Instructions for Employee

Box 1. Enter this amount on the wages line of your tax return.

Box 2. Enter this amount on the federal income tax withheld line of your tax return.

Box 5. You may be required to report this amount on Form 8959, Additional Medicare Tax. See the Form 1040 instructions to determine if you are required to complete Form 8959.

Box 6. This amount includes the 1.45% Medicare tax withheld on all Medicare wages and tips shown in Box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above $200,000.

Box 8. This amount is not included in boxes 1, 3, 5, or 7. For information on how to report this amount on your return, see Form 1040 Instructions.

You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount if you can prove you are entitled to that amount. If you have records that show the total amount of tips you received, report that amount even if it is more or less than the allocated tips shown on Form 4137. If you do not have records, or if the records you have do not show you received tips, report Form 4137 even if you did not report tips to your employer. By filing Form 4137, your social security tax will be credited to your social security record (used to figure your benefits).

Box 10. This amount includes the dependent care benefits that you and your employer paid to or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over $5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

Box 11. This amount is (a) reported in box 1 if it is a distribution made to you from a qualified deferred compensation plan or a qualified retirement plan (other than a SIMPLE plan). Full details about your social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. This box should not be used if you received a distribution after the calendar year. If you made a deferral and received a distribution in the calendar year, you should not be used if you were age 62 by the end of the calendar year, your employer should file Form SCA-125, Employee’s Wage and Tax Payments, with the Social Security Administration and give you a copy.

Box 12. The following list explains the codes shown in box 12. You may use either this instruction sheet or the Codes and Descriptions in the book of Form 1040 instructions. Use the Codes and Descriptions in box 12 to identify the type of income reported on Form 1040. Boxes 12, 13, and 14 of Form 1040 are used to report income, deductions, and credits for the tax year.

- Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See “Other Taxes” in the Form 1040 instructions.
- Unreported Medicare tax on tips. Include this tax on Form 1040. See “Other Taxes” in the Form 1040 instructions.
- Taxable cost of group-term life insurance over $50,000 (included in boxes 1, 3, and 5) to social security wage base) and 5.
- Elective deferrals under section 401(k) or defined contribution plan. Defined contributions under a SIMPLE retirement that is part of a section 401(k) arrangement.
- Elective deferrals under section 403(b) salary reduction arrangement.
- Elective deferrals under section 408(b)(6) salary reduction SEP.
- Elective deferrals and employer contributions (including nonelective deferrals) to a section 401(k) deferred compensation plan.
- Elective deferrals to a section 501(c)(18) D tax-exempt organization plan.
- Lump-sum distributions from an “Unlimited Gross Income” in the Form 1040 instructions for how to deduct.
- Nontaxable sick pay (information only, not included in boxes 1, 3, or 5.
- 26% excise tax on excess golden parachute payments. See “Other Taxes” in the Form 1040 instructions.
- Substantial employee business expenses reimbursed (nontaxable).
- Uncollected social security or RRTA tax on taxable cost of group-term life insurance over $50,000 (former employees only). See “Other Taxes” in the Form 1040 instructions.
- Uncollected Medicare tax on taxable cost of group-term life insurance over $50,000 (former employees only). See “Other Taxes” in the Form 1040 instructions.
- P+Q+R+Q counseling services, postemployment benefits payments directly to employee (not included in boxes 1, 3, or 5.
- Nontaxable combat pay. See the instructions for Form 1040 for details on reporting this amount.
- Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.
- Employee salary reduction contributions under a section 408(p) SIMPLE plan (not included in box 1).
- Adoption benefits (not included in box 1).
- Complete Form 8839, Qualified Assignment, to compute any taxable and nontaxable amounts.
- Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3, and 5) up to social security wage base, and 5. See Pub. 525 and Schedule C for Schedule D (Form 1040) for reporting requirements.
- Wages and tips contributed to a section 125 (cafeteria) plan to your health savings account. Report on Form 8889, Health Savings Accounts (HSAs).
- Income under a section 409A nonqualified deferred compensation plan.
- Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount is included in box 1. It is subject to an additional 20% tax plus interest. See “Other Taxes” in the Form 1040 instructions.
- Designated Roth contributions under section 401(k) plan.
- Designated Roth contributions under a section 403(b) plan.
- Cost of employer-sponsored health coverage. The amount reported with Code DD is not taxable.
- Designated Roth contributions under a governmental section 501(c)(18) D tax-exempt organization section 401(k) plan.
- Designated Roth contributions under a section 401(k) plan.
- Designated Roth contributions under section 403(b) plan.
- Cost of employer-sponsored health coverage.

Box 13. If the “Retirement plan” box is checked, special limits may apply to the amount of additional IRA contributions you may deduct. See Pub. 590, Individual Retirement Arrangements IRA.

Box 14. If your employer makes contributions such as social security insurance (SSA) to a qualified plan, the SSA is not taxable to you. The amount shown is the amount reported as taxable income on Form 1040. See “Retirement plans” in the Form 1040 instructions.

Notice to Employee

Do you have to file? Refer to the Form 1040 Instructions to determine if you are required to file a tax return. Even if you do not have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

Earned income credit (EIC). You may be eligible to take the EIC for 2015 if your adjusted gross income (AGI) is less than a certain amount. The credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than the specified amount. You can invest in your own retirement and services provided while you were an inmate at a penitentiary. For 2015 income limits and more information, visit www.irs.gov/eic. Also see Pub. 596, Earned Income Credit. And yes, EIC can be reflected on your tax liability is refunded to you, but only if you file a tax return.

Clergy and religious workers. If you are not subject to social security and Medicare taxes, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

Corrections. If your name, SSN, or address is incorrect, correct Copy B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2c from your employer for all corrections made so you may file them with your tax return. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 1-800-772-1213. You also may visit the SSA at www.socialsecurity.gov.

Cost of employer-sponsored health coverage. If such coverage is not taxable to you, see Code DD. The reporting in box 12, using code DD, of the cost of employer-sponsored health coverage is for your information only. The amount reported with code DD is not taxable.

Credit for excess taxes. If you had more than one employer in 2015 and more than $7,347 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than $4,321.80 in Tier 2 RRTA tax was withheld, you also may be able to claim a credit. See Form 1040 or Form 1040A instructions and Pub. 505, Tax Withholding and Estimated Tax.