

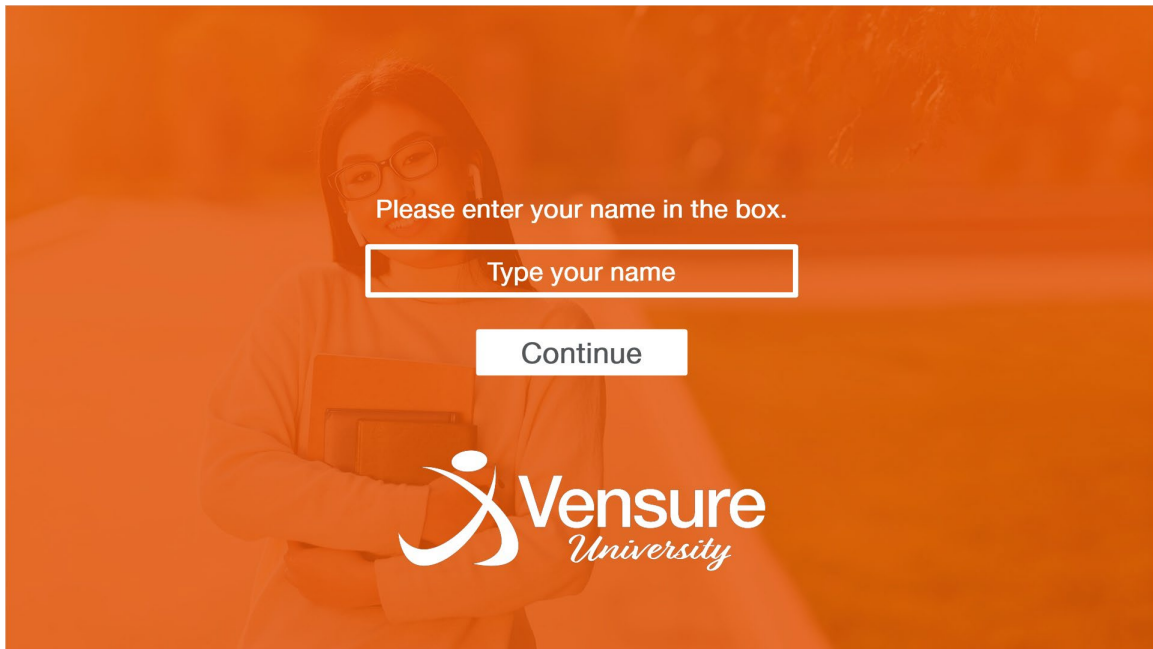
Understanding the Pay Stub and the W-2

1. Understanding the Pay Stub and the W-2

1.1 Welcome to Understanding the Pay Stub and the W-2




1.2 Enter Your Name

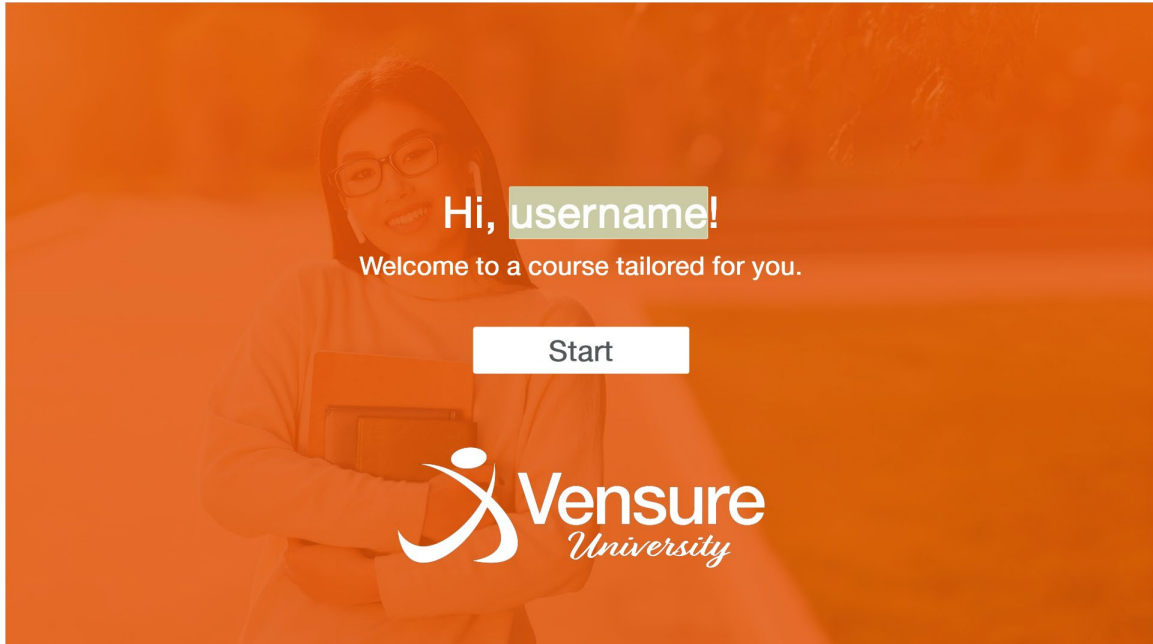


Please enter your name in the box.

Continue

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1.3 Welcome



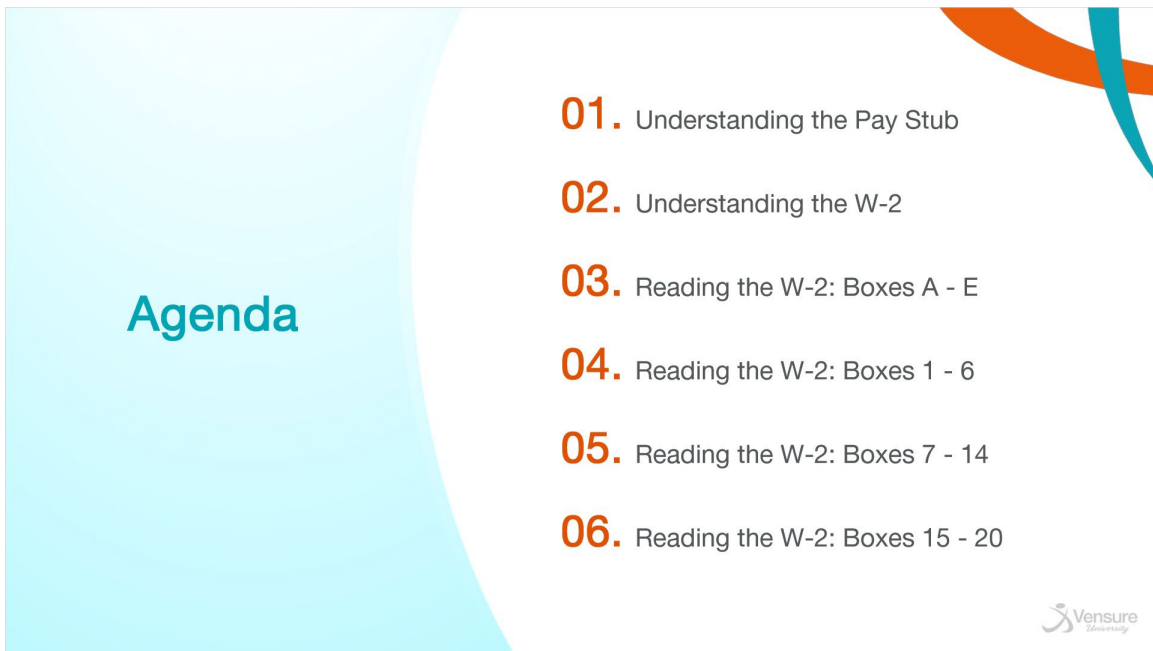
Hi, **username!**

Welcome to a course tailored for you.

Start


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University

1.4 Agenda



Agenda

- 01.** Understanding the Pay Stub
- 02.** Understanding the W-2
- 03.** Reading the W-2: Boxes A - E
- 04.** Reading the W-2: Boxes 1 - 6
- 05.** Reading the W-2: Boxes 7 - 14
- 06.** Reading the W-2: Boxes 15 - 20

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1.5 01. Understanding the Pay Stub



 **Understanding the Pay Stub**

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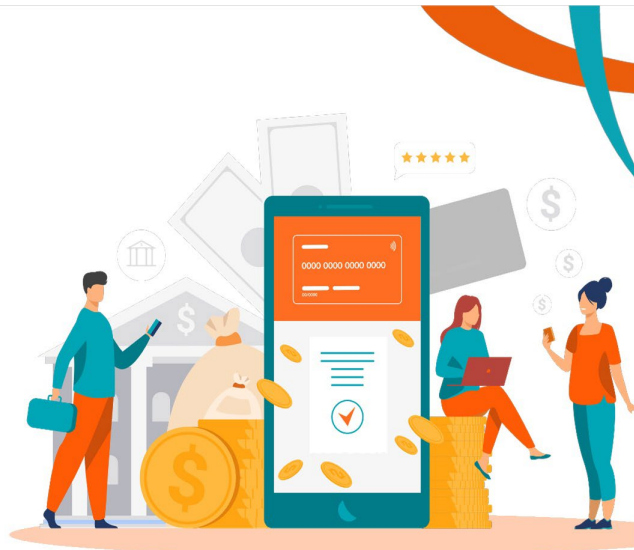
1.6 The Pay Stub

The Pay Stub

This training will discuss pay stubs and W-2 forms, pointing out where similarities appear in both statements.

