

## Tips to Better Understand Your 2020 Form W-2, Wage & Tax Statement

The following information is provided to help you better understand your W-2. If you have any questions, contact [Steve Jordan](#), Senior Payroll Specialist, at ext. 14908.

### **Box 1 – Wages, tips, other compensation**

These are the wages subject to federal income tax. It includes contract salary, addendum pay, overtime and other types of pay/taxable benefits. The amount shown is the sum of all compensation items less IPERS deduction, pre-tax deferrals to the 403(b)/457 plans, Flex contributions (dependent care, medical) and pre-tax insurance deductions (health, dental).

### **Box 3 – Social Security wages**

These are wages (maximum of \$137,700) subject to FICA (social security) tax. The compensation items included in box 1 are also included here. The amount shown is the sum of all compensation items less Flex contributions (dependent care, medical) and pre-tax insurance deductions (health, dental).

### **Box 5 – Medicare wages and tips**

These are the wages subject to Medicare tax. There is no limit on the amount of wages subject to taxation. The compensation items included here are the same as those included in box 3. The amount shown is the sum of all compensation items less Flex contributions (dependent care, medical) and pre-tax insurance deductions (health, dental).

### **Box 10 – Dependent care benefits**

This amount is the elective contributions under the Flex dependent care program.

### **Box 12**

The Internal Revenue Service requires that certain items be reported in this box. Items that may appear here are:

- letter code C – taxable cost of group term life insurance over \$50,000
- letter code E – elective deferrals under a section 403(b) salary reduction agreement
- letter code G – elective deferrals under a section 457 deferred compensation plan
- letter code BB – Roth contributions under a section 403(b) plan
- letter code DD – cost of employer-sponsored health coverage, the sum of employer contributions and employee deductions
- letter code EE – Roth contributions under a section 457 deferred compensation plan

### **Box 16 – State wages, tips, etc.**

These are the wages subject to state income tax. State wages are the same as box 1, federal wages.