The following information is prepared to help employees better understand their W-2 forms.

**A. Annual Salary vs. Amount Actually Received**
Wages and other compensation, as shown on the W-2, reflect monies actually paid to an employee during the calendar year, NOT ANNUAL SALARY. The amount reported on the W-2 form may include one or more of the following: supplemental payments, retroactive arrears, non-pensionable amounts, and longevity payments.

**B. Pay Statements**
Each pay period employees receive pay statements containing the details of their pay: gross earnings, withheld taxes, health premiums, TDA deductions, pension deductions, etc., and year-to-date totals. Pay Statements are available to active employees on NYCAPS Employee Self-Service at www.nyc.gov/ess. They are also a means to assist in verifying the W-2 Wage and Tax Statement information.

**C. "Year-to-Date" Pay Statements vs. W-2 Amounts**
Pay Statements include information on year-to-date earnings. These amounts are limited to earnings from one agency only. They do not include earnings from other agencies.

**D. Singular W-2 Form**
The City of New York combines all earnings for one Social Security number onto one W-2 form (e.g., Department of Education, CUNY, Parks, Third-Party Sick Pay, and UFT Paid Parental leave are combined). Only NYC Housing Authority and NYC Municipal Water Finance Authority employees will receive a separate W-2 form.

**E. Date of Service vs. Date of Check**
The W-2 form includes all checks dated in calendar year 2019. Any checks for arrear payments received in 2019 for service performed during a prior year will be included in the 2019 W-2 form.

**F. Social Security/Medicare**
Social Security (SS)/Medicare regulations stipulate that 2019 FICA deductions must be made at the rate of (SS) 6.2% of $132,900.00 and (Medicare) 1.45% of all earnings. For Medicare wages in excess of $200,000.00, the rate is 2.35%. This yields a maximum SS deduction of $8,239.80. If, in error, more than $8,239.80 was deducted during the year, a refund payment will be issued by the NYC Office of Payroll Administration.

**G. Cost of Employer-Sponsored Health Coverage**
As part of the Patient Protection and Affordable Care Act of 2010, employers are required to report to each employee the aggregate (employer and employee/retiree) cost of employer-sponsored group health plans. The amount appears in Box 12 labeled as "DD". The amount in Box 12 is for informational purposes only and as per the W-2 instructions is not taxable.

**H. Tax Deferred Compensation Plan & Tax Deferred Annuity (TDA)(401(k), 403(b), 457 and ROTH)**
Your retirement system, insurance company, or Deferred Compensation Plan (DCP) will provide you with a statement of your annual contributions. The W-2 form provides for TDA contributions to appear as a separate item in Box 12 labeled as "AA," "D," "E," "EE," or "G." Box 1 "Wages,..." on the W-2 form will be reduced by this amount for "D," "E" and "G." Please contact your TDA provider for further information.

**I. Pension IRC414H**
Pension members' W-2's will show a gross wage reduced by the amount of their pension contributions. This contribution, shown in Box 14 and labeled as "IRC414H," is NOT subject to Federal income tax. However, it is subject to FICA, State and City taxes. Please contact your pension system for information. The Internal Revenue Service (IRS) defines a NYC employee as belonging to a pension plan if there is a plan available for the employee to join regardless of whether the employee opts to join. Therefore, "retirement plan" in Box 13 is checked.

**J. IRC125**
The Dependent Care Assistance Program (DeCAP) is limited to a minimum of $500 to a maximum of $5,000. The Health Care Flexible Spending Account (HCFSA) is limited to a minimum of $260 to a maximum of $2,700.00. Health insurance plan
premium deductions for basic and/or optional riders are deducted from the employee’s payroll statement. All of these deductions are treated on a pre-tax basis. The deductions will reduce gross wages, TDA, FICA wages, and taxes. However, they are subject to State and City taxes. The aggregate amount of the deductions is shown in Box 14 labeled as "IRC125." Additionally, DeCAP will be shown in Box 10. For further information, call 212-306-7760.

