Instructions for Employee

Box 1. Enter this amount on the wages of your tax return.

Box 2. Enter this amount on the federal income tax withheld line of your tax return.

Box 5. You may be required to report this amount on Form 8959, Additional Information. See the instructions to determine if you are required to complete Form 8959.

Box 6. This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips above $200,000. You must file Form W-2 with all Medicare Tax on any of those Medicare wages and tips above $200,000.

Box 8. This amount is not included in box 1, 3, 5, or 7. For information on how to report tips on Form 8-B (U.S. Individual Income Tax Return), see the instructions.

You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount unless you can prove 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. If you do not file Form 4137, your self-employment tax will be credited to your social security account (used to figure your Social Security benefits).

Box 9. If you are e-filing and if there is a code in this box, enter it when prompted by your software. The only valid characters are the letters A-F and the digits 0-9. This code assists the IRS in validating the W-2 data submitted with your return. The code is not entered on paper-filed returns.

Box 10. 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 $5,000 also is included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

Box 11. This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nonequity incentive plan (for example, a bonus that is not includible 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 received a bonus one year and then did not receive any more of the same kind of bonus in the next year, or (b) you did not have a bonus last year and received a distribution in the same calendar year, and you or you and your spouse will be age 62 by the end of the calendar year, your employer should file Form SSA-131, Employee Statement of Special Wage Payments, with the Social Security Administration and give you a copy.

Box 12. The following lists explains the codes shown in box 12. You may need this information to prepare your tax return. Section 303(a) plan (or its equivalent), deferred compensation, and non qualifies plans (nqps) are plans that are deferred compensation for which the deferred amount is not subject to the overall limit on elective deferrals. For code 2, the limit on elective deferrals may be increased by $25,000 or 10% of your compensation, whichever is less. Your plan administrator can provide more information. Amounts in excess of the overall elective deferral limit must be included in income. See the instructions for Form 1040.

Note: If a year follows code D through H, S, V, AA, BB, or EE, you may need to file a form that reports contributions to Special Savings Accounts (SSAs) on your tax return. These forms are subject to special limitations and are not related to the overall limit on elective deferrals. For code D, the limit on elective deferrals may be increased by $25,000 or 10% of your compensation, whichever is less. Your plan administrator can provide more information. Amounts in excess of the overall elective deferral limit must be included in income. See the instructions for Form 1040.

Notice to Employee

Do you have to file? Refer to the Form 10-40 instructions to determine if you must file. If you don’t have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are entitled to any credits.

Earned income credit (EIC). You may be able to take the EIC for 2018 if your adjusted gross income (AGI) is less than a certain limit and you have worked and earned income (as defined). There is no limit based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must be U.S. citizens or nationals. You can’t take the EIC if your investment income is more than the specified amount for 2018 or if income is earned from services performed outside the United States. If you were an inmate at a penal institution. For 2018 income limits and more information, visit www.irs.gov/EITC. Also see Pub. 596, Earned Income Credit (EITC), and Pub. 131, Social Security and Other Information for Members of the Clergy and Religious Workers.

Correct your name. If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file the corrected Wages and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2 from your employer for all corrections made so you may file them with your tax return. If your name is the same as shown on your Social Security card, you should ask for a new card that displays your correct name at any SSA office or by calling 1-800-772-1213. You also may visit the SSA website at www.ssa.gov.

Cost of employer-sponsored health coverage (if such coverage is provided). This is the amount that the employer pays for you to have health coverage. See Box 13, using code DD, of the cost of employer-sponsored health coverage is for your information only. The amount reported with code DD is not taxable.

Credit for excess taxes. If you had more than one employer in 2018 and more than $7,260.89 in social security wages and/or Tier II railroad retirement (RRTA) tax withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and no Tier II RRTA tax was withheld, you may also be able to claim a credit. See your Form 1040 instructions and Pub. 505, Tax Withholding and Estimated Tax. (Also see Instructions for Employee on the back of Copy C.)