



# 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

2021

Department of the Treasury—Internal Revenue Service

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

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

Cat. No. 10134D

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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
- Families First Coronavirus Relief Wages (FFCRA) paid to employees impacted by COVID-19

### 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 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 \$142,800 in 2021, 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 2018.
- ▶ CODE FF – Box 12, Code FF, reports your permitted benefits under a “qualified small employer health reimbursement arrangement” (QSEHRA).

### **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

**FFCRA Wage Reporting-----Box 14** (Or can be provided to employees with FFCRA wages in a separate statement notifying them of FFCRA wage types/amounts)

The IRS requires that employers who paid Families First Coronavirus Relief Wages (FFCRA) or American Rescue Plan Act (ARPA) to employees during 2021 must report them in Box 14 of their W-2 OR in a separate statement provided to the employees which is provided to them along with their W-2 form. If the employer chooses to report FFCRA/ARPA wages paid to employees in their W-2 form, they must separately report the "types and amounts" of these wages, as follows:

- FFCRA/ARPA Sick leave wages paid to an employee at their regular rate of pay, limited to \$511 per day for up to 10 days (FFCR Sick \$511 or ARPA Sick \$511)
- FFCRA/ARPA Sick leave wages paid to an employee at 2/3 of their regular rate of pay limited to \$200 per day for up to 10 days (FFCR Sick \$200 or ARPA Sick \$200)
- FFCRA/ARPA Emergency family leave wages paid to an employee at 2/3 of their regular rate of pay, capped at \$200 per day and limited to 10 weeks in duration (FFCR FMLA or ARPA FMLA)

AccuPay reported all wages coded as FFCRA or ARPA wages during 2021 in box 14 based on the categories above.