

Understanding Form W-2

Form W-2 reports the annual amount of taxable earnings and tax withholdings of an employee's wages, salaries and tips. *S2 HR Solutions, d/b/a Engage PEO* prepares the Form W-2 and provides a copy to worksite employees. Copies of Form W-2 are also provided to the Social Security Administration, which shares the data with the Internal Revenue Service.

Employer and Employee Identification

Box	Title	Description
A	Employee's Social Security Number	Your Social Security Number
B	Employer Identification Number (EIN)	Engage PEO unique tax identification number
C	Employer's Address	Name, address, city, state and zip code: 3001 Executive Dr, Suite 340 St. Petersburg, FL 33762
D	Control Number	Engage PEO does not utilize this field
E	Employee's Name	Your full name (first name, middle initial and last name)
F	Employee's Address	Your address, city, state and zip code. If you have recently moved, this address might be a former address

Numbered Boxes on Form W-2

- Wages, Tips, Other Compensation** reports your total taxable wages or salary for federal income tax purposes. This figure includes your wages, salary, tips you reported, bonuses and other taxable compensation. Any taxable fringe benefits (such as group term life insurance) are also included in your Box 1 wages. Box 1 does not include any pre-tax benefits such as savings contributions to a 401(k) plan, 403(b) plan, or health insurance.
- Federal Income Tax Withheld** reports the total amount withheld from your paychecks for federal income taxes. This represents the amount of federal taxes you have paid throughout the year.
- Social Security Wages** reports the total amount of wages subject to the Social Security tax. For 2023, the Social Security tax is assessed on wages up to \$160,200.
- Social Security Tax Withheld** reports the total amount of Social Security taxes withheld from your paychecks. Normally, the Social Security tax is a flat tax rate of 6.2 percent on your wage income, up to a maximum wage base of \$160,200 (for 2023). Wages above the Social Security wage base are not subject to the Social Security tax.

5. Medicare Wage and Tips reports the amount of wages subject to the Medicare tax. There is no maximum wage base for Medicare taxes.
6. Medicare Tax Withheld reports the amount of taxes withheld from your paycheck for the Medicare tax. The Medicare tax is a flat tax rate of 1.45 percent of your total Medicare wages. Employees may be subject to withholding for the additional Medicare tax at a rate of 0.9 percent.
7. Social Security Tips reports the amount of tip income that you reported to your employer. If you did not report tips to your employer, you will not have an amount in this box. The amount from Box 7 is already included in the Box 1 amount.
8. Allocated Tips reports any tip income allocated to you. This amount is not included in the wages reported in Boxes 1, 3, 5 or 7.
9. No longer used.
10. Dependent Care Benefits reports any amounts reimbursed for dependent care expenses through a flexible spending account or the dollar value of dependent care services provided to you.
11. Nonqualified Plans reports any amounts distributed to you from a non-qualified deferred compensation plan or non-government Section 457 pension plan. The amount in Box 11 is already included as taxable wages in Box 1.
12. Deferred Compensation and Other Compensation can reflect several types of compensation and benefits, represented as a code followed by a dollar amount.

Code	Description
A	Uncollected Social Security or RRTA tax on tips
B	Uncollected Medicare tax on tips
C	Taxable benefit of group term life insurance over \$50,000. This amount is already included 22as part of your taxable wages in Boxes 1, 3 and 5.
D	Non-taxable elective salary deferrals to a 401(k) or SIMPLE 401(k) retirement plan
E	Non-taxable elective salary deferrals to a 403(b) retirement plan
F	Non-taxable elective salary deferrals to a 408(k)(6) SEP retirement plan
G	Non-taxable elective salary deferrals and non-elective employer contributions to a 457(b) retirement plan
H	Non-taxable elective salary deferrals to a 501(c)(18)(D) tax exempt plan. This amount is included in Box 1 wages
J	Non-taxable sick pay. This amount is not included in taxable wages in Boxes 1, 3 or 5
K	Excise tax (equal to 20%) on excess "golden parachute" payments. Include this amount as part of your total tax on Form 1040
L	Non-taxable reimbursements for employee business expenses
M	Uncollected Social Security or RRTA tax on taxable group term life insurance over \$50,000 for former employees
N	Uncollected Medicare tax on taxable group term life insurance over \$50,000 for former employees
P	Non-taxable reimbursements for employee moving expenses, if the amounts were paid directly to the employee
Q	Non-taxable combat pay
R	Employer contributions to an Archer Medical Savings Account
S	Non-taxable salary deferral to a 408(p) SIMPLE retirement plan

T	Employer paid adoption benefits. This amount is not included in Box 1 wages
V	Income from the exercise of non-statutory stock options. This amount is already included as taxable income in Boxes 1, 3 and 5
W	Employer and employee contributions to a health savings account
Y	Salary deferrals under 409A non-qualified deferred compensation plan
Z	Income received under 409A non-qualified deferred compensation plan. This amount is already included in taxable wages in Box 1
AA	After-tax contributions to a Roth 401(k) retirement plan. This amount is included as part of your Box 1 wages
BB	After-tax contributions to a Roth 403(b) retirement plan. This amount is included as part of your Box 1 wages
DD	Reports the cost of non-taxable health insurance provided through your employer
EE	After-tax contributions to a Roth 457(b) retirement plan offered by government employers. This amount is included as part of your Box 1 wages.
FF	Permitted benefits under a qualified small employer health reimbursement arrangement
GG	Income from qualified equity grants under section 83(i)
HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year

13. There are three options in Box 13, to be checked off if any of these situations apply:

- a. **Statutory employee:** For a discussion of what constitutes a statutory employee and the rules that apply, see Section 1 of the Employer's Supplemental Tax Guide available at irs.gov.
- b. **Retirement plan:** Check if you participated in a retirement plan during the year. This might be a 401(k) plan, 403(b) plan, SEP-IRA, SIMPLE-IRA or other type of pension plan.
- c. **Third-party sick pay:** Check if you received sick pay under a third-party insurance policy.

14. **Other Tax Information** may be reported by Engage PEO. If any amounts are reported, they will include a brief explanation. For example, union dues, employer-paid tuition assistance or after-tax contributions to a retirement plan may be reported here.

15. **State and State Employer's Identification** reports the applicable state and state tax identification number. If you worked in multiple states, there may be multiple lines of information.

16. **State Wages** reports the total amount of taxable wages earned in that state. If you worked in multiple states, there may be multiple lines of information.

17. **State Income Tax Withheld** reports the total amount of state income taxes withheld from your paychecks for the wages reported in Box 16.

18. **Local Wages** reports the total amount of wages subject to local, city or other state income taxes.

19. **Local Income Tax Withheld** reports the total amount of taxes withheld from your paychecks for local, city or other state income taxes.

20. **Locality Name** provides a brief description of the local, city or other state tax being paid.