Understanding Your W-2 Form Wage and Tax Statement

The W-2 is your wage and tax statement and must be included when filing your tax return. To help you better understand the W-2, the Human Resources Office has prepared the following questions and answers.

What if my social security number is incorrect?
The Employee’s Social Security Number appears in Box A. It is very important to check this since the social security number is not listed on the paychecks. If incorrect, contact the Human Resources Office at ext. 2240.

How are Box 1, Wages Tips and Other Compensation, calculated?
Start with the year-to-date gross wages from your last paycheck. Deduct tax-deferred retirement deductions, pre-tax benefit deductions (i.e., health insurance premiums, dependent care reimbursement and medical reimbursement) add other taxable payment (i.e., personal use of college vehicles, graduate tuition, and other miscellaneous compensation commonly processed through Payroll).

How do Social Security recipients report income?
If you are actually drawing Social Security benefits, you report income in Box 1 when filing state and federal income tax, BUT USE THE FIGURES IN BOXES 3 & 5 when reporting annual wages to Social Security.

What are Box 5, Medicare Wages and Tips, and Box 6, Medicare Tax Withheld?
Medicare Wages and Tips and the corresponding Medicare Tax Withheld are the hospital care portion of Social Security. Prior to 1991, Medicare was included in Social Security withholding. They are now separated for payroll deductions and reporting purposes.

What is Box 10, Dependent Care Benefits?
This is a before-tax deduction under the Canisius Care Program. Reminder: Employees with dependent care accounts must include form 2441 when filing annual income tax returns.

What are the items shown in Box 12?
The Internal Revenue Service developed a coding system to report a variety of information in Box 12. The codes are explained on the back of the W-2 form, copy C. Canisius College uses Code E: Retirement plan reductions-403(b).

What is Box 13, the Retirement Plan?
This box should be checked if you are eligible to participate in the retirement plan offered by the college.

The remaining boxes should be self-explanatory. Questions regarding the W-2 form may be directed to the Payroll Office at Ext. 8532.

If your tax status has changed during the year (i.e., marital status, number of dependents, etc.), or you wish to increase or decrease withholdings, a new tax-withholding certificate (W-4 form) must be completed for 2011. W-4 forms are available online at http://www.canisius.edu/hr/forms.asp.