

This guide provides a simple description of each box and defines letter codes on the W-2. Brief instructions are included with the W-2; full instructions are available online at [www.irs.gov](http://www.irs.gov).

<p><b>Instructions for Employee</b> (See also <i>Notice to Employee</i> on the back of Copy B.)</p> <p><b>Box 1.</b> Enter this amount on the wages line of your tax return.</p> <p><b>Box 2.</b> Enter this amount on the federal income tax withheld line of your tax return.</p> <p><b>Box 5.</b> You may be required to report this amount on Form 8959. See the Form 1040 instructions to determine if you are required to complete Form 8959.</p> <p><b>Box 6.</b> This amount includes the 1.45% Medicare tax withheld on all Medicare wages and tips shown in box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above \$200,000.</p> <p><b>Box 8.</b> This amount is <b>not</b> included in box 1, 3, 5, or 7. For information on how to report tips on your tax return, see the Form 1040 instructions.</p> <p>You must file Form 4137 with your income tax return to report at least the allocated tip amount unless you can prove with adequate records that you received a smaller amount. If you have records that show the actual amount of tips you received, report that amount even if it is more or less than the allocated tips. Use Form 4137 to figure the social security and Medicare tax owed on tips you didn't report to your employer. Enter this amount on the wages line of your tax return. By filing Form 4137, your social security tips will be credited to your social security record (used to figure your benefits).</p> <p><b>Box 10.</b> This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over your employer's plan limit is also included in box 1. See Form 2441.</p> <p><b>Box 11.</b> This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan, or (b) included in box 3 and/or box 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. This box shouldn't be used if you had a deferral and a distribution in the same calendar year. If you made a deferral and</p>	<p>received a distribution in the same calendar year, and you are or will be age 62 by the end of the calendar year, your employer should file Form SSA-131, Employer Report of Special Wage Payments, with the Social Security Administration and give you a copy.</p> <p><b>Box 12.</b> The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA, BB, and EE) under all plans are generally limited to a total of \$23,500 (Generally, \$16,500 for SIMPLE plans; \$26,500 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$23,500. Deferrals under code H are limited to \$7,000.</p> <p>However, if you were at least age 50 in 2025, your employer may have allowed an additional elective deferral or designated Roth contribution (catch-up contribution) to your plan. For information about the limits on these catch-up contributions, including the higher limit if you were age 60 through 63 as of December 31, 2025, see Pub. 525. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the Form 1040 instructions.</p> <p><b>Note:</b> If a year follows code D through H, S, Y, AA, BB, or EE, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.</p> <p><b>A</b>—Uncollected social security or RRTA tax on tips. Include this tax on Form 1040 or 1040-SR. See the Form 1040 instructions.</p> <p><b>B</b>—Uncollected Medicare tax on tips. Include this tax on Form 1040 or 1040-SR. See the Form 1040 instructions.</p> <p><b>C</b>—Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to the social security wage base), and 5)</p> <p><b>D</b>—Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.</p> <p><b>E</b>—Elective deferrals under a section 403(b) salary reduction agreement</p> <p style="text-align: right;"><i>(continued on back of Copy 2)</i></p>
---	---

## Box 1 - Wages subject to Federal Income Tax Withholding

- Pre-tax deduction amounts for Retirement, Section 125 medical, dental, etc., reduce the amount in this box because those deductions are not taxable for Federal Withholding.
- It is common for box 1 to be less than boxes 3 and 5 if the employee contributes to a retirement plan.

## Box 2 - Federal Income Tax withheld during the year

- This amount is determined by the elections on [Form W-4](#) and any additional withholding.
- If employees file their personal tax return and find that they either owe or are getting a large refund, they can complete a new [Form W-4](#) to adjust their withholding as needed.

## Box 3 - Wages subject to Social Security

- Pre-tax deduction amounts for Section 125 medical, dental, etc., reduce the amount in this box because those deductions are not taxable for Social Security.
- Wage Base: There is an annual wage base limit for Social Security. For highly compensated employees who have earned more than the current wage base limit, box 3 will "cap" at the wage base limit for the current year. See the [SSA website](#) for the current year's limit.

## Box 4 - Social Security tax withheld for the year

- Social Security tax is calculated based on a fixed rate of 6.2%.
- Non-tipped employees: the amount equals the amount in box 3 times 6.2%.
- Tipped employees: the amount equals (box 3 + box 7) multiplied by 6.2%.

## Box 5 - Wages subject to Medicare

- Pre-tax deduction amounts for Section 125 medical, dental, etc., reduce the amount in this box because those deductions are not taxable for Medicare.
- Wage Base: Unlike Social Security, there is no wage base limit for Medicare. Therefore, the amount in box 5 may be larger than the amount shown in box 3.

## Box 6 - Medicare tax withheld for the year

- Medicare tax is calculated based on a fixed\* rate of 1.45%.
- For most taxpayers, the amount in box 6 equals the amount in box 5 times 1.45%.
- \*For employees earning over \$200,000 a year, there is an additional .9% in Medicare tax calculated for wages in excess of \$200,000.

