

WEBINAR SERIES

Your 2023 W-2 explained!

January 24, 2024

Form **W-2** Wage
Copy A For Social Security Administration
Form W-3 to the Social Security Administration
Employer's address and ZIP code
Employer's state ID number

Today's Presenter



Sharon Crerend

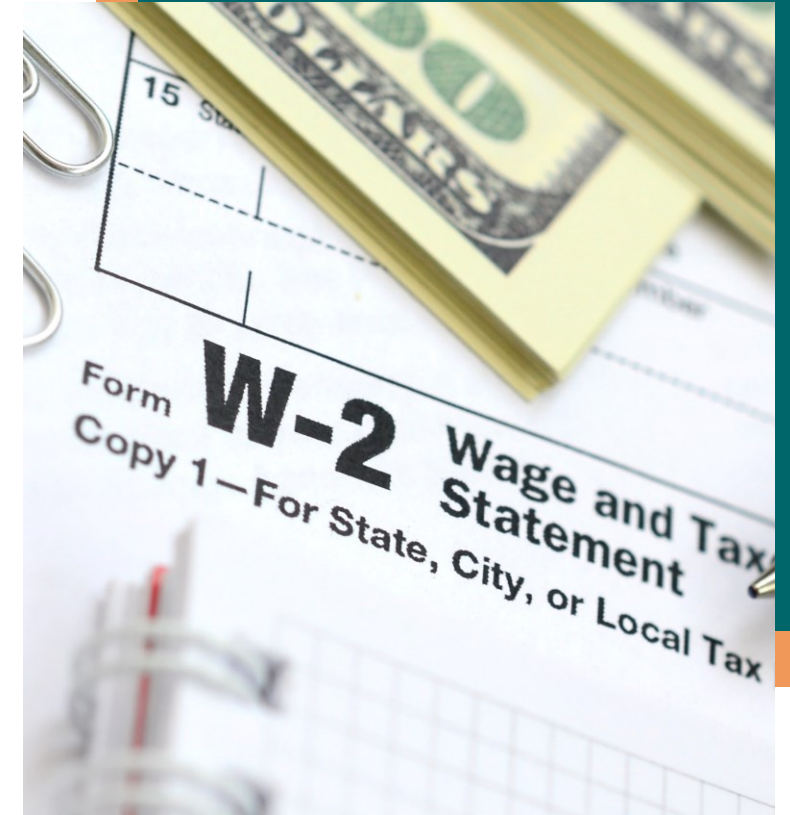
Payroll Analyst

PrestigePEO

Sharon Crerend began at PrestigePEO as a Payroll Specialist and moved into the role of Payroll Analyst in September, 2022. She has an extensive background in education, customer service, and program development. Sharon has been with PrestigePEO for more than three years.

What is a W-2?

- Employers are required to report wage and salary info on your W-2
- Shows the income you've earned from your employer
 - Taxes withheld
 - Benefits provided
- File Federal & State Taxes
- Postmarked by January 31st of every year



Understanding your W-2

Box 1:

- Your gross taxable wages paid, which includes salary, wages, tips, bonuses, and/or commissions.
- You may notice that your total earnings from 2023 were more than what's listed here. That's because this box (and boxes 3,5,16, & 18) are less any pretax deductions.
- For those curious, we're referring to health insurance and non-taxable income.
- That could be reimbursement for mileage or other expenses incurred and reimbursed through payroll. 401K contributions also lower box 1, but not boxes 3 or 5.

| Copy B - To Be Filed With Employee's FEDERAL Tax Return. | | 41-0852411 OMB No. 1545-0008 | |
|---|--|---|----------|
| a Employee's soc. sec. no. 123-45-6789 | 1 Wages, tips, other comp. 50000.00 | 2 Federal income tax withheld 5000.00 | |
| b Employer ID number (EIN) 12-1234567 | 3 Social security wages 47000.00 | 4 Social security tax withheld 3100.00 | |
| | 5 Medicare wages and tips 50000.00 | 6 Medicare tax withheld 725.00 | |
| c Employer's name, address, and ZIP code Company ABC 123 35th St, 6th Ave New York, NY 10018 | | | |
| Third-party sick pay | | 12d Code | |
| NY | 121234567 | 50000.00 | 1535.00 |
| 15 State Employer's state ID number | 16 State wages, tips, etc. | 17 State income tax | |
| 18 Local wages, tips, etc. | 19 Local income tax | 20 Locality name | New York |
| | 50000.00 | 750.00 | |

Form W-2 Wage and Tax Statement
This information is being furnished to the Internal Revenue Service.

