



Instructions for Forms W-2 and W-3

Wage and Tax Statement and Transmittal of Wage and Tax Statements

Section references are to the Internal Revenue Code unless otherwise noted.

Contents	Page
Items To Note	1
Need Help?	1
How To Get Forms and Publications	1
Earned Income Credit (EIC) Notice	2
Common Errors on Forms W-2	2
General Instructions for Forms W-2 and W-3	2
Special Reporting Situations for Form W-2	3
Penalties	6
Specific Instructions for Form W-2	7
Specific Instructions for Form W-3	10
Reconciling Forms W-2, W-3, 941, and 943	11
Form W-2 Reference Guide for Box 12 Codes	12
Index	12

Items To Note

New size for 2004 Forms W-2 and W-3. The 2004 Forms W-2 and W-3 were reformatted to conform with the size and margins used in the substitute black and white laser Forms W-2 and W-3 shown in Exhibits E and F of the May 2003 revision of **Pub. 1141**, General Rules and Specifications for Substitute Forms W-2 and W-3. This change allows programmers to write universal code for data entry on both the official and the laser printed versions of the forms. **Make certain that Copy A of your paper Forms W-2 and Form W-3 reflect these changes.**

Health Savings Account (HSA). A new code (**Code W**—Employer's contribution to an employee's Health Savings Account), has been added to Form W-2 for use in 2004. See **Health Savings Account** on page 5.

Removal of dollar signs. The dollar signs have been removed from Copy A of Forms W-2 and W-3 to provide more space.

The Privacy Act and Paperwork Reduction Act Notice has been relocated to the back of Copy D of Form W-2.

Distributions from governmental section 457(b) plans of state and local agencies. Generally, report **distributions after December 31, 2001**, from section 457(b) plans of state and local agencies on **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. See Notice 2003-20 for details. You can find Notice 2003-20 on page 894 of Internal Revenue Bulletin 2003-19 at www.irs.gov/pub/irs-irbs/irb03-19.pdf.

Electronic payee statements. If your employees give their consent, you may be able to furnish Copies B, C, and 2 of Forms W-2 to your employees electronically. See **Pub. 15-A** for additional information.

Extended due date for electronic filers. If you file your 2004 Forms W-2 with the Social Security Administration (SSA) electronically (not by magnetic media), the due date is extended to March 31, 2005. For information on how to file electronically, see **Magnetic media/electronic reporting** on page 2.

Online filing of Forms W-2 and W-3. File Forms W-2 and W-3 electronically by visiting the SSA's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer and selecting "Business Services Online." SSA's "Create Forms W-2 Online" option allows you to create "fill-in" versions of Forms W-2 and Form W-3 for filing with the SSA and to print out copies of the forms

for filing with state or local governments, distribution to your employees, and for your records.

Substitute forms. If you are not using the official IRS form to furnish Form W-2 to employees or to file with the SSA, you may use an acceptable substitute form that complies with the rules in **Pub. 1141**, General Rules and Specifications for Substitute Forms W-2 and W-3. **Pub. 1141**, which is revised annually, is a revenue procedure that explains the requirements for format and content of substitute Forms W-2 and W-3. **Your substitute forms must comply with the requirements in Pub. 1141.**

Need Help?

Information reporting call site. The IRS operates a centralized call site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions about reporting on these forms, call 1-866-455-7438 (toll free), Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time. If you have questions about magnetic media or electronic filing of Forms W-2, contact the SSA at 1-800-772-6270 or visit the SSA website at www.socialsecurity.gov/employer.

Help for people with disabilities. Telephone help is available using TTY/TDD equipment. If you have questions about reporting on information returns—Forms 1096, 1098, 1099, 5498, W-2, W-2G, and W-3, you may call 304-267-3367. For any other tax information, call 1-800-829-4059.

Online wage reporting. Using a personal computer and a modem, you can access SSA's Business Services Online (BSO) to electronically report wage data. To obtain information regarding filing wage data electronically with SSA or to access BSO, visit the SSA's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer. Call the SSA at 1-888-772-2970 if you experience problems using any of the services within BSO.

The website includes magnetic media filing information, some IRS and SSA publications, information on electronic filing, and general topics of interest about annual wage reporting. You can also use BSO to ask questions about wage reporting.

Employment tax information. Detailed employment tax information is given in:

- **Circular A (Pub. 51)**, Agricultural Employer's Tax Guide
- **Circular E (Pub. 15)**, Employer's Tax Guide
- **Pub. 15-A**, Employer's Supplemental Tax Guide, and
- **Pub. 15-B**, Employer's Tax Guide to Fringe Benefits.

You can also call the IRS with your employment tax questions at 1-800-829-4933.

How To Get Forms and Publications

Personal computer. You can access the IRS website 24 hours a day, 7 days a week at www.irs.gov to:

- Download forms, instructions, and publications.
- See answers to frequently asked tax questions.
- Search publications on-line by topic or keyword.
- Send us comments or request help by email.
- Sign up to receive local and national tax news by email.

CD-ROM. Order **Pub. 1796**, Federal Tax Products on CD-ROM, and get:

- Current year forms, instructions, and publications.
- Prior year forms, instructions, and publications.

- Popular tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- The Internal Revenue Bulletin.

Buy the CD-ROM on the Internet at www.irs.gov/cdorders from the National Technical Information Service (NTIS) or call **1-877-CDFORMS** (1-877-233-6767) toll free.

By phone and in person. You can order forms and publications 24 hours a day, 7 days a week, by calling **1-800-TAX-FORM** (1-800-829-3676). You can also get most forms and publications at your local IRS office.

Earned Income Credit (EIC) Notice

You must notify employees who have no income tax withheld that they may be able to claim an income tax refund because of the EIC. You can do this by using the official IRS Form W-2 with the EIC notice on the back of Copy B or a substitute Form W-2 with the same statement. You must give your employee **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording if: **(a)** you use a substitute Form W-2 that does not contain the EIC notice, **(b)** you are not required to furnish Form W-2, or **(c)** you do not furnish a timely Form W-2 to your employee. For more information, see section 10 in Circular E (Pub.15).

Common Errors on Forms W-2

Forms W-2 provide information to your employees, the SSA, the IRS, and state and local governments. Avoid making the following errors, which cause processing delays.

Do not:

- Use ink that is **too light** to make entries. Use only black ink.
- Make entries that are **too small** or **too large**. Use 12-point Courier font, if possible.
- Add **dollar signs** to the money-amount boxes. They have been removed from Copy A and are **not** required.
- **Inappropriately** check the "Retirement plan" checkbox in box 13. (See **Retirement plan** on page 10.)
- Misformat the **employee's name** in box e. Enter the employee's first name and middle initial in the first box and his or her surname in the second box.

General Instructions for Forms W-2 and W-3

Who must file Form W-2. Employers must file Form W-2 for wages paid to each employee from whom:

- Income, social security, or Medicare tax was withheld or
- Income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate.

Also, every employer engaged in a trade or business who pays remuneration for services performed by an employee, including noncash payments, must furnish a Form W-2 to each employee even if the employee is related to the employer.

If you are required to file 250 or more Forms W-2, see **Magnetic media/electronic reporting** below.

Who must file Form W-3. Anyone required to file Form W-2 must file Form W-3 to transmit Copy A of Forms W-2. Make a copy of Form W-3; keep it and Copy D (For Employer) of Forms W-2 with your records for 4 years. Be sure to use Form W-3 for the correct year.

Household employers, even those with only one household employee, must file Form W-3 with Form W-2. On Form W-3 check the "Hshld. emp." checkbox in box b. For more information, see **Schedule H, (Form 1040)**, Household Employment Taxes, and its separate instructions.

Who may sign Form W-3. A transmitter or sender (including a service bureau, paying agent, or disbursing agent) may sign Form W-3 for the employer or payer **only** if the sender:

- Is authorized to sign by an agency agreement (either oral, written, or implied) that is valid under state law and
- Writes "For (name of payer)" next to the signature.

If an authorized sender signs for the payer, the payer is still responsible for filing, when due, a correct and complete Form W-3 and related Forms W-2, and is subject to any penalties that result from not complying with these requirements. Be sure that the payer's name and employer identification number (EIN) on

Forms W-2 and W-3 are the same as those used on the **Form 941**, Employer's Quarterly Federal Tax Return, **Form 943**, Employer's Annual Federal Tax Return for Agricultural Employees, **Form CT-1**, Employer's Annual Railroad Retirement Tax Return, or Schedule H (Form 1040) filed by or for the payer.

When to file. File Copy A of Form W-2 with the entire page of Form W-3 (or reports filed on magnetic media) by **February 28, 2005**. However, if you file electronically (not by magnetic media), the due date is March 31, 2005. You may owe a penalty for each Form W-2 that you file late. See **Penalties** on page 6. If you terminate your business, see **Terminating a business** on page 6.

Extension to file. You may request an automatic extension of time to file Form W-2 by sending **Form 8809**, Request for Extension of Time To File Information Returns, to the address shown on Form 8809. You must request the extension before the due date of Forms W-2. You will have an additional 30 days to file. See Form 8809 for details.



*Even if you request an extension to file Form W-2, you must still **furnish** Form W-2 to your employees by January 31, 2005. But see **Extension to furnish Forms W-2 to employees** on page 3.*

Where to file. File the entire Copy A page of Form W-2 with the entire page of Form W-3 at the following address:

**Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001**



If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Circular E (Pub.15) for a list of IRS-approved private delivery services.