Click to see a sample pay stub.

Click for instructions on locating an employee's pay stub in Prism.



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01 (Slide Layer)

The Pay Stub

This training will discuss pay stubs and W-2 forms, pointing out where similarities appear in both statements.



Voucher #: 004042 Sort Order: 11
Cumae Technologies, Inc. (10018)

LIZBETH HOFFMAN
SSN# EMP# W011111 Period Start Date 12-14-2020 Check Date 12-31-2020 Federal Filing Status NONE State Filing Status NONE

Earnings - Current				Deductions / Taxes			
Date	Pay Description	Pay Rate	Hrs/Units	Pay Amount	Description	Amount	YTD
12-27-2020	REGULAR PAY	125.0000	80.00	10000.00	MEDICAL	724.95	1765.95
12-27-2020	FRINGE AUTO	3500.0000	1.00	3500.00	DENTAL	68.41	1742.80
-	OTHER EARN	-	-	-	VISION	14.76	363.76
-	BONUS	-	-	-	401(K) CATCH	0.00	6500.00
-	-	-	-	-	401K	0.00	19500.00
-	-	-	-	-	FEDERAL TAX	4400.00	233280.00
-	-	-	-	-	MEDICARE	258.26	9613.67
-	-	-	-	-	SOC SECURITY	0.00	8537.40
-	-	-	-	-	MINCOME TAX	700.00	38840.00
Gross Earnings \$10,000.00 TOTAL				81.00	13,508.00		

Earnings - Year To Date			Net Pay Distribution	
Description	YTD	Type	Amount	
REGULAR PAY	270000.00	CHECK	\$0.00	
OTHER EARN	12000.01			
BONUS	220000.00	DIRECT DEPOSIT	\$3,793.62	
FRINGE AUTO	3500.00			
TOTAL NET PAY YTD			\$3,793.62	
TOTAL			\$505,500.01	\$165,916.82

Paid Time Off		Direct Deposit Detail		Employer Contributions			
Description	Balance	Account	Type	Description	Amount	YTD	
		96127	CHECKING	AP GUARDIAN LIF	4.90	127.40	
				AP GUARDIAN LTD	57.42	1481.07	
				SB HSA PPO 3500	0.00	222.04	
TOTAL DEPOSITED				\$3,793.62	TOTAL	62.32	1,830.51

Service Provider: ACCESS RESOURCES SOLUTIONS, 2800 W. GERONIMO PLACE, SUITE 100, CHANDLER, AZ 85224

Pay stub sample

02 (Slide Layer)

The Pay Stub

This training will discuss pay stubs and W-2 forms, pointing out where similarities appear in both statements.



Instructions for Finding an Employee's Last Pay Stub of the Year in Prism

1. Enter employee's name in search bar.
2. Click on the employee's name.
3. From the Employee Details page, click Actions and select Payroll Vouchers.
4. Select last payroll voucher of tax year in question.
5. Click on the Banking tab.
6. Select Reprint Check Stub.
7. Open the PDF to view the employee's pay stub.

1.7 The Pay Stub: Earnings

The Pay Stub: Earnings

Every employee's pay stub tell a story of how much money that employee earned:

- › For that pay period
- › For the current year

It also reflects the employee's:

- › Regular pay
- › Other earnings

Earnings - Year To Date	
Description	YTD
REGULAR PAY	270000.00
OTHER EARN	12000.01
BONUS	220000.00
FRINGE AUTO	3500.00
TOTAL	\$505,500.01



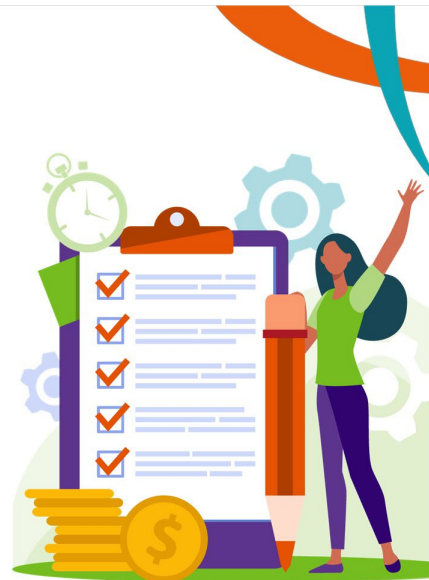
1.8 The Pay Stub: Taxes and Deductions

The Pay Stub: Taxes and Deductions

Pay stubs show how much money has been removed from the employee's paycheck for:

- › Taxes
 - Examples: Federal income and Social Security taxes
- › Deductions the employee has selected
 - Examples: Medical, 401(k)

[Click to View Taxes and Deductions](#)



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01 (Slide Layer)

The Pay Stub: Taxes and Deductions

Pay stubs show how much money has been removed from the employee's paycheck for:

- › Taxes
 - Examples: Federal income and Social Security taxes
- › Deductions the employee has selected
 - Examples: Medical, 401(k)



Deductions / Taxes

Description	Amount	YTD
MEDICAL	724.95	17685.56
DENTAL	68.41	1742.80
VISION	14.76	383.76
401(K) CATCH	0.00	6500.00
401K	0.00	19500.00
FEDERAL TAX	4400.00	233280.00
MEDICARE	298.26	9613.67
SOC SECURITY	0.00	8537.40
MI INCOME TAX	700.00	38840.00

TOTAL 6,206.38 336,083.19

Taxes and Deductions

1.9 The Pay Stub: Federal Filing Statuses

The Pay Stub: Federal Filing Statuses

An employee's federal filing status helps to determine an employee's federal income tax.

Federal Filing Status Key:

- H – Head of Household
- MJ – Married (filing jointly)
- S – Single
- SS – Married (filing separately)

Voucher #: 004042 Sort Order: 11	
Cumae Technologies, Inc. (10018)	
12-31-2020	Federal Filing Status S
005737589	State Filing Status NONE/NONE

In the above example, the employee's status indicates they are a single filer, meaning they are unmarried and do not qualify for a Head of Household status.



1.10 The Pay Stub: Year-to-Date Totals

The Pay Stub: Year-to-Date Totals

The **total gross pay** = the employee's earnings for the year

The **total gross pay** minus any **deductions/taxes or fringe benefits*** equals the employee's **total net pay** (or take-home pay) for the year.

Earnings - Year To Date		Net Pay Distribution		Deductions / Taxes		
Description	YTD	Type	Amount	Description	Amount	YTD
REGULAR PAY	270000.00	CHECK	\$0.00	MEDICAL	724.95	17685.56
OTHER EARN	12000.01			DENTAL	66.41	1742.50
BONUS	220000.00	DIRECT DEPOSIT	\$3,793.62	VISION	14.76	363.76
FRINGE AUTO	3500.00			401(K) CATCH	0.00	6500.00
				401K	0.00	19500.00
				FEDERAL TAX	4400.00	233250.00
				MEDICARE	296.26	9613.67
				SOC SECURITY	0.00	8537.40
				MI INCOME TAX	700.00	38840.00
TOTAL	\$505,500.01					
		TOTAL NET PAY	\$3,793.62			
		TOTAL NET PAY YTD	\$165,916.82	TOTAL	6,206.38	336,083.19

*A fringe benefit is any additional benefit, or perk, that is given to the employee in addition to their salary. Examples include meal subsidies or a company car (as the screenshot shows). Fringe benefits will affect the employee's yearly taxes.



