

## W-2 Information

Please refer to the following information if you have questions about box 1, 3, or 5 on your Form W-2. In some cases, boxes 1, 3, and 5 **WILL NOT** match your year-to-date gross wages/earnings.

### Box 1 – Wages, Tips, and Other Compensation

Box 1 contains **taxable** wages, not gross wages/earnings. Taxable wages are computed by subtracting any pre-tax deductions from your gross wages. It is also possible that taxable fringe benefits, such as automobile allowance, must be added to your gross wages. Examples of pre-tax deductions are health insurance, dental, or vision premiums, flexible spending accounts (medical and dependent care), and deferred compensation or tax shelter annuity contributions (401k, 403b, 457 etc.).

### Box 2 – Federal Income Tax Withheld

Box 2 is the federal income tax withheld from your payments. Federal income tax is withheld based on information you submit on Form W-4 (Employee's Withholding Allowance Certificate).

### Box 3 & 5 – Social Security and Medicare Wages

Box 3 and 5 contain Social Security and Medicare wages, respectively. Social Security and Medicare wages are calculated similar to box 1 wages with the exception of contributions made to retirement plans such as 401k/403b etc. Employee contributions to retirement plans are exempt from federal income tax; however, they are not exempt from Social Security or Medicare tax. The maximum wages subject to Social Security in 2023 are \$160,200.00. All Medicare wages are subject to Medicare tax which is 1.45 percent of your Medicare wages (box 5). There is no Medicare maximum wage limit.

Student employees are exempt from Social Security/Medicare taxes if they are enrolled in 6 or more undergraduate hours or 5 or more graduate hours. This exemption only applies to students working at the educational institution they are attending.

### Box 4 – Social Security Tax Withheld

Box 4 is the amount of Social Security Tax withheld from your payments. The rate is 6.2 percent of your Social Security wages (box 3).

### Box 6 – Medicare Tax Withheld

Box 6 is the amount of Medicare Tax withheld from your payments. The rate is 1.45 percent of your Medicare Wages (box 5).

There is an additional Medicare Tax on wages in excess of \$200,000.00 in a calendar year. Wages over this maximum are subject to an additional .9% Medicare tax. The additional tax is included in box 6. See the link below for more information.

<https://www.irs.gov/pub/irs-prior/p15--2023.pdf> (see Additional Medicare Tax withholding)

## **Box 10 – Dependent Care Benefits**

The amount in box 10 is the pre-tax benefit for amounts deducted from your pay.

## **Box 12**

**If you have more than one of the codes listed below, the first code is in box 12a, the next in box 12b, etc.**

Code D – Elective deferrals to a section 401(k)

Code E – Elective deferrals to a section 403(b)

Code G – Elective deferrals to a section 457(b)

Code AA – Elective Roth contributions under a section 401(k) plan

Code DD – Cost of employer-sponsored health coverage. This is both the employee and employer costs of health insurance and is currently for information purposes.

Code W – Employer and Employee contributions to a health savings account (HSA)

For a complete list of Box 12 codes, go to [irs.gov](https://www.irs.gov) and look for instructions for Form W-2.

<https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>.

## **Box 13**

X – in the retirement plan box indicates you participated in a retirement plan (Tennessee Consolidated Retirement System or one of the Optional Retirement Plans).

## **Box 14 – Other**

This box is used for information purposes.

Please refer to the back of the paper Form W-2 for additional information. Many of the boxes have instructions on the back of the paper form. If you obtain your Form W-2 by consenting for the electronic version on pipeline, the instructions may be viewed by clicking on the Help link.