***Do not send cash, checks, money orders, etc. with the Forms W-2 and W-3 that you submit to the SSA. Do not use the address above to file by magnetic media.** See SSA's **MMREF-1**, Magnetic Media Reporting and Electronic Filing, for the magnetic media filing address. Employment tax forms (e.g., Form 941 or Form 943), remittances, and Forms 1099 **must** be sent to the IRS.*

Send Copy 1 of Form W-2 to your state, city, or local tax department. For more information concerning Copy 1 (including how to complete boxes 15-20), contact your state, city, or local tax department.

Shipping and mailing. If you file more than one type of employment tax form, please group Forms W-2 of the same type, with a separate Form W-3 for each type, and send them in separate groups. See the specific instructions for box b of Form W-3 on page 10.

Prepare and file Forms W-2 either alphabetically by employees' last names or numerically by employees' social security numbers. **Please do not staple or tape Form W-3 to the related Forms W-2 or Forms W-2 to each other.** These forms are machine read. Staple holes or tears interfere with machine reading. Also, **do not fold Forms W-2 and W-3.** Send the forms to the SSA in a flat mailing.

If you have a large number of Forms W-2 to send with one Form W-3, you may send them in separate packages. Show your name and EIN on each package. Number them in order (1 of 4, 2 of 4, etc.) and place Form W-3 in package 1. Show the number of packages at the bottom of Form W-3 below the title. If you mail them, you must send them First-Class.

Magnetic media/electronic reporting. If you are required to file 250 or more Forms W-2, you must file them on magnetic media (or electronically) unless the IRS granted you a waiver. You may be charged a penalty if you fail to file on magnetic media (or electronically) when required.



***You are encouraged to file electronically even if you are filing fewer than 250 Forms W-2.** Small submitters may be able to file Forms W-2 online. Visit the SSA's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer for more information.*

You may request a waiver on **Form 8508**, Request for Waiver From Filing Information Returns Magnetically. Submit

Form 8508 to the IRS at least 45 days before the due date of Form W-2. See Form 8508 for filing information.

If you are **filing Forms W-2 using magnetic tape or cartridge**, complete **Form 6559**, Transmitter Report and Summary of Magnetic Media; you may also need **Form 6559-A**, Continuation Sheet for Form 6559. **Do not use Form W-3.**



If you file on magnetic media (or electronically), do not file the same returns on paper.

Magnetic media reporting specifications for Form W-2 are in the SSA's MMREF-1, a publication that can be downloaded by accessing the SSA's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer. You can also get magnetic media (or electronic) specifications by calling SSA's Employer Reporting Branch at 1-800-772-6270.

Reporting instructions for magnetic media/electronic filing may differ from the paper reporting instructions. For example, magnetic media/electronic filers may enter more than four items in box 12 in one individual's wage report, but paper filers are limited to four entries in box 12 on Copy A of each Form W-2.

Furnishing Copies B, C, and 2 to employees. Furnish Copies B, C, and 2 of Form W-2 to your employees, generally, by **January 31, 2005**. You will meet the "furnish" requirement if the form is properly addressed and mailed on or before the due date.

If employment ends before December 31, 2004, you may furnish copies to the employee at any time after employment ends, but no later than January 31, 2005. If an employee asks for Form W-2, give him or her the completed copies within 30 days of the request or within 30 days of the final wage payment, whichever is later. However, if you terminate your business, see **Terminating a business** on page 6.

You may furnish Forms W-2 to employees on IRS official forms or on acceptable substitute forms (see **Substitute forms** on page 1). **Be sure that the Forms W-2 you provide to employees are clear and legible and comply with the requirements in Pub. 1141.**

Extension to furnish Forms W-2 to employees. You may request an extension of time to furnish Forms W-2 to employees by sending a letter to:

**IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430**

Mail your letter on or before the due date for furnishing Forms W-2 to employees. It must include:

- Your name and address,
- Your employer identification number,
- Type of return,
- A statement that you are requesting an extension to furnish Forms W-2 to employees,
- Reason for delay, and
- Your signature or that of your authorized agent.

Undeliverable Forms W-2. Keep for four years any employee copies of Forms W-2 that you tried to deliver but could not. **Do not send undeliverable Forms W-2 to the SSA.**

Taxpayer identification numbers. Employers use an **employer identification number** (EIN) (00-0000000). Employees use a **social security number** (SSN) (000-00-0000). When you list a number, please separate the nine digits properly to show the kind of number. Do not accept an individual taxpayer identification number (ITIN) for employment purposes. See section 4 of Circular E (Pub. 15) for details.

The IRS uses SSNs to check the payments that you report against the amounts shown on the employees' tax returns. The SSA uses SSNs to record employees' earnings for future social security and Medicare benefits. **When you prepare Form W-2, be sure to show the correct SSN for each employee.** See section 4 of Circular E (Pub. 15) for information on verification of SSNs.

Special Reporting Situations for Form W-2

Adoption benefits. Amounts paid or expenses incurred by an employer for qualified adoption expenses under an adoption assistance program are not subject to income tax withholding and are not reportable in box 1. However, these amounts (including adoption benefits paid from a section 125 (cafeteria) plan, but not including adoption benefits forfeited from a cafeteria plan) are subject to social security, Medicare, and railroad retirement taxes and must be reported in boxes 3 and 5. Also, the total amount must be reported in box 12 with code T.

See Notice 97-9, 1997-1 C.B. 365, for more information on adoption benefits. You can find Notice 97-9 on page 35 of Internal Revenue Bulletin 1997-2 at www.irs.gov/pub/irs-irbs/irb97-02.pdf. Advise your employees to get **Pub. 968**, Tax Benefits for Adoption.

Agent reporting. Generally, an agent who has an approved **Form 2678**, Employer Appointment of Agent, should enter the agent's name as the employer in box c of Form W-2, and file only one Form W-2 for each employee. However, if the agent: **(a)** is acting as an agent for two or more employers or is an employer and is acting as an agent for another employer and **(b)** pays social security wages for more than one employer in excess of the wage base to an individual, special reporting for payments to **that employee** is needed.

If both **(a)** and **(b)** above apply, the agent must file separate Forms W-2 for the affected employee reflecting the wages paid by each employer. On each Form W-2, the agent should enter the following in box c of Form W-2:

(Name of agent)
Agent for (name of employer)
Address of agent.

Each Form W-2 should reflect the EIN of the agent in box b. An agent files one Form W-3 for all of the Forms W-2 and enters its own information in boxes e, f, and g of Form W-3 as it appears on the agent's related employment tax returns (e.g., Form 941). Enter the client-employer's EIN in box h of Form W-3 if the Forms W-2 relate to only one employer (other than the agent); if not, leave box h blank. See Rev. Proc. 70-6, 1970-1 C.B. 420, for procedures to be followed in applying to be an agent.



Generally, an agent is not responsible for refunding excess social security or railroad retirement (RRTA) tax on employees. If an employee worked for more than one employer during 2004 and had more than \$5,449.80 in social security and Tier 1 RRTA tax withheld (or more than \$3,189.90 in Tier 2 RRTA tax withheld), he or she should claim the excess on the appropriate line of Form 1040 or Form 1040A.

Archer MSA. An **employer's** contribution to an employee's Archer MSA is not subject to income tax withholding, or social security, Medicare, or railroad retirement taxes if it is reasonable to believe at the time of the payment that the contribution will be excludable from the employee's income. However, if it is **not** reasonable to believe at the time of payment that the contribution will be excludable from the employee's income, employer contributions are subject to income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable) and must be reported in boxes 1, 3, and 5.

You must report all employer contributions to an Archer MSA in box 12 of Form W-2 with code **R**. Employer contributions to an Archer MSA that are not excludable from the income of the employee also must be reported in box 1.

An **employee's** contributions to an Archer MSA are includable in income as wages and are subject to income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable). Employee contributions are deductible, within limits, on the employee's Form 1040.

See Notice 96-53, 1996-2 C.B. 219 and **Pub. 969**, Medical Savings Accounts (MSAs) for more information. You can find Notice 96-53 on page 5 of Internal Revenue Bulletin 1996-51 at www.irs.gov/pub/irs-irbs/irb96-51.pdf.

Clergy and religious workers. For certain members of the clergy and religious workers who are not subject to social security and Medicare taxes as employees, boxes 3 and 5 of

Form W-2 should be left blank. You may include a minister's parsonage and/or utilities allowance in box 14. For information on the rules that apply to ministers and certain other religious workers, see **Pub. 517**, Social Security and Other Information for Members of the Clergy and Religious Workers, and section 4, Religious Exemptions, of Pub. 15-A.

Corrections. Use the current revision (December 2002) of **Form W-2c**, Corrected Wage and Tax Statement, to correct errors (such as incorrect name, SSN, or amount) on a previously filed Form W-2.

If your employee was given a new social security card following an adjustment to his or her resident status that shows a different name or SSN, file a Form W-2c for the most current year only.

File **Form W-3c**, Transmittal of Corrected Wage and Tax Statements, whenever you file a Form W-2c with the SSA, even if you are only filing a Form W-2c to correct an employee's name or SSN. However, see **Incorrect address on employee's Form W-2** below for information on correcting an employee's address. Use Form W-3c to correct a previously filed Form W-3.

If you discover an error on Form W-2 after you issue it to your employee but before you send it to the SSA, check the "Void" box at the top of the form on Copy A. Prepare a new Form W-2 with the correct information, and send Copy A to the SSA. Write "CORRECTED" on the employee's new copies (B, C, and 2), and furnish them to the employee. If the "Void" Form W-2 is on a page with a correct Form W-2, send the entire page to the SSA. The "Void" form will not be processed. **Do not** write "CORRECTED" on Copy A of Form W-2.