1.11 The Pay Stub: Timespan and Payment Method

The Pay Stub: Time Frames and Payment Methods

Lastly, the pay stub gives:



LIZBETH HOFFMAN				
SSN#	Period Start Date	12-14-2020	Check Date	12-31-2020 Feder
EMP# W01111	Period End Date	12-27-2020	Check Number	005737589 State
Earnings - Current				
Date	Pay Description	Pay Rate	Hrs/Units	Pay Amount
12-27-2020	REGULAR PAY	125.0000	80.00	10000.00
12-27-2020	FRINGE AUTO	3500.0000	1.00	3500.00
-	OTHER EARN	-	-	-
-	BONUS	-	-	-
Gross Earnings \$10,000.00 TOTAL		81.00	13,500.00	
Earnings - Year To Date			Net Pay Distribution	
Description	YTD	Type	Amount	
REGULAR PAY	270000.00	CHECK	\$0.00	
OTHER EARN	12000.01			
BONUS	220000.00	DIRECT DEPOSIT	\$3,793.62	
FRINGE AUTO	3500.00			
TOTAL NET PAY			\$3,793.62	
TOTAL NET PAY YTD			\$165,916.82	
TOTAL	\$505,500.01			



Untitled Layer 1 (Slide Layer)

The Pay Stub: Time Frames and Payment Methods

Lastly, the pay stub gives:



- ▶ The pay period: Time frame the employee is being paid for

LIZBETH HOFFMAN				
SSN#	Period Start Date	12-14-2020	Check Date	12-31-2020 Feder
EMP# W01111	Period End Date	12-27-2020	Check Number	005737589 State
Earnings - Current				
Date	Pay Description	Pay Rate	Hrs/Units	Pay Amount
12-27-2020	REGULAR PAY	125.0000	80.00	10000.00
12-27-2020	FRINGE AUTO	3500.0000	1.00	3500.00
-	OTHER EARN	-	-	-
-	BONUS	-	-	-
Gross Earnings \$10,000.00 TOTAL		81.00	13,500.00	
Earnings - Year To Date			Net Pay Distribution	
Description	YTD	Type	Amount	
REGULAR PAY	270000.00	CHECK	\$0.00	
OTHER EARN	12000.01			
BONUS	220000.00	DIRECT DEPOSIT	\$3,793.62	
FRINGE AUTO	3500.00			
TOTAL NET PAY			\$3,793.62	
TOTAL NET PAY YTD			\$165,916.82	
TOTAL	\$505,500.01			



Untitled Layer 2 (Slide Layer)

The Pay Stub: Time Frames and Payment Methods

Lastly, the pay stub gives:



- The pay (check) date: Day when the employee receives their paycheck

LIZBETH HOFFMAN					
SSN#	Period Start Date	12-14-2020	Check Date	12-31-2020	Feder
EMP#	W01111	Period End Date	12-27-2020	Check Number	005737589 State
Earnings - Current					
Date	Pay Description	Pay Rate	Hrs/Units	Pay Amount	
12-27-2020	REGULAR PAY	125.0000	80.00	10000.00	
12-27-2020	FRINGE AUTO	3500.0000	1.00	3500.00	
-	OTHER EARN	-	-	-	
-	BONUS	-	-	-	
Gross Earnings \$10,000.00		TOTAL	81.00	13,500.00	
Earnings - Year To Date			Net Pay Distribution		
Description	YTD	Type	Amount		
REGULAR PAY	270000.00	CHECK	\$0.00		
OTHER EARN	12000.01	DIRECT DEPOSIT	\$3,793.62		
BONUS	220000.00				
FRINGE AUTO	3500.00				
TOTAL NET PAY			\$3,793.62		
TOTAL NET PAY YTD			\$165,916.82		
TOTAL			\$505,500.01		



Untitled Layer 3 (Slide Layer)

The Pay Stub: Time Frames and Payment Methods

Lastly, the pay stub gives:



- The employee's preferred method of payment:
Check or direct deposit

LIZBETH HOFFMAN					
SSN#	Period Start Date	12-14-2020	Check Date	12-31-2020	Feder
EMP#	W01111	Period End Date	12-27-2020	Check Number	005737589 State
Earnings - Current					
Date	Pay Description	Pay Rate	Hrs/Units	Pay Amount	
12-27-2020	REGULAR PAY	125.0000	80.00	10000.00	
12-27-2020	FRINGE AUTO	3500.0000	1.00	3500.00	
-	OTHER EARN	-	-	-	
-	BONUS	-	-	-	
Gross Earnings \$10,000.00		TOTAL	81.00	13,500.00	
Earnings - Year To Date			Net Pay Distribution		
Description	YTD	Type	Amount		
REGULAR PAY	270000.00	CHECK	\$0.00		
OTHER EARN	12000.01	DIRECT DEPOSIT	\$3,793.62		
BONUS	220000.00				
FRINGE AUTO	3500.00				
TOTAL NET PAY			\$3,793.62		
TOTAL NET PAY YTD			\$165,916.82		
TOTAL			\$505,500.01		



1.12 Knowledge Check 1

(Drag and Drop, 10 points, unlimited attempts permitted)

Knowledge Check 1

Drag and drop.
Complete the equation we discussed earlier in this section.

$$\text{[]} - \text{[]} = \text{[]}$$

total net pay

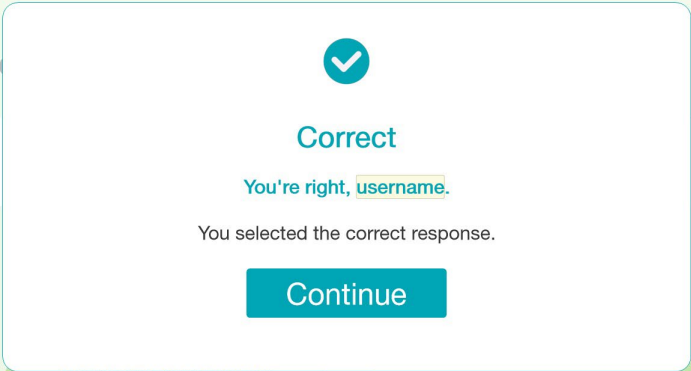
the money taken out for taxes and deductions total gross pay


Drag Item	Drop Target
total gross pay	01
the money taken out for taxes and deductions	03
total net pay	04

Drag and drop properties
Snap dropped items to drop target (Snap to center)
Allow only one item in each drop target
Delay item drop states until interaction is submitted

Correct (Slide Layer)

Knowledge Check 1





Correct

You're right, **username**.

You selected the correct response.

Continue

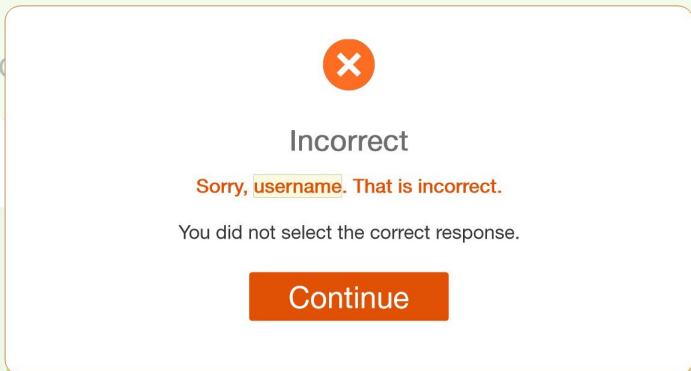
the money taken out for taxes and deductions


total gross pay

The slide features a green header with the title 'Knowledge Check 1'. The main content is a white rounded rectangle with a blue checkmark icon at the top. Below the icon, the word 'Correct' is displayed in blue. A message follows: 'You're right, username.' where 'username' is highlighted in a light blue box. Below this, it says 'You selected the correct response.' At the bottom of the white box is a blue 'Continue' button. The background of the slide is light green with faint circular patterns. At the bottom, two green rounded rectangles contain the text 'the money taken out for taxes and deductions' and 'total gross pay'.

Incorrect (Slide Layer)

Knowledge Check 1





Incorrect

Sorry, **username**. That is incorrect.

You did not select the correct response.

Continue


the money taken out for taxes and deductions

total gross pay

The slide features a green header with the title 'Knowledge Check 1'. The main content is a white rounded rectangle with a red 'X' icon at the top. Below the icon, the word 'Incorrect' is displayed in red. A message follows: 'Sorry, username. That is incorrect.' where 'username' is highlighted in a light red box. Below this, it says 'You did not select the correct response.' At the bottom of the white box is a red 'Continue' button. The background of the slide is light green with faint circular patterns. At the bottom, two green rounded rectangles contain the text 'the money taken out for taxes and deductions' and 'total gross pay'.

Try Again (Slide Layer)

Knowledge Check 1



Incorrect

Sorry, username. That is incorrect.

Please try again.

[Try Again](#)

the money taken out for taxes and deductions

total gross pay

1.13 Knowledge Check 2

(Multiple Response, 10 points, unlimited attempts permitted)

Knowledge Check 2

Select all that apply.


The pay stub contains which of the following information?

<input checked="" type="checkbox"/> The pay date	<input checked="" type="checkbox"/> The pay period
<input type="checkbox"/> An employee's direct deposit account number	<input checked="" type="checkbox"/> An employee's designated method of payment

Correct	Choice
X	The pay date
X	The pay period
	An employee's direct deposit account number
X	An employee's designated method of payment

Correct (Slide Layer)

Knowledge Check 2


Correct
You're right, username.
You selected the correct response.
Continue

The slide features a central white rounded rectangle with a teal border. At the top center is a teal circle containing a white checkmark. Below this, the word "Correct" is written in teal. Underneath, the text "You're right, username." is displayed in teal, with "username" underlined. Below that, the text "You selected the correct response." is shown in black. At the bottom center is a teal rectangular button with the word "Continue" in white. To the left of the central box, two faint, semi-transparent question options are visible: "The pay" with a red checkmark icon and "An emp number" with a red X icon. To the right of the central box, two empty rectangular input fields are visible.

