



FAQ: Your 2018 Tax Documents (W2 and 1095-C)

You may soon receive two email notifications for your W2 and 1095-C with a link to Ceridian, our printing service vendor for tax documents.

Where can I get a duplicate copy of my W2?

- Hardcopies of the W2 will be mailed in January to those who requested this service. They will not be mailed to overseas addresses but will still be available electronically to everyone.
- If you signed up for electronic distribution or lost your mailed hardcopy, you can obtain your own copy at [Ceridian](#) or you may also print a copy from [Workday](#). From the 'Pay' icon (in the 'The Navigators Home Page' page), click on the 'My Tax Documents' to View/Print* as desired. **Please note that you may have to enable pop-ups on your browser in order to access the printable form.*

My tax accountant is asking for Form 1095-C. Where do I get the form?

- Hardcopies of the 1095-C will be mailed in January to those who requested this service. They will not be mailed to overseas addresses but will still be available electronically to everyone.
- If you signed up for electronic distribution or lost your mailed hardcopy, you can obtain your own copy at [Ceridian](#) or you may also print a copy from [Workday](#). From the 'Pay' icon (in the 'The Navigators Home Page' page), click on the 'My ACA 1095-C Forms', follow the links, and View/Print* as desired. You will have to report on Form 1040 whether you had medical coverage in 2018. The 1095-C is to be kept in your tax documentation for 2018 and is not required to file taxes. **Please note that you may have to enable pop-ups on your browser in order to access the printable form.*

Can I deduct the premiums I pay for medical insurance from my taxes?

- Medical insurance premiums are not treated as taxable income and are not deducted from your paycheck so they cannot be deducted from your taxable income. The **Field employee's** medical premiums are deducted from the internal ministry account and from the IRS perspective this would be considered employer-paid premiums and are not taxable to you. The portion of the premium paid by **HQ employees** is deducted before taxes are determined and cannot be deducted on the Schedule A of your tax return.

My tax accountant is asking me to provide the total medical out-of-pocket costs I incurred in 2018. Where can I get this information?

- Sign in to your account at www.Aetna.com. Download the medical claims from 2018 to an Excel spreadsheet and it will help you make a summation of your out-of-pocket expenses. If you have received a reimbursement from either the Flexible Spending Account or your Health Savings Account, you cannot deduct these expenses on your tax return.

Do I need to include the Health Savings Account contributions on my tax return?

- Contributions to The Navigators' Health Savings Account (HSA) through Optum are not included in Box 1 of the W2 because they were deducted from your salary before your taxes were calculated. If you made *personal after-tax* contributions to an HSA, you would add those contributions as a deduction on form 8889 when filing taxes. **The tax documents from Optum are for your records only.** If you took distributions from your HSA, you will need a copy of the 1099-SA. This form is not mailed to you but can be downloaded from your account at Optum. Please call Optum for assistance with obtaining this form: (877) 470-1771. This form and your Explanation of Benefits or receipts should be kept to document your qualified distributions.

I moved from one state to another last year. Why does my W2 show only taxes from my previous state?

- Some states do not have a state income tax. The Navigators wouldn't report wages earned in those states on your W2. The states without state income tax are: AK, FL, NV, NH, SD, TN, TX, WA, and WY.
- *When you move, you must notify HR* of your address change. To make an update, sign into <https://www.myworkday.com/navigators/login.html> and you should be on 'The Navigators Home Page'. Click on the Personal Information button and you will see a button allowing you to change Contact Information.

How do I respond to the question Turbo Tax asks about my filing status as a clergy person, ordained, or something similar?

- The answer to this question is not simple and is of great importance to you personally. There are important definitions and qualifiers that a tax professional will understand and it is in your best interest to seek professional guidance. For this reason, we would not recommend ministers use self-filing tax software.

How does SECA status affect my taxes?

- SECA stands for Self-Employment Contribution Act, a government tax regulation. When an employee of The Navigators is appointed as a Navigator Representative he or she becomes a SECA employee. When you become a SECA employee (also referred to as dual status) you are considered an employee of The Navigators for benefits such as salary, workers' compensation protections, and group insurance programs. However, for the purposes of Social Security you are considered self-employed and are responsible for the full SECA taxes (Social Security and Medicare) and for the filing of the Schedule SE, which records your Social Security and Medicare obligations. You may choose to calculate your own taxes and pay them quarterly, or take advantage of The Navigators complimentary service to withhold extra federal income taxes and remit them to the IRS on your behalf. Whichever payment method you choose, you are responsible for the self-employment reporting on your Form 1040 Schedule SE. If you are serving in an international assignment you may not be required to pay income taxes because your earnings are less than the Foreign Earned Income Exclusion (\$101,300 in 2018), however if you are a SECA employee you are not necessarily exempt from self-employment tax. You are responsible for reporting the self-employment taxes on Form 1040 Schedule SE, which is then reported to Social Security and applied to your benefit accumulations. The Navigators highly recommends Navigator staff seek tax advice from qualified professionals who are familiar with ministerial earnings and self-employment issues.

I owed a large tax bill in 2018. Should I adjust my federal withholdings?

- When your salary goes up it is possible that you will owe more taxes. It is important to estimate your tax liability after a salary increase then make adjustments to your withholding. If you are having The Navigators withhold on your behalf, you may need to resubmit a W-4 requesting that the withholding be increased. Conversely, if you have a decrease in salary you may need to adjust your withholdings down so that you do not over-withhold. You can adjust your Federal W-4 and State withholding by signing on to Workday. On 'The Navigators Home Page' link you will select the Pay icon, move your cursor to Actions and select Withholding Elections. Enter the date you want the change to be effective (today's date or in the future). It will then take you to a page where you can select your marital status, number of withholdings, additional amount to be withheld (per paycheck) or "exempt".

When I look at my pay stub I see "imputed income." What does this mean?

- The IRS requires that the value of employer-provided life insurance in excess of \$50,000 be reported as taxable compensation. The IRS determined value is called "imputed income" and is included in Box 1 of your W2.

Will I get the Social Security Benefit Statement this year?

- The Social Security Administration no longer mails the Benefit Statement to all beneficiaries. These mailings are sent to certain age groups. A statement will be mailed to an individual who turns 25 to introduce them to the entitlement program and the potential benefit. Statements will also be sent to individuals 60 and older who are not yet receiving benefits. To view your Benefits Statement go to www.ssa.gov. You may want to consider keeping your W2 information and the Schedule SE as a permanent tax record for purposes of wage verification.

Why should I set up a Health Savings Account?

- When you participate in the HSA or FSA Program, your contributions are taken out of your salary before your federal income tax is calculated. In most states, you do not pay state income tax on the contributions. In addition, you will not pay Social Security tax on your contributions. For example, let's say that you contribute \$1,200 a year (\$100 a month) to your Health Savings Account. If you are in the 15 percent (15%) federal tax bracket, your state income tax is five percent (5%) and you pay 15.3 percent (15.3%) SECA tax as a NavRep2, your tax savings would be:
 - Federal tax savings: $\$1,200 \times .15 = \180.00
 - State tax savings: $\$1,200 \times .05 = \60.00
 - Social Security tax savings: $\$1,200 \times .153 = \183.60
 - Add these together (\$423.60) for your total tax savings.

Please contact a tax professional for more information.