W-2 (Wage and Tax Statements) Guide

As you review your Form W-2 Statement for 2021, consider the following:

1. Comparing your Form W-2 and your final paycheck/advice statement:

The Federal Taxable Wages reported in Box 1 (Wages, Tips, and Other Compensation) on the Form W-2 is generally the same amount that is reported as the Federal Taxable Gross on your final paycheck/advice statement for calendar year 2021.

2. Explaining Form W-2 wage reporting differences:

Social Security Wages (Box 3) and Medicare Wages (Box 5) are in many instances different from the amount reported for Federal Taxable Wages (Box 1). The difference, for the most part, represents before tax contributions to the following:

- 414(h) State Pension Plans
- 403(b) Tax Sheltered Annuities (TSA)
- 457(b) Deferred Compensation
- In addition, these amounts may be different because the maximum Social Security Taxable Wage is capped at $142,800.00. There is no cap on the taxable Medicare wages.

3. Reporting deductions for the Health Care Spending Account:

The total amount deducted for the health care spending account is reported as a year-to-date amount on your final paycheck/advice statement for the calendar year. This deduction is not reported on the Form W-2 even though the total amount is excluded from boxes 1, 3 and 5.

A sample Form W-2 and an explanation of what the individual boxes contain follow:

### 2021 Form W-2 Description of Boxes

**Box 1 Wages, Tips and Other Compensation**
Federal taxable wages are reported in this box.

**Box 2 Federal Income Tax Withheld**
The total Federal income tax withheld from your pay is reported in this box.

**Box 3 Social Security Wages**
The wages subject to Social Security tax, not to exceed $142,800.00
**Box 4 Social Security Tax Withheld**
The total Social Security Tax deducted from your pay, not to exceed $8,853.60

**Box 5 Medicare Wages**
All wages subject to Medicare tax. There is no salary cap on Medicare wages.

**Box 6 Medicare Tax Withheld**
The total Medicare tax deducted from your pay.

**Box 10 Dependent Care Benefits**
The total dependent care deductions.

**Box 12 Certain deductions, elective deferrals and/or reimbursed amounts Codes:**
- C- Cost of Group-Term Life Insurance over $50,000
- E - Section 403(b) contributions
- G - Section 457(b) deferred compensation plan
- P - Excludable moving expense reimbursements paid directly to the employee
- BB-Roth TSA Contributions under a 403(b) plan
- DD- Cost of employer-sponsored health coverage. This is the aggregate cost of employer and employee share of health care cost. This is informational only.
- EE- Designated Roth contributions under a governmental 457(b) plan

**Box 13 Checkboxes**
Retirement Plan – Retirement Plan checked if employee has a Sec 403(b) TSA account or is enrolled in a pension plan.

**Box 14 Other**
FFCRA – Families First Coronavirus Response Act paid leave amount

**Box 15 State**
A two-letter code indicating to which State income taxes were reported.

**Box 16 State Wages**
The State wages are the same amount required to be reported for Federal wages in Box 1 – Wages, Tips and Other Compensation.

**Box 17 State Income Tax**
The total State tax withheld.

**Box 18 Local Wages**
The total Local wages are reported in this box.

**Box 19 Local Income Tax**
The total Local taxes withheld are reported in this box.

**Box 20 Name of Locality**
The name of locality if Local income tax was withheld.