

# Understanding your W2

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

2015

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Cat. No. 10134D

**Do Not Cut, Fold, or Staple Forms on This Page**

For the employee, there are **three parts** to every W2 form. These parts are actually just copies of your W2, but they are to be sent to different places:

**Copy 1** to file with your state tax return

**Copy B** to file with your federal tax return, and

**Copy C** which you should keep for your own records

Understanding your W2 form box-by-box

Not all the information recorded in the boxes of your W2 is necessary when filing your taxes. Often, the amounts recorded are never transferred to your tax return. They are just there to show you the different income base for different taxes or to record other information, such as union dues.

In order to help you understand your W2 form, we've compiled a list of explanations for the contents of each box. Some you'll never deal with, others are self-explanatory, but, by the end, you should know what every number or letter on your W2 means.

**Box a** - your social security number. Verify that this number is correct.

**Box b** - the employer's identification number (EIN). Employers with one or more employee must have and EIN. The number is **not** entered onto your tax return.

**Box c** - the employer's name, address and ZIP code.

**Box d** - the control number for your employer. It doesn't matter if there is an entry or not.

**Box e** - your name. Again, verify.

**Box f** - your home address and ZIP code. Verify and correct if needed. You don't want your refund sent to a different address!

**Box 1** - the total of your taxable wages, tips, other compensation and taxable fringe benefits. This can include back pay, bonuses, commissions, severance or dismissal pay, and vacation pay.

To arrive at your Federal (Box 1) and State (Box 16) taxable wages, subtract pre-tax benefits deductions (health insurance, dental, etc.), pre-tax parking deductions, and pre-tax retirement contributions from your gross year-to-date wages.

**Box 2** - the total amount of federal income tax that was withheld from your salary.

**Box 3** - the total in wages that were subject to the social security tax. In 2014, your eligible wages, up to \$117,000 are subject to social security tax of 6.2%. Wages you earned above this amount, even if the wages are from two jobs, are not subject to the social security tax. Wages not subject to social security tax are not included in this number, such as some retirement plan contributions.

To arrive at your Social Security (box 3) and Medicare (box 5) wages, subtract pre-tax benefits deductions (health insurance, vision, etc.) and pre-tax parking deductions from gross year-to-date wages.

**Box 4** - the total amount of social security tax withheld from your salary. For 2014, the amount of social security tax is 6.2% of your wages. The maximum amount you have to pay in social security tax for 2014 is \$7,245. If your total on all your W2 forms is over this amount, you get a refund.

**Box 5** - the total of your wages and tips that are subject to Medicare tax. There is no limit on Medicare tax.

**Box 6** - the total you paid in Medicare tax already. Medicare tax is 1.45% (2.9% if you are self-employed) of your wages and tips plus an additional .9% Medicare tax on wages above \$200,000.

**Box 7** - the total amount in tips you reported to your employer. This amount is already included in Box 1.

**Box 9** – Blank.

**Box 10** - the total in dependent care benefits. If your employer reimburses you for day-care costs or if your employer provides day-care services, Box 10 should not be empty.

**Box 11** - this amount can be two things. It is either a distribution made to you from a non-qualified deferred compensation plan or nongovernmental section 457 plan. In this case the taxable amount is included in Box 1. Or, it can be a prior year deferral under a non-qualified or section 457 plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. These amounts are also included in Box 3 and/or Box 5.

**Box 12** - a monetary amount followed by a letter code. On the back of your W2, are explanations for any codes that you see listed here. The box includes 403(b) contributions, the premium on group life insurance over \$50,000, nontaxable sick pay, employer contributions to your medical savings account, and uncollected social security and Medicare taxes. The codes listed below are the ones you may see on your Emory W2.

#### The Codes:

- **C** - Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5)

**Note:** If a year follows code D, E, F, G, H, or S, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

- **E** - Elective deferrals under a section 403(b) salary reduction agreement
- **G** - Elective deferrals and employer contributions (including non-elective deferrals) to a section 457(b) deferred compensation plan
- **P** - Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5)

- **Y** - Salary deferrals under 409A non-qualified deferred compensation plan.
- **BB** - After-tax contributions to a Roth 403(b) retirement plan.
- **DD** – Cost of employer-sponsored health premiums

**Box 13** - may have a box checked that indicates whether you are a statutory employee, a participant of your employer's retirement plan or received third party sick pay.

Statutory employees are employees whose earnings are subject to social security and Medicare tax, but not income tax. Full-time life insurance salespeople (traveling or not), agents, commission drivers, and home-workers can file as self-employed instead of filing as employees.

The retirement plan box is checked if you participate in an employer retirement plan, information which the IRS uses to determine if you're eligible to contribute to an IRA.

Third-party sick pay may be checked if you received any compensation from an insurance company, under your employer's plan, while you were not working due to illness. Unless your employer transfers the responsibility to you, you are not required to pay any tax on this amount.

**Box 14** - records any other information for the employee, such as union dues, health insurance premiums, educational assistance payments or other pre-tax benefits. Contributions to retirement plans that have no code can be listed here too. All entries should be clearly labeled. You may see entries in this box for pretax benefits, taxable moving expenses, or courtesy scholarships.

**Boxes 15- 20** - The following boxes are primarily used when you file your state and local tax return. However, if you are itemizing, the state and local taxes you paid during the year can be included in your deduction.

Box 15 - employer's state and I.D. number

Box 16 - your state wages, tips and compensation.

Box 17 - total state income tax you paid.