

THE ANATOMY OF A W-2 STATEMENT

What Does It All Mean?

Presented by QuickBooks Payroll
www.payroll.com

If you're still confused, consult an accountant or tax advisor for information on your W-2. www.intuit.com can also lead you to an accountant in your area.

Assigned by Payroll software.

This shows all wages and tips that can, and will, be taxed for Medicare. The amount of taxes withheld is to the right.

Social Security taxes your wages, and it taxes your tips. If your wages and tips exceed \$97,500, any compensation over that amount will not be taxed by Social Security.

This reflects any tax deferred plans, including retirement accounts.

Assigned by state.

a Control number		OMB No. 1545-0008		Safe, accurate, FAST! Use Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Employee's social security number		9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial		11 Nonqualified plans		12a See instructions for box 12	
Last name		13 <input type="checkbox"/> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick day		12b	
Suff.		14 Other		12c	
f Employee's address and ZIP code				12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

Federal tax withheld.
This is your total pay for the year, minus any deferred compensation plan, such as a 401K. Make sure it all adds up.

Social security withheld.
This shows all wages, up to \$97,500, that are taxed for Social Security. The amount of taxes withheld is to the right.

Medicare withheld.
This is the amount you deducted from your wages for dependent care, such as flex spending for day care.

Applies to additional taxes not otherwise covered in the W-2.
City worked in.

Local tax withheld.

Form W-2 Wage and Tax Statement
2006
Department of the Treasury—Internal Revenue Service
Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Total wages paid to employees should be same as box 1.

Amount of state tax withheld.

Total wages paid subject to local tax should be same as box 1 plus 16.