Dept. of the Treasury - IRS
www.irs.gov/efile

Understanding your 2023 W-2

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| c Employer's name, address, and ZIP code Company ABC 123 35th St, 6th Ave New York, NY 10018 | | | |

3 Social security wages

47000.00

BOX 3: SOCIAL SECURITY WAGES

These are your earnings that are subject to Social Security tax

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| | 5 Medicare wages and tips 50000.00 | 6 Medicare tax withheld 725.00 | |
| c Employer's name, address, and ZIP code Company ABC 123 35th St, 6th Ave New York, NY 10018 | | | |

5 Medicare wages and tips

50000.00

BOX 5: MEDICARE WAGES AND TIPS

These are your earnings that are subject to Medicare tax

| | | | |
|-------------------------------------|----------------------------|---------------------|----------|
| Third-party sick pay | | 13d Code | |
| NY | 121234567 | 50000.00 | 1535.00 |
| 15 State Employer's state ID number | 16 State wages, tips, etc. | 17 State income tax | |
| 18 Local wages, tips, etc. | 19 Local income tax | 20 Locality name | New York |
| | 50000.00 | 750.00 | |

Form W-2 Wage and Tax Statement
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Box 3:

- These are your earnings that are subject to **Social Security tax (6.2%)**.
- This amount does not include tips, and since there's a yearly cap on how much you can be taxed for this, some individuals will find this number is going to be lower than their box 1. Don't panic if that's the case for you!
- Reminder – Social Security wages do “reset” when you change employers.
- 2023 wage limit = \$160,200.

Box 5:

- These are your earnings that are subject to the **Medicare Tax (1.45%)**.
- There's no cap on this one, so it may not always match Box 3 if that's what you were expecting.
- Reminder – There is an additional employee tax (.09%) after you exceed \$200,000 in wages.

Understanding your W-2

Box 7

- **Social Security Tips:** These are any tips earned by you that are subject to Social Security tax.
- Fun fact! Box 3 + Box 7 = Box 1

Box 16

State Wages, Tips, etc.: These are your taxable wages that are subject to the state's tax.

- Depending on your state, this number might not equal Box 1.
 - **NYS MUST match Box 1 (Federal Wages)!**

Box 18

- **Local Wages, Tips, etc.:** These are your Gross Taxable Wages that are subject to local tax, and again, depending on your city, this number might not equal Box 1.

7 Social security tips
3000.00

BOX 7: SOCIAL SECURITY TIPS
These are any tips earned by you that are subject to Social Security tax. **Fun fact! Box 3 + Box 7 = Box 1**

18 Local wages, tips, etc.
50000.00

BOX 18: LOCAL WAGES, TIPS, ETC.
These are your Gross taxable wages that are subject to local tax, and again, depending on your city, this number might not equal Box 1.

16 State wages, tips, etc.
50000.00

BOX 16: STATE WAGES, TIPS, ETC
These are your taxable wages that are subject to the state's tax.

Other Items

Box 10: Dependent Care

- This reflects total dependent care benefits under a dependent care assistance program (employer paid). Not subject to federal, social security, or Medicare taxes (but they are to NYS and city taxes).

Box 12: Tax deferred annuities (TDA)

- This is categorized by codes and includes: GTL; retirement; moving expense reimbursements; employer sponsored health coverage; etc.
- Most TDA contributions are not subject to income taxes. (Box 1, 16 & 18).
- They are subject to FICA taxes (Box 3 & 5)

Box 14: Other

- Any additional tax information. (Sec 125 “Cafeteria 125” tax free employee benefits; union dues; health insurance premiums deducted; education assistance; taxable auto allowance; voluntary after-tax contributions; etc).

