


Purpose	This guide has been prepared to assist State of Vermont employees with the information represented on their W-2s. A description of each Box and the amounts included in each are described below.																												
Source Documents	To assist employees in reconciling these amounts, we recommend accessing a copy of the final pay advice issued on 12/30/2021 which includes year to date totals.																												
2021 W-2 Form	<p>Completed W-2s are mailed to all State employees by the prescribed IRS due date of January 31st. Active employees may also access copies in Employee Self Service. Former employees should email the Helpdesk for assistance: VTHR.Helpdesk@vermont.gov</p> 																												
Box 1 - Wages	<p>The amount represents Taxable Gross Wages and is NOT the gross amount of earnings paid within the calendar year. These are the wages you are 'taxed' on after elected pre-tax and taxable adjustments have been applied.</p> <p>To arrive at the amount in Box 1, amounts are calculated as follows:</p> <table data-bbox="470 1354 1536 1921"> <thead> <tr> <th></th> <th style="text-align: right;">Example</th> </tr> </thead> <tbody> <tr> <td>Total Earnings (from 12/30/21 Pay Advice)</td> <td style="text-align: right;">\$ 50,000.00</td> </tr> <tr> <td>+ Taxable Expenses or Fringe Benefits included in Earnings</td> <td style="text-align: right;">150.00</td> </tr> <tr> <td>- less amounts from 'Before Tax Deductions', such as:</td> <td></td> </tr> <tr> <td> Pre-Tax Medical</td> <td style="text-align: right;">(4,000.00)</td> </tr> <tr> <td> FSA Dependent Care or Medical Flex Spending Accts</td> <td style="text-align: right;">(1,200.00)</td> </tr> <tr> <td> Deferred Compensation (Prudential 457 Plan)</td> <td style="text-align: right;">(2,500.00)</td> </tr> <tr> <td> Retirement Deductions</td> <td style="text-align: right;">(3,000.00)</td> </tr> <tr> <td>+ plus Taxable Amounts (from Employer Paid Benefits section)</td> <td></td> </tr> <tr> <td> <i>Taxable amounts have an * after the description</i></td> <td></td> </tr> <tr> <td> Life Insurance</td> <td style="text-align: right;">25.00</td> </tr> <tr> <td> Domestic Partner Medical</td> <td style="text-align: right;">2,000.00</td> </tr> <tr> <td> Domestic Partner Dental</td> <td style="text-align: right;">400.00</td> </tr> <tr> <td>Taxable Gross Wages reported in Box 1</td> <td style="text-align: right;">\$ 41,875.00</td> </tr> </tbody> </table>		Example	Total Earnings (from 12/30/21 Pay Advice)	\$ 50,000.00	+ Taxable Expenses or Fringe Benefits included in Earnings	150.00	- less amounts from 'Before Tax Deductions', such as:		Pre-Tax Medical	(4,000.00)	FSA Dependent Care or Medical Flex Spending Accts	(1,200.00)	Deferred Compensation (Prudential 457 Plan)	(2,500.00)	Retirement Deductions	(3,000.00)	+ plus Taxable Amounts (from Employer Paid Benefits section)		<i>Taxable amounts have an * after the description</i>		Life Insurance	25.00	Domestic Partner Medical	2,000.00	Domestic Partner Dental	400.00	Taxable Gross Wages reported in Box 1	\$ 41,875.00
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Box 2 - Federal Income Tax	The amount of Federal Income tax that was withheld from all pay checks issued during the calendar year. Withholding is based on Federal W-4 elections.																										