Incorrect (Slide Layer)

The screenshot shows a slide titled "Knowledge Check 2" with a green header. A central white box with a red border contains a red 'X' icon, the word "Incorrect", and a message: "Sorry, **username**. That is incorrect. You did not select the correct response." Below this is a red "Continue" button. To the left, a question is partially visible with two options: "The pay" (checked) and "An emp number". To the right, two empty rectangular boxes are visible.

Try Again (Slide Layer)

The screenshot shows a slide titled "Knowledge Check 2" with a green header. A central white box with a red border contains a red 'X' icon, the word "Incorrect", and a message: "Sorry, **username**. That is incorrect. Please try again." Below this is a red "Try Again" button. To the left, a question is partially visible with two options: "The pay" (checked) and "An emp number". To the right, two empty rectangular boxes are visible.

1.14 02. Understanding the W-2



Understanding the W-2



1.15 What Is a W-2?

What Is Form W-2?

- › The **Wage and Tax Statement**
- › It shows:
 - All **taxable earnings** an employee received during a calendar year
 - All **taxes that were withheld** during that calendar year*
- › Sent to the employee, who is responsible for filing this document for tax purposes

*Investopedia

Copy 2 - To Be Filed With Employee's State, City, or Local Income Tax Return.		41-0852411 OMB No. 1545-0048	
1 Employer's soc. sec. no. 527-19-1709	14 Wages, tips, other comp. 459687.89	2 Federal income tax withheld 233280.00	
3 Social security wages 137700.00	4 Social security tax withheld 8537.40		
5 Employer ID number (EIN) 42-1000003	5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67	
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224			
d Control number			
e Employer's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI			
7 Social security tips 0.00	8 Allocated tips 0.00	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code D	26000.00
13 Statutory employee	14 Other AUTO PERSONL 3500.00	12b Code DD	23685.56
15 Retirement plan X		12c Code	
16 Third-party sick pay		12d Code	
17 MI 42-1000003	459687.89	38840.00	
15 State: Employer's state I.D. 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 2020 Dept. of the Treasury - IRS

W-2 Sample

1.16 What Time Period Does a W2 Cover?

What Time Period Does a W-2 Cover?

The IRS only takes into consideration **the date an employee gets paid on**.

- › An employee may have worked Dec. 16 - 31 during **Year A**.
- › That employee's paid date was January 7 of the following year (**Year B**).
- › The employee's earnings from the January pay date will only be reflected on the W-2 for **Year B**.



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1.17 Filing a W-2: Employee Copies

Filing a W-2: Employee Copies

Employees receive several copies:

- › They file **Copy B** with their Form 1040 and send it to the IRS.
- › They file **Copy 2** forms with state, city, and local tax agencies.
- › They may keep **Copy C** for their personal records.

View the copy name and its intended recipient on the top left of the W-2.

Copy 2 – To Be Filed With Employee's
State, City, or Local Income Tax Return.

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1.18 Knowledge Check 3

(Multiple Choice, 10 points, unlimited attempts permitted)

Knowledge Check 3

Select the correct answer.

Which important copy of the W-2 must individuals submit to the IRS during tax season?

Copy 1

Copy 2


Copy A

Copy B

Correct	Choice
	Copy 1
	Copy 2
	Copy A
X	Copy B

Correct (Slide Layer)

Knowledge Check 3



Correct

You're right, username.

You selected the correct response.


[Continue](#)

Copy

Copy

Incorrect (Slide Layer)

Knowledge Check 3



Incorrect

Sorry, username. That is incorrect.

You did not select the correct response.


[Continue](#)

Copy

Copy

Try Again (Slide Layer)

Knowledge Check 3




Incorrect

Sorry, username. That is incorrect.


Please try again.

Try Again

1.19 03. Reading the W-2: Boxes A - E



Reading the W-2: Boxes A - E



1.20 Reading the W-2

Reading the W-2

The W-2 can be broken into four sections:

Click on the outlined sections of the screenshot.



Copy 2 – To Be Filed With Employee's State, City, or Local Income Tax Return			41-8852411 OMB No. 1545-0008	
a Employee's soc. sec. no. 527-19-1709	1 Wages, tips, other compensation 459687.89	2 Federal income tax withheld 233280.00		
b Employer ID number (EIN) 42-1000003	3 Social security wages 137700.00	4 Social security tax withheld 8537.40		
	5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67		
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224				
d Control number				
e Employee's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI				
7 Social security tips 0.00	8 Allocated tips 0.00	9		
10 Dependent care benefits		11 Nonqualified plans		12a Code D 26000.00
13 Statutory employee	14 Other AUTO PERSNL 3500.00	12b Code DD 23685.56		12c Code
Retirement plan X	Third-party sick pay	12d Code		
MI	42-1000003	459687.89	38840.00	
15 State, Employer's state I.D. 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 2020 Dept. of the Treasury – IRS

Untitled Layer 1 (Slide Layer)

Reading the W-2

The W-2 can be broken into four sections:

Click on the outlined sections of the screenshot.



➤ Boxes A - E: Employee and employer contact information

Copy 2 – To Be Filed With Employee's State, City, or Local Income Tax Return			41-8852411 OMB No. 1545-0008	
a Employee's soc. sec. no. 527-19-1709	1 Wages, tips, other compensation 459687.89	2 Federal income tax withheld 233280.00		
b Employer ID number (EIN) 42-1000003	3 Social security wages 137700.00	4 Social security tax withheld 8537.40		
	5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67		
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224				
d Control number				
e Employee's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI				
7 Social security tips 0.00	8 Allocated tips 0.00	9		
10 Dependent care benefits		11 Nonqualified plans		12a Code D 26000.00
13 Statutory employee	14 Other AUTO PERSNL 3500.00	12b Code DD 23685.56		12c Code
Retirement plan X	Third-party sick pay	12d Code		
MI	42-1000003	459687.89	38840.00	
15 State, Employer's state I.D. 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 2020 Dept. of the Treasury – IRS

Untitled Layer 2 (Slide Layer)

Reading the W-2

The W-2 can be broken into four sections:

Click on the outlined sections of the screenshot.



➤ **Boxes 1 - 6:** Employee earnings and federal taxes

Copy 2 - To Be Filed With Employee's State, City, or Local Income Tax Return			41-0852411 OMB No. 1545-0008
a Employee's soc. sec. no. 527-19-1709	1 Wages, tips, other comp. 459687.89	2 Federal income tax withheld 233280.00	
b Employer ID number (EIN) 42-1000003	3 Social security wages 137700.00	4 Social security tax withheld 8537.40	
	5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67	
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224			
d Control number			
e Employee's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI			Suffix
7 Social security tips 0.00	8 Allocated tips 0.00	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code D	26000.00
13 Statutory employee	14 Other AUTO PERSNL 3500.00	12b Code DD	23685.56
Retirement plan X		12c Code	
Third-party sick pay		12d Code	
MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. 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 2020 Dept. of the Treasury - IRS

Untitled Layer 3 (Slide Layer)

Reading the W-2

The W-2 can be broken into four sections:

Click on the outlined sections of the screenshot.



➤ **Boxes 7 - 14:** Additional compensation and deductions

Copy 2 - To Be Filed With Employee's State, City, or Local Income Tax Return			41-0852411 OMB No. 1545-0008
a Employee's soc. sec. no. 527-19-1709	1 Wages, tips, other comp. 459687.89	2 Federal income tax withheld 233280.00	
b Employer ID number (EIN) 42-1000003	3 Social security wages 137700.00	4 Social security tax withheld 8537.40	
	5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67	
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224			
d Control number			
e Employee's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI			Suffix
7 Social security tips 0.00	8 Allocated tips 0.00	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code D	26000.00
13 Statutory employee	14 Other AUTO PERSNL 3500.00	12b Code DD	23685.56
Retirement plan X		12c Code	
Third-party sick pay		12d Code	
MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. 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 2020 Dept. of the Treasury - IRS

Untitled Layer 4 (Slide Layer)

Reading the W-2

The W-2 can be broken into four sections:

Click on the outlined sections of the screenshot.



