

W-2 Box Descriptions

22222		a Employee's social security number		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		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
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
Copy 1—For State, City, or Local Tax Department

2020

Department of the Treasury—Internal Revenue Service

Understanding Your W-2

- **Box A:** Your Social Security number appears here.
- **Box B:** This is your employer's unique tax identification number or EIN.
- **Box C:** This identifies the name, address, city, state and zip code of your employer. The address may show your company's headquarters rather than its local address.
- **Box D:** This is a control number that identifies your unique Form W-2 document in your employer's records. This number is assigned by the company's payroll processing software.
- **Box E:** This identifies your full name. If your name has changed, ask your company to update their records.
- **Box F:** This identifies your address, city, state and zip code. The address might be a former address if you've recently moved, but this shouldn't be a complication as long as your tax return bears your current, correct address.

Numbered boxes appear on Form W-2 as well. These record your financial information.

- **Box 1:** Box 1 reports your total taxable wages or salary for federal income tax purposes. The number includes your wages, salary, tips you reported, bonuses and other taxable

compensation. For example, taxable fringe benefits such as group term life insurance will be included here. But Box 1 does not include any pre-tax benefits, such as savings contributions to a 401(k) plan, 403(b) plan or health insurance. The amount from Box 1 is reported on Line 7 of your Form 1040 or 1040A, or on Line 1 of Form 1040EZ. If you have several W-2 forms, add up the Box 1 amounts and enter the total.

- **Box 2:** Box 2 reports the total amount your employer withheld from your paychecks for federal income taxes. This represents the amount of federal taxes you have paid in throughout the year. The amount from Box 2 is reported on Line 62 of Form 1040, on Line 36 of Form 1040A, or on Line 7 of Form 1040EZ. If you have several W-2 forms, add up the Box 2 amounts just as you did with your income.
- **Box 3:** Box 3 reports the total amount of your wages subject to the [Social Security tax](#). The Social Security tax is assessed on wages up to \$118,500 as of 2017. If Box 3 shows an amount over the wage base, ask your employer correct your W-2. Tips reported to your employer are not included in the Box 3 amount. They're reported in Box 7.
- **Box 4:** Box 4 reports the total amount of Social Security taxes withheld from your paychecks. The Social Security tax is a flat tax rate of 6.2 percent on your wage income up to \$118,500 as of 2017. Any wages you earn over \$118,500 aren't subject to the Social Security tax, so the figure shown in Box 4 should be no more than \$7,347.00, the \$118,500 maximum wage base times 6.2 percent. If you had two or more jobs during the year and your total Social Security wages exceed \$118,500, you may have paid in more Social Security tax than was required, but you can claim the [excess Social Security tax withholding](#) as a refundable credit on your Form 1040.
- **Box 5:** Box 5 reports the amount of wages subject to the [Medicare tax](#). There is no maximum wage base for Medicare, so the amount showing in Box 5 may be larger than the amount showing in Box 1. Medicare wages include any deferred compensation, 401(k) contributions or other fringe benefits that are excluded from the federal income tax. The amount in Box 5 typically matches your entire compensation from your job.
- **Box 6:** Box 6 reports the amount of taxes that were withheld from your paycheck for the Medicare tax, which is a flat tax rate of 1.45 percent of your total Medicare wages as of 2017. You might find that the amount in Box 6 is greater than the amount in Box 5 multiplied by 1.45 percent if you earn a significant income. That would be due to the [additional Medicare tax](#) which was implemented in 2013. It's an additional 0.9 percent on incomes over certain thresholds as of 2017: \$200,000 if you're single or eligible to file as head of household, \$125,000 if you're married but filing a separate return, and \$250,000 if you're married and filing jointly. If you're subject to the additional Medicare tax, your Medicare tax withholding that shows in Box 6 is reconciled on IRS Form 8959.
- **Box 7:** Box 7 shows any tip income you reported to your employer. It will be empty if you didn't report any tips. The amounts in Boxes 7 and 3 should add up to the amount that appears in Box 1 if you don't have any pre-tax benefits, or may equal the amount in Box 5 if you do receive pre-tax benefits. The total of Boxes 7 and Box 3 should not

exceed the \$118,500 Social Security wage base. The amount from Box 7 is already included in the Box 1 amount.

