



W-2 Information

This document, along with your last paystub for calendar year 2016, will help you interpret your year-end wage and tax statement provided by your employer – the State of Minnesota. After reviewing this document, if you have more questions, contact your Payroll staff.

WHAT DO THE BOXES CONTAIN?

a EMPLOYEE'S SOCIAL SECURITY NUMBER

- Social Security number you provided to the State of Minnesota
 - Must be an exact match to your Social Security card
 - If this number is incorrect, contact your human resources or payroll staff!
 - If you were assigned a temporary number, you will receive a W-2C (Corrected Wage and Tax Statement) when the Social Security Administration has issued an actual Social Security number and you have provided documentation to your Human Resources or Payroll staff.

b EMPLOYER'S IDENTIFICATION NUMBER

- The State of Minnesota's federal employer identification number

c EMPLOYER'S NAME, ADDRESS AND ZIP CODE

- The State of Minnesota's address for W-2 purposes

d CONTROL NUMBER

- Employer control number

e & f EMPLOYEE'S NAME, ADDRESS, AND ZIP CODE

- Your name and address as it appeared on the state's payroll and human resources system when the W-2 was created.

NOTE: If you have a name or address change, contact your Human Resources staff. If your name changes, contact the Social Security Administration (SSA) as soon as possible. SSA will update their records and issue a new card. Bring the new card to your Human Resources staff so your employee record can be updated.

1 WAGES, TIPS, OTHER COMPENSATION

- Amount includes total wages, tips and other compensation subject to federal income tax for the calendar year. Contact your Payroll staff if you have questions about how the amount in box 1 is calculated.

2 FED INCOME TAX WITHHELD

- Amount of federal income tax withheld from wages reported in box 1. Amount is generally based on your W-4 (Employee Withholding Allowance Certificate).

3 SOCIAL SECURITY WAGES

- Amount represents total wages and other compensation subject to Social Security tax for the calendar year. This amount is capped at \$118,500 (the maximum Social Security wage base for 2016).

NOTE: This amount may differ from the amount in box 1. Before-tax deductions for retirement, deferred compensation, tax-sheltered annuities are subject to Social Security and Medicare tax but are not subject to federal and state income tax withholding. Deferred compensation match amounts (paid by the employer) are also subject to Social Security and Medicare tax.

4 SOCIAL SECURITY TAX WITHHELD

- Total Social Security tax withheld from Social Security wages for the year
- $6.2\% \times [\text{Social Security wages (box 3)}] + [\text{Social Security tips (box 7)}]$
- Maximum is \$7,347.00 for 2016. The maximum can change from year to year.

5 MEDICARE WAGES AND TIPS

- Amount represents total wages and other compensation subject to Medicare tax for the calendar year.

NOTE: Typically, the amounts in box 3 and box 5 are the same. Differences are the result of the following:

- There is a cap on Social Security wages but not on Medicare wages.
- Itasca State Park tips are included in Medicare wages but not Social Security wages.

6 MEDICARE TAX WITHHELD

- Medicare tax withheld for the year at the rate of 1.45% on all Medicare wages. There is additional tax withheld for the year at the rate of 0.9% when Medicare wages are \$200,000 and above. There is no maximum.

7 SOCIAL SECURITY TIPS

- Portion of Social Security wages associated with tips (applies to very few employees).
- The total amount reported to the Social Security Administration is calculated by adding Social Security wages (box 3) plus Social Security tips (box 7).

8 ALLOCATED TIPS

- Does not apply to employees of the State of Minnesota

10 DEPENDENT CARE BENEFITS

- Before-tax deduction to the Dependent Care Expense account. Maximum is \$5,000.

11 NONQUALIFIED PLANS

- Does not apply to State of Minnesota employees

12 Codes

- The IRS uses codes to report information in box 12. See the EIC Notice and Box Instructions link on the State of Minnesota Employee Self Service, Other Payroll page for explanations of all the codes. The codes used by state of Minnesota are:

C: GROUP TERM LIFE INSURANCE: Value of state-paid life insurance premiums on the benefit greater than \$50,000

E: 403(b) TAX-SHELTERED ANNUITY: Amount you contributed to a tax-sheltered annuity during the calendar year

G: 457(b) DEFERRED COMPENSATION: Amount you and your employer contributed to deferred compensation during the calendar year

L: NON-TAXABLE PORTION OF MILEAGE: For mileage reimbursement rates greater than the IRS rate: The taxable portion is included in box 1. The remainder is reported here. (If the reimbursement rate was equal to or less than the IRS rate, the reimbursement is not reported on the W-2.)

