

## Explanation of the W-2 Wage and Tax Statement

<b>FORM</b>	<b>W-2</b> Wage and Tax Statements	<b>2012</b>	OMB No. 1545-0008	Department of the Treasury - Internal Revenue Service <b>Copy B To Be Filed With Employee's FEDERAL Tax Return</b>	
22222		a Employee's social security number		1 Wages, tips, other compensation	2 Federal income tax withheld
b Employer's identification number <b>39-6006492</b>				3 Social security wages	4 Social security tax withheld
c Employer's name, address and ZIP code				5 Medicare wages and tips	6 Medicare tax withheld
				10 Dependent care benefits	11 Nonqualified plans
e Employee's name (first, middle initial, last)				13 Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12a See Instructions for box 12 code
				14 Other	12b code
					12c code
					12d code
f Employee's address and ZIP code					
15 State	Employer's state I.D. No.	16 State wages, tips, etc.	17 State income tax	This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	

**IMPORTANT:** A printed Form W-2 from the **My UW System** portal (**My UW** for UW-Madison users) is a valid document for tax filing. However, you must write your Social Security number or Individual Tax Payer Identification number in the 'a' field at the top of each Form W-2 section. In order to increase the security of sensitive information online, any U.S. Social Security or Tax Payer Identification number has been removed from the online statements.

### Statement Description

**Box 1. Wages, tips, other compensation.** Enter this amount on the wages line of your federal tax return. Your taxable wage amount has been adjusted for amounts shown in Boxes 10, 14, and for Code C, E, and G appearing in Box 12. This amount includes taxable imputed income associated with covering non-tax dependents and/or a Domestic Partner on your State Group Health Insurance.

Contributions for the Wisconsin Retirement System (WRS), Tax-Sheltered Annuities (403b) and Wisconsin Deferred Compensation (457) are all deducted on a pre-tax basis for federal and state taxes only. These contributions are not taken pre-tax relative to Social Security and Medicare deductions. This is a contributing factor to the difference between the reported federal and state taxable wages in boxes 1 and 16, and the reported amount for Social Security and Medicare wages listed in Boxes 3 and 5.

All pretax deductions and taxable deductions indicated on the employee's earnings statements have already been adjusted, such as parking, State Group Health insurance, State Group Life insurance and the Employee Reimbursement Account program.

**Box 2. Federal income tax withheld.** Enter this amount on the federal income tax withheld line of your tax return.

**Box 3. Social security wages.** This is the wage amount subject to Social Security Tax, up to a maximum of \$110,100 (the 2012 maximum Social Security wage base). This amount includes taxable imputed income associated with covering non-tax dependents and/or a Domestic Partner on your State Group Health Insurance.

**Box 5. Medicare wages and tips.** This is the wage amount subject to Medicare Tax. The wages subject to Medicare Tax are the same as those subject to Social Security Tax (Box 3), except that there is no maximum for Medicare Tax. This amount includes taxable imputed income associated with covering non-tax dependents and/or Domestic Partners on your State Group Health Insurance.

**Box 10. Dependent care benefits.** This is the total amount deducted from your wages if you participated in the Employee Reimbursement Accounts Program (ERA) and elected to contribute to an ERA Dependent Care Account during the 2012 plan year. Your taxable wages in Boxes 1, 3, 5 and 16 have been reduced by this amount. Any amount over \$5,000 also is included in Box 1, 3, and 5. You must complete Schedule 2 (Form 1040A) or Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

**Box 12. Codes.** The Codes shown in Box 12 are described below. You may need this information to complete your tax return. Elective deferrals (Codes E and G) and designated Roth contributions (Codes BB and EE) are generally limited to a total of \$17,000. For detailed information on the 2012 limits, see *2012 Maximum Contributions for the Tax Sheltered Annuity 403(b) Program and the Wisconsin Deferred Compensation (Section 457) Program* <https://uwservice.wisc.edu/docs/publications/tsa-maximums-2012.pdf>.

