

Your W2 – Defined

Please click each box to link directly to the corresponding definition.

b Employer identification number		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 Employee's social security number		9 Advance EIC payment \$		10 Dependent care benefits \$	
e Employee's first name and initial Last name		11 Nonqualified plans \$		See instructions for box 12 12a \$	
		13 <input type="checkbox"/> Salary <input type="checkbox"/> Retirement plan <input type="checkbox"/> Disability pay \$		12b \$	
		14 Other \$		12c \$	
				12d \$	
f Employee's address and ZIP code		15 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 099 **2007** Department of the Treasury—Internal Revenue Service For Privacy Act and Paperwork Reduction

Box 1 – Wages, tips, other compensation

This is the amount that you report on your federal tax return, form 1040, as taxable income. This is your total wages for the year less amounts that you paid into (1) retirement (PERS, TRS, TIAA-CREF, GWP); (2) annuities (Valic, Cref, Deferred Comp, MetLife, etc); (3) medical premiums above and beyond the state contribution; (4) amounts deferred into Flexible spending plans for medical care and dependent care, and (5) parking decals deducted through payroll deduction.

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Box 2 – Federal income tax withheld

The total amount withheld from your wages for the payment of federal income taxes – report this amount on your federal tax return, form 1040.

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Box 3 – Social security wages

The dollar amount that social security taxes are assessed on at the rate of 6.2% (change to 4.2%) for the employee. Your employer also contributes to the social security system on your behalf at the rate of 6.2%. The amount in this box is based on your total wages for the year less any amounts that were contributed to (1) medical premiums above and beyond the state contribution; (2) amounts deferred into Flexible spending plans for medical care and dependent care; and (3) parking decals deducted through payroll deduction.

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Box 4 – Social security tax withheld

The tax on the amount in box 3 at a rate of 6.2% (change to 4.2%)

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Box 5 – Medicare wages and tips

The dollar amount that Medicare taxes are assessed on at the rate of 1.45% for the employee. Your employer also contributes to the social security system on your behalf at the rate of 1.45%. The amount in this box is based on your total wages for the year less any amounts that were contributed to (1) medical premiums above and beyond the state contribution; (2) amounts deferred into Flexible spending plans for medical care and dependent care; and (3) parking decals deducted through payroll deduction.

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Box 6 – Medicare tax withheld

This is the tax on the amount in box 5 at a rate of 1.45%

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Box 7 - will be empty

Box 8 - will be empty

Box 9 – Advance EIC payment

If you completed form W5 and claimed eligibility for the Earned Income Credit then this is the amount that you received from the federal government. You will need this number when completing your federal tax return, form 1040.

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Box 10 – Dependent Care benefits

This is the amount that was deducted from your paycheck as a pre-tax item and made available to you through the flexible spending plan for paying your childcare expenses. You may treat up to \$5,000 as a pre-tax amount for this purpose. If the amount in this box is over \$5,000, then the excess has been added to your applicable gross income in boxes 1, 3, 5, and 16 so that you are taxed correctly.

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Box 11 - will be empty

Box 12 – Annuity amounts

There are various codes that may appear in this section along with a dollar amount. The dollar amount is what was deducted from your paycheck and contributed to the annuity plan that you have signed up with.

- Code D – elective deferrals to 401(k) plans
- Code E – elective deferrals to 403(b) plans
- Code F – elective deferrals to 408(k)(6) plans
- Code G – elective deferrals to 457(b) plans
- Code P – Excludable moving expense reimbursements paid directly to employee

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Box 13 – Statutory employee (no one will have a checked box here)

- Retirement – if you are in PERS, TRS, GWP, or TIAA-CREF you will have a check
- Third party sick pay (no one will have a checked box here) – if you had third party sick pay you will receive a W-2 from the vendor.

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Box 15 – State code and ID number

Box 16 - State wages, tips, etc

This is the amount that you report on your state income tax return as taxable income. This is your total wages for the year less amounts that you paid into (1) retirement (PERS, TRS, TIAA-CREF, GWP); (2) annuities (Valic, Cref, Deferred Comp, MetLife, etc); (3) medical premiums above and beyond the state contribution; (4) amounts deferred into Flexible spending plans for medical care and dependent care; and (5) parking decals deducted through payroll deduction.

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Box 17 – State income tax

This is the total amount withheld from your wages for the payment of state income taxes – report this amount on your state income tax return.

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Box 18 - will be blank

Box 19 - will be blank

Box 20 - will be blank

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Important Note: When filing your federal and state tax returns. The amounts that are deducted from your paycheck to cover the costs of the medical plan you choose (those that are over and above the amount that the State of Montana contributes to your health care plan) are deducted on a “pre-tax” basis. What this means is that you cannot include these amounts as part of your itemized deductions on your tax returns – you have already received the tax benefit of these amounts NOT being included in your taxable gross in either box 1 or box 16. The same applies to medical bills that you pay with money that you have deferred through the medical flexible spending plan. You cannot include these medical bills as part of your itemized deductions.

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