

## HOW TO READ YOUR W-2

### W-2 amounts

This document will explain the calculation of W-2 Box 1 and Box 5 wages and an example of how to reconcile the paycheck totals to the W-2.

#### Box 1 Wages are determined by:

- a) Total wages from your paycheck (standard gross, overtime, supplemental pay, and gross pay adjustments)
- b) Less Pre-Tax Deductions:
  - i. Cafeteria Plan deductions (Flexible Spending Account, Health and Dental Insurance)
  - ii. Annuity deductions
  - iii. TRS deductions
- c) Equals Box 1 Wages on the W-2

#### Example 1:

a) Year-to-Date Earnings from the last paycheck of calendar year (or earlier if employee resigned during the year) as shown below:

YEAR - TO - DATE
38,109.00
333.32
12,412.50

Total year-to-date Gross wages = **\$50,854.82**

b) Less: Pre-tax deductions = **\$6,391.23**

TRS DEP	Y	668.25	2,543.31
TRS CARE		64.83	246.75
Health	Y	468.00	1,872.00
Cancer	Y	58.98	235.92
Def Cont	Y	335.00	1,340.00
FSA	Y	100.00	400.00

c) Box 1 wages: = **\$44,463.59**

1 Wages, tips, other comp. <b>44,463.59</b>	2 Federal income tax withheld <b>6,714.86</b>
3 Social security wages 0.00	4 Social security tax withheld 0.00
5 Medicare wages and tips 0.00	6 Medicare tax withheld 0.00

### Box 5 Wages are determined by:

- a) Total wages (standard gross, overtime, supplemental pay, gross pay adjustments)
- b) Less: Cafeteria Plan deductions (Flexible Spending Account, Health and Dental Insurance)
- c) Equals Box 5 Wages on the W-2.

a) Year-to-Date Earnings from the last paycheck of calendar year (or earlier if employee resigned during the year) as shown below:

YEAR - TO - DATE
<b>5,450.41</b>
<b>83.33</b>
<b>8,247.50</b>

Total year-to-date Gross wages = **\$13,781.24**

b) Less: Pre-tax deductions = **\$ 468.00**

TRS DEP	Y	365.18	370.76
TRS CARE		35.43	35.97
Health	Y	468.00	468.00
Def Cont	Y	2,300.00	2,300.00

c) Box 5 Wages =

**\$13,313.24**

1 Wages, tips, other comp. <b>10,642.48</b>	2 Federal income tax withheld <b>2,268.64</b>
3 Social security wages <b>0.00</b>	4 Social security tax withheld <b>0.00</b>
5 Medicare wages and tips <b>13,313.24</b>	6 Medicare tax withheld <b>193.04</b>

**Box 12** – The amounts listed here are based on deductions selected during open enrollment. A list of codes preceding the amounts are on the back of the W-2.

**Box 14** – This is the amount deducted for Flexible Spending account.