UNDERSTANDING YOUR W-2 FORM

The W-2 form is your wage and tax statement provided by your employer to provide information on your taxable wages and taxes withheld for the calendar year. Employees need the W-2 form for filing their personal income tax return(s). The following information is designed to help employees understand the boxes on the W-2 and is not to be construed as tax advice.

Box 1. Wages, tips, other compensation

This is federal, taxable wages paid within the stated calendar year. The amount is calculated as follows:

YTD Earnings (from your last check in December)

LESS

- Tax-deferred retirement deductions such as CalSTRS, CalPERS, PARS (see Box 13)
- Select benefit deductions for health, insurance payments, dependent care and medical expense "reimbursements"
- Tax deferred retirement (see Box 14)
- Parking Fee deductions (not separately stated on W-2)
- Flexible Spending Account (FSA) such as 403B and 457 accounts.
- Workers' Compensation Payments identified as "TD" in box 14

PLUS

- Taxable Benefits (i.e., certain educational benefits; certain moving expenses, etc.).
- Vehicle use, transit subsidy, etc.

Note: Foreign nationals whose wages are exempt from income tax under a tax treaty receive a 1042-S reporting these "exempt" wages. They might also receive a W-2.

Box 2. Federal income tax withheld

This is federal income tax LAUSD withheld from your pay. If you did not file a W-4 form, the default withholding is 'single' claiming 0 (zero) irrespective of your marital status. Your current status is on your pay stub in the section labeled "Tax Exempt Options."

Box 3. Social security wages

Social security wages are not identical to federal taxable gross wages in Box 1. Employee contributions to a retirement plan are exempt from income taxes but subject to social security taxes.

Note: Full time students who work for LAUSD are exempt from social security taxes under the "student exemption."

Some employees in the federal retirement system are exempt from Social Security/OASDI taxes but subject to Medicare taxes.

Foreign Nationals who are non-resident aliens based on the substantial presence test are exempt from social security taxes.

Box 4. Social security tax withheld

This is social security tax withheld from your pay for the OASDI component of social security taxes. OASDI is an acronym for "Old Age Survivors and Disability Insurance."

Box 5. Medicare wages and tips

This is total wages and tips subject to the Medicare (hospital insurance) component of social security taxes. The Medicare wage base is not subject to a cap.

Box 6. Medicare tax withheld

This is Medicare tax withheld from your pay for the Medicare component of social security taxes. The rate is 1.45% of the Medicare wage base (Box 5).

Box 7. Social security tips

This box is for information only. The tip income is reported in this box is already included in Box 1, Box 3 and Box 5.

Box 8. Allocated tips

This is tips allocated to the employee based on IRS rules and regulations for tip reporting.

Box 9. Advanced EIC payment

This is the total amount of advanced earned income credit (EIC) received in the calendar year.

Box 10. Dependent care benefits

This is the before-tax deduction under the Select Benefits Program for dependent care. This amount is not included in box 1.

Box 11. Nonqualified Plans

This box generally does not apply to LAUSD.

Box 12. Pertinent Codes

- Box 12 Codes:
  - Code C: Cost of group-term life insurance over $50,000
  - Code D: Elective deferrals for a retirement under section 401(k)
  - Code E: Elective deferrals for retirement under section 403(b)
  - Code J - Nontaxable sick pay
  - Code P - Non taxable moving expense reimbursements paid directly to an employee

Box 13. Retirement Plan

This box is checked if you are an eligible participant in one of LAUSD's retirement plans.

Box 14. Other

This is California Retirement deductions under IRS Section 414(h). Caution: Follow instructions for your California income tax return carefully; California generally classifies the amount as taxable.

Box 15. State

This box identifies the state the employee's wage report is issued to.

Box 16. State wages, tips, etc.

This box reflects the amount of state wages reported to the state indicated in Box 15.

Box 17. State income tax

This is state income tax withheld from your pay and reported to the state identified in Box 15.

Box 18. Local wages, tips, etc.

This box reflects the local wages reported to the locality indicated in Box 20.

Box 19. Local income tax

This is local income tax withheld from your pay and reported to the locality in Box 20.

Box 20. Locality name

This box identifies the "locality" that received this wage report.

- b "Employer's state ID number": The employer's state ID number is the number assigned to the employer for payroll tax reporting.
- c "Employer's name, address and ZIP code"
- d "Employee's social security number": This box contains the employee's social security number. Caution: Review this number carefully. If it is incorrect the Service Center immediately.
- e "Employee's name, address and ZIP code": This is the employee's name and address based on LAUSD’s records.

We hope this information has been of service to our valued LAUSD employees.