If you are making an adjustment in 2004 to correct social security and Medicare taxes for a prior year, you must file **Form 941c**, Supporting Statement To Correct Information, with your Form 941 or Form 943 in the return period that you find the error, and issue the employee a Form W-2c for the prior year. If you are correcting social security or Medicare wages or tips, also file the entire Copy A page of Form W-2c and Form W-3c with the SSA to correct the social security records and **any other items** on the original Form W-2 (or previously filed Form W-2c) that were in error.

Incorrect address on employee's Form W-2. If you filed a Form W-2 with the SSA showing an incorrect address for the employee but all other information on Form W-2 is correct, **do not file Form W-2c with the SSA merely to correct the address.**

However, if the address was incorrect on the Form W-2 furnished to the employee, **you must do one of the following:**

- Issue a new, corrected Form W-2 to the employee, including the new address. Indicate "REISSUED STATEMENT" on the new copies. **Do not send Copy A to the SSA.**
- Issue a Form W-2c to the employee showing the correct address in box f and all other correct information. **Do not send Copy A to the SSA.**
- Mail the Form W-2 with the incorrect address to the employee in an envelope showing the correct address or otherwise deliver it to the employee.

Deceased employee's wages. If an employee dies during the year, you must report the accrued wages, vacation pay, and other compensation paid after the date of death.

If you made the payment in the same year that the employee died, you must withhold social security and Medicare taxes on the payment and report the payment on the employee's Form W-2 only as social security and Medicare wages to ensure proper social security and Medicare credit is received.

On the employee's Form W-2, show the payment as social security wages (box 3) and Medicare wages and tips (box 5) and the social security and Medicare taxes withheld in boxes 4 and 6. **Do not show the payment in box 1.**

If you made the **payment after the year of death,** do not report it on Form W-2, and do not withhold social security and Medicare taxes.

Whether the payment is made in the year of death or after the year of death, you also must report it in box 3 of Form 1099-MISC, Miscellaneous Income, for the payment to the estate or beneficiary. Use the name and taxpayer identification number (TIN) of the payment recipient on Form 1099-MISC.

Example. Before Employee A's death on June 15, 2004, A was employed by Employer X and received \$10,000 in wages on which Federal income tax of \$1,500 was withheld. When A died, X owed A \$2,000 in wages and \$1,000 in accrued vacation pay. The total of \$3,000 (less the social security and Medicare taxes withheld) was paid to A's estate on July 20, 2004. Because X made the payment during the year of death, X must withhold social security and Medicare taxes on the \$3,000 payment and must complete **Form W-2** as follows:

- **Box d** – Employee A's SSN
- **Box e** – Employee A's name
- **Box f** – Employee A's address
- **Box 1** – 10000.00 (does not include the \$3,000 accrued wages and vacation pay)
- **Box 2** – 1500.00
- **Box 3** – 13000.00 (includes the \$3,000 accrued wages and vacation pay)
- **Box 4** – 806.00 (6.2% of the amount in box 3)
- **Box 5** – 13000.00 (includes the \$3,000 accrued wages and vacation pay)
- **Box 6** – 188.50 (1.45% of the amount in box 5)



*Employer X also must complete **Form 1099-MISC** as follows:*

- **Boxes for:** Recipient's name, address, and TIN—The estate's name, address, and TIN
- **Box 3** – 3000.00 (Even though amounts were withheld for social security and Medicare taxes, the gross amount is reported here.)

If Employer X made the payment after the year of death, the \$3,000 would **not** be subject to social security and Medicare taxes and would **not** be shown on Form W-2. However, the employer would still file Form 1099-MISC.

Educational assistance programs. A \$5,250 exclusion for employer-provided educational assistance applies to benefits provided to your employees under an educational assistance program. See **Pub. 970**, Tax Benefits for Education, and section 2 of Pub. 15-B for more information. Also see the instructions for box 1 on page 7.

Election workers. Report on Form W-2 payments of \$600 or more to election workers for services performed in state, county, and municipal elections. File Form W-2 for payments of less than \$600 paid to election workers if social security and Medicare taxes were withheld under a section 218 (Social Security Act) agreement. **Do not** report election worker payments on Form 1099-MISC.

Employee business expense reimbursements. Reimbursements to employees for business expenses must be reported as follows:

- Generally, payments made under an **accountable plan** are excluded from the employee's gross income and are not reported on Form W-2. However, if you pay a per diem or mileage allowance and the amount paid exceeds the amount treated as substantiated under IRS rules, you must report as wages on Form W-2 the amount in excess of the amount treated as substantiated. The excess amount is subject to income tax withholding and social security and Medicare taxes. Report the amount treated as substantiated (i.e., the nontaxable portion) in box 12 using code **L**. See page 9.
- Payments made under a **nonaccountable plan** are reported as wages on Form W-2 and are subject to income tax withholding and social security and Medicare taxes.

For more information on accountable plans, nonaccountable plans, amounts treated as substantiated under a per diem or mileage allowance, the standard mileage rate, the per diem substantiation method, and the high-low substantiation method, see **Pub. 463**, Travel, Entertainment, Gift, and Car Expenses; **Pub. 1542**, Per Diem Rates; and section 5 of Circular E (Pub.15).

Employee's taxes paid by employer. If you paid your employee's share of social security and Medicare taxes rather than deducting them from the employee's wages, you must include these payments as wages subject to income tax withholding and social security, Medicare, and Federal unemployment (FUTA) taxes. Generally, this increase in your employee's wages for your payment of the employee's social security and Medicare taxes is also subject to employee social security and Medicare taxes. The amount to include as wages

is determined by using the formula contained in the discussion of **Employee's Portion of Taxes Paid by Employer** in section 7 of Pub. 15-A.



This does not apply to household and agricultural employers. If you pay a household or agricultural employee's social security and Medicare taxes, you must include these payments in the employee's wages. However, the wage increase due to the tax payments is not subject to social security, Medicare, or FUTA taxes. See the **Instructions for Schedule H (Form 1040), Household Employers** for information on completing Forms W-2 and W-3.

Fringe benefits. Include all taxable fringe benefits in box 1 of Form W-2 as wages, tips, and other compensation and, if applicable, in boxes 3 and 5 as social security and Medicare wages. Although not required, you **may** include the total value of fringe benefits in box 14 (or on a separate statement). However, if you provided your employee a vehicle and included 100% of its annual lease value in the employee's income, you **must** separately report this value to the employee in box 14 (or on a separate statement). The employee can then figure the value of any business use of the vehicle and report it on **Form 2106**, Employee Business Expenses. Also see Pub. 15-B for more information.



If you used the commuting rule or the vehicle cents-per-mile rule to value the personal use of the vehicle, you cannot include 100% of the value of the use of the vehicle in the employee's income. See Pub. 15-B.

Golden parachute payments. Include any golden parachute payments in boxes 1, 3, and 5 of Form W-2. Withhold income, social security, and Medicare taxes as usual and report them in boxes 2, 4, and 6, respectively. Excess parachute payments are also subject to a 20% excise tax. If the excess payments are considered wages, withhold the 20% excise tax and include it in box 2 as income tax withheld. Also report the excise tax in box 12 with code **K**. For definitions and additional information, see Regulations section 1.280G-1 and Rev. Proc. 2003-68. You can find Rev. Proc. 2003-68 on page 398 of Internal Revenue Bulletin 2003-34 at www.irs.gov/pub/irs-irbs/irb03-34.pdf.

Government employers. Federal, state, and local agencies have two options for reporting their employees' wages that are subject only to Medicare tax for part of the year and full social security and Medicare taxes for part of the year.

Option one (which the SSA prefers) is to file a single Form W-2 with the Medicare-only wages **and** the social security and Medicare wages combined. The Form W-3 must have the "941" box checked in box b.

Option two is to file two Forms W-2 and two Forms W-3. File one Form W-2 for wages subject to Medicare tax only. Be sure to check the "Medicare govt. emp." box in box b of Form W-3. File the second Form W-2 for wages subject to both social security and Medicare taxes with the "941" box checked in box b of Form W-3.

Group-term life insurance. If you paid for group-term life insurance over \$50,000 for an employee or a former employee, you must report the taxable cost of excess coverage, determined by using the table in section 2 of Pub. 15-B, in boxes 1, 3, and 5 of Form W-2. Also, show the amount in box 12 with code **C**. For employees, you must withhold social security and Medicare taxes, but not income tax. Former employees must pay the employee part of social security and Medicare taxes on the taxable cost of group-term life insurance over \$50,000 on Form 1040. You are not required to collect those taxes. However, you must report the uncollected social security tax with code **M** and the uncollected Medicare tax with code **N** in box 12 of Form W-2.

Health Savings Account. An employer's contribution to an employee's Health Savings Account (HSA) is not subject to income tax withholding, or social security, Medicare, or railroad retirement taxes (or FUTA tax) if it is reasonable to believe at the time of the payment that the contribution will be excludable from the employee's income. However, if it is **not** reasonable to believe at the time of payment that the contribution will be excludable from the employee's income, employer contributions are subject to income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable) and must be reported in boxes 1, 3, and 5 (and on Form 940).

You must report all employer contributions to an HSA in box 12 of Form W-2 with code **W**. Employer contributions to an

HSA that are not excludable from the income of the employee also must be reported in box 1.

