



W-2 Form – IRS Tax Form Filing Instructions Online

In an effort to help make filing taxes easier this year, we are breaking down the various [IRS tax forms](#) to help you know if you need them, and how to use them.



If you were working as an employee and were paid during the year, you should receive a W-2 from the company you worked for, postmarked by January 31st. It will show information on all compensation you received during the calendar year, even if the actual time you worked was in the year before, or your company uses a different fiscal year.

The [W-2 form](#) outlines an employee's total payments for the year, all taxes paid by the employee and employer to the federal, state, and local governments, and any other money taken out of the paycheck for other uses such as [401k contributions](#).

This information is reported to the federal and state governments, so that it can be matched up with the information submitted on the employee's tax return.

In short, if you were employed by someone else this past year, your W2 form is key to filing a complete tax return. As with any tax form, looking at all of those lettered and numbered boxes might be a little overwhelming.

Void <input type="checkbox"/>		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			
f Employee's address and ZIP code			12a See instructions for box 12				
			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

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.

Here's a line by line breakdown of the five major sections.

Form W-2

1. Personal and Company Information

Any necessary, identifying information about you or your company is contained in lettered boxes A-F.

- **Box A** – Your social security number.

- **Box B** – Your employer’s federal Employer Identification Number.
- **Box C** – Your employer’s name and address. This may be the headquarters of your company and so the address may not be the actual location at which you worked.
- **Box D** – Control number. This is sometimes assigned by the payroll software that your company uses and is for their reference – you won’t need to use it.
- **Box E** – Your name.
- **Box F** – Your address. (Boxes E and F are frequently combined).

2. Income and Federal Taxes

Along with personal information, everyone who receives a W-2 should have information listed in the following lines. This is why you’re filing a federal tax return, after all.

- **Box 1** – Your total wages, tips and other compensation. This is all money you were paid, before taxes or other items were taken out of it.
- **Box 2** – Your federal income tax that was withheld by your employer. This will be counted as tax that you have already paid.
- **Box 3** - Social Security wages. This is the amount of your wages that is subject to Social Security tax, to a maximum of \$106,800 for 2011. The amount of the tax is 4.2% for employees, and your employer pays an additional amount equal to 6.2% of your wages into Social Security on your behalf.
- **Box 4** – Social Security tax withheld. This is the amount of tax that has been withheld from your paycheck to pay your Social Security tax liability. This doesn’t include any amounts your employer paid towards Social Security for you.
- **Box 6** – Medicare tax withheld. This is the amount of tax that was withheld from your paycheck in order to pay your Medicare tax liability, and doesn’t include the amounts your employer paid on your behalf.

3. Taxes and Tips

If you work in the service industry, there are a couple of important things to note about your W-2. First, any tips you report are subject to both Social Security and Medicare taxes. Second, your employer has the right to list any amount they believe you received in tips but didn’t report. Therefore, it’s probably in your best interest to report everything honestly.

- **Box 5** - Medicare wages and tips. This is the amount of your wages and any tips you received that are subject to Medicare tax. Currently there is no limit on the amount of income subject to this tax. You pay a tax of 1.45% of your income towards Medicare, and so does your employer. If you are [self-employed](#) you are responsible for paying the whole 2.9%.
- **Box 7** – Social Security tips. This is the amount of your tips that are subject to Social Security tax. It is combined with box 3, Social Security wages, to determine if you’ve reached the tax ceiling of \$106,800.
- **Box 8** – Allocated tips. This is the spot, mentioned above, where your employer reports any amounts they think you received in tips, but didn’t report. This would include any tips you received in cash, which your employer did not track. You’ll need to add this to your income, on your 1040 at line 7, and use [Form 4137](#) to see if you owe any additional Social Security or Medicare taxes.

4. Advance Payments and Other Benefits

Any money you’ve received as part of a benefit or advance payment program will also be listed on your W2. Make sure you speak to your employer if there’s anything in the following boxes that confuses you.

- **Box 9** – Advance EIC payment. If you're eligible for the Earned Income Credit, you can often have some of it paid to you ahead of time, through your paychecks during the year. This box lists any money you received through this program, since it is essentially an advance on your tax refund.
- **Box 10** – This box lists the total dollar amount of the value of any dependent care benefits that you received. The cost of workplace daycare programs, or money you received from your workplace to help pay for daycare or other programs helping to care for your children or other dependents would fall here. This amount must be subtracted from the total amount you spent when you are figuring your [dependent care tax credit](#).
- **Box 11** – Nonqualified plans. This box shows any money that was distributed to you from your workplace's [non-qualified deferred compensation plan](#) (usually a retirement plan) or non-governmental Section 457 pension plan. The amount in this box will already be included in box 1 as taxable wages if it applies.
- **Box 12** – This box shows amounts that may be taxable income, or have been already taken out of your taxable income, such as contributions to your 401k, taxable life insurance premiums, or [reimbursements for work-related business expenses](#). See the complete listing and [explanations of Form W-2 box 12 codes](#).
- **Box 13** – This box has 3 checkboxes in it: Statutory Employee, Retirement Plan, and Third Party Sick Pay. These boxes will be checked or left unchecked by your employer. A statutory employee is someone who is treated like an employee but didn't have any taxes withheld from their paycheck (this occurs frequently with employees who are 100% commission). Having the "Retirement Plan" box checked means you had access to a [retirement plan such as 401k](#) at work, which may limit your ability to get tax incentives for other retirement plans like an [IRA](#). Third-party sick pay means that you received payments for sick time from a company other than the one that employed you, such as their insurance company. Generally those payments were not included in the wages on your W-2.
- **Box 14** – Other. A multitude of other items can show up in this box, but they will always be labeled. This could include things like union dues that were taken automatically from your paycheck or [employer tuition reimbursement](#). If you aren't sure what an item in this box is referring to, check with your employer.

5. State Taxes

Similar to the federal tax section, these boxes give details on what you paid to the state. Therefore, everything you need to file both state and federal taxes is included on one handy form.

- **Box 15** – State. This is the state that you were working in while earning the wages reported on this W-2. If you worked for the same company in more than one state, you might have more than one W-2, or there might be multiple lines for different states in boxes 15 through 20. Right next to the state is generally your employer's state ID number. This is a state employer identification number.
- **Box 16** – State wages, tips, etc. This is all of your income that is subject to state tax in the state listed. It's generally the same as box 1 and 18.
- **Box 17** – State income tax. This is the amount of tax that was withheld from your paycheck and sent by your employer to the state listed.
- **Box 18** – Local wages, tips, etc. If your locality collects income taxes, this is the amount of your income that is subject to those taxes. This is usually the same as box 1 and 16.
- **Box 19** – Local income tax. This is the amount of tax that was sent to the locality listed in box 20.
- **Box 20** – Locality name. This is the specific local taxation district that received the taxes from box 19. If this is not the district in which you live, you may need to file more than one set of local taxes.

Once you receive your W-2 form, look it over carefully. You'll notice that it is broken up into four perforated sections, all containing the same information. This is so that you have extra copies to use if you are filing your taxes on paper, and thus

need to send in copies of your W-2 with the paper forms. For example, you'll need to send one to the state, one to the federal government and keep one for yourself. If you file all your taxes electronically, you can keep the copies for your records.

As stated above, if you worked in more than one state for the same company, check line 15 to see how they handled your W2. They may either send you a separate one for each state you worked in, or separate out the states on the same W-2. Be sure you have all the right paperwork in hand before filing your taxes.

Remember, if you have any questions about any of the totals listed on your W-2, it is very important that you speak to your employer. You should be confident that the information you're using is correct and complete.

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