

●●● How to read your W-2



22222		Void <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and initial		Last name	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
			14 Other		12c	
					12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2016** Department of the Treasury—Internal Revenue Service
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BOX 1 – FEDERAL TAXABLE WAGES

Box 1 includes your wages, bonuses, commissions, tips and other compensation

PLUS

- Personal use of a company car
- “Non-accountable” expense reimbursements such as car allowances
- Your employer’s cost of providing you with group term life insurance (GTL) in excess of \$50,000 coverage
- If you are a 2%+ shareholder of a “S” Corporation, your health insurance premiums paid by the “S” Corporation

MINUS

- Your payroll deduction “elective deferrals” to your employer’s 401(k), SIMPLE-IRA, 403(b) annuity, or 457 government retirement plan (Roth contributions do not reduce Box 1 wages)
- Your pre-tax payroll deductions to fund your Section 125 health insurance premiums, flexible spending accounts for medical and dependent childcare expense, and pre-tax HSA contributions.

- For pastors/clergy, the amount of your compensation which has been designated as a “housing allowance.”

BOXES 2, 4, 6, 17 AND 19 – TAX WITHHOLDING

The amounts withheld for various taxes are included in these boxes. If you had taxes withheld from multiple states or local jurisdictions, boxes 17 and 19 will have multiple figures.

NOTE: Medicare tax withheld in Box 6 includes the brand new additional Medicare tax withholding for wages in excess of \$200,000.00

BOXES 3 AND 5 – WAGES SUBJECT TO SOCIAL SECURITY AND MEDICARE TAXES

Boxes 3 and 5 report wages paid to you that are subject to the 6.2% social security tax and 1.45% Medicare tax. Box 3 social security wages cannot exceed \$118,500 for 2016, whereas Box 5 Medicare wages have no ceiling amount. Box 3 and 5 wages are the same as Box 1 wages:

PLUS

- Your pre-income tax contributions to 401(k), 403(b) annuity, SIMPLE-IRA and 457 government retirement plans are included in Box 3 and Box 5 wages

MINUS

- 2%+ “S” Corporation health insurance premiums included in Box 1 wages are not included in Box 3 and 5 wages

BOX 7 – SOCIAL SECURITY TIPS

Box 7 reports the amount of tip income you reported to your employer for the year. This amount of tip income has also been reported in Box 1 wages.

BOX 10 – DEPENDENT CARE BENEFITS

If your employer has a plan which permits you to pre-tax payroll withholdings for daycare, the amount withheld from your payroll is reported in Box 10.

BOX 11 – NON-QUALIFIED PLANS

The amount paid to you during the year as a distribution from a non-qualified plan is reported in Box 11 and also in Box 1 wages.

BOX 12 – REQUIRED IRS TAX CODINGS

- ▶ CODES A & B – Amounts reported in Box 12 and coded “A” and “B” pertain to tipped employees.
- ▶ CODES D, E, F, G, S, AA, BB AND EE – Amounts you contributed by payroll deductions to your employer’s qualified retirement plan are reported in Box 12 with the following codes:

D – 401(k) Plan
E – 403(b) Plan
F – Salary reduction SEP Plan
G – 457(b) government plan
S- SIMPLE-IRA Plan

AA – Roth 401(k) Contributions

BB – Roth 403(b) Contributions

EE – Roth 457(b) Contributions

** Note – “Catch-up” contributions based on age are included in these amounts*

- ▶ CODE C – Box 12, code C, reports your employer’s cost of your group-term life insurance coverage in excess of \$50,000
- ▶ CODES M & N – If you terminated retirement, or are retired, and had in excess of \$50,000 of group-term life insurance coverage, the uncollected social security and Medicare taxes are reported here.
- ▶ CODE P – Code “P” reports job-related moving expenses paid by your employer which are not included in your taxable income.
- ▶ CODE W – Box 12, Code W, reports the amount of HSA contributions paid by your employer PLUS the amount of pre-tax HSA contributions paid by the employee. **Note – “After-tax” HSA employee contributions are not reported on your W-2.*
- ▶ CODE Y – Box 12, Code Y, reports the current year deferrals to a Section 409(a) non-qualified deferred compensation plan.
- ▶ CODE DD – Box 12, Code DD, reports the cost of employer-sponsored health coverage. This amount includes both the employer and employee shares of the health insurance and is for informational purposes only. Required for employers with 250+ W-2’s for 2015.

BOX 13 – RETIREMENT PLAN

This box should be checked if you were an “active participant” in your employer’s qualified retirement plan during the year (pension plan, 401(k), 403(b), SIMPLE IRA, SEP Plan). This box should not be checked for a Section 457 government plan.

BOX 14 – OTHER INFORMATION

Box 14 is used by employers to report information not required by the IRS, but may assist an employee with amounts relevant in preparation of their personal income tax returns. Examples of Box 14 information include:

- Housing allowance for clergy
- “S” Corporation health insurance premiums (also in Box 1 wages)
- After-tax health insurance premiums
- Union dues
- Uniform expense
- After-tax HSA contributions
- Section 529 Plan Contributions
- Personal use of a company car (also included in Boxes 1, 3 and 5)
- Any other information an employer wishes to report to employees