An employee's contributions to an HSA are includible in income as wages and are subject to income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable). Employee contributions are deductible, within limits, on the employee's Form 1040.

Lost Form W-2—reissued statement. If an employee loses a Form W-2, write "REISSUED STATEMENT" on the new copy and furnish it to the employee. **Do not send Copy A of the reissued Form W-2 to the SSA.** Employers are not prohibited (by the Internal Revenue Code) from charging a fee for the issuance of a duplicate Form W-2.

Moving expenses. Report moving expenses as follows:

- Qualified moving expenses that an employer paid **to a third party on behalf of the employee** (e.g., to a moving company) and services that an employer furnished in kind to an employee are **not reported** on Form W-2.
- Qualified moving expense reimbursements paid **directly to an employee** by an employer are **reported** only in box 12 of Form W-2 with code **P**.
- **Nonqualified** moving expense reimbursements are reported in boxes 1, 3, and 5 of Form W-2. These amounts are subject to income tax withholding and social security and Medicare taxes.

Railroad employers. Railroad employers must file Form W-2 to report their employees' wages and income tax withholding in boxes 1 and 2. Reporting on magnetic media (or electronic reporting) may be required; see **Magnetic media/electronic reporting** on page 2.

If an employee is covered by social security and Medicare, also complete boxes 3, 4, 5, 6, and 7 of Form W-2 to show the social security and Medicare wages and the amounts withheld for social security and Medicare taxes. On the Form W-3 used to transmit these Forms W-2, check the "941" box in box b.

For employees covered by RRTA tax, you also must report the Tier 1 and Tier 2 taxes withheld in box 14 of Form W-2. Label them "Tier 1 tax" and "Tier 2 tax." Boxes 3, 4, 5, 6, and 7 apply only to covered social security and Medicare employees and are not to be used to report railroad retirement wages and taxes. On the Form W-3 used to transmit these Forms W-2, check the "CT-1" box in box b.

Repayments. If an employee repays you for wages received in error, do not offset the repayments against current year's wages unless the repayments are for amounts received in error in the current year. Repayments made in the current year, but related to a prior year or years, require special tax treatment by employees in some cases. You may advise the employee of the total repayments made during the current year and the amount (if any) related to prior years. This information will help the employee account for such repayments on his or her Federal income tax return.

If the repayment was for a prior year, you must file Form W-2c with the SSA to correct only social security and Medicare wages and taxes. **Do not correct "Wages" in box 1 on Form W-2c for the amount paid in error.** See section 13 of Circular E (Pub. 15) or section 9 of Circular A (Pub. 51), for information on reporting adjustments to Form 941 or Form 943.



Tell your employee that the wages paid in error in a prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or a credit, in some cases) for the repaid wages on his or her Form 1040 for the year of repayment.

Scholarship and fellowship grants. Give a Form W-2 to each recipient of a scholarship or fellowship grant only if you are reporting amounts includible in income under section 117(c) (relating to payments for teaching, research, or other services required as a condition for receiving the qualified scholarship). Also see Pub. 15-A and Pub. 970. These payments are subject to income tax withholding. However, their taxability for social security and Medicare taxes depends on the nature of the employment and the status of the organization. See **Students** in section 15 of Circular E (Pub. 15).

Sick pay. If you had employees who received sick pay in 2004 from an insurance company or other third-party payer and the third party notified you of the amount of sick pay involved, you

may be required to report the information on the employees' Forms W-2. If the insurance company or other third-party payer did not notify you in a timely manner about the sick pay payments, it must prepare Forms W-2 and W-3 for your employees showing the sick pay. See **Sick Pay Reporting** in section 6 of Pub. 15-A for specific reporting instructions.

SIMPLE retirement account. An employee's salary reduction contributions to a SIMPLE (savings incentive match plan for employees) retirement account are not subject to income tax withholding but are subject to social security, Medicare, and railroad retirement taxes. Do not include an employee's contribution in box 1 but do include it in boxes 3 and 5. An employee's total contribution also must be included in box 12 with code **D** or **S**.

An employer's matching or nonelective contribution to an employee's SIMPLE is not subject to income tax withholding or social security, Medicare, or railroad retirement taxes and is **not** to be shown on Form W-2.

See Notice 98-4, 1998-1 C.B. 269, for more information on SIMPLE retirement accounts. You can find Notice 98-4 on page 25 of Internal Revenue Bulletin 1998-2 at www.irs.gov/pub/irs-irbs/irb98-02.pdf.

Successor/predecessor employers. If you buy or sell a business during the year, see Rev. Proc. 96-60, 1996-2 C.B. 399, for information on who must file Forms W-2 and employment tax returns. You can find Rev. Proc. 96-60 on page 24 of Internal Revenue Bulletin 1996-53 at www.irs.gov/pub/irs-irbs/irb96-53.pdf.

Terminating a business. If you terminate your business, you must provide Forms W-2 to your employees for the calendar year of termination by the due date of your final Form 941. You must also file Forms W-2 with the SSA by the last day of the month that follows the due date of your final Form 941. However, if any of your employees are immediately employed by a successor employer, see **Successor/predecessor employers** above. Also, see Rev. Proc. 96-57, 1996-2 C.B. 389, for information on automatic extensions for furnishing Forms W-2 to employees and filing Forms W-2. You can find Rev. Proc. 96-57 on page 14 of Internal Revenue Bulletin 1996-53 at www.irs.gov/pub/irs-irbs/irb96-53.pdf.

USERRA makeup amounts to a pension plan. If an employee returned to your employment after military service and certain makeup amounts were contributed to a pension plan for a prior year(s) under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), report the prior year contributions separately in box 12. See the **TIP** above **Code D** on page 9. You also may report certain makeup amounts in box 14. See the box 14 instructions on page 10.

Instead of reporting in box 12 (or box 14), **you may choose to provide a separate statement to your employee showing USERRA makeup contributions.** The statement must identify the type of plan, the year(s) to which the contributions relate, and the amount contributed for each year.

Penalties

The following penalties generally apply to the person required to file Form W-2. The penalties apply to paper filers as well as to magnetic media/electronic filers.



Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that Forms W-2 are furnished to employees and are filed correctly and on time.

Failure to file correct information returns by the due date. If you fail to file a correct Form W-2 by the due date and cannot show reasonable cause, you may be subject to a penalty as provided under code section 6721. The penalty applies if you:

- Fail to file timely,
- Fail to include all information required to be shown on Form W-2,
- Include incorrect information on Form W-2,
- File on paper when you were required to file on **magnetic media or electronically**,
- Report an incorrect TIN,
- Fail to report a TIN, or
- Fail to file paper Forms W-2 that are machine readable.

The **amount** of the penalty is based on when you file the correct Form W-2. The penalty is:

- **\$15** per Form W-2 if you correctly file within 30 days (by March 30 if the due date is February 28); maximum penalty \$75,000 per year (\$25,000 for small businesses, defined later).
- **\$30** per Form W-2 if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$150,000 per year (\$50,000 for small businesses).
- **\$50** per Form W-2 if you file after August 1 or you do not file required Forms W-2; maximum penalty \$250,000 per year (\$100,000 for small businesses).



*If you **do not** file corrections and you do not meet any of the exceptions to the penalty stated below, the penalty is **\$50** per information return.*

Exceptions to the penalty. The following are exceptions to the failure to file correction information returns penalty:

1. The penalty will not apply to any failure that you can show was due to **reasonable cause** and not to willful neglect. In general, you must be able to show that your failure was due to an event beyond your control or due to significant mitigating factors. You must also be able to show that you acted in a responsible manner and took steps to avoid the failure.
2. An **inconsequential error or omission** is not considered a failure to include correct information. An inconsequential error or omission does not prevent or hinder the SSA/IRS from processing the Form W-2, from correlating the information required to be shown on the form with the information shown on the payee's tax return, or from otherwise putting the form to its intended use. **Errors and omissions that are never inconsequential are those relating to:**
 - A TIN,
 - A payee's surname, and
 - Any money amounts.
3. **De minimus rule for corrections.** Even though you cannot show reasonable cause, the penalty for failure to file correct Forms W-2 will not apply to a certain number of returns if you:
 - Filed those Forms W-2 on or before the required filing date,
 - Either failed to include all of the information required on the form or included incorrect information, and
 - Filed corrections of these forms by August 1.

If you meet all of the conditions above, the penalty for filing incorrect Forms W-2 will not apply to the greater of 10 Forms W-2 or 1/2 of 1% of the total number of Forms W-2 that you are required to file for the calendar year.

Lower maximum penalties for small businesses. For purposes of the lower maximum penalties shown in parentheses above, you are a small business if your average annual gross receipts for the three most recent tax years (or for the period that you were in existence, if shorter) ending before the calendar year in which the Forms W-2 were due are \$5 million or less.

Intentional disregard of filing requirements. If any failure to file a correct Form W-2 is due to intentional disregard of the filing or correct information requirements, the penalty is at least \$100 per Form W-2 with no maximum penalty.

Failure to furnish correct payee statements. If you fail to provide correct payee statements (Forms W-2) to your employees and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to provide the statement by January 31, if you fail to include all information required to be shown on the statement, or if you include incorrect information on the statement.

The penalty is \$50 per statement, no matter when the correct statement is furnished, with a maximum of \$100,000 per year. The penalty is not reduced for furnishing a correct statement by August 1.