Box 3 - Social Security Wages	<p>Adjusted Gross Social Security wages subject to the IRS Annual Limit of \$142,800 for 2021.</p> <p>To arrive at the amount in Box 3, amounts are calculated as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; vertical-align: bottom;">Example</th> </tr> </thead> <tbody> <tr> <td>Total Earnings (from 12/30/21 Pay Advice)</td> <td style="text-align: right;">\$ 150,000.00</td> </tr> <tr> <td>+ Taxable Expenses or Fringe Benefits included in Earnings</td> <td style="text-align: right;">75.00</td> </tr> <tr> <td>- less amounts from 'Before Tax Deductions', such as:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Pre-Tax Medical</td> <td style="text-align: right; color: red;">(4,000.00)</td> </tr> <tr> <td style="padding-left: 20px;">FSA Dependent Care or Medical Flex Spending Accts</td> <td style="text-align: right; color: red;">(1,200.00)</td> </tr> <tr> <td>+ plus Taxable Amounts (from Employer Paid Benefits section)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><i>Taxable amounts have an * after the description</i></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Life Insurance</td> <td style="text-align: right;">25.00</td> </tr> <tr> <td style="padding-left: 40px;">Domestic Partner Medical</td> <td style="text-align: right;">2,000.00</td> </tr> <tr> <td style="padding-left: 40px;">Domestic Partner Dental</td> <td style="text-align: right;">400.00</td> </tr> <tr> <td style="padding-left: 20px; color: red;">- less amount in excess of IRS limit</td> <td style="text-align: right; color: red; border-top: 1px solid black;">(9,600.00)</td> </tr> <tr> <td style="padding-left: 20px;">Social Security Wages reported in Box 3</td> <td style="text-align: right; border-top: 1px solid black;">\$ 137,700.00</td> </tr> </tbody> </table>		Example	Total Earnings (from 12/30/21 Pay Advice)	\$ 150,000.00	+ Taxable Expenses or Fringe Benefits included in Earnings	75.00	- less amounts from 'Before Tax Deductions', such as:		Pre-Tax Medical	(4,000.00)	FSA Dependent Care or Medical Flex Spending Accts	(1,200.00)	+ plus Taxable Amounts (from Employer Paid Benefits section)		<i>Taxable amounts have an * after the description</i>		Life Insurance	25.00	Domestic Partner Medical	2,000.00	Domestic Partner Dental	400.00	- less amount in excess of IRS limit	(9,600.00)	Social Security Wages reported in Box 3	\$ 137,700.00
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Box 4 - Social Security Tax	Total amount of Social Security tax (Fed OASDI/EE) that was withheld during the calendar year. Amount is 6.2% of Box 3 Wages, not to exceed the annual IRS limit of \$8,853.60.																										
Box 5 - Medicare Wages	<p>Adjusted Gross Medicare Wages. There is no IRS limit or cap on these wages. Medicare tax is also known as Social Security tax or Hospital Insurance.</p> <p>To arrive at the amount in Box 5, amounts are calculated as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; vertical-align: bottom;">Example</th> </tr> </thead> <tbody> <tr> <td>Total Earnings (from 12/30/21 Pay Advice)</td> <td style="text-align: right;">\$ 150,000.00</td> </tr> <tr> <td>+ Taxable Expenses or Fringe Benefits included in Earnings</td> <td style="text-align: right;">75.00</td> </tr> <tr> <td>- less amounts from 'Before Tax Deductions', such as:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Pre-Tax Medical</td> <td style="text-align: right; color: red;">(4,000.00)</td> </tr> <tr> <td style="padding-left: 20px;">FSA Dependent Care or Medical Flex Spending Accts</td> <td style="text-align: right; color: red;">(1,200.00)</td> </tr> <tr> <td>+ plus Taxable Amounts (from Employer Paid Benefits section)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><i>Taxable amounts have an * after the description</i></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Life Insurance</td> <td style="text-align: right;">25.00</td> </tr> <tr> <td style="padding-left: 40px;">Domestic Partner Medical</td> <td style="text-align: right;">2,000.00</td> </tr> <tr> <td style="padding-left: 40px;">Domestic Partner Dental</td> <td style="text-align: right;">400.00</td> </tr> <tr> <td style="padding-left: 20px;">Medicare Wages reported in Box 5</td> <td style="text-align: right; border-top: 1px solid black;">\$ 147,300.00</td> </tr> </tbody> </table>		Example	Total Earnings (from 12/30/21 Pay Advice)	\$ 150,000.00	+ Taxable Expenses or Fringe Benefits included in Earnings	75.00	- less amounts from 'Before Tax Deductions', such as:		Pre-Tax Medical	(4,000.00)	FSA Dependent Care or Medical Flex Spending Accts	(1,200.00)	+ plus Taxable Amounts (from Employer Paid Benefits section)		<i>Taxable amounts have an * after the description</i>		Life Insurance	25.00	Domestic Partner Medical	2,000.00	Domestic Partner Dental	400.00	Medicare Wages reported in Box 5	\$ 147,300.00		
