

# Form W-2 Frequently Asked Questions

- **Why are my W-2 wages different than my paycheck?**

Your paycheck shows the total earnings you were paid from 1/1 through 12/31 before tax and benefit deductions. The Box 1 wages on your W-2 include only the **taxable wages** paid for this timeframe. The W-2 amount is calculated as total YTD earnings from your paycheck minus pre-tax benefit deductions. Therefore, if you have any pre-tax deductions, the Box 1 amount on your W-2 will not equal the YTD earnings on your paycheck.

You can find an example of the calculations under the “How to Read Your Form W-2” section of this document.

- **Why did the District withhold too little tax? -or- Why is my tax calculation wrong?**

Your federal income tax withholding is calculated using your Form W-4 selections and the IRS tax tables. If you have any questions about the amount or your W-4 selections, please see the Form W-4 instructions on [irs.gov](http://irs.gov). If you have further questions, please contact a tax professional.

<https://www.irs.gov/forms-pubs/about-form-w-4>.

- **Why do I have an amount in Box 12 DD if I did not have a health plan?**

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan for all employees. NEISD contributes to the Hospital Indemnity health insurance plan for all employees who are not enrolled in a District sponsored health plan. This amount is not taxable and is for informational purposes only. If you have any further questions, please contact Employee Benefits at (210) 407-0187.

- **Why is there a checkbox in the Retirement Plan section?**

This box is checked if you were an active member in the Teacher Retirement System of Texas (TRS) for any part of the calendar year.

# HOW TO READ YOUR FORM W-2

## **Box 1 – Wages:**

This amount includes the total **taxable wages** paid during the calendar year, January 1 through December 31. It is calculated as total year-to-date (YTD) gross wages minus pre-tax benefit deductions. Therefore, if you have any pre-tax deductions, the Box 1 amount on your W-2 will not equal the YTD gross wages on your paycheck.

### **The wages in Box 1 are calculated as follows:**

- Total YTD Gross Wages on your final paycheck for the calendar year
- **Minus Total YTD Pre-Tax Deductions for cafeteria plan, annuity and TRS benefits**
- = **Equals Box 1 Wages on the W-2**

## **Box 2 – Federal Income Tax Withheld:**

The federal income tax withheld is calculated based on your Form W-4 selections and the Internal Revenue Service (IRS) tax tables. For the latest information about the Form W-4, go to <https://www.irs.gov/forms-pubs/about-form-w-4>.

## **Box 3 – Social Security Wages and Box 4 – Social Security Tax Withheld:**

These boxes include the total wages paid in the calendar year that are subject to employee social security tax (Box 5) and the corresponding social security tax withheld (Box 6). This applies to non-TRS eligible wages only. Most NEISD employees will have no social security wages.

## **Box 5 – Medicare Wages and Box 6 – Medicare Tax Withheld:**

These boxes include the total wages paid in the calendar year that are subject to employee Medicare tax (Box 5) and the corresponding Medicare tax withheld (Box 6).

### **The wages in Box 5 are calculated as follows:**

- Total YTD Wages on your final paycheck for the calendar year
- **Minus YTD Pre-Tax Deductions for cafeteria plan ONLY**
- = **Equals Box 5 Wages on the W-2**

## **Box 10 – Dependent Care Benefits, 12 – Codes and Box 14 – Other:**

The amounts listed in these boxes are based on the benefit deductions you selected. A list of codes is included on the back of the Form W-2. If you have any questions related to these amounts, please contact the Employee Benefits Department at (210) 407-0187.

## **Retirement Plan:**

This box will be checked if you were an active member in the Teacher Retirement System of Texas (TRS) for any part of the calendar year.

**Detailed examples of how to reconcile your Box 1 and Box 5 wages are included in the “Box 1 and Box 5 Wages” section of this document.**

# FORM W-2 – WAGE AND TAX STATEMENT

## Box 1 and Box 5 Wages

This document shows the detailed calculations of the Box 1 and Box 5 wages on the Form W-2. It includes an example of how to reconcile your W-2 wage totals to your MyPayInfo paystub.

### **W-2 Box 1 Wages:**

Box 1 Wages include the total **taxable wages** paid during the calendar year (January 1 through December 31). The amount is calculated as the total year-to-date (YTD) earnings minus pre-tax benefit deductions. Therefore, if you have any pre-tax deductions, the Box 1 amount on your W-2 will not equal the total YTD earnings on your paycheck.

**The amount in Box 1 is calculated as follows:**

**Total Year-to-Date Earnings on your final paycheck for the calendar year**  
(gross wages, overtime, supplemental pay, and gross pay adjustments)

- **Less: Pre-Tax Deductions**
  - Cafeteria Plan
    - i. Insurance premiums for health, dental and vision
    - ii. Flexible Spending Account contributions
    - iii. Health Savings Account contributions
  - Retirement Account contributions (includes 403(b) and 457(b) annuity plans except for 457(b) Roth contributions)
  - Teacher Retirement System (TRS) Member contributions (does not include TRS Care Member contributions)
  - All of these deductions will have a "Y" on the paystub in MyPayInfo (see the example).
- = **Equals Box 1 Wages on the W-2**

### **W-2 Box 5 Medicare Wages:**

Box 5 Medicare Wages include the total wages paid in the calendar year that are subject to employee Medicare tax. The amount is calculated as total year-to-date (YTD) earnings minus pre-tax deductions for cafeteria plan benefits **only**.