Exception. An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission cannot reasonably be expected to prevent or hinder the payee from timely receiving correct information and reporting it on his or her income tax return or from otherwise putting the statement to its intended use. **Errors and omissions that are never inconsequential are those relating to:**

- A dollar amount,
- A significant item in a payee's address, and

- The appropriate form for the information provided (i.e., whether the form is an acceptable substitute for the official IRS form).

Intentional disregard of payee statement requirements. If any failure to provide a correct payee statement (Form W-2) to an employee is due to intentional disregard of the requirements to furnish a correct payee statement, the penalty is at least \$100 per Form W-2 with no maximum penalty.

Civil damages for fraudulent filing of Forms W-2. If you willfully file a fraudulent Form W-2 for payments that you claim you made to another person, that person may be able to sue you for damages. You may have to pay \$5,000 or more.

Specific Instructions for Form W-2

How to complete Form W-2. Form W-2 is a six-part form. **Please ensure that all copies are legible.** Send Copy A to the SSA; Copy 1 to your state, city, or local tax department; and Copies B, C, and 2 to your employee. **Keep Copy D, and a copy of Form W-3, with your records for 4 years.**

Type the entries on Form W-2 using black ink in 12-point Courier font, if possible. Because Copy A is read by machine, handwritten entries or the use of inks other than black to make entries on the form hinder processing by the SSA. Do not use script type, inverted font, italics, or dual case alpha characters. It is important that entries in the boxes do not cross one or more of the vertical or horizontal lines that separate the boxes. Please do not erase, whiteout, or strike over an entry. **Make all dollar entries without the dollar sign and comma but with the decimal point (00000.00). Show the cents portion of the money amounts.** If a box does not apply, leave it blank.

Send the whole Copy A page of Form W-2 with Form W-3 to the SSA even if one of the Forms W-2 on the page is blank or void. Do not staple Forms W-2 together or to Form W-3. Also, if possible, please file Forms W-2 either alphabetically by employees' last names or numerically by employees' SSNs. This will help the SSA locate specific forms.

Calendar year basis. The entries on Form W-2 must be based on wages paid during the calendar year. Use Form W-2 for the correct tax year. For example, if the employee worked from December 21, 2004, through January 3, 2005, and the wages for that period were paid on January 5, 2005, include those wages on the 2005 Form W-2.

Multiple forms. If necessary, you can issue more than one Form W-2 to an employee. For example, you may need to report more than four coded items in box 12 or you may want to report other compensation on a second form. If you issue a second Form W-2, complete boxes b, c, d, e, and f with the same information as on the first Form W-2. Show any items that were not included on the first Form W-2 in the appropriate boxes. Also, see the **TIP** under **Box 12—Codes** on page 9.

Do not report the same Federal tax data to the SSA on more than one Copy A.

Box a—Control number. You may use this box to identify individual Forms W-2. **Make certain that entries do not cross over into the form identification box (22222).** You do not have to use this box.

Void. Check this box when an error is made on Form W-2 and you are voiding it because you are going to complete a new Form W-2. **Be careful not to include any amounts shown on "Void" forms in the totals that you enter on Form W-3.** See **Corrections** on page 4.

Box b—Employer identification number. Show the employer identification number (EIN) assigned to you by the IRS (00-0000000). This should be the same number that you used on your Federal employment tax returns (Form 941, Form 943, or Form CT-1). Do not use a prior owner's EIN. If you do not have an EIN when filing Forms W-2, enter "Applied For" in box b; do not use your SSN. You can get an EIN by filing **Form SS-4**, Application for Employer Identification Number. Also see **Agent reporting** on page 3.

Box c—Employer's name, address, and ZIP code. This entry should be the same as shown on your Form 941, Form 943, or Form CT-1. Also see **Agent reporting** on page 3.

Box d—Employee's social security number. Enter the number shown on the employee's social security card. If the employee does not have a card, he or she should apply for one by completing **Form SS-5**, Application for a Social Security

Card. If the employee has applied for a card but the number is not received in time for filing, enter "Applied For" in box d.

Ask the employee to inform you of the number and the exact way that his/her name is printed on the card when it is received. Then correct your previous report by filing Form W-2c showing the employee's SSN. If the employee needs to change his or her name from that shown on the card, the employee should call the SSA at 1-800-772-1213.

Boxes e and f—Employee's name and address. Enter the name as shown on your employee's social security card (first, middle initial, last). **Do not enter "Jr.," "Sr.," etc. on Copy A even if such a suffix appears on the card.** However, you can include the suffix on all other copies of Form W-2. If the name does not fit, you may show first name initial, middle initial, and last name (and ignore the vertical line). If the name has changed, the employee must get a corrected card from any SSA office. Use the name on the original card until you see the corrected one. **Do not show titles or academic degrees, such as "Dr.," "RN," or "Esq.," at the beginning or end of the employee's name.**

Include in the address the number, street, apartment or suite number (or P.O. box number if mail is not delivered to a street address). For a foreign address, give the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Third-party payers of sick pay filing third-party sick pay recap Forms W-2 and W-3 must enter "Third-Party Sick Pay Recap" in place of the employee's name in box e. Also, **do not** enter the employee's SSN in box d. See **Sick Pay Reporting** in section 6 of Pub. 15-A.

Box 1—Wages, tips, other compensation. Show the total wages, tips, and other compensation, before any payroll deductions, that you paid to your employee during the year. Do not include elective deferrals, except section 501(c)(18) contributions. **Include the following:**

1. Total wages, bonuses, prizes, and awards paid to employees during the year. See **Calendar year basis** on this page.
2. Total noncash payments, including certain fringe benefits. See **Fringe benefits** on page 5.
3. Total **tips** reported by the employee to the employer (not allocated tips).
4. Certain employee business expense reimbursements (see **Employee business expense reimbursements** on page 4).
5. The cost of **accident and health insurance** premiums for 2% or more shareholder-employees paid by an S corporation.
6. Taxable benefits from a **section 125 (cafeteria) plan** (i.e., employee chooses cash).
7. **Employee** contributions to an **Archer MSA**.
8. Employer contributions to an **Archer MSA** if includible in the income of the employee. See **Archer MSA** on page 3.
9. Employer contributions for **qualified long-term care services** to the extent that such coverage is provided through a flexible spending or similar arrangement.
10. Taxable cost of group-term life insurance in excess of \$50,000. See **Group-term life insurance** on page 5.
11. Unless excludable under **Educational assistance programs** (see page 4), payments for non-job-related education expenses or for payments under a nonaccountable plan. See Pub. 970.
12. The amount includible as wages because you paid your employee's share of taxes. See **Employee's taxes paid by employer** on page 4.
13. All other compensation, including certain scholarship and fellowship grants (see page 5). Other compensation includes amounts that you paid to your employee from which Federal income tax was not withheld. You may show other compensation on a separate Form W-2. See **Multiple forms** on this page.
14. **Distributions** to an employee or former employee from a nonqualified deferred compensation plan (including a rabbi trust) or a **nongovernmental** section 457(b) plan.
15. Amounts includible in income under section 457(f) because the amounts are no longer subject to a substantial risk of forfeiture.

16. Payments to statutory employees who are subject to social security and Medicare taxes but not subject to Federal income tax withholding must be shown in box 1 as other compensation. See **Statutory employee** on page 10.

17. Cost of current insurance protection under a **compensatory split-dollar** life insurance arrangement.

18. **Employee** contributions to a **Health Savings Account**.

19. Employer contributions to a **Health Savings Account** if includible in the income of the employee. See **Health Savings Account** on page 5.

Box 2—Federal income tax withheld. Show the total Federal income tax withheld from the employee's wages for the year (do not reduce the wages by any advance EIC payments made to the employee). Also include the 20% excise tax withheld on excess parachute payments. See **Golden parachute payments** on page 5.

Box 3—Social security wages. Show the total wages paid (before payroll deductions) subject to employee social security tax but **not** including **social security tips** and **allocated tips**. (See **Box 7** and **Box 8** below.) Generally, noncash payments are considered to be wages. Include employee business expense reimbursements reported in box 1. If you paid the employee's share of social security and Medicare taxes rather than deducting them from wages, see **Employee's taxes paid by employer** on page 4. The **total** of boxes 3 and 7 cannot exceed \$87,900 (2004 maximum social security wage base).

Report in box 3 elective deferrals to certain qualified cash or **deferred compensation** arrangements and to retirement arrangements described in box 12 (codes **D**, **E**, **F**, **G**, and **S**) even though the deferrals are not includible in box 1. Amounts deferred under a **nonqualified or section 457(b) plan** must be included in boxes 3 and/or 5 as social security and/or Medicare wages as of the later of when the services giving rise to the deferral are performed or when there is no substantial forfeiture risk of the rights to the deferred amount. Include elective and nonelective deferrals for purposes of section 457(b) plans.

Also include in box 3:

- Taxable cost of group-term life insurance over \$50,000 included in box 1. See **Group-term life insurance** on page 5.
- Cost of accident and health insurance premiums for 2% or more shareholder-employees paid by an S corporation, but only if not excludable under section 3121(a)(2)(B).
- Employee and nonexcludable employer contributions to an MSA. See **Archer MSA** on page 3.
- Employee contributions to a SIMPLE retirement account. See **SIMPLE retirement account** on page 6.
- Adoption benefits. See **Adoption benefits** on page 3.

Box 4—Social security tax withheld. Show the total employee social security tax (not your share) withheld, including social security tax on tips. Do not reduce this amount by any advance EIC payments made to the employee. For 2004, the amount should not exceed \$5,449.80 (\$87,900 × 6.2%). Include only taxes withheld (or paid by you for the employee) for 2004 wages and tips. If you paid your employee's share, see **Employee's taxes paid by employer** on page 4.