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<p>Box 6 - Medicare Tax Withheld</p>	<p>Total amount of Medicare tax withheld (Fed MED/EE) that was withheld during the calendar year. Amount is 1.45% of Box 5 Wages with no limit or cap. Note: Adjusted earnings in excess of \$200,000 are taxed additionally at .9%)</p> <p>Example:</p> <table style="margin-left: 40px;"> <tr> <td>Total Medicare Wages reported in Box 5</td> <td style="text-align: right;">210,000.00</td> </tr> <tr> <td>Medicare Tax @ 1.45%</td> <td style="text-align: right;">3,045.00</td> </tr> <tr> <td>Excess Wages</td> <td style="text-align: right;">10,000.00</td> </tr> <tr> <td>Additional Medicare Tax on Excess @ .9%</td> <td style="text-align: right; border-bottom: 1px solid black;">90.00</td> </tr> <tr> <td>Total Tax Reported in Box 6</td> <td style="text-align: right;">3,135.00</td> </tr> </table>	Total Medicare Wages reported in Box 5	210,000.00	Medicare Tax @ 1.45%	3,045.00	Excess Wages	10,000.00	Additional Medicare Tax on Excess @ .9%	90.00	Total Tax Reported in Box 6	3,135.00
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<p>Boxes 7, 8 & 9</p>	<p>Not Applicable to State of VT employees.</p>										
<p>Box 10 - Dependent Care Benefits</p>	<p>The amount contributed in 2021 for Dependent Care Flexible Spending. These payroll deductions reduce OASDI, Medicare, Federal and State taxable wages. Note that the \$5,000 limit was removed for 2021.</p>										
<p>Box 11</p>	<p>Not Applicable</p>										
<p>Box 12 - Employee Benefit Deductions</p>	<p>This box contains employee benefit amounts identified by letter codes. Some of the most commonly shown codes are as follows:</p> <p>C. Group Life Insurance -- this amount represents the taxable portion of life insurance benefit coverage in excess of \$50,000. The amount is determined by the applicable IRS rate for your age. IRS rates can be found in Publication 15. This amount increases OASDI, Medicare, Federal & State taxable wages.</p> <p>G. Deferred Compensation 457 Plan -- Pre-tax deductions for elected contributions to your Deferred Comp 457 Plan with Prudential are reported here. Reduces Federal and State taxable wages.</p> <p>DD. Employer Sponsored Health Coverage -- This amount is informational only and represents the total cost of health care. This amount is not reflected on your Pay Advice and does not impact your taxable wages.</p> <p>EE. Roth Contributions -- After-tax deductions for elected contributions to your 457 Plan with Prudential are reported under this code. After tax deductions have no effect on your taxable wages.</p>										
<p>Box 13</p>	<p>The Retirement Plan box is checked for all 'active' participants (for any part of the year) in the State of Vermont Retirement Plans.</p>										

<p>Box 14</p>	<p>This box will provide up to 4 lines of deductions withheld from your pay during the year. Additional items will generate a 2nd form that has also been mailed. Please refer to your Pay advice in VTNR ESS for more detail on these deductions.</p> <p>RETIRE Employee pre-tax contributions to SOV retirement plan. Reduces Federal & State taxable wages.</p> <p>MED-BT Employee pre-tax premiums withheld for health insurance. Reduces OASDI, Medicare, Federal & State taxable wages.</p> <p>IMP-DP Imputed income is the value of the health and dental insurance coverage for employees who elect coverage for their Domestic or Civil Union Partner and their dependents. Increases OASDI, Medicare, Federal & State taxable wages. Note: State taxable wages are not increased for Civil Union Partners</p> <p>FSA-MD Medical Flex Spending account pre-tax deductions. Reduces OASDI, Medicare, Federal & State taxable wages.</p> <p>MED-AT Employee after-tax premiums withheld for health insurance. No effect on taxable wages.</p> <p>CHAR VT Shares contributions after-tax deductions. No effect on taxable wages.</p> <p>UNION VSEA, VTA & SAS Union Dues withheld as after-tax deduction. No effect on taxable wages.</p> <p>VHEIP VT Higher Education Investment Program after-tax contributions. No effect on taxable wages.</p> <p>TUITN Tuition reimbursements received up to \$5,250 limit. No effect on taxable wages.</p>
<p>Box 15</p>	<p>State Code - typically VT</p>
<p>Box 16</p>	<p>Represents the total amount of State taxable wages. These are NOT gross earnings, but are calculated in the same manner as Federal taxable wages. Reference Box 1 above for details on how this amount is arrived at.</p>
<p>Box 17</p>	<p>Total amount of State income tax withheld for the calendar year and paid to the State indicated in Box 15</p>