**The amount is calculated as follows:**

**Total Year-to-Date Earnings on your final paycheck for the calendar year**  
(gross wages, overtime, supplemental pay, and gross pay adjustments)

- **Less: Pre-Tax Deductions**
  - Cafeteria Plan:
    - i. Insurance premiums for health, dental and vision
    - ii. Flexible Spending Account contributions
    - iii. Health Savings Account contributions
- = **Equals Box 5 Wages on the W-2**

## How to Reconcile Your W-2 Box 1 Wages to your MyPayInfo Paystub

BOX 1 WAGES		
<b>A</b>	Total YTD Earnings on your final paycheck for the calendar year	\$ 58,485.49
<b>B</b> Less: Pre-Tax Deductions		
	Cafeteria Plan:	
	Health insurance premiums	\$ 5,280.00
	Dental insurance premiums	\$ 1,032.00
	Vision insurance premiums	\$ 109.44
	Flexible Spending Account (FSA) contribution	\$ 1,500.00
	Health Savings Account (HSA) contribution	\$ -
	<b>Total Cafeteria Plan</b>	<b>\$ 7,921.44</b>
	<b>Retirement Account Contributions</b>	<b>\$ 4,800.00</b>
	<b>TRS Member Contribution</b>	<b>\$ 4,460.27</b>
<b>C</b>	<b>Total Box 1 Wages</b>	<b>\$ 41,303.78</b>

### MyPayInfo Paystub:

Earnings	Hours	Current Period	Year-To-Date
Gross Wages	124.67	4,718.76	56,625.12
Position Stipend(s)	0.00	41.68	500.11
NEISD Stipend(s)	0.00	66.67	800.00
Retention Supplement	0.00	560.26	560.26
<b>A</b>			
<b>Total Earnings</b>		<b>\$5,387.37</b>	<b>\$58,485.49</b>
Deductions	Pre-Tax	Current Period	Year-To-Date
Federal Tax Withholding		449.72	4,332.46
FICA Medicare Tax		68.55	733.18
TRS Member Contribution	Y	371.69	<b>4,460.27</b>
TRS Care Member		31.38	376.49
PPO Low Premium Employee	Y	440.00	<b>5,280.00</b>
Dental Premium High PPO	Y	86.00	<b>1,032.00</b>
Vision Premium Employee	Y	9.12	<b>109.44</b>
Retirement Account Contributions	Y	400.00	<b>4,800.00</b>
Life Insurance Premium		17.40	208.80
FSA Medical Care Contribution	Y	125.00	<b>1,500.00</b>
United Way		1.00	12.00
<b>B</b>			
<b>Total Deductions</b>		<b>\$1,999.86</b>	<b>\$22,844.64</b>

### Form W-2:

#### **Copy C FOR EMPLOYEE'S RECORDS (See Notice to Employee on back)**

OMB NO. 1545-0008

<b>C</b>	<b>1 Wages, tips, other comp. 41,303.78</b>	<b>2 Federal income tax withheld 4,332.46</b>
	<b>3 Social security wages 0.00</b>	<b>4 Social security tax withheld 0.00</b>
	<b>5 Medicare wages and tips 50,564.05</b>	<b>6 Medicare tax withheld 733.18</b>

## How to Reconcile Your W-2 Box 5 Wages to your MyPayInfo Paystub

BOX 5 MEDICARE WAGES			
A	Total YTD Earnings on your final paycheck for the calendar year		\$ 58,485.49
<b>Less: Pre-Tax Deductions</b>			
<b>Cafeteria Plan:</b>			
	Health insurance premiums	\$ 5,280.00	
	Dental insurance premiums	\$ 1,032.00	
	Vision insurance premiums	\$ 109.44	
	Flexible Spending Account (FSA) contribution	\$ 1,500.00	
	Health Savings Account (HSA) contribution	\$ -	
	<b>Total Cafeteria Plan</b>	<b>\$ 7,921.44</b>	
C	<b>Total Box 5 Medicare Wages</b>	<b>\$ 50,564.05</b>	

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Earnings	Hours	Current Period	Year-To-Date
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<b>Total Earnings</b>		<b>\$5,387.37</b>	<b>\$58,485.49</b>
Deductions	Pre-Tax	Current Period	Year-To-Date
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FICA Medicare Tax		68.55	733.18
TRS Member Contribution	Y	371.69	4,460.27
TRS Care Member		31.38	376.49
PPO Low Premium Employee	Y	440.00	5,280.00
Dental Premium High PPO	Y	86.00	1,032.00
Vision Premium Employee	Y	9.12	109.44
Retirement Account Contributions	Y	400.00	4,800.00
Life Insurance Premium		17.40	208.80
FSA Medical Care Contribution	Y	125.00	1,500.00
United Way		1.00	12.00
<b>Total Deductions</b>		<b>\$1,999.86</b>	<b>\$22,844.64</b>

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C