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## Box 14, W-2 Employee Tax Form Information

Entering helpful information in Box 14 of your employees' annual W-2 forms can assist them in their annual personal tax preparation - **and limit the number of questions employees ask you about their W-2 forms.** Box 14 of Form W-2 is for "information only" and is not required information, nor does it "balance" or reconcile to any other payroll tax forms or calculations.

Savvy employers can use Box 14 to report any financial information to employees they wish to communicate.

**Here are examples of common "Box 14" employee disclosures:**

- **"S" Corporation health and long-term care insurance premiums paid by the employer for 2%+ shareholder employees.** This will help those affected small business owners claim a "self-employed health insurance deduction" on their Form 1040. ([See our "S" Corp Insurance PayDay.](#))
- **After-tax employee contributions to an HSA** can be reported in Box 14 with the same amount deducted on the employee's Form 1040. ([See our HSA PayDay](#))
- Pastors and tax preparers find it useful if a pastor's **housing allowance** amount is entered in Box 14 ([See our Tax Tips for Pastors PayDay](#))
- **Contributions made by employee payroll deduction to the Indiana College Choice 529 program** are ideal for entry in Box 14. In this manner, the employee and/or tax preparer is more likely to claim the Indiana income tax credit for this college funding vehicle. ([See our College Savings PayDay](#))
- **The annual calculation of "personal use of a company car"** is frequently entered in Box 14. This taxable income shows the IRS that the employee is following the tax law in this "hot" tax audit area.
- **An employee's donations to a charity via payroll deduction** can be entered in Box 14 as to the amounts and names of charities. In this matter, the personal tax deduction for charitable giving is not likely to be overlooked.

- Other Box 14 "tax-help" possibilities include payroll deductions for **professional dues, job uniforms, work supplies, after-tax health insurance premiums**, etc.

### **How Does AccuPay Enter Box 14 Information for Our Clients?**

If Box 14 is reporting an annual calculation of an expense paid via employee payroll deduction, such as after-tax HSA employee funding, we can insert an "accumulator code" and name that will automatically tally the annual amount and enter it in Box 14 with a "code."

If Box 14 is used to report information which is not calculated from payroll deductions, such as personal use of company car, we will need information from the employer which we can manually report in Box 14.

### **Box 14 - Use Your Creativity!**

Make a list of the types of information your employees typically ask about when they obtain their annual W-2 forms. Much of the tax information can be reported in Box 14 and help your employees compile tax information for their annual 1040 forms.

Our website has a Forms/Downloads page which includes a researched memo we wrote called "[How to Read Your W-2.](#)" **We recommend you give a copy of this to your employees with each year's W-2 forms.**

If you wish to talk with us about adding payroll deduction "accumulators" for annual W-2 reporting, call your processor, or Lisa Reed, SPHR, CPP at **317-885-7600**.

*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.*