➤ Boxes 15 - 20: State and local taxes

Copy 2 - To Be Filed With Employee's State, City, or Local Income Tax Return

41-2862411
OMB No. 1545-0048

a Employee's soc. sec. no. 527-19-1709	1 Wages, tips, other income 459687.89	2 Federal income tax withheld 233280.00
b Employer ID number (EIN) 42-1000003	3 Social security wages 137700.00	4 Social security tax withheld 8537.40
	5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224		
d Control number		
e Employee's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI		
7 Social security tips 0.00		8 Allocated tips 0.00
10 Dependent care benefits	11 Nonqualified plans	12a Code D 26000.00
13 Statutory employee	14 Other AUTO PERSNL 3500.00	12b Code DD 23685.56
Retirement plan X		12c Code
15 State wages, tips, etc.	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name
MI 42-1000003	459687.89	38940.00

Form W-2 Wage and Tax Statement 2020 Dept. of the Treasury - BPS

1.21 Boxes A - E: Employee and Employer Contact Information

Boxes A - E: Employee and Employer Contact Information

W-2 EXAMPLE

a Employee's soc. sec. no. 527-19-1709	b Employer ID number (EIN) 42-1000003
c Employer's name, address, and ZIP code ACCESS RESOURCES SOLUTIONS 2600 W. GERONIMO PLACE, SUITE 100 CHANDLER, AZ 85224	
d Control number	
e Employee's name, address, and ZIP code LIZBETH HOFFMAN 76 LOGAN PARKWAY West Bloomfield, MI	

PAY STUB EXAMPLE

Paid Time Off		Direct Deposit Detail		
Description	Balance	Account	Type	Amount
		90127	CHECKING	3,793.62
TOTAL DEPOSITED				\$3,793.62
Service Provider: ACCESS RESOURCES SOLUTIONS, 2600 W. GERONIMO PLACE, SUITE 100, CHANDLER, AZ 85224				
Pay Non-negotiable				
To The Order Of	LIZBETH HOFFMAN 76 LOGAN PARKWAY WestBloomfield,MI48323			



1.22 04. Reading the W-2: Boxes 1 - 6



Reading the W-2: Boxes 1 - 6



1.23 Boxes 1 - 6: Employee Earnings and Federal Taxes

Boxes 1 - 6: Employee Earnings and Federal Taxes

Local Income Tax Returns	
1 Wages, tips, other comp.	459687.89
2 Federal income tax withheld	233280.00
3 Social security wages	137700.00
4 Social security tax withheld	8537.40
5 Medicare wages and tips	485687.89
6 Medicare tax withheld	9613.67

Earnings - Year To Date		Deductions / Taxes		
Description	YTD	Description	Amount	YTD
REGULAR PAY	270000.00	MEDICAL	724.95	17685.56
OTHER EARN	12000.01	DENTAL	68.41	1742.80
BONUS	220000.00	VISION	14.76	383.76
FRINGE AUTO	3500.00	401(K) CATCH	0.00	6500.00
		401K	0.00	19500.00
TOTAL	\$505,500.01	FEDERAL TAX	4400.00	233280.00
		MEDICARE	298.26	9613.67
		SOC SECURITY	0.00	8537.40
		MI INCOME TAX	700.00	38840.00



1.24 The Organization of Boxes 1 - 6

The Organization of Boxes 1 - 6

1 Wages, tips, other comp. 459687.89	2 Federal income tax withheld 233280.00
3 Social security wages 137700.00	4 Social security tax withheld 8537.40
5 Medicare wages and tips 485687.89	6 Medicare tax withheld 9613.67

Boxes 1 - 6 can best be viewed as a table:

	Earnings subject to a tax	Actual amount withheld for that tax
Federal income tax	Box 1	Box 2
Social security tax	Box 3	Box 4
Medicare tax	Box 5	Box 6



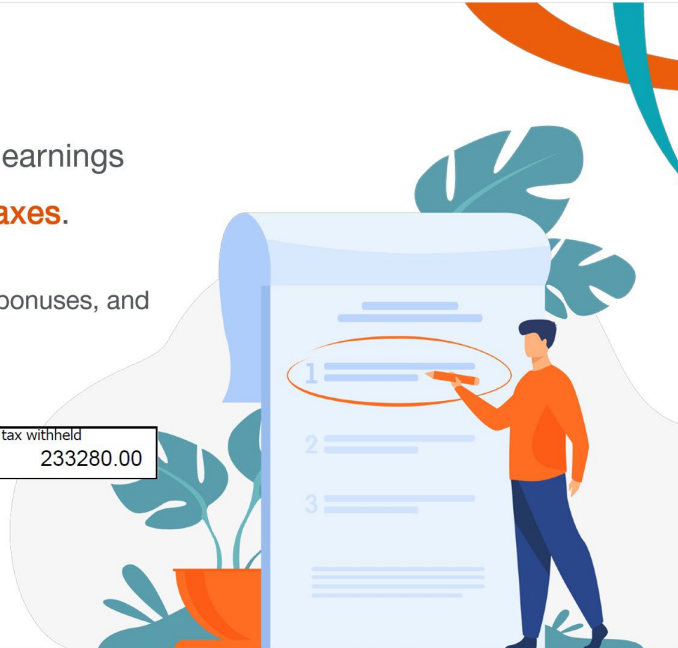
1.25 Box 1

Box 1

This is all of the employee's earnings that **are subject to federal taxes**.

- › Includes wages, salaries, tips, bonuses, and commissions

1 Wages, tips, other comp. 459687.89	2 Federal income tax withheld 233280.00
--	---



1.26 Box 1: Calculations

Box 1: Calculations

In order to calculate the amount in Box 1:

- Take the total gross pay from the pay stub (**\$505,500.01**)
- Subtract applicable pre-tax deductions:
 - Medical (**\$17,685.56**)
 - Dental (**\$1,742.80**)
 - Vision (**\$383.76**)
 - 401(k) Catch-Up (**\$6,500.00**)
 - 401(k) (**\$19,500.00**)
 - **Total deductions: \$45,812.12**

Earnings - Year To Date	
Description	YTD
REGULAR PAY	270000.00
OTHER EARN	12000.01
BONUS	220000.00
FRINGE AUTO	3500.00
TOTAL	\$505,500.01

Deductions / Taxes		
Description	Amount	YTD
MEDICAL	724.95	17685.56
DENTAL	68.41	1742.80
VISION	14.76	383.76
401(K) CATCH	0.00	6500.00
401K	0.00	19500.00
FEDERAL TAX	4400.00	233280.00
MEDICARE	298.26	9613.67

To get the Box 1 amount:
 $\$505,500.01 - \$45,812.12 = \$459,687.89$

¹Wages, tips, other comp.
459687.89

Click to see an important reminder.



Caution (Slide Layer)

Box 1: Calculation

In order to calculate the amount

- Take the total gross pay from the p
- Subtract applicable pre-tax deduct
 - Medical (**\$17,685.56**)
 - Dental (**\$1,742.80**)
 - Vision (**\$383.76**)
 - 401(k) Catch-Up (**\$6,500.00**)
 - 401(k) (**\$19,500.00**)
 - **Total deductions: \$45,812.1**

To get the Box 1 amount:
 $\$505,500.01 - \$45,812.12 = \$459,687.89$

Caution: Sometimes the pay stub will include nontaxable income, such as car mileage or cell phone reimbursement stipends. These amounts would be excluded from your taxable income and thus would NOT appear on your W-2.

TOTAL	
Earnings - Year To Date	
Description	YTD
SALARY	
BONUS	
CELL PHONE REIM	900.00
FLOATING HOL	



1.27 Box 2

Box 2

1 Wages, tips, other comp. 459687.89	2 Federal income tax withheld 233280.00
---	--

The amount of money **taken out** of an employee's paycheck to pay the federal income tax

- › The tax rate an employee owes is based on the tax bracket they are in.
 - For example, in 2021, employees that were married but filing jointly...and:
 - Made between \$9,951 to \$81,050, the amount was up to **12%** of their earnings
 - Made between \$81,051 to \$172,750, the amount was up to **22%***

*Nerdwallet



1.28 Box 3 - 4

Boxes 3 - 4

3 Social security wages 137700.00	4 Social security tax withheld 8537.40
--------------------------------------	---

Box 3: The money an employee made that **was subject to Social Security taxes** (minus any tipped wages, reported in Box 7)

Box 4: The money **taken out** of an employee's paycheck for Social Security

- › The amount of **Box 3** plus **Box 7** (any tips subject to social security), multiplied by **6.2%** (the Social Security rate)
- › Social Security has a wage base limit – the maximum amount of wages and tips that can be taxed for social security
 - The limit is being raised: **\$137,700** in 2021, **\$147,000** in 2022, and **\$160,200** for 2023

To get the Box 4 amount:
[(Box 3) + (Box 7)] x 0.062



1.29 Box 5

Box 5

The amount of an employee's earnings that **was subject to Medicare taxes**

5 Medicare wages and tips	6 Medicare tax withheld
485687.89	9613.67

› To calculate this amount:

- Take the year's **total gross** (\$505,500.01)
- Subtract pre-tax deductions*:
 - **Medical** (\$17,685.56)
 - **Dental** (\$1,742.80)
 - **Vision** (\$383.76)
 - Total: **\$19,812.12**

Earnings - Year To Date	
Description	YTD
REGULAR PAY	270000.00
OTHER EARN	12000.01
BONUS	22000.00
FRINGE AUTO	3500.00
TOTAL	\$505,500.01

Deductions / Taxes		
Description	Amount	YTD
MEDICAL	724.95	17685.56
DENTAL	68.41	1742.80
VISION	14.76	383.76
401(K) CATCH	0.00	6500.00
401K	0.00	19500.00
FEDERAL TAX	4400.00	233280.00
MEDICARE	298.26	9613.67
SOC SECURITY	0.00	8537.40
MI INCOME TAX	700.00	38840.00

To get the Box 5 amount:

$$\$505,500.01 - \$19,812.12 = \underline{\$485,687.89}$$

*Note: Although 401(k) is a pre-tax deduction, it does not apply to Medicare calculations.



