\$1.53	\$4.31

9-Month Employees

By adding OEP, going to:	Single to 2-Person Coverage	2-Person to Family Coverage	Family w/ OEP
Blue Cross/Blue Shield	\$280.73	\$598.88	\$948.68
Blue Care Network (HMO)	\$325.29	\$462.46	\$474.15
Community Blue (PPO)	\$562.46	\$767.13	\$898.80
Health Alliance Plan (HMO)	\$340.39	\$488.63	\$500.51
Priority Health (HMO)	\$185.25	\$169.01	\$232.54
Delta Dental	\$16.27	\$13.63	\$20.34
EyeMed Vision	\$1.72	\$1.73	\$3.09
EyeMed Vision - Enhanced	\$2.02	\$2.04	\$5.74