

Payroll - Explanation of W2 Form

DESCRIPTIONS OF EACH BOX ON FORM W-2 (CY2012)

Box 1 "Wages, tips, other compensation": This is federal, taxable income for payments in the calendar year. The amount is calculated as YTD earnings minus pre-tax retirement and pre-tax benefit deductions plus taxable benefits (i.e., certain educational benefits).

Box 2 "Federal income tax withheld": This is federal income tax withheld from your pay based on your W-4. If you didn't file a W-4, the default is "single and 0" regardless of your marital status.

Box 3 "Social security wages": Social security wages are calculated as Federal Taxable Gross (Box 1) plus Retirement Deductions (Box 12). The maximum social security wage amount for 2012 is \$110,100.

Box 4 "Social security tax withheld": This is social security tax withheld from your pay. For 2012, the amount should not exceed \$4,624.20 (\$110,100 X 4.2%).

Box 5 "Medicare wages and tips": This is total wages and tips subject to the Medicare component of social security taxes.

Box 6 "Medicare tax withheld": This is Medicare tax withheld from your pay for the Medicare component of social security taxes. The rate is 1.45% of the Medicare wage base.

Box 7 "Social Security Tips": This is total reported tips subject to social security tax.

Box 8 "Allocated Tips": This amount is not included in boxes 1,3,5 or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

Box 9 "Advance EIC Payments": Enter this amount on the advance earned income credit payments line of your 1040 or 1040A.

Box 10 "Dependent care benefits": This is the pre-tax deduction under the Select Benefits Program for dependent care. This deduction is already reflected in box 1.

Box 11 "Nonqualified plans": This amount is reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457 plan.

Box 12 "Box 12 Codes": The following codes are applicable to American University:

Code C - Taxable cost of group-term life insurance over \$50,000

Code E - Elective deferrals under a section 403(b) salary reduction agreement

Code G - Elective deferrals and employer contributions (including non-elective deferrals) to a section 457(b) deferred compensation plan

Code P - Excludable moving expense reimbursements paid directly to employee. This amount is not reported in box 1.

Code DD - Cost of employer-sponsored health coverage. The amount reported with code DD is not taxable.

Note: Instructions for boxes 13a, 13b, 13c, and 14-20 are included on the web form but not here because they haven't changed for the past few years.

QUICK LINKS

myau.american.edu (<https://myau.american.edu/>)

[Human Resources](#) (/hr/index.cfm)

[Glacier System](http://www.online-tax.net/) (<http://www.online-tax.net/>)

FORMS

[Federal Withholding Tax](#) (/finance/payroll/upload/Federal-Withholding-Tax-Form.pdf)

[DC Withholding Tax](#) (/finance/payroll/upload/DC-Tax-Form.pdf)

[Maryland Withholding Tax](#) (/finance/payroll/upload/Maryland-Tax-Form.pdf)

[Virginia Withholding Tax](#) (/finance/payroll/upload/Virginia-Tax-Form.pdf)

[Employee Pay Selection Form](#) (/finance/payroll/upload/American_University_Employee_Pay_Selection_Form.pdf)

PAYROLL SCHEDULE
