

Understand Your W2 Wages

W-2 Wages differ from your final gross pay stub for the year, and Federal and State taxable wages differ from Social Security and Medicare taxable wages, based on how different deductions are taxed. Please follow the instructions below which will enable you to reconcile your final pay statement to your W2 form.

CALCULATING FEDERAL AND STATE TAXABLE WAGES (BOXES 1 & 16)

Use your last pay stub for the year to calculate the taxable wages in boxes 1 and 16 in your W-2. Begin with the Gross Pay YTD (year-to-date) and make the following adjustments, if applicable:

Federal and State Taxable Wages:

1. Start with your Gross YTD wages on your last pay statement of the year and **subtract** YTD Pre-Tax Deductions, which include:
 - Medical
 - Dental
 - Vision
 - FSA Health
 - FSA Dependent Care
 - HSA
 - Commuter & Parking
 - 403B
2. **Add** any **applicable** taxable imputed income, which include:
 - GTL
 - Taxable Tuition
 - Taxable Gift Card

The resulting adjusted amount is your Federal and State Taxable Wages reported in Box 1 and Box 16 of your W2 form.

CALCULATING SOCIAL SECURITY AND MEDICARE TAXABLE WAGES (BOXES 3 & 5)

To determine Social Security and Medicare taxable wages on your W-2, again begin with the Gross Pay YTD from your final pay stub and make the following adjustments if applicable:

Social Security and Medicare Taxable Wages:

1. Start with your Gross YTD wages on your last pay statement of the year and **subtract** YTD Pre-Tax Deductions, which **ONLY** include:
 - Medical
 - Dental
 - Vision
 - FSA Health
 - FSA Dependent Care
 - HSA
 - Commuter & Parking
 - **IMPORTANT – 403b is NOT excluded these taxable wages**

2. **Add** any **applicable** taxable imputed income, which include:
 - GTL
 - Taxable Tuition

The resulting adjusted amount is your Social; Security and Medicare taxable wages reported in Box 3 and Box 5 of your W2 form.

NOTE- The maximum wage base for Social Security taxable wages changes annually. You can find information on the SSA website:
<https://www.ssa.gov/oact/cola/cbb.html>

EXPLANATION OF OTHER BOXES ON YOUR W-2

Box 12C: Group term life (GTL)

Box 12E: 403B YTD deductions

Box 12DD: Cost of employer sponsored Health Insurance

Box 12W: Employer contributions and employee elected contributions to HSA