

W-2 Information

You will probably not see a figure equal to your annual salary on the W-2 form. Only taxable gross amounts (after pre-tax deductions) are reported on the W-2. For example, if your annual salary is \$30,000 and you have \$5,000 in pre-tax deductions, you will only see \$25,000 on your W-2. The \$30,000 is not reported at all on the W-2.

Also, annual salaries change throughout the year and your yearly gross earnings are only for the calendar year. For example, if your annual salary on Jan 1 is \$30,000 and on July 1 you receive an increase to \$31,000, your yearly earnings are \$30,500.

Gross wages (before taxes and deductions) are NOT reported on the W-2. Only taxable wage information is reported. You can use WISE or your Dec 21, 2005 paycheck to obtain YTD figures. The taxable gross earnings are calculated as follows:

	Gross Earnings (before taxes and deductions)
less	Health and Dental Insurance Deductions
less	Dependent Care, Medical Spending, and Health Savings Acct Deductions
less	Pretax Optional Life Insurance Deduction (Opt Life P)
less	Pretax Parking Deduction
less	Provident Insurance Deduction
less	MoneyPlus Admin Fee Deduction
equals	Fica and Medicare Taxable Gross Earnings (Fica max is \$97,500) <i>(box 3 and 5 on W-2)</i>
less	Retirement Deductions
less	Deferred Compensation Deductions <i>(box 12 on W-2)</i>
equals	Federal and State Taxable Gross Earnings <i>(box 1 and 16 on W-2)</i>

Example:

Gross earnings of \$30,000
Health Insurance deductions of \$500
Medical Spending deductions of \$500
Pretax Optional Life Insurance deductions of \$100
MoneyPlus Admin fees of \$3
Retirement deductions of \$1,800
Deferred Comp deductions of \$600

Gross Earnings	\$30,000
Less Health Ins.	500
Less Medical Spending	500
Less Pretax Optional Life	100
Less MoneyPlus Admin Fee	3
Social Security and Medicare Wages	\$28,897 <i>box 3 and 5 on W-2</i>
Less Retirement	1,800
Less Deferred Comp	600 <i>box 12 on W-2</i>
Federal and State Wages	\$26,497 <i>box 1 and 16 on W-2</i>

