Explanation of Amounts Reported on 2012 Form W-2

Boxes 1 & 2 – Federal Wages and Income Tax Withheld

The Federal Wage amount reported in Box 1 consists of gross wages (listed on your final pay stub for 2012) paid during calendar year 2012 plus imputed income, graduate tuition benefits, taxable moving expense reimbursements and wireless device allowance, minus salary reductions for pretax insurance premiums, employee retirement plan contributions and flexible spending amounts.

Gross wages include base salary, overtime and other additional special payments. Imputed income is the value of group term life insurance coverage in excess of $50,000. Graduate tuition benefits were added to your gross as a non-cash item and taxed during the semester in which classes were taken by you or your dependent. Moving expenses are also a non-cash item added to your gross for reimbursements received through Accounts Payable. Salary reductions include pre-tax medical, dental, and vision insurance premiums, flexible spending amounts for medical and childcare expenses, elective and non-elective employee retirement contributions. All year-to-date amounts for your pre-tax insurance premiums, 403b/457b plan contributions and flexible spending amounts can be found on your last 2012 pay stub and are designated with an asterisk.

The Federal Income Tax withheld that is reported in Box 2 is the sum of FIT withheld from each paycheck issued in Calendar Year 2012.

Boxes 3 & 4 – Social Security Wages and Tax Withheld

Boxes 5 & 6 – Medicare Wages and Tax Withheld

The Social Security wages are split into two parts: Social Security and Medicare.

Social Security and Medicare wages include gross wages plus imputed income, graduate tuition benefits and taxable moving expense reimbursements, minus salary reductions for pretax insurance coverage and flexible spending expense accounts. Unlike the Federal taxable wages, these wages are not reduced by salary reductions for retirement plan contributions.

Social Security wages have an annual maximum of $110,100 in 2012. There is no maximum dollar limit for the Medicare wages.

The Social Security tax reported in Box 4 is withheld at a rate of 4.2% of the Social Security wages reported in Box 3. Since there is a maximum wage base of $110,100 the maximum Social Security tax amount for 2012 is $4,624.20. The Medicare tax reported in box 6 is withheld at a rate of 1.45% of the Medicare wages reported in box 5.
Employees who worked for more than one employer in 2012 will have Social Security and Medicare taxes withheld by each employer. If the total Social Security amount withheld from all employers exceeds the maximum for 2012 ($4,624.20), then the employee is allowed to claim a refund of the excess taxes when filing his/her Federal Income Tax Return for 2012.

Boxes 16 & 17 – State Wage Base and Income Tax Withheld

In the same manner as Federal taxable wages, Ohio taxable wages consist of gross wages plus imputed income, graduate tuition benefits, taxable moving expense reimbursements and wireless device allowance, minus salary reductions for pretax-insurance premiums, retirement plan contributions and flexible spending amounts.

The State Income Tax (SIT) shown in Box 17 is the sum of SIT withheld from each paycheck paid during 2012.

Boxes 18 & 19 – Local Taxable Wages and Local Income tax withheld.

City wages include gross wages plus imputed income, graduate tuition benefits, taxable moving expense reimbursements and wireless device allowance, minus salary reductions for pretax insurance coverage and flexible spending expense accounts. Unlike the Federal taxable wages, these wages are not reduced by salary reductions for retirement plan contributions.

The city tax reported in Box 19 is withheld at a rate of 2.5% of the local wages reported in Box 18.

Other Boxes of Interest:

Box 10 – Dependent Care Benefits

This box consists of the total amount of salary reductions for the Dependent Care Expense Accounts. This amount may not exceed $5,000.00 in calendar 2012. The total in this box reduces the following wages: Federal (Box 1), State (Box 16) Social Security (Box 3), Medicare (Box 5) and City (Box 18).

Boxes 12A – 12EE (Unlabeled)

These boxes are used to identify several specific items. They are labeled with the following letter codes:

C- The value of group-term life insurance coverage in excess of $50,000 (imputed life insurance). This amount is also included in the following wages: Federal (Box 1), Social Security (Box 3), Medicare (Box 5), Ohio (Box 16), and City (Box 18).
E- Voluntary salary reductions for 403b retirement plan. Generally, this amount may not exceed $16,500 in calendar year 2012 (although in some select cases the maximum may be up to $25,000). As stated above, Federal (Box 1) wages are reduced by the amount of the employee’s contributions, however, Social Security, Medicare and City wages (Boxes 3, 5, 18) are not reduced.

G- Voluntary salary reductions for 457b deferred compensation plan.

P - Non-taxable qualified moving expense reimbursements paid directly to an employee.

W- John Carroll University contributions paid to health saving accounts (including amounts the employee elected to contribute) associated with the High Deductable Health Plan.

BB-Designated Roth Contributions under a section 403(b) plan

DD-The cost of employer sponsored medical coverage. The amount reported includes the portion paid by the employer and employee. Excluded from reporting are the cost of dental or vision coverage and amounts contributed to Health Savings Accounts and Flexible Spending Accounts.

Box 13 – Retirement Plan

This box will be marked with an ‘X’ if the employee was an active participant in the University’s retirement plan during Calendar 2012.

Box 14 - Other

This box is used to list additional totals for information purposes:

RETR – Non-elective employee contributions (4.5%) to retirement plan.

MFLX- Medical Flex Save. The total on this line reduces the following wages: Federal (Box 1), State (Box 16) Social Security (Box 3), Medicare (Box 5) and City (Box 18). The childcare portion of Flex save is listed in Box 10.

Tax Information available via the Web:
Information about filing individual Federal and State tax returns, along with downloadable tax forms, instructions and publications, can be accessed via the Web at the following sites:
• State Information and Forms (OH): http://tax.ohio.gov