- **Box 8: Allocated tips.** Box 8 reports any tip income that was allocated to you by your employer. This amount is not included in the wages reported in Boxes 1, 3, 5 or 7. Instead, you must add it to your taxable wages on Form 1040 Line 7, and you must calculate your Social Security and Medicare taxes including this tip income using IRS [Form 4137](#). You might want to review the information in [Publication 531](#) concerning allocated tips or consult with a tax professional if any income shows in Box 8 of your W-2.
- **Box 9:** Box 9 was once used to report any advance of the Earned Income Credit, but [advance earned income credit](#) ended in 2010 so this should be empty. Advance EIC payments were advance payments from an employer to an employee in anticipation of the employee being eligible for the [earned income credit](#).
- **Box 10:** Box 10 reports any amounts you might have been reimbursed for dependent care expenses through a flexible spending account, or the dollar value of dependent care services provided to you by your employer. Amounts under \$5,000 aren't taxable, but any amount over \$5,000 should be reported as taxable wages in Boxes 1, 3 and 5. Dependent care benefits are reported on Form 2441.
- **Box 11:** This box reports any amounts that were distributed to you from your employer's non-qualified deferred compensation plan or non-government Section 457 pension plan. The amount in Box 11 is already included as taxable wages in Box 1.
- **Box 12:** This box applies to deferred compensation and other compensation. Several types of compensation and benefits can be reported in Box 12 so the IRS has simplified this as much as possible by allowing your employer to enter a single letter or double letter code followed by the dollar amount of your compensation. These are the codes as of 2017:

Code A Uncollected Social Security or RRTA tax on tips. Include this amount as part of your total tax on Form 1040.

Code B Uncollected Medicare tax on tips. Include this amount as part of your total tax on Form 1040.

Code C Taxable benefit of group term-life insurance over \$50,000. This amount is already included as part of your taxable wages in Boxes 1, 3, and 5.

Code D Non-taxable elective salary deferrals to a 401(k) or SIMPLE 401(k) retirement plan.

Code E Non-taxable elective salary deferrals to a 403(b) retirement plan.

- Code F** Non-taxable elective salary deferrals to a 408(k)(6) SEP retirement plan.
- Code G** Non-taxable elective salary deferrals and non-elective employer contributions to a 457(b) retirement plan.
- Code H** Non-taxable elective salary deferrals to a 501(c)(18)(D) tax-exempt plan. This amount is included in box 1 wages. See the [Instructions for Form 1040](#) for how to deduct this amount.
- Code J** Non-taxable sick pay. This amount is not included in taxable wages in Boxes 1, 3, or 5.
- Code K** Excise tax (equal to 20%) on excess "golden parachute" payments. Include this amount as part of your total tax on Form 1040.
- Code L** Non-taxable reimbursements for employee business expenses.
- Code M** Uncollected Social Security or RRTA tax on taxable group term life insurance over \$50,000 for former employees. Include this amount as part of your total tax on Form 1040.
- Code N** Uncollected Medicare tax on taxable group term life insurance over \$50,000 for former employees. Include this amount as part of your total tax on Form 1040.
- Code P** Non-taxable reimbursements for employee moving expenses, if the amounts were paid directly to the employee. This amount may need to be used on [Form 3903](#) (pdf) when calculating how much [moving expenses](#) to deduct
- Code Q** Non-taxable combat pay. Some individuals may elect to include combat pay when calculating their [Earned Income Credit](#). See [Publication 3](#) for more details about the combat zone exclusion.
- Code R** Employer contributions to an Archer Medical Savings Account. This amount should be reported on [Form 8853](#) (pdf).
- Code S** Non-taxable salary deferral to a 408(p) SIMPLE retirement plan.
- Code T** Employer paid adoption benefits. This amount is not included in Box 1 wages. Use Form 8839 to calculate the taxable and non-taxable portion of these adoption benefits.
- Code V** Income from the exercise of non-statutory stock options. This amount is already included as taxable income in Boxes 1, 3, and 5. However, you will still need to report separately the sale of any stock options on Schedule D and Form 8949.
- Code W** Employer and employee contributions to a Health Savings Account. Report this amount on Form 8889.