1.30 Box 6

Box 6

The amount of tax taken out of an employee's paycheck that goes towards **Medicare**

- › Note: There is **no wage limit** for Medicare.
- › The employee pays 1.45% up to \$200,000...**but** any earnings over \$200,000 are taxed an additional 0.9% (**2.35%** total).

5 Medicare wages and tips	6 Medicare tax withheld
485687.89	9613.67



1.31 Box 6: Formula

Calculations for Box 6 Amount

➤ Take the Box 5 amount (\$485,687.89):

5 Medicare wages and tips	485687.89	6 Medicare tax withheld	9613.67
---------------------------	-----------	-------------------------	---------

- Calculate the amount for the first \$200,000 (at **1.45%**)
 - $200,000 \times 0.0145 = \mathbf{\$2,900}$
- (If applicable) Calculate the amount for any remaining earnings (at **2.35%**)
 - $485,687.89 - 200,000 = \$285,687.89$ (remaining funds)
 - $285,687.89 \times 0.0235 = \mathbf{\$6,713.67}$
- Add these amounts together

To get the Box 6 amount:

$$\mathbf{\$2,900 + \$6,713.67 = \$9,613.67}$$



1.32 Knowledge Check 4

(Multiple Response, 10 points, unlimited attempts permitted)

Knowledge Check 4

Select all that apply.

Which of the following taxes are covered in Boxes 1 - 6?

Medicare tax

Social Security tax

Federal income tax

State income tax

Correct	Choice
X	Medicare tax
X	Social Security tax
X	Federal income tax
	State income tax

Correct (Slide Layer)

Knowledge Check 4

Medicare tax

Federal income tax

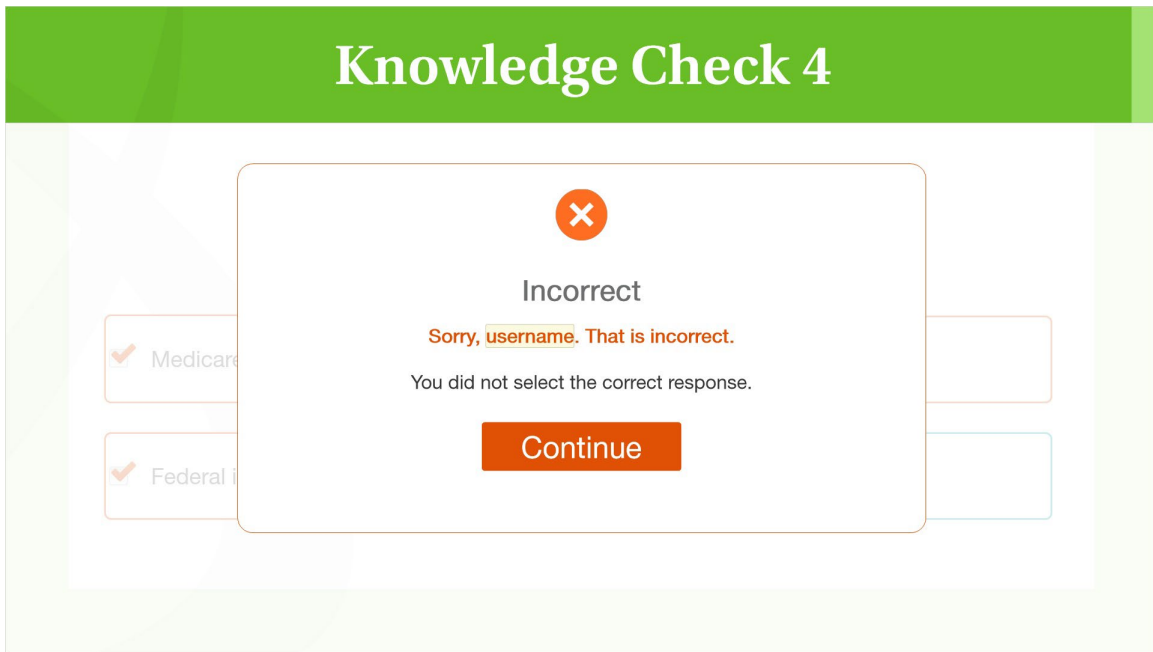
Correct

You're right, **username**.


You selected the correct response.

Continue

Incorrect (Slide Layer)



Knowledge Check 4



Incorrect

Sorry, **username**. That is incorrect.

You did not select the correct response.

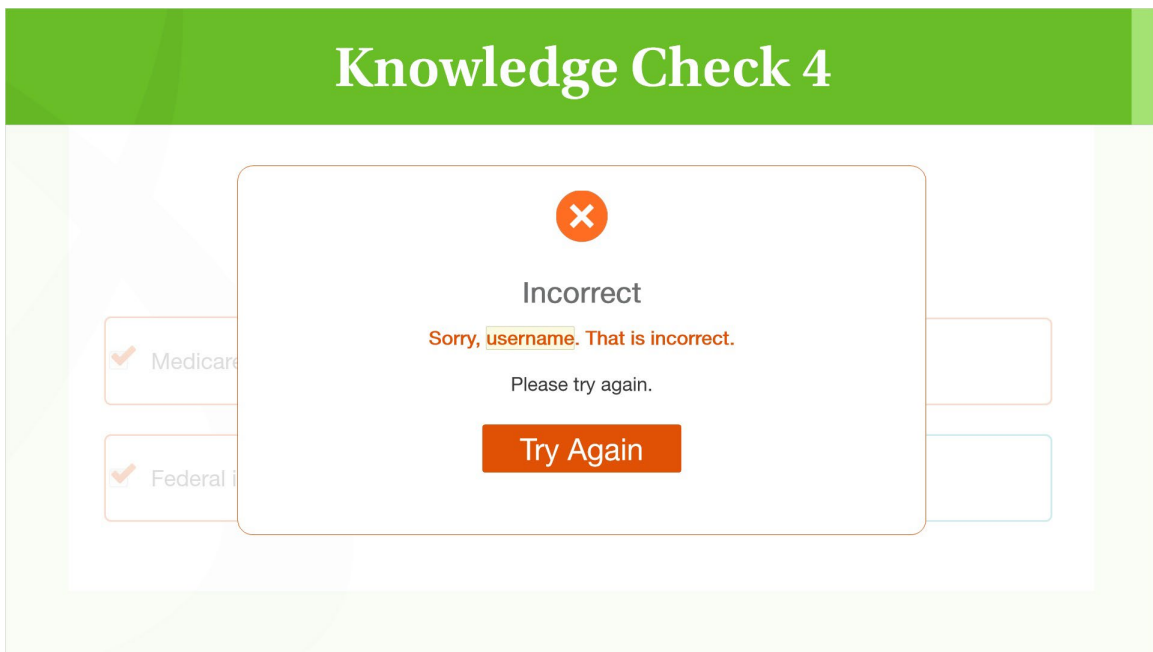
Continue

Medicare


Federal i

This slide shows a feedback message for an incorrect answer. It features a red 'X' icon, the word 'Incorrect', a personalized message 'Sorry, username. That is incorrect.', and a note 'You did not select the correct response.' A 'Continue' button is centered at the bottom. On the left, two options are visible: 'Medicare' and 'Federal i', both with checkmarks. On the right, there are two empty input boxes.

Try Again (Slide Layer)



Knowledge Check 4



Incorrect

Sorry, **username**. That is incorrect.

Please try again.

Try Again

Medicare

Federal i

This slide shows a feedback message for an incorrect answer, similar to the first slide but with a 'Try Again' button instead of 'Continue'. It features a red 'X' icon, the word 'Incorrect', a personalized message 'Sorry, username. That is incorrect.', and a note 'Please try again.' A 'Try Again' button is centered at the bottom. On the left, two options are visible: 'Medicare' and 'Federal i', both with checkmarks. On the right, there are two empty input boxes.

