

Understanding Your W-2 Statement 2021

Matching your W-2 to your yearly gross wages. Below are some guidelines to help you understand your 2021 W-2 Statement, and the correlation between the different boxes on the W-2 and your actual gross pay on your check stubs. The wages listed in Box 3 are your Taxable Social Security Wages, which for calendar year 2021 has a maximum taxable wage of \$142,800.00. The wages listed in Box 5 are your Taxable Medicare Wages; no cap applies to these wages. These wages can differ from your actual gross pay due to various benefits and pre-tax deductions.

Using your last pay stub for the year (you can ask me for a copy if you no longer have yours), you can calculate taxable wages that should appear on your W2. To determine Federal and State taxable wages on your W2, begin with the earnings YTD (year-to-date) from your final pay stub for the year. From the earnings YTD, make the following adjustments if applicable:

Below is a sample calculation:

| | |
|--|--------------------|
| Earnings YTD on Final 2021 Check Stub | \$43,698.18 |
| Less Employee pre-tax deductions YTD (Jan-Dec 2021) | |
| Medical Insurance-BC/BSFLX | -0.00 |
| AFLAC (Dental, accident, spec. health event, vision & cancer) | -269.79 |
| Medical Spending Flex | -1627.95 |
| Dependent Care Flex- CHILD | - |
| Plus Cash option CASH-CAFETERIA & any PIK | +0.00 |
| Social Security & Medicare taxable wages (on W-2 / boxes 3 & 5) | \$41,800.44 |

The wages in Box 1 and Box 16 are your Federal and State Taxable Wages, which you would report on your Federal and State Tax Returns. To arrive at the figures for Box 1 and Box 16, employees should take the Social Security and Medicare Taxable Wage total above and subtract your deductions for Retirement (for our district 403B, & TFFR).

Below is a sample calculation:

| | |
|--|--------------------|
| Social Security & Medicare Taxable Wages (from above) | \$41,800.44 |
| Less employee retirement deductions (TFFR & 403b HM TSA) | -5068.32 |
| Federal and State taxable wages (on w-2/box 1 & 16) | \$36,732.12 |

Other Information:

- **Box 12 E:** Employee 403B Annuity contributions are shown in Box 12 code E.
- **Box 12 DD:** This box includes insurance premium information as recommended/required by the Affordable Care Act. Included is the employer and

employee paid Blue Cross, AFLAC cancer, and AFLAC specified health event insurance.

- **Box 14** includes optional information and is not required by the IRS or to prepare your taxes.

Your W-2 has all information needed for preparing your taxes. However, additional reports of interest are available upon request from the business manager:

1) **Payroll Register Summarized by Employee:** Shows your payroll information in detail not shown on your W-2. Similar to information on your final check stub.

Also:

W-4 Adjustments: You determine what is withheld for federal income tax by what you elect on your W-4. You can change your W-4 at any time.

1095-B Those insured through the district group health insurance plan will receive a 1095-B form directly from Blue Cross for the months of January through September 2021 and a 1095-B from NDPHIT for the months of October through December 2021.