| | | | | | | |
|--|-------------------------------|--|--|---|------------------|--|
| 22222 | VOID <input type="checkbox"/> | a Employee's social security number | OMB No. 1545-0008 | | | |
| b Employer identification number (EIN) | | 1 Wages, tips, other compensation | 2 Federal income tax withheld | | | |
| c Employer's name, address, and ZIP code | | 3 Social security wages | 4 Social security tax withheld | | | |
| | | 5 Medicare wages and tips | 6 Medicare tax withheld | | | |
| | | 7 Social security tips | 8 Allocated tips | | | |
| d Control number | 9 | 10 Dependent care benefits | | | | |
| e Employee's name, address, and ZIP code | | 11 Nonqualified plans | | 12a See instructions for box 12 | | |
| | | 13 Statutory employee <input type="checkbox"/> | Retirement plan <input type="checkbox"/> | Third-party sick pay <input type="checkbox"/> | 12b | |
| | | 14 Other | | | 12c | |
| | | | | | 12d | |
| 15 State Employer's state ID number | 16 State wages, tips, etc. | 17 State income tax | 18 Local wages, tips, etc. | 19 Local income tax | 20 Locality name | |

Form **W-2** Wage and Tax Statement
Copy D - For Employer or

2023

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

FAQs

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Q. My employer joined Prestige 1/1/2024, will you guys give me a W-2?

A. No. This year's W-2 will report 2023 wages, which have not been recorded under Prestige.

Q. My employer joined in the middle of last year – does that mean I'm going to get two W-2s?

A. Correct! If you have two employers in 2023, you will receive a W-2 from each.

Q. Wait, this isn't my W-4?

A. Although the forms are similar, they are not the same! The W-4 is the form on which you make your tax elections. The W-2 will show you the income & tax withholding you incurred within the year.

Q. What is "Cafe 125" I see written on my form?

A. This is the IRS term and code for pre-tax benefits – this can be 401k, health insurance, or FSAs, for example.

Q. What is Imputed Income?

A. This is for certain types of "fringe benefits" – or non-cash items or services that are taxable from your employer. (Ex: GTL; Company Car; Gym Benefits; DP coverage; etc).

Q. Where can I access my W-2?

A. Once it's posted, it will be available on the Employee Portal. Navigate on the left-hand side to Tax > W-2.

Please Note:

If you opted for an electronic copy of your W2, you will receive it ONLY as an electronic copy.

Not sure? Check in the ESS portal:

W-2

✓ You have successfully signed up for an electronic W-2 on 1/16/2023!

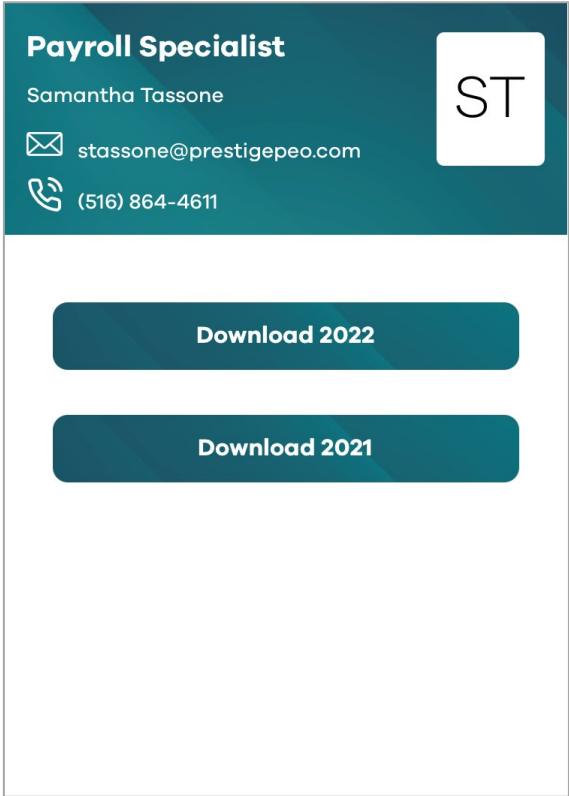
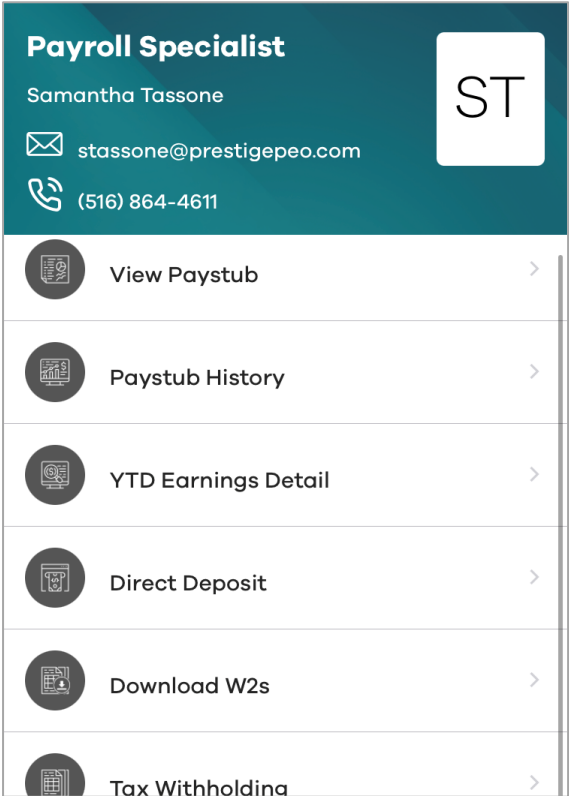
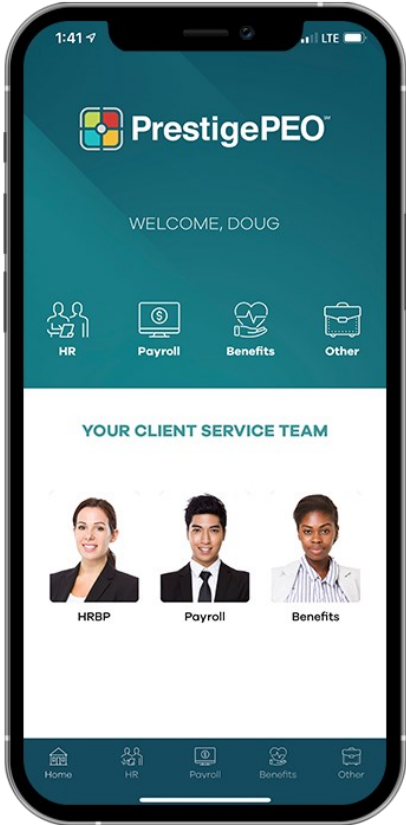
If you did NOT opt for an electronic W2, you will automatically receive a paper copy in the mail.