K. TransitBenefit Program IRC 132
Under IRC 132, the City allows employees to cover some public transportation costs through a Commuter Benefits Commuter Card, Annual Transit Card, Transit Pass or Access-A-Ride plan, or contribute to cover some public parking costs through the Park-N-Ride plan, on a pre-tax basis through payroll deductions. These pre-tax deductions, shown in Box 14 and labeled as “IRC132,” are not subject to income or FICA taxes.

L. Domestic Partner Benefit
The taxable value of providing City health and/or Union/Welfare Fund coverage for your domestic partner has been reported to the IRS. Imputed income (IMP) is the taxable value of the employer contribution for health benefits provided to an employee’s/retiree’s domestic partner. This amount is included in Box 1 and must be reported for Federal, State and Local taxes. This amount is shown in Box 14 labeled as “IMP.” For enrollment information, go to the Health Benefits website at www.nyc.gov/olr.

M. Union-Sponsored Legal Service/ Motor Vehicle Use/ Parking/ TransitBenefit Program/ MBF Health and Fitness Fringe Benefits/Wellness
A portion of the money the City contributes to the Union/Welfare Fund is used to provide legal service benefits to eligible participants. The cost of this benefit is considered income, whether or not the service is used. The value of the benefit varies by union affiliation. The value will be added to the gross and FICA wages on the 2019 W-2 form. Employees who have a City motor vehicle assigned to them and drive it to and from home will have an amount added to their gross and FICA Wages. Employees who have access to free parking spaces in areas in which equivalent parking costs more than $265/month will have an amount added to their gross and FICA Wages. For Commuter Card - No Admin Fee, Annual Transit Card and Access-A-Ride participants, the City pays an administrative service fee on the employee’s behalf. The value of this fringe benefit is added to gross and FICA wages reported. Employees and retirees who receive Management Benefits Fund (MBF) Health and Fitness Reimbursements will have an amount added to their gross and FICA wages. Employees enrolled in taxable employer-provided wellness benefits, including the City’s Wellness program, will have an amount added to their gross and FICA wages. All of these fringe benefit amounts are shown in Box 14.

N. Union Disability (Third Party Sick Pay)
Union short-term disability payments to employees are treated as regular wages for the purposes of SS/Medicare deductions.

O. Line-of-Duty Injuries (Uniformed Agencies/ D.A.’s)
IRS regulations provide favorable tax treatment of your wages during the approved leave period of injury. Wages will be treated on a pre-tax basis. LoDI will reduce gross and FICA wages for all days an employee is out on LoDI. TDA contributions will also be affected by LoDI wages. Affected employees who believe that an error exists on their W-2 form must contact their agency's payroll/personnel office.

P. Pedagogic Line-of-Duty Injuries (DoE LoDI only)
Continuation of full wages is granted on approved OP198 forms by the DoE Medical Bureau. IRS regulations provide favorable tax treatment of your wages received during this approved leave period of injury. LoDI will reduce gross and FICA wages for all days an employee is out on LoDI. TDA contributions may also be affected by LoDI wages. Affected employees who believe that an error exists on their W-2 forms must contact the DoE. The LoDI Hotline telephone number is 718-935-4373.

Q. Department of Education W-2 Inquiry Only
The DoE has established its own W-2 Hotline Number. The DoE W-2 Hotline number is 718-935-4000. The DoE W-2 fax number is 718-935-3262. DoE written inquiries may be mailed to DoE W-2 Unit, 65 Court Street Room 1400, Brooklyn, NY 11201.

R. Errors on the W-2 Wage and Tax Statement
Employees who believe an error exists on their W-2 forms must contact their agency. Amended W-2's (Form W-2c) are used for W-2 corrections. If, after review, the W-2 has been determined to be incorrect, form W-2c will be available at www.nyc.gov/ess. Only corrected data will appear on the W-2c. Income tax authorities are notified of corrections. The employee must file income tax returns with both the W-2c and the original W-2 forms.