Box 5—Medicare wages and tips. The wages and tips subject to Medicare tax are the same as those subject to social security tax (boxes 3 and 7) except that there is no wage base limit for Medicare tax. Enter the total Medicare wages and tips in box 5. Be sure to enter tips that the employee reported even if you did not have enough employee funds to collect the Medicare tax for those tips. See **Box 3** above for payments to report in this box. If you paid your employee's share of taxes, see **Employee's taxes paid by employer** on page 4.

If you are a Federal, state, or local agency with employees paying only the 1.45% Medicare tax, enter the Medicare wages in this box. See **Government employers** on page 5.

Example of how to report social security and Medicare wages. You paid your employee \$140,000 in wages. Enter in box 3 (social security wages) 87900.00 but enter in box 5 (Medicare wages and tips) 140000.00. There is no limit on the amount reported in box 5. If the amount of wages paid was \$87,900 or less, the amounts entered in boxes 3 and 5 would be the same.

Box 6—Medicare tax withheld. Enter the total employee Medicare tax (not your share) withheld. Include only tax withheld for 2004 wages and tips. Do not reduce this amount by any advance EIC payments made to the employee. If you paid

your employee's share of the taxes, see **Employee's taxes paid by employer** on page 4.

Box 7—Social security tips. Show the tips that the employee reported to you even if you did not have enough employee funds to collect the social security tax for the tips. **The total of boxes 3 and 7 should not be more than \$87,900** (the maximum social security wage base for 2004). Report all tips in box 1 along with wages and other compensation.

Box 8—Allocated tips. If you are a large food or beverage establishment, show the tips allocated to the employee. See the **Instructions for Form 8027**, Employer's Annual Information Return of Tip Income and Allocated Tips. **Do not include this amount in boxes 1, 3, 5, or 7.**

Box 9—Advance EIC payment. Show the total paid to the employee as advance earned income credit (EIC) payments.

Box 10—Dependent care benefits. Show the total dependent care benefits under a dependent care assistance program (**section 129**) paid or incurred by you for your employee. Include the fair market value (FMV) of employer-provided or employer-sponsored day-care facilities and amounts paid or incurred for dependent care assistance in a **section 125** (cafeteria) plan. Report all amounts paid or incurred (regardless of any employee forfeitures), including those in excess of the \$5,000 exclusion. This may include (a) the FMV of benefits provided in kind by the employer, (b) an amount paid directly to a day-care facility by the employer or reimbursed to the employee to subsidize the benefit, or (c) benefits from the pre-tax contributions made by the employee to a section 125 dependent care flexible spending account. Include any amounts over \$5,000 in boxes 1, 3, and 5. For more information, see Pub. 15-B.

Box 11—Nonqualified plans. The purpose of box 11 is for the SSA to determine if any part of the amount reported in box 1 or boxes 3 and/or 5 was earned in a prior year. The SSA uses this information to verify that they have properly applied the social security earnings test and paid the correct amount of benefits.

Show **distributions** to an employee from a nonqualified plan or a **nongovernmental** section 457(b) plan. Also report these distributions in box 1. **Make only one entry in this box.** Distributions from governmental section 457(b) plans must be reported on **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., not in box 1 of Form W-2.

If you did not make distributions this year, show deferrals (plus earnings) under a nonqualified or any section 457(b) plan that became taxable for social security and Medicare taxes during the year (but were for prior year services) because the deferred amounts were no longer subject to a substantial risk of forfeiture. Also report these amounts in boxes 3 (up to the social security wage base) and box 5. **Do not report in box 11 deferrals that are included in boxes 3 and/or 5 and that are for current year services (i.e., those that have no risk of forfeiture).**



*If you made distributions and are also reporting prior year deferrals in box 3 and/or 5, do not complete box 11. See **Pub. 957**, Reporting Back Pay and Special Wage Payments to the Social Security Administration, and **Form SSA-131**, Employer Report of Special Wage Payments, for instructions on reporting these and other kinds of compensation earned in prior years. However, **do not file Form SSA-131 if this situation applies but the employee will not be age 62 or older by the end of that year.***

Unlike qualified plans, nonqualified deferred compensation plans do not meet the qualification requirements for tax-favored status. Nonqualified plans include those arrangements traditionally viewed as deferring the receipt of current compensation. Accordingly, welfare benefit plans, stock option plans, and plans providing dismissal pay, termination pay, or early retirement pay are **not** nonqualified plans.

Report distributions from nonqualified or section 457 plans to **beneficiaries** of deceased employees on Form 1099-R, not on Form W-2.

Military employers must report military retirement payments on Form 1099-R.

Box 12—Codes. Complete and code this box for all items described below. Do not report in box 12 any items that are not listed as codes **A–W**. Also, do not report in box 12 section

414(h)(2) contributions (relating to certain state or local government plans). Instead, use box 14 for these items and any other information that you wish to give to your employee. For example, union dues and uniform payments may be reported in box 14.



On Copy A (Form W-2), do not enter more than four items in box 12. If more than four items need to be reported in box 12, use a separate Form W-2 to report the additional items (but enter no more than four items on each Copy A (Form W-2)). On all other copies of Form W-2 (Copies B, C, etc.), you may enter more than four items in box 12. See also Multiple forms on page 7.

Use the IRS code designated below for the item that you are entering, followed by the dollar amount for that item. Even if only one item is entered, you must use the IRS code designated for that item. Enter the code using a capital letter. Leave at least one space blank after the code, and enter the dollar amount on the same line. Use decimal points but not dollar signs or commas. For example, if you are reporting \$5,300.00 in elective deferrals to a section 401(k) plan, the entry would be **D 5300.00** (not A 5300.00 even though it is the first or only entry in this box). **Report the IRS code to the left of the vertical line in boxes 12a-d and money amount to the right of the vertical line.**

See the **Form W-2 Reference Guide for Box 12 Codes** on page 12. See also the detailed instructions below for each code.

Code A—Uncollected social security or RRTA tax on tips. Show the employee social security or Railroad Retirement Tax Act (RRTA) tax on all of the employee's tips that you could **not** collect because the employee did not have enough funds from which to deduct it. Do not include this amount in box 4.

Code B—Uncollected Medicare tax on tips. Show the employee Medicare tax or RRTA Medicare tax on tips that you could **not** collect because the employee did not have enough funds from which to deduct it. Do not include this amount in box 6.

Code C—Taxable cost of group-term life insurance over \$50,000. Show the taxable cost of group-term life insurance coverage over \$50,000 provided to your employee (including a former employee). See **Group-term life insurance** on page 5. Also include this amount in boxes 1, 3 (up to the social security wage base), and 5.

Codes D through H and S. Use these codes to show deferrals made to the plans listed. Do not report amounts for other types of plans. See below for an example of reporting **elective deferrals** to a section 401(k) plan.

The amount reported as elective deferrals is only the part of the employee's salary (or other compensation) that he or she did not receive because of the deferrals. Only elective deferrals should be reported in box 12 for all coded plans, except, when using code **G** for section 457(b) plans, include both elective and nonelective deferrals.

For employees who were 50 years of age or older at any time during the year and made "catch-up" contributions, report the elective deferrals and the "catch-up" contributions as a **single sum** in box 12 using the appropriate code.



If any elective deferrals, salary reduction amounts, or nonelective contributions to a section 457(b) plan during the year are makeup amounts under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) for a prior year, you must enter the prior year contributions separately. Beginning with the earliest year, enter the code, the year, and the amount. For example, elective deferrals under USERRA to a section 401(k) plan are reported in box 12 as follows:

D 02 2250.00, D 03 1250.00. The 2004 contribution does not require a year designation; enter it as **D 7000.00**. Report the code (and year for prior year USERRA contributions) to the left of the vertical line in boxes 12a-d.

The following are not elective deferrals and may be reported in box 14, but not in box 12:

- Nonelective employer contributions made on behalf of an employee.
- After-tax contributions, such as voluntary contributions to a pension plan that are deducted from an employee's pay.

- Required employee contributions.
- Employer matching contributions.

Code D—Elective deferrals to a section 401(k) cash or deferred arrangement. Also show deferrals under a **SIMPLE retirement account** that is part of a section 401(k) arrangement.

Example of reporting elective deferrals to a section 401(k) plan. For 2004, Employee A (age 45) elected to defer \$13,300 to a section 401(k) plan and made a voluntary after-tax contribution of \$600. In addition, the employer, on A's behalf, made a qualified nonelective contribution of \$1,000 to the plan and a nonelective profit-sharing employer contribution of \$2,000.

The total elective deferral of \$13,300 is reported in box 12 with code **D** (D 13300.00). Even though the 2004 limit for elective deferrals is \$13,000, the employer must report the total amount of \$13,300 in box 12. The excess is not reported in box 1. Report the excess deferrals and earnings on **Form 1099-R**.

The \$600 voluntary after-tax contribution may be reported in box 14 (this is optional) but not in box 12. The \$1,000 nonelective contribution and the \$2,000 nonelective profit-sharing employer contribution are not required to be reported on Form W-2, but may be reported in box 14.

Check the "Retirement plan" box in box 13.

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

Code F—Elective deferrals under a section 408(k)(6) salary reduction SEP.

Code G—Elective deferrals and employer contributions (including nonelective deferrals) to any governmental or nongovernmental section 457(b) deferred compensation plan. Do not report either section 457(b) or section 457(f) amounts that are subject to a substantial risk of forfeiture.

