

Sample W2

Control Number	1 Wages, tips, other compensation		2 Federal income tax withheld
	3 Social security wages		4 Social Security withheld
	5 Medicare wages and tips		6 Medicare tax withhold
a Employer's name, address and zip code BOARD OF EDUCATION OF BALTIMORE COUNTY OFFICE OF PAYROLL 6901 N CHARLES ST, BUILDING E TOWSON, MD 21204			
7 Social security tips		8 Allocated tips	
10 Dependent care benefits		11 Nonqualified plan	
		12a See instructions for box 12	
12b		12c	
		12d	
b Employer Identification number			d Employee's social security number
13 Statutory employee	Retirement plan	Third-party sick-pay	14 other
c Employee's name, address, and ZIP code			
Form W-2 Wage and Tax Statement	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

My annual salary was \$42,000. But Box 1 says my salary was \$38,000. Why the discrepancy?

There are several reasons why this employee's annual salary may be different than the amount appearing in Box 1. School system salaries are based upon a fiscal year that starts July 1, and ends the following June 30. W2s are based upon a calendar year, not a fiscal year. Second, the amount appearing in Box 1 is the employee's taxable wage. Many employees have deductions which are exempt from federal and/or state income tax. The amount of these tax exempt deductions is subtracted from the calendar year earnings appearing in Box 1.

Many last paystub of the calendar year has a different year-to-date amount than appearing in Box 1. Why?

The year-to-date amount appearing on the last pay check of the calendar year is the employee's gross compensation for the year; the total amount earned. The amount appearing on Box 1 is the federal income tax; the amount earned which is subject to federal income tax. Tax exempt deductions, such as health care premiums, have been subtracted from the gross wage.

How is the Social Security tax and Medicare tax calculated?

The social security tax is 6.2% and is applied to wages up to the wage base, an amount set and updated annually by the federal government. The Medicare tax rate is 1.45%. There is not Medicare wage limit.

Why is the amount in Box 16, state wages, different than the amount in Box 1?

Many school system employees contribute to the Maryland State Retirement System. Contributions are exempt from federal income tax thus reducing the federal taxable wage. However, contributions are NOT exempt from state income tax so the amounts in the two boxes will be different. Employees who contribute to the Maryland State Retirement System will see STPICKUP in Box 14, other. This refers to a "state pick up" and it is the employee's contribution to State retirement. NOTE: for Maryland residence, the sum of Box 1 and STPICKUP is equal to the amount appearing in Box 16, state wages. It is the employee's responsibility to include the state pickup when filing his/her state return.

Why is there an amount reported in Box 12 with the code DD?

Employees participating in one of the BCPS sponsored health plans will see an amount that represents the full cost (employer and employee share) of the health plan selected. The IRS requires employers to report this amount on the W2 beginning in 2012. The amount reported with code DD is not taxable

What information is printed on the back of my W2?

Instructions and information provided by the IRS are printed on the back of the W2. A copy of the information is provided below.