- C** Taxable cost of group-term life insurance over \$50,000 (included in Boxes 1, 3 (up to \$110,100), and 5).
- E** Elective deferrals under a salary reduction agreement for the Tax Sheltered Annuity 403(b) Program.

- G** Elective deferrals under the Wisconsin Deferred Compensation 457(b) Program.
- P** Excludable moving expense reimbursements paid directly to employee (not included in Boxes 1, 3, or 5).
- BB** Designated Roth contributions under a salary reduction agreement for the Tax Sheltered Annuity 403(b) Program.
- DD** Cost of employer-sponsored health coverage including the employee and employer share of State Group Health premiums and the employee premium for EPIC Benefits+ (reflected as 'EPIC' on the employee earnings statement). **These amounts are not taxable.**
- EE** Designated Roth contributions under the Wisconsin Deferred Compensation 457(b) Program.

**Box 13. Checkboxes.** The Retirement Plan box will be checked if you were an "active participant" for any part of the year in any of the following: You were paid wages that were covered under the Wisconsin Retirement System (WRS), or you contributed to either the Tax Sheltered Annuity 403(b) Program or the Wisconsin Deferred Compensation 457(b) Program. If the Retirement plan box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct.

**Box 14. Other.** This box is used for additional information regarding taxable compensation or reimbursements.

**MOVE** - This is the taxable portion of your moving expense reimbursements. Boxes 1, 3, 5 and 16 have been increased by this amount.

**Box 16. State wages, tips, etc.** This is the amount of wages reported to the Wisconsin Department of Revenue.

**Note:** Keep Copy C of Form W-2 for at least 3 years after the due date for filing your income tax return. However, **to help protect your social security benefits**, keep Copy C until you begin receiving Social Security benefits, just in case there is a question about your work record and/or earnings in a particular year.

For more about Form W-2, see IRS publications: *2012 Instructions for 1040 U. S. Individual Income Tax Return* <http://www.irs.gov/pub/irs-pdf/i1040.pdf> and *2012 Instructions of Forms W-2 and W-3* <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

## Notice to Employee

**Refund.** Even if you do not have to file a tax return, you should file to get a refund if box 2 shows federal income tax withheld or if you can take the earned income credit.

**Earned Income Credit (EIC).** You may be able to take the EIC for 2012 if (a) you do not have a qualifying child and you earned less than \$13,980 (\$19,190 if married filing jointly), (b) you have one qualifying child and you earned less than \$36,920 (\$42,130 if married filing jointly), (c) you have two qualifying children and you earned less than \$41,952 (\$47,162 if married filing jointly), or (d) you have three or more qualifying children and you earned less than \$45,060 (\$50,270 if married filing jointly.) You and any qualifying children must have valid social security numbers (SSNs). **You cannot take the EIC if your investment income is more than \$3,200. Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card at any SSA office, by calling 1-800-772-1213 or on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov).

**Credit for excess taxes.** If you had more than one employer in 2012 and more than \$4,624.20 in social security and/or Tier 1 railroad retirement (RRTA) taxes withheld, you may be able to claim a credit for the excess against your federal income tax. See your Form 1040 or Form 1040A instructions and Pub. 505, Tax Withholding and Estimated Tax.

## Federal and State Tax Information

### Internal Revenue Service

<http://www.irs.gov/>  
 How to Contact the IRS: <http://www.irs.gov/contact/index.html>  
 Forms and Publications: <http://www.irs.gov/formspubs/index.html>  
 Assistance for Individuals: 1-800-829-1040

### Wisconsin Department of Revenue <http://www.revenue.wi.gov/>

How to Contact the WI DOR: <http://www.revenue.wi.gov/contactus/index.html>  
 Forms and Publications: <http://www.revenue.wi.gov/html/formpub.html>  
 Assistance for Individuals: (608) 266-2772