

Common W-2 Inquiries (And Answers)

- My W2 Wages are different from the YTD wages on my last check stub
- Why are my box 1 wages less than my social security wages (box 3)?
- Why are my social security wages less than the wages in box 1?
- My social security taxes withheld is more than 6.2% of my social security wages
- I've added Social Security wages and Social Security tips together, but the withholding still does not look correct (Medicare looks wrong too).
- My state and/or federal withholding taxes look wrong (too little/too much)
- What are these items reported in box 12?
- I need changes made to some (non-financial) data on my W-2. Do I need a reprint?
- Special Instructions for Deferred Compensation Plan participants

W2 Wages do not match YTD on check stub

W2 wages are reduced by deductions for benefits under 125c before being reported. The YTD wages reported on a check stub are not. Also, it is possible that some disbursements included in gross on a check stub are non-taxable and not reportable as wages. If an employee had deductions for benefits and/or had non-taxable disbursements on his/her check, this will cause a discrepancy between the check stub and the W-2.

[Back to Questions](#)

Box 1 wages < Social Security Wages

A difference between box 1 wages and social security wages is most likely the result of deductions for a 401k or similar retirement plan. 401k deductions are reported in box 12 using code "D". This amount should reflect the difference between box 1 and box 3 wages. Deductions for other types of retirement plans (i.e. SIMPLE IRA) may also be reported in box 12 using a different code (i.e. S for Simple IRA's).

[Back to Questions](#)

Box 1 wages > Social Security Wages

This is generally due to the maximum social security wage limit being met (87,900). However, special distributions under a deferred compensation plan can also produce this result. (See Special Information on Deferred Compensation Plans)

[Back to Questions](#)

Social Security Withholding looks wrong (>6.2%)

Employees reporting cash tips during the year have social security wages reported in two parts on the W2. The tips portion is reported in box 7 (Social Security tips). The balance of social security wages is reported in box 3. The two must be added together to determine the taxable wage base for social security.

[Back to Questions](#)

Withholding still looks wrong after adding Box 3 and Box 7 (Medicare wrong too)

In some rare cases, an employee reporting cash tips has insufficient other income to pay all of the Social Security and/or Medicare taxes on those tips. The uncollected taxes are reported in box 12 using code "A" or code "B". Only the amount actually withheld from checks is reported in boxes 4 and 6.

[Back to Questions](#)

State/Federal withholding taxes are too little/too much.

Income tax withholding is based upon elections made by the employee on his/her W-4. Considerable effort is made to ensure that our systems withholding formulas are current and accurate. The payroll department can confirm the employee's W-4 elections and the actual amounts withheld from pay checks.

[Back to Questions](#)

Box 12 reported items

IRS requires that certain items be reported in this box. A guide to these codes and amounts can be found on the back of the employee's W-2.

[Back to Questions](#)

Changes to W-2 form

Per instructions found on the back of the W-2, an employee may manually make changes to name, address and social security number. No reprint is required. However, it is important to record these corrections in our own system. If Teamworks has already submitted its annual W-2 report to SSA (usually around the end of March), then a W-2C should be prepared.

[Back to Questions](#)

Special Information Regarding Teamworks' Deferred Compensation Plan

Please note the following as it pertains to W-2 reporting and our deferred compensation plan:

- Amounts deferred (deducted from pay checks) are not reported in any special manner on W-2's for 2005. Beginning with W-2's issued for 2006 wages, there will be special coding and reporting for these amounts in box 12 of the W-2.

- Deferrals reduce reportable wages for federal and state income tax, but have no impact on taxable wages for social security and medicare.

- In 2005 Teamworks issued distributions from the plan in order to meet certain IRS requirements. These distribution amounts are reported in box 11 of the W-2.

[Back to Questions](#)