## Box 7 - Tips reported for the employee

- Tips the employee reported even if there weren't enough employee funds to collect the Social Security tax for the tips.
- Tips reported in box 7 are also reported in boxes 1 & 5.

## Box 8 - Allocated tips

- Used only by large food and beverage establishments to show tips allocated to the employee.
- These amounts are not included in boxes 1, 3, 5, & 7.

## Box 10 - Dependent Care Benefits

- This amount includes the total dependent care benefits the employer paid to you or incurred on your behalf (including amounts from a section 125 cafeteria plan).
- Any amount over \$5,000\* is also included in box 1. \*Amount subject to change each year.

## Box 11 - Nonqualified Plans

- The purpose of box 11 is for the SSA to determine if any part of the amount reported in box 1 or boxes 3 and/or 5 was earned in a prior year.
- The SSA uses this information to verify that they have appropriately applied the Social Security earnings test and paid the correct benefits.

## Box 12 - Various codes, taxability varies.

- Various codes, the taxability varies depending on the reported type.
- A complete list of codes shown in box 12 is available in the [IRS instructions for Form W-2](#).

### Quick Guide to W-2 Box 12 Codes

Code A—Uncollected Social Security taxes  
 Code B—Uncollected Medicare taxes on tips  
 Code C—Taxable group-term life insurance for employees  
 Code D—401(k) deferrals  
 Code E—403(b) deferrals  
 Code F—408(k)(6) SEP deferrals  
 Code G—457 deferrals  
 Code H—Section 501(c)(18)(D) deferrals

Code J—Excludable sick pay  
 Code K—Excise tax on excess golden parachute payments  
 Code L—Substantiated employee business expenses  
 Code M—Uncollected Social Security taxes on life insurance for former employees  
 Code N—Uncollected Medicare taxes on life insurance for former employees  
 Code P—Excludable reimbursed moving expenses paid directly to a member of the U.S. Armed Forces  
 Code Q—Nontaxable combat pay  
 Code R—Employer contributions to an Archer MSA  
 Code S—Employee salary reductions for a 408(p) SIMPLE retirement account  
 Code T—Employer-provided (or employee salary reductions for) adoption expenses  
 Code V—Income from the exercise of nonstatutory stock options  
 Code W—Employer contributions to a Health Savings Account  
 Code Y—Deferrals under a 409A nonqualified deferred compensation plan  
 Code Z—Income under 409A on a nonqualified deferred compensation plan

Code AA—Designated Roth contributions to a 401(k) plan  
 Code BB—Designated Roth contributions under a 403(b) salary reduction agreement  
 Code DD—Cost of employer-sponsored health coverage  
 Code EE—Designated Roth contributions under a governmental 457(b) plan  
 Code FF—Permitted benefits under a qualified small employer health reimbursement arrangement  
 Code GG—Income from qualified equity grants under Section 83(i)  
 Code HH—Aggregate deferrals under Section 83(i) elections as of the close of the calendar year  
 Code II—Medicaid waiver payments excluded from gross income under Notice 2014-7.

## Box 13 - Statutory Employee, Retirement Plan, and Third-Party Sick Pay boxes

- Statutory Employee: Employee whose earnings are subject to Social Security and Medicare taxes but not federal income tax withholding.
- Retirement Plan: Checked if the employee was an active participant in various retirement plans for any part of the year. See the [IRS Form W-2 Instructions](#) for a complete list.
- Third-Party Sick Pay: Checked if the employer reports sick pay payments to the employee paid by a third party.

## Box 14 - Other (Optional)

- Used for any other information to provide to the employee, labeled as the employer directs. Ask your employer if you need clarification on the labels or abbreviations in box 14.
  - *Examples: State disability insurance withheld, union dues, uniform payments, health insurance premiums, nontaxable income, educational assistance payments, minister's parsonage allowance, nonelective employer contributions made on behalf of an employee, employee voluntary after-tax contributions, required employee contributions, and employer matching contributions. See full details in the [IRS Form W-2 Instructions](#).*
- Self-Employed Income & Paid Leave: Instructions for Form 7202 on page 5 (if applicable)

## Box 15 - State / Employer's State ID number

- Two-letter state abbreviation and employer's ID number assigned by the state.

## Box 16 - State Wages, Tips, etc.

- Subject state wages, tips, etc., reported for the employee
- Pre-tax deduction amounts for Retirement, Section 125 medical, dental, etc., will reduce the amount in this box when the deductions are not taxable for state withholding.

## Box 17 - State Income Tax

- State Income Tax withheld from the employee's pay

## Box 18 - Local Wages, Tips, etc.

- Subject local wages, tips, etc., reported for the employee
- Pre-tax deduction amounts for Retirement, Section 125 medical, dental, etc., will reduce the amount in this box when the deductions are not taxable for local withholding.

## Box 19 - Local Income Tax

- Local Income Tax withheld from the employee's pay

## Box 20 - Locality Name

- Name (full or abbreviated) of the local applicable to the employee's wages and income tax withholding.