1.33 05. Reading the W-2: Boxes 7-14

Reading the W-2: Boxes 7-14

Vensure University

1.34 Boxes 7 - 14: Additional Compensation and Deductions

Boxes 7 - 14: Additional Compensation and Deductions

Earnings - Current					Deductions / Taxes		
Date	Pay Description	Pay Rate	Hrs/Units	Pay Amount	Description	Amount	YTD
12-27-2020	REGULAR PAY	125.0000	80.00	10000.00	MEDICAL	724.95	17686.56
12-27-2020	FRINGE AUTO	3500.0000	1.00	3500.00	DENTAL	68.41	1742.80
-	OTHER EARN	-	-	-	VISION	14.76	383.75
-	BONUS	-	-	-	401K CATCH	0.00	6500.00
-		-	-	-	401K	0.00	19500.00
					FEDERAL TAX	4400.00	233280.00
					MEDICAL		
					SOC SE		
					MI INCC		

Gross Earnings \$10,000.00 TOTAL		81.00	13,500.00
Earnings - Year To Date		Net Pay Distribution	
Description	YTD Type	Amount	
REGULAR PAY	270000.00	CHECK	\$0.00
OTHER EARN	12000.01		
BONUS	220000.00	DIRECT DEPOSIT	\$3,793.62
FRINGE AUTO	3500.00		
TOTAL NET PAY			\$3,793.62

7 Social security tips	0.00	8 Allocated tips	0.00	9
10 Dependent care benefits		11 Nonqualified plans		12a Code
				D 26000.00
13 Statutory employee		14 Other	AUTO PERSNL 3500.00	12b Code
				DD 23685.56
Retirement plan				12c Code
X				12d Code
Third-party sick pay				

1.35 Boxes 7 - 9

Boxes 7 - 9

7 Social security tips 0.00	8 Allocated tips 0.00	9
10 Dependent care benefits	11 Nonqualified plans	12a Code D 26000.00

- › Boxes 7 - 8 deal with earnings from **tips**, such as in the restaurant industry.
 - Box 7 is the amount an employee reported to their employer (**from customers**).
 - Box 8 is the amount an employer attributed to an employee (**from the company**).
 - This is considered income.
- › Box 9 is a defunct field.

Information from Forbes and Investopedia.

1.36 Box 10

Box 10

7 Social security tips 0.00	8 Allocated tips 0.00
10 Dependent care benefits	11 Nonqualified plans

- › Reports the total amount of **child or elder care expenses** an employee was reimbursed for in a dependent care assistance program (DCAP).
 - If the employee received \$5,000 or higher, the **value above \$5,000** will be reflected in boxes 1, 3, and 5 as earnings.

Information from Forbes, Investopedia, and Hrtulane.edu.

1.37 Box 11

Box 11

7 Social security tips 0.00	8 Allocated tips 0.00
10 Dependent care benefits	11 Nonqualified plans

- The money received from an employer’s non-qualified deferred compensation plan or non-qualified savings plan
 - Example: **A pension plan**
- This whole amount is taxable and will be reflected in **Box 1**.

Information from Forbes, Investopedia, and Hr.tulane.edu.

1.38 Box 12

Box 12

- “The kitchen sink” of the W-2
- Where the employer would report the tax amounts for various types of contributions, including health and retirement plans
- Each code has an associated letter, ranging from A to HH.

Information from Forbes, Investopedia, and Hr.tulane.edu.

Deductions / Taxes		
Description	Amount	YTD
MEDICAL	724.95	17685.56
DENTAL	68.41	1742.80
VISION	14.76	383.76
401(K) CATCH	0.00	6500.00
401K	0.00	19500.00
FEDERAL TAX	4400.00	233280.00
MEDICARE	298.26	9613.67
SOC SECURITY	0.00	8537.40
MI INCOME TAX	700.00	38840.00

12a Code	
D	26000.00
12b Code	
DD	23685.56
12c Code	
12d Code	



1.39 Box 12: Examples

Box 12: Example Codes

➤ Some of the most common examples are:

- Code C – The taxable cost of group life insurance (with a value that is greater than \$50,000)
- Code D – Elective deferrals to a section 401(k) cash plan
- Code W – Employer contributions to an employee’s health savings account

12a Code	
D	26000.00
12b Code	
DD	23685.56
12c Code	
12d Code	

[Click for two additional examples](#)

Information from Forbes and Investopedia.

Box 12: Additional Codes (Slide Layer)

Box 12: Additional Codes

➤ Additional examples:

- Code AA - Designated Roth contributions under a section 401(k) plan
- Code DD - Cost of the employer-sponsored health coverage
 - Code DD is only an informational field for the employee to see how much their employer paid toward their health benefits.
 - This amount includes what the employer paid *as well* as what the employee paid in **premiums**.

Information from Forbes, 20 Something Finance, and Investopedia.

12a Code	
D	26000.00
12b Code	
DD	23685.56
12c Code	
12d Code	




1.40 Box 13

Box 13

Subdivided into three separate boxes:

13 Statutory employee	14 Other
Retirement plan X	AUTO PERSNL 3500.00
Third-party sick pay	




Information from Forbes and Investopedia.

Untitled Layer 1 (Slide Layer)

Box 13

Subdivided into three separate boxes:

13 Statutory employee	14 Other
Retirement plan X	AUTO PERSNL 3500.00
Third-party sick pay	



- The first box will be marked if the employee is a statutory employee.
 - A statutory worker is “an independent contractor who is considered an employee for tax withholding purposes [and meets certain criteria].” (investopedia)

Untitled Layer 2 (Slide Layer)

Box 13

› Subdivided into three separate boxes:

13 Statutory employee	14 Other
Retirement plan X	AUTO PERSNL 3500.00
Third-party sick pay	



- The **second box** notes if the employee participated in an employer's retirement plan.

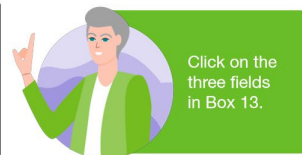
Information from Forbes and Investopedia.

Untitled Layer 3 (Slide Layer)

Box 13

› Subdivided into three separate boxes:

13 Statutory employee	14 Other
Retirement plan X	AUTO PERSNL 3500.00
Third-party sick pay	



- The **third box** informs the IRS if the employee received any sick pay that was included on their W-2. Sometimes, the third-party insurance carrier issues a W-2 directly to the employee.

Information from Forbes and Investopedia.

1.41 Box 14

Box 14

- Do not dismiss this box outright.
- A few staples of tax reporting might appear in this box, including:
 - Union dues
 - Income
 - State disability insurance withholdings
 - Ex. California or New Jersey's SDI programs
 - Pre-tax health deductions
 - Contributions to Section 125 plans
 - The personal use of a company car
(see "Fringe Auto" screenshot to the right)

Information from Forbes and Investopedia.

13 Statutory employee	14 Other
Retirement plan	AUTO PERSNL 3500.00
X	
Third-party sick pay	

Gross Earnings \$10,000.00 TOTAL	
Earnings - Year To Date	
Description	YTD
REGULAR PAY	270000.00
OTHER EARN	12000.01
BONUS	220000.00
FRINGE AUTO	3500.00
TOTAL	\$505,500.01

1.42 Knowledge Check 5

(True/False, 10 points, unlimited attempts permitted)

Knowledge Check 5

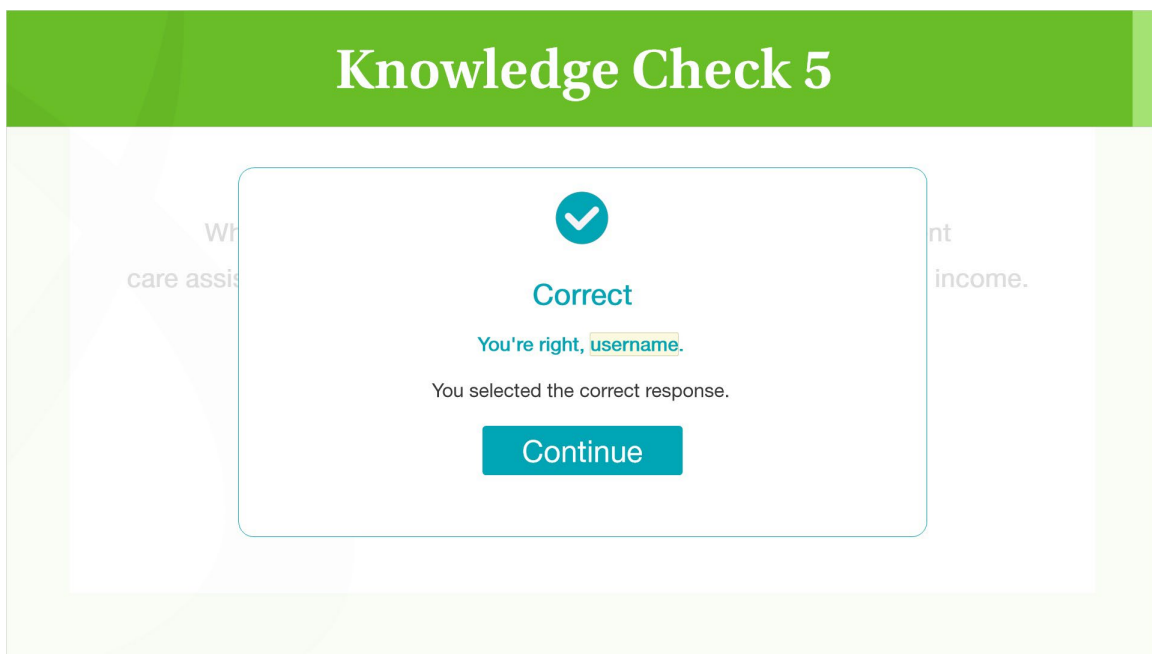
True or False:

When a worker receives over \$5,000 in value from a dependent care assistance program, the amount over \$5,000 becomes taxable income.