(Don't worry, you can access the electronic copy as well!)

Retrieving via PrestigePRO

The screenshot shows a web application interface for retrieving W-2 forms. On the left is a vertical navigation menu with items: Home, Personal, Benefits, Pay, Documents, Time & Attendance, Taxes (with a dropdown arrow), and Tax Withholding. Below these is a section titled 'W-2' containing links for ClearCompany, Kudos, Mobile App, State Posting Notices, Events, and Onboarding. The main content area has a breadcrumb trail 'Home > W-2' and a title 'W-2'. A green notification bar states: '✓ You have successfully signed up for an electronic W-2 on 1/16/2023!'. Below this is a section titled 'Download Your W-2' with the instruction: 'Select a year/employer from your available W-2's and click the download button.' This section contains a dropdown menu with 'Select One' and a blue download button with a white download icon.

Retrieving via PrestigeGo (Mobile App)



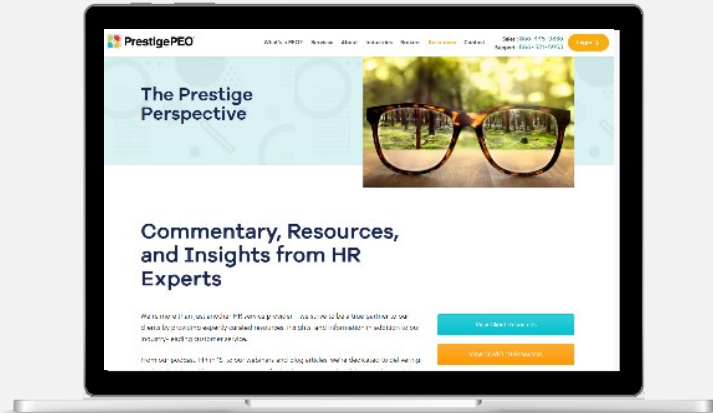
Conclusion

Call us!

- Crash course
- **Your Prestige team is always one phone call or email away, and we encourage you to use us!**
- Get ready for another W-2 season because it's here!



Questions / Comments / Discussion?



You can view today's presentation and video recording by visiting:

W-2 Resource Center

prestigepeo.com/w2-resource-center



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Reach out to your support teams – HR and Compliance, Employee Benefits, and Payroll directly from our **PrestigeGO mobile app**

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