Code H—Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. Be sure to include this amount in box 1 as wages. The employee will deduct the amount on his or her Form 1040.

Code J—Nontaxable sick pay. Show any sick pay that was paid by a third-party insurer and was **not** includible in income (and **not** shown in boxes 1, 3, and 5) because the employee contributed to the sick pay plan.

Code K—20% excise tax on excess golden parachute payments. If you made excess "golden parachute" payments to certain key corporate employees, report the 20% excise tax on these payments. If the excess payments are considered to be wages, report the 20% excise tax withheld as income tax withheld in box 2.

Code L—Substantiated employee business expense reimbursements. Use this code **only** if you reimbursed your employee for employee business expenses using a per diem or mileage allowance and the amount that you reimbursed **exceeds** the amount treated as substantiated under IRS rules. See **Employee business expense reimbursements** on page 4.

Report in box 12 only the amount treated as substantiated (i.e., the nontaxable part). In boxes 1, 3 (up to the social security wage base), and 5, include the part of the reimbursement that is more than the amount treated as substantiated.

Code M—Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (for former employees). If you provided your former employees (including retirees) more than \$50,000 of group-term life insurance coverage for periods during which an employment relationship no longer exists, enter the amount of uncollected social security or RRTA tax on the coverage in box 12. Also see **Group-term life insurance** on page 5.

Code N—Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (for former employees). If you provided your former employees (including retirees) more than \$50,000 of group-term life insurance coverage for periods during which an employment relationship no longer exists, enter the amount of uncollected Medicare tax or RRTA Medicare tax on the coverage in box 12. Also see **Group-term life insurance** on page 5.

Code P—Excludable moving expense reimbursements paid directly to employee. Show the total moving expense reimbursements that you paid directly to your employee for qualified (deductible) moving expenses. See **Moving expenses** on page 5.

Code R—Employer contributions to an Archer MSA. Show any employer contributions to an Archer MSA. See **Archer MSA** on page 3.

Code S—Employee salary reduction contributions under a section 408(p) SIMPLE. Show deferrals under a section 408(p) salary reduction **SIMPLE retirement account**. However, if the SIMPLE is part of a section 401(k) arrangement, use code **D**. If you are reporting prior year contributions under **USERRA**, see the **TIP** above **Code D** on page 9.

Code T—Adoption benefits. Show the total that you paid or reimbursed for qualified adoption expenses furnished to your employee under an adoption assistance program. Also include adoption benefits paid or reimbursed from the pre-tax contributions made by the employee to a section 125 (cafeteria) plan. However, do not include adoption benefits forfeited from a section 125 (cafeteria) plan. Report all amounts including those in excess of the \$10,390 exclusion.

Code V—Income from the exercise of nonstatutory stock option(s). Show the spread (i.e., fair market value of stock over the exercise price of option(s) granted to your employee with respect to that stock) from your employee's (or former employee's) exercise of nonstatutory stock option(s). Include this amount in boxes 1, 3 (up to the social security wage base), and 5.

This reporting requirement does not apply to the exercise of a statutory stock option, or the sale or disposition of stock acquired pursuant to the exercise of a statutory stock option. For more information concerning stock options, see Pub. 15-B.

Code W—Employer contributions to a Health Savings Account. Show any employer contributions to a Health Savings Account. See **Health Savings Account** on page 5.

Box 13—Checkboxes. Check all boxes that apply.

• **Statutory employee.** Check this box for statutory employees whose earnings are subject to social security and Medicare taxes but **not subject to Federal income tax withholding**. Do not check this box for common-law employees. There are workers who are independent contractors under the common-law rules but are treated by statute as employees. They are called statutory employees.

1. A driver who distributes beverages (other than milk), or meat, vegetable, fruit, or bakery products; or who picks up and delivers laundry or dry cleaning if the driver is your agent or is paid on commission.
2. A full-time life insurance sales agent whose principal business activity is selling life insurance or annuity contracts, or both, primarily for one life insurance company.
3. An individual who works at home on materials or goods that you supply and that must be returned to you or to a person you name if you also furnish specifications for the work to be done.
4. A full-time traveling or city salesperson who works on your behalf and turns in orders to you from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments. The goods sold must be merchandise for resale or supplies for use in the buyer's business operation. The work performed for you must be the salesperson's principal business activity.

See section 1 in Pub. 15-A for details on statutory employees and common-law employees.

• **Retirement plan.** Check this box if the employee was an "active participant" (for any part of the year) in any of the following:

1. A qualified pension, profit-sharing, or stock-bonus plan described in section 401(a) (including a 401(k) plan).
2. An annuity plan described in section 403(a).
3. An annuity contract or custodial account described in section 403(b).
4. A simplified employee pension (SEP) plan described in section 408(k).
5. A SIMPLE retirement account described in section 408(p).
6. A trust described in section 501(c)(18).

7. A plan for Federal, state, or local government employees or by an agency or instrumentality thereof (other than a section 457(b) plan).

Generally, an employee is an active participant if covered by a defined benefit plan for any tax year that he or she is eligible to participate or a defined contribution plan (e.g., a section 401(k) plan) for any tax year that employer or employee contributions (or forfeitures) are added to his or her account. For details on the active participant rules, see Notice 87-16, 1987-1 C.B. 446, Notice 98-49, 1998-2 C.B. 365, section 219(g)(5), and **Pub. 590**, Individual Retirement Arrangements (IRAs). You can find Notice 98-49 on page 5 of Internal Revenue Bulletin 1998-38 at www.irs.gov/pub/irs-irbs/irb98-38.pdf.



Do not check this box for contributions made to a nonqualified or section 457(b) plan.

• **Third-party sick pay.** Check this box **only** if you are a third-party sick pay payer filing a Form W-2 for an insured's employee or are an employer reporting sick pay payments made by a third party. See **Sick Pay Reporting** in section 6 of Pub. 15-A.

Box 14—Other. The lease value of a vehicle provided to your employee and reported in box 1 **must** be reported here or on a separate statement to your employee. You may also use this box for any other information that you want to give to your employee. **Please label each item.** Examples include state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy's parsonage allowance and utilities. In addition, you may enter the following contributions to a pension plan: (a) nonelective employer contributions made on behalf of an employee, (b) voluntary after-tax contributions that are deducted from an employee's pay, (c) required employee contributions, and (d) employer matching contributions.

If you are reporting prior year contributions under USERRA (see the **TIP** above **Code D** on page 9 and **USERRA makeup amounts to a pension plan** on page 6), you may report in box 14 makeup amounts for nonelective employer contributions, voluntary after-tax contributions, required employee contributions, and employer matching contributions. Report such amounts separately for each year.

Railroad employers, see **Railroad employers** on page 5.

Boxes 15 through 20—State and local income tax information. Use these boxes to report state and local income tax information. Enter the two-letter abbreviation for the name of the state. The employer's state I.D. numbers are assigned by the individual states. The state and local information boxes can be used to report wages and taxes for two states and two localities. Keep each state's and locality's information separated by the broken line. If you need to report information for more than two states or localities, prepare a second Form W-2. See **Multiple forms** on page 7. Contact your state or locality for specific reporting information.

Specific Instructions for Form W-3

How to complete Form W-3. The instructions under **How to complete Form W-2** on page 7 generally apply to Form W-3. See those instructions. **Darkly type all entries, if possible.**



Amounts reported on related employment tax forms (e.g., Form W-2, Form 941, or Form 943) should agree with the amounts reported on Form W-3. If there are differences, you may be contacted by the IRS and SSA. You should retain a reconciliation for future reference. See **Reconciling Forms W-2, W-3, 941, and 943 on page 11.**

Box a—Control number. This is an optional box that you may use for numbering the whole transmittal. **Make certain that entries do not cross over into the form identification number box (33333).**

Box b—Kind of Payer. Check the box that applies to you. Check **only one box unless** the second, checked box is "Third-party sick pay." **If you have more than one type of Form W-2, send each type (except "Third-party sick pay") with a separate Form W-3.** (The "Third-party sick pay" indicator box does not designate a **separate** kind of payer.)

941. Check this box if you file **Form 941**, Employer's Quarterly Federal Tax Return, and **no other category** (except "Third-party sick pay") **applies**. A church or church organization should check this box even if it is not required to file Form 941.

Military. Check this box if you are a **military employer** sending Forms W-2 for members of the uniformed services.

943. Check this box if you are an **agricultural employer** and file **Form 943**, Employer's Annual Federal Tax Return for Agricultural Employees, and you are sending Forms W-2 for agricultural employees. For nonagricultural employees, send their Forms W-2 with a separate Form W-3, checking the appropriate box.

CT-1. Check this box if you are a **railroad employer** sending Forms W-2 for employees covered under the Railroad Retirement Tax Act (RRTA). **Do not show employee RRTA tax in boxes 3 through 7.** These boxes are **only** for social security and Medicare information. If you also have employees who are subject to social security and Medicare taxes, send that group's Forms W-2 with a separate Form W-3 and check the "941" box on that Form W-3.

Hshld. emp. Check this box if you are a **household employer** sending Forms W-2 for household employees and you did not include the household employee's taxes on Form 941 or Form 943.

Medicare govt. emp. Check this box if you are a U.S., state, or local agency filing Forms W-2 for employees subject only to the 1.45% Medicare tax. See **Government employers** on page 5.

