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## HOW TO READ YOUR W-2

Years ago, W-2 forms were fairly straight-forward, reporting wages paid to your employees along with tax withholdings. The days of simple W-2's are long gone! Wages reported in boxes 1, 3 and 5 for income, social security and Medicare tax withholdings are frequently 3 different amounts - and confusing to your employees. The number of IRS required alphabetical "codes" in Box 12 range from "A to Z", and are now on "round 2" of the alphabet with "codes" AA- EE". Newly added Box 12, Code "DD" reports the combined employer - employee cost of employer - sponsored health insurance premiums for 2012, and is for information purposes only (only required by employers who issued over 250 W-2 forms for 2011).

### **Ever had an employee ask you a question about amounts reported on their annual W-2 form?**

AccuPay has prepared a memo titled "How To Read Your W-2", and we have added this memo to our "AccuPay Forms", which you can download from our website, at [www.accupay.com/forms-downloads.htm](http://www.accupay.com/forms-downloads.htm). Feel free to download copies and provide them to your employees and colleagues.

### **Our recommendations to employers about their 2012 employee W-2's are as follows:**

- ✓ Download the "How to Read Your W-2" and read it before you provide 2012 W-2's to your employees. This memo will answer many of your employees' questions about their W-2 forms; and
- ✓ Box 14 on the W-2 form provides employers with an opportunity to report "non-required" payroll information to employees. We have included examples of Box 14 reporting on our downloaded memo.

While you are at AccuPay's website, we encourage you to check out our Payroll Calculators which includes a "W-4 Assistant" to help your employees provide you with current/updated W-4 exemption forms for 2013. Simply click on "[Online Calculators](#)" from our website homepage.

We have a passion for "payroll excellence". We love ideas from our clients on how we can improve our services - Call us at 885-7600 or email [payroll@accupay.com](mailto:payroll@accupay.com) with your ideas and input! Happy New Year!

*PayDay is an email communication of payroll news, legal updates and tax considerations intended to inform clients and colleagues of AccuPay about current payroll issues and planning techniques. You should consult with your CPA or tax advisor before implementing any ideas, comments or planning techniques.*