P: Excludable relocation expense reimbursements

W: Amount you and your employer contributed to a Health Savings Account

BB: ROTH CONTRIBUTION TO 403(b): Amount you contributed to a Roth IRA under a section 403(b) plan

DD: Amount you and your employer contributed to your health care coverage during the calendar year. This amount is **not** taxable.

EE: ROTH CONTRIBUTION TO 457(b): Amount you contributed to a Roth IRA under a 457(b) deferred compensation plan.

13 STATUTORY EMPLOYEE

- Not used by the State of Minnesota

RETIREMENT PLAN

- If you had retirement deductions to a qualified plan (defined by the IRS) during the calendar year, this box is checked.

THIRD-PARTY SICK PAY

- Not used by the State of Minnesota

14 Other

- If you had personal use of an employer-provided vehicle or received tuition waiver benefits, those amounts are shown here. Personal use of employer-provided vehicle is valued using one of the following three methods: number of commutes x \$3.00, cents-per-mile, or annual lease value attributable to personal use.

15 STATE & EMPLOYER'S STATE ID NO

- Identifies the state that received this wage report and the state ID number of that state

16 STATE WAGES, TIPS, ETC.

- Amount of wages, tips, and other compensation subject to state income tax for the calendar year for the state in box 15.
- 17 STATE INCOME TAX**
- State income tax withheld for the year
- 18 LOCAL WAGES, TIPS, ETC.**
- 19 LOCAL INCOME TAX**
- 20 LOCALITY NAME**
- Not used by the State of Minnesota. The State of Minnesota does not maintain local tax obligations. If you live in an area that imposes local tax, you must take initiative to pay.

FREQUENTLY ASKED QUESTIONS

Q: Why is the amount of my wages, tips, and other compensation different from my Social Security wages?

A: Some of your compensation and deductions are subject to Social Security taxes, but are not subject to federal and state income taxes.

Q: What does "Retirement Plan" mean?

A: If you participated in a State of Minnesota retirement program, the Retirement Plan box is checked. You and the IRS use this information to determine if you are eligible to deduct an IRA on your tax return.

Q: I had more than one job with the state. Will I have one W-2?

A: The State of Minnesota is one employer. You should have only one W-2 from the state for all your combined income.

Q: I had withholding tax taken for more than one state. Will I have multiple W-2 forms?

A: If you had taxable income for more than one state during the year, you will have a W-2 for each state. On the Employee W-2 Forms page in Self Service, click the View W-2 button for each state indicated in the W-2 State column.

Q: Is it possible for my W-2 to have multiple pages?

A: Some W-2 forms will have multiple pages due to additional Box 12 reporting for 2016. Because only four Box 12 codes can be printed on a W-2, employees with more than four Box 12 codes will have a second page to their W-2 form. On the Employee W-2 Forms page in Self Service, if a W-2 has a second page, there will be a link in the upper right corner indicating [Page 1 of 2](#). Click that link to display the second page.

Q: Why does my annual salary not equal the amount on my W-2?

A: Certain items (retirement contributions and out-of-pocket benefit costs) reduce taxable income.

Q: I terminated employment with the State of Minnesota in December. Why do I have a W-2?

A: Your income is taxable in the year that it is paid, not when it is earned. Therefore, if you earned the money in December, and it was paid to you in January, it is taxable in the year it was paid.

Q: What is the amount in Box 12 DD?

A: Box 12 Code DD reports the total cost of employer-sponsored health coverage and includes both employer and employee contributions. Although this cost is included in Box 12 DD on the W-2, it is informational only and is **not** included in your taxable income. Your total cost of employer-sponsored health coverage includes the items listed on your paystub in Self Service with these descriptions:

Medical
Insurance
Hlth Care BB

Q: If the amount in Box 12 DD is not taxable, why is it on my W-2?

A: The *Patient Protection and Affordable Care Act of 2012* requires employers to report the aggregate cost of group health coverage to their employees annually on their W-2. Although this cost is included in Box 12 DD on the W-2, it is informational only and is **not** included in taxable income.

NOTE: If you had any unsubstantiated debit (benny) card transactions, which are expenses with insufficient documentation provided; then you will see the amounts included as taxable income on your 2016 W-2 form.

- For most employees, any unpaid amount was treated as additional income and is included as taxable income on your 2016 W-2 form.
- In some instances, your employer paid the required employee portion of FICA/Medicare on the unpaid amount. The FICA/Medicare paid is also included as taxable income on your 2016 W-2 form.

WHERE CAN I FIND OUT MORE?

We hope this document answered your questions. If you need more help, contact your agency Payroll staff.