



Princeton University

Explanation of Information Reported on 2008 Form W-2

22222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld
			5 Medicare wages and tips		6 Medicare tax withheld
			7 Social security tips		8 Allocated tips
d Control number			9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/>		12a
			Retirement plan <input type="checkbox"/>		12b
			Third-party sick pay <input type="checkbox"/>		12c
			14 Other		12d
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
20 Locality name					

Form **W-2** Wage and Tax Statement

2008

Department of the Treasury—Internal Revenue Service

Box A – Employee's Social Security Number

Box A holds the social security number provided by the employee. All employees receiving compensation from the University must provide a social security number to the Payroll Department. Employees who have applied for a social security number but have not received their number will receive a Form W-2 with 000-00-0000 to designate the number has been applied for. When the social security number is received, the Payroll Office will issue a corrected Form W-2c to the employee.

Box 1 – Wages, Tips, Other Compensation

The Federal Wage amount reported in Box 1 consists of **gross wages** paid during Calendar Year 2008 **plus imputed income, minus salary reductions for pretax health insurance coverage, expense accounts and retirement plan contributions.**

Gross wages include base salary, overtime and other additional special payments. The most common example of imputed income is the value of group term life insurance coverage in excess of \$50,000. Salary reductions include health insurance coverage (Princeton Health Care Plan and HMO's), Health Benefit Expense Accounts (HBEA), Dependent Care Expense Accounts (DCEA) and voluntary retirement contributions.

Box 2 – Federal Income Tax Withheld

The Federal Income Tax withheld that is reported in Box 2 is the sum of federal income tax withheld from each paycheck issued in calendar year 2008.

Box 3 – Social Security Wages

Social security wages include **gross wages plus imputed income, minus salary reduction for pretax health insurance coverage and 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 \$102,000 in 2008. Wages paid in excess of this amount are not reported or subject to social security tax.

Box 4 – Social Security Tax Withheld

The social security tax is withheld at a rate of 6.2% of the Social Security wages reported in Box 3. The maximum wage base is \$102,000 and the maximum Social Security tax amount for 2008 is \$6,324.00.

Employees who worked for more than one employer in 2008 will have social security taxes withheld by each employer. If the combined social security tax withheld from all employers exceeds the maximum for 2008, the employee will be able to claim a refundable federal income tax credit of the excess taxes when filing his/her Federal Income Tax Return for 2008.

Box 5 – Medicare Wages

The wages subject to Medicare tax are the same as those subject to social security tax (box 3) except that there is no wage base limit for Medicare tax.

Box 6 – Medicare Tax Withheld

The Medicare tax reported in box 6 is withheld at a rate of 1.45% of the Medicare wages reported in box 5.

Box 10 – Dependent Care Benefits

Box 10 reports the total amount of salary reductions for the Dependent Care Expense Accounts (DCEA). This amount may not exceed \$5,000.00 in calendar 2008. The total is not included in the following wage boxes: Federal (Box 1), Social Security (Box 3) and Medicare (Box 5). The State wage (Box 16) is not reduced by the amount of dependent care salary reductions.

Box 12a – 12d (Unlabeled)

These boxes are used to identify specific items the University must report separately to the IRS. They are labeled with the following letter codes:

Code C – Indicates imputed income from group-term life insurance coverage in excess of \$50,000 (imputed life insurance).

Code E – Indicates voluntary salary reductions for retirement plan contributions. Generally, this amount may not exceed \$15,500 in calendar year 2008 (although in some select cases the maximum may be up to \$20,500). As stated above, Federal wages (Box 1) are reduced by the amount of the employee's voluntary contributions; however, Social Security, Medicare and State wages (Boxes 3, 5 and 16) are not reduced.

Code G – Indicates voluntary salary reductions for deferred compensation plan. Generally, this amount may not exceed \$15,500 in calendar year 2008. As stated above, Federal wages (Box 1) are reduced by the amount of the employee's voluntary contributions; however, Social Security, Medicare and State wages (Boxes 3, 5 and 16) are not reduced.

Code P – Indicates the amount of moving expenses reimbursements received in 2008 that qualify as a fringe benefit excludable from gross wages. Those amounts paid which do not qualify for exclusion from gross wages were excluded from box 12 and included in boxes 1, 3 and 5.

Box 13 – (checkboxes)

The retirement plan check box will be marked with an 'X' if the employee was an active participant in the University's pension plan during Calendar 2008.

Box 14 – Other Information

California – For employees who worked in California and had disability tax withheld, Box 14 will list the CASDI code and the amount of tax withheld not to exceed \$693.59 for tax year 2008. Its calculation is .8% of the taxable reported earning in Box 1 of the W-2.

Box 15 – State

Box 15 will list the State Code and the State Employer Identification Number.

New Jersey – The lower portion of Box 15 will list the University's Disability Insurance Private Plan Number.

Box 16 – State Wages

The State Taxable Wages shown in Box 16 is the sum of taxable amounts paid in 2008. Employees who had taxable wages for more than one state during the year will receive a separate Form W-2 for each state.

Box 17 – State Income Tax

The State Income Tax (SIT) shown in Box 17 is the sum of SIT withheld from each paycheck paid during 2008. Employees who had income tax withheld for more than one state in 2008 will receive a separate Form W-2 for each state.

Box 19 – Local Income Tax

New Jersey - For employees who worked in New Jersey and had unemployment tax withheld in 2008, Box 19 lists the worker contributions to the three component parts (Unemployment Insurance / Workforce Development / Supplemental Workforce Fund) of the New Jersey unemployment tax. Immediately to the right of this label is the amount of New Jersey unemployment tax withheld in 2008. This tax is equal to .425% of the first \$27,700 of wages earned in 2008, up to a maximum tax of \$117.72.

Pennsylvania - Pennsylvania residents who also had New Jersey unemployment tax withheld will have the Box 19 information printed on their primary Form W-2 and will receive a second, separate Form W-2 on which their Pennsylvania state information will appear.

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:

Federal Information and Forms (IRS): www.irs.gov

State Information and Forms:	California:	WWW.STATE.CA.US
	District of Columbia:	WWW.DC.GOV
	Georgia:	WWW.STATE.GA.US/
	Indiana:	WWW.IN.GOV
	Michigan:	WWW.STATE.MI.US
	New Jersey:	http://www.state.nj.us/treasury/taxation/
	New Mexico:	WWW.TAX.STATE.NM.US
	Pennsylvania:	WWW.REVENUE.STATE.PA.US