Third-party sick pay. Check this box **and** another box such as the "941" box if you are a third-party sick pay payer (or are reporting sick pay payments made by a third party) filing Forms W-2 with the "Third-party sick pay" box in box 13 checked. **File a single Form W-3 for the regular and "Third-party sick pay" Forms W-2.** See also **941** above.

Box c—Total number of Forms W-2. Show the number of **completed** individual Forms W-2 that you are transmitting with this Form W-3. Do not count "Void" Forms W-2.

Box d—Establishment number. You may use this box to identify separate establishments in your business. You may file a separate Form W-3, with Forms W-2, for each establishment even if they all have the same EIN; or you may use a single Form W-3 for all Forms W-2 of the same type.

Box e—Employer identification number. If you received a preprinted Form W-3 from the IRS with **Pub. 393**, Federal Employment Tax Forms, or **Pub. 2184**, Alternative Ways To Get Employment Tax Forms and Instructions, verify that your employer identification number (EIN) is correct. Make any necessary corrections on the form.

If you did not receive a form with a preprinted EIN, enter the nine-digit EIN assigned to you by the IRS. The number should be the same as shown on your Form 941, Form 943, or Form CT-1 and in the following format: 00-0000000. **Do not use a prior owner's EIN.** See **Box h** below.

If you do not have an EIN when filing your Form W-3, enter "Applied For" in box e, not your social security number, and see the **Box b** instructions for Form W-2 on page 7.

Box f—Employer's name. If you are not using a preprinted Form W-3, enter the same name as shown on your Form 941, Form 943, or Form CT-1. Make any necessary corrections on your preprinted Form W-3.

Box g—Employer's address and ZIP code. If you are not using a preprinted Form W-3, enter your address. Make any necessary corrections on your preprinted Form W-3.

Box h—Other EIN used this year. If you have used an EIN (including a prior owner's EIN) on Form 941, Form 943, or Form CT-1 submitted for 2004 that is different from the EIN reported on Form W-3 in box e, enter the other EIN used. Agents generally report the employer's EIN in box h. See **Agent reporting** on page 3.

Contact person, telephone number, fax number, and email address. Please enter this information for use by the SSA if any questions arise during processing.



The amounts to enter in boxes 1 through 19, described below, are totals from only the Forms W-2 that you are sending with this Form W-3.

Boxes 1 through 10. Enter the totals reported in boxes 1 through 10 on the Forms W-2.

Box 11—Nonqualified plans. Enter the total reported in box 11 on Forms W-2.

Box 12—Deferred compensation. Enter one total of all amounts reported with codes **D–H** and **S** in box 12 on Forms W-2. Do not enter a code.

Box 13—For third-party sick pay use only. Third-party payers of sick pay (or employers using the optional rule for Form W-2 described in section 6 of Pub. 15-A) filing third-party sick pay recap Forms W-2 and W-3 must enter "Third-Party Sick Pay Recap" in this box.

Box 14—Income tax withheld by payer of third-party sick pay. Complete this box **only** if you are the employer and have employees who had income tax withheld on third-party payments of sick pay. Show the total income tax withheld by third-party payers on payments to all of your employees. Although this tax is included in the box 2 total, it must be separately shown here.

Box 15—State/Employer's state ID number. Enter the two-letter abbreviation for the name of the state being reported on Form(s) W-2. Also enter your state-assigned ID number. If the Forms W-2 being submitted with this Form W-3 contain wage and income tax information from more than one state, enter an "X" under "State" and do not enter any state ID number.

Boxes 16–19. Enter the total of state/local wages and income tax shown in their corresponding boxes on the Forms W-2 included with this Form W-3. If the Forms W-2 show amounts from more than one state or locality, report them as one sum in the appropriate box on Form W-3. **Please verify that the amount reported in each box is an accurate total of the Forms W-2.**

Reconciling Forms W-2, W-3, 941, and 943

Reconcile the amounts shown in boxes 2, 3, 5, 7, and 9 from **all** 2004 Forms W-3 with their respective amounts from the 2004 **yearly** totals from the quarterly Forms 941, or Form 943. When there are discrepancies between amounts reported on Forms W-2 and W-3 filed with the SSA and on Forms 941 or 943 filed with the IRS, we must contact you to resolve the discrepancies.

To help reduce discrepancies on Forms W-2:

- Report bonuses as wages **and** as social security and Medicare wages on Forms W-2 and 941/943.
- Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, and 941/943.
- Report social security taxes withheld on Form W-2 in box 4, **not** in box 3.
- Report Medicare taxes withheld on Form W-2 in box 6, **not** in box 5.
- Make sure that the social security wage amount for each employee **does not exceed** the annual social security wage base limit (\$87,900 for 2004).
- Do not report noncash wages that are not subject to social security or Medicare taxes as social security or Medicare wages.
- If you use an EIN on any quarterly Form 941 for the year (or annual Form 943) that is different from the EIN reported in box e on Form W-3, enter the other EIN in box h on Form W-3.

To reduce the discrepancies between amounts reported on Forms W-2, W-3, and Form 941/943:

- Be sure that the amounts on Form W-3 are the total amounts from Forms W-2.
- Reconcile Form W-3 with your four quarterly Forms 941 (or annual Form 943) by comparing amounts reported for—
 1. Income tax withholding (box 2).
 2. Social security wages, Medicare wages and tips, and social security tips (boxes 3, 5, and 7). Form W-3 should include Form 941 or Form 943 adjustments only for the current year. If the Form 941 or Form 943 adjustments include amounts for a prior year, do not report those prior year adjustments on the current year Forms W-2 and W-3.
 3. Social security and Medicare taxes (boxes 4 and 6). The amounts shown on the four quarterly Forms 941 (or annual Form 943), including current year adjustments, should be approximately twice the amounts shown on Form W-3.
 4. Advance EIC payment (box 9)

Amounts reported on Forms W-2, W-3, and 941/943 may not match for valid reasons. If they do not match, you should determine that the reasons are valid. **Keep your reconciliation in case there are inquiries from the IRS or the SSA.**

Form W-2 Reference Guide for Box 12 Codes (See box 12 instructions for information.)

A Uncollected social security or RRTA tax on tips	G Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan (state and local government and tax-exempt employers)	N Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (for former employees)
B Uncollected Medicare tax on tips	H Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	P Excludable moving expense reimbursements paid directly to employee
C Taxable cost of group-term life insurance over \$50,000	J Nontaxable sick pay	R Employer contributions to an Archer MSA
D Elective deferrals to a section 401(k) cash or deferred arrangement (including a SIMPLE 401(k) arrangement)	K 20% excise tax on excess golden parachute payments	S Employee salary reduction contributions under a section 408(p) SIMPLE
E Elective deferrals under a section 403(b) salary reduction agreement	L Substantiated employee business expense reimbursements (Federal rate)	T Adoption benefits
F Elective deferrals under a section 408(k)(6) salary reduction SEP	M Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (for former employees)	V Income from exercise of nonstatutory stock option(s)
		W Employer contributions to an employee's Health Savings Account (HSA)

Index

A	Address correction 4	G	Getting forms, publications, and help 1, 2	Religious workers 3
Adoption benefits 3, 8, 10	Advance EIC payment 8	Golden parachute payments 5, 9	Government employers 5, 11	Repayments, wages received in error 5
Agent reporting 3	Agricultural employers 5, 11	Group-term life insurance 5, 8, 9	H	S
Allocated tips 8	Archer MSA 3, 7, 8, 10	H	Health savings account 5, 10	Scholarships 5
C	Calendar year basis 7	Help 1	Household employers 2, 5, 11	Shipping and mailing 2
Clergy 3	Codes for box 12, Form W-2 8	How to complete Form W-2 7	How to complete Form W-3 10	Sick pay 5, 9, 11
Corrections and void Forms W-2 4, 7	D	How to get forms and publications 1	I	SIMPLE retirement account 6, 8, 9, 10
Deceased employee's wages 4	Deferred compensation 8, 11	Income tax withheld 8, 11	L	Social security number 3, 7
Dependent care benefits 8	Due date(s) 1, 2	L	Lost Form W-2 5	Social security tax withheld 8
E	Earned income credit notification 2	M	Magnetic media/electronic reporting 2	Social security wages/tips 8
Educational assistance programs 4, 7	Election workers 4	Medicare tax withheld 8	Medicare wages and tips 8	State and local tax information 10
Elective deferrals 9	Electronic reporting 1, 2	Military employers 8, 11	Moving expenses 5, 10	Statutory employee 8, 10
Employee business expense reimbursements 4, 7, 9	Employee's taxes paid by employer 4, 7, 8	Multiple Forms W-2 issued to employee 7	N	Substitute forms 1
Employer identification number (EIN) 3, 7, 11	Errors, common 2	Nonqualified plans 8, 11	Nonstatutory stock option(s) 10	Successor/predecessor employers 6
Extension to file/furnish Form(s) W-2 2, 3	F	P	Penalties 6	T
Fellowship grants 5	Fringe benefits 5, 7	R	Railroad employers 5, 11	Taxpayer identification numbers 3
Furnishing Forms W-2 to employees 3		Reconciling Forms W-2, W-3, and 941/943 11	Reissued Form W-2 4, 5	Terminating a business 6
				Tips 7, 8, 9
				U
				Uncollected taxes on group-term life insurance 9
				Uncollected taxes on tips 9
				Undeliverable Forms W-2 3
				USERRA contributions 6, 9, 10
				V
				Void Forms W-2 4, 7
				W
				Wages 7
				When and where to file 2
				When to furnish Forms W-2 to employees 3
				Who must file Forms W-2 and W-3 2