- Code
Y Salary deferrals under 409A non-qualified deferred compensation plan.
- Code
Z Income received under 409A non-qualified deferred compensation plan. This amount is already included in taxable wages in Box 1. This amount is subject to an additional tax of 20% plus interest as part of your total tax on Form 1040.
- Code
AA After-tax contributions to a Roth 401(k) retirement plan. This amount is included as part of your box 1 wages.
- Code
BB After-tax contributions to a Roth 403(b) retirement plan. This amount is included as part of your box 1 wages.
- Code
DD Reports the cost of non-taxable health insurance provided through your employer.
- Code
EE After-tax contributions to a Roth 457(b) retirement plan offered by government employers. This amount is included as part of your box 1 wages.

- **Box 13:** Three check boxes appear in Box 13. They'll be marked off if any of these situations apply to you as an employee:

You're a statutory employee. This means that you report the wages from this W-2 — and any other W-2 forms you receive that are marked "statutory employee" — on Form 1040 Schedule C. Your wages are not subject to income tax withholding, so you should see a zero or blank amount in Box 2. They are subject to Social Security and Medicare tax withholdings, however, so Boxes 3 through 6 should be filled out. For a discussion of what constitutes a statutory employee and the rules that apply, see section 1 of [Publication 15-A](#).

You participated in your employer's retirement plan during the tax year. This might be a 401(k) plan, a 403(b) plan, SEP-IRA, SIMPLE-IRA or another type of pension plan. Your ability to deduct contributions to a [traditional IRA](#) may be limited based on your income if you participate in a retirement plan, so check with an accountant or other tax professional if this box is checked.

You received third-party sick pay under your employer's third-party insurance policy instead of receiving sick pay directly from your employer as part of your regular paycheck. Sick pay is not included in your Box 1 wages, although sick pay is usually subject to Social Security and Medicare taxes. See Section 6 of [Publication 15-A](#) for a discussion of sick pay and third-party sick pay,

- **Box 14:** Your employer may report additional tax information here. If any amounts are reported in Box 14, they should include a brief description of what they're for. For example, union dues, employer-paid tuition assistance or after-tax contributions to a retirement plan may be reported here. Some employers report certain state and local taxes in Box 14, such as State Disability Insurance (SDI) premiums. State disability insurance premiums may be deductible as part of the [deduction for state and local income taxes](#) on

Schedule A if you itemized, and union dues may be deductible as a miscellaneous itemized deduction.

- **Box 15:** Box 15 reports your employer's state and state tax identification number. There may be multiple lines of information here if you worked for the same employer in multiple states.
- **Box 16:** Box 16 reports the total amount of taxable wages you earned in that state. There may be multiple lines of information here, too, if you worked for the same employer in multiple states.
- **Box 17:** Box 17 reports the total amount of state income taxes withheld from your paychecks for the wages reported in Box 16. This amount may be deductible as part of the [deduction for state and local income taxes](#) on Schedule A if you itemize your deductions.
- **Box 18:** Box 18 reports the total amount of wages subject to local, city or other state income taxes.
- **Box 19:** Box 19 reports the total amount of taxes withheld from your paychecks for local, city, or other state income taxes. This amount may be deductible as part of the [deduction for state and local income taxes](#) on Schedule A.
- **Box 20:** Box 20 provides a brief description of the local, city or other state tax being paid. The description may identify a particular city, or it may identify a state tax such as State Disability Insurance (SDI) payments.