Correct	Choice
X	True
	False

Correct (Slide Layer)



Knowledge Check 5



Correct

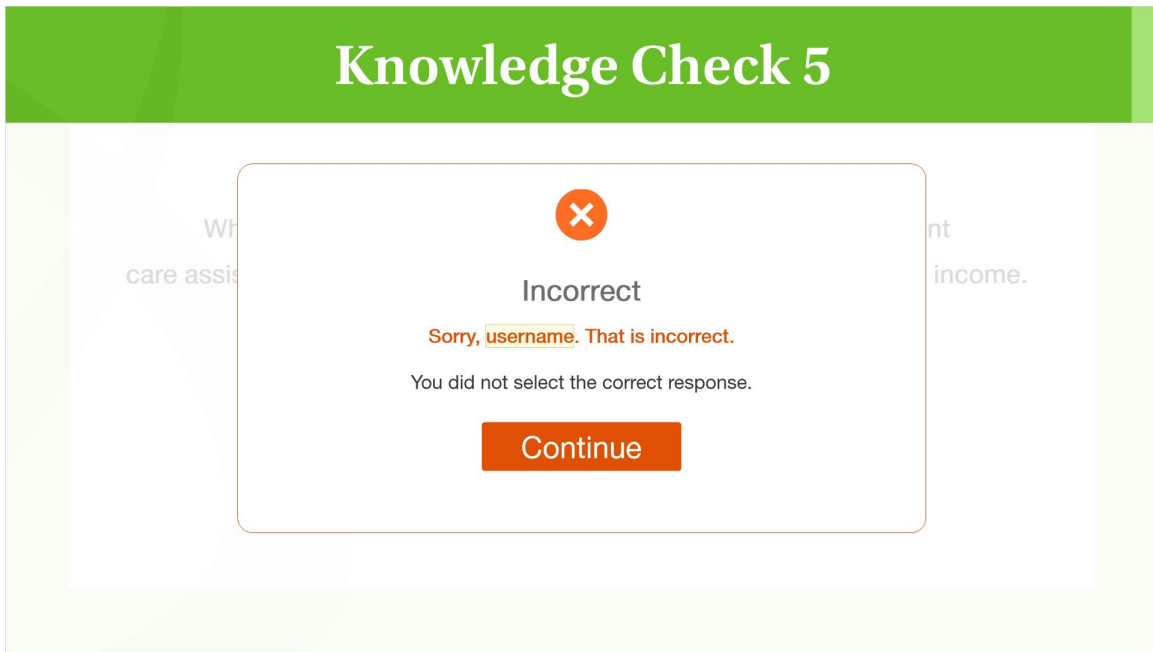
You're right, **username**.

You selected the correct response.

Continue

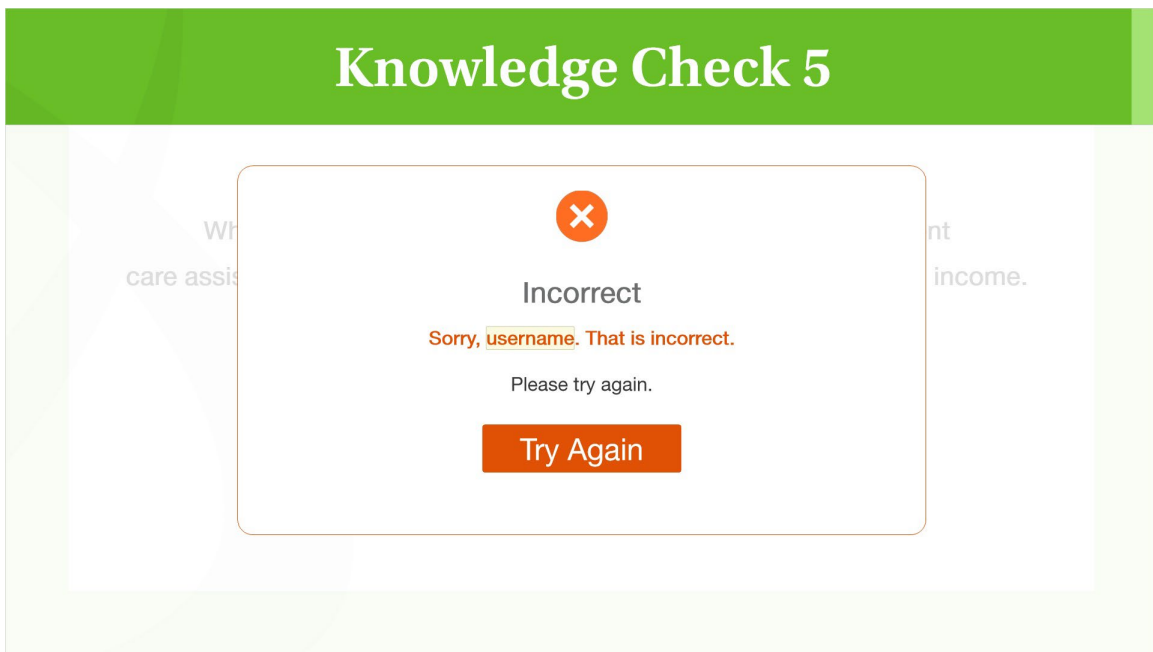
The image shows a feedback slide for a knowledge check. It features a green header with the text 'Knowledge Check 5'. Below the header is a white rounded rectangle containing a blue checkmark icon, the word 'Correct' in bold, a message 'You're right, username.' where 'username' is highlighted in yellow, and the text 'You selected the correct response.' Below this is a blue 'Continue' button. The background of the slide is light green with faint, semi-transparent text from the underlying content, including 'What is the primary purpose of...', 'care assist...', 'nt', and 'income.'

Incorrect (Slide Layer)



The slide features a green header with the text "Knowledge Check 5". Below the header is a white rounded rectangle containing a red circle with a white 'X' icon. The text inside the rectangle reads: "Incorrect", "Sorry, **username**. That is incorrect.", and "You did not select the correct response." At the bottom of the rectangle is an orange button with the text "Continue".

Try Again (Slide Layer)



The slide features a green header with the text "Knowledge Check 5". Below the header is a white rounded rectangle containing a red circle with a white 'X' icon. The text inside the rectangle reads: "Incorrect", "Sorry, **username**. That is incorrect.", and "Please try again." At the bottom of the rectangle is an orange button with the text "Try Again".

1.43 Knowledge Check 6

(Multiple Choice, 10 points, unlimited attempts permitted)

Knowledge Check 6

Select the correct answer.

Which of the following boxes includes multiple codes to report different types of compensation and deductions (“the kitchen sink”)?

Box 9

Box 11


Box 10

Box 12

Correct	Choice
	Box 9
	Box 11
	Box 10
X	Box 12

Correct (Slide Layer)

Knowledge Check 6



Correct

You're right, username.

You selected the correct response.

[Continue](#)


Which of the following are different types of

Box 9

Box 10

Incorrect (Slide Layer)

Knowledge Check 6



Incorrect

Sorry, username. That is incorrect.

You did not select the correct response.

[Continue](#)


Which of the following are different types of

Box 9

Box 10

Try Again (Slide Layer)

Knowledge Check 6



Incorrect

Sorry, username. That is incorrect.

Please try again.


[Try Again](#)

Which of the following are different types of


Box 9

Box 10

1.44 06. Reading the W-2: Boxes 15 - 20



Reading the W-2: Boxes 15 - 20



1.45 Boxes 15 - 20: State and Local Taxes

Boxes 15 - 20: State and Local Taxes

MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number		16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.		19 Local income tax	20 Locality name

Deductions / Taxes		
Description	Amount	YTD
MEDICAL	724.95	17685.56
DENTAL	68.41	1742.80
VISION	14.76	383.76
401(K) CATCH	0.00	6500.00
401K	0.00	19500.00
FEDERAL TAX	4400.00	233280.00
MEDICARE	298.26	9613.67
SOC SECURITY	0.00	8537.40
MI INCOME TAX	700.00	38840.00



1.46 Boxes 15 -17

Boxes 15 -17

Click on the outlined sections of the screenshot.

MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number		16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.		19 Local income tax	20 Locality name

If the employee resides in a state without a reporting requirement, like Florida, these boxes will be empty.

Untitled Layer 1 (Slide Layer)

Boxes 15 -17

Click on the outlined sections of the screenshot.



- › **Box 15** includes the employer's state and state identification number.
 - If an employee works for the same employer in multiple states, you may additional state identification numbers listed here on separate lines.

MI	42-1000003	459687.89	38840.00
15 State	Employer's state I.D. number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

If the employee resides in a state without a reporting requirement, like Florida, these boxes will be empty.

Untitled Layer 2 (Slide Layer)

Boxes 15 -17

Click on the outlined sections of the screenshot.



- › **Box 16** shows the wages that will be taxed by the state.

MI	42-1000003	459687.89	38840.00
15 State	Employer's state I.D. number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

If the employee resides in a state without a reporting requirement, like Florida, these boxes will be empty.

Untitled Layer 3 (Slide Layer)

Boxes 15 -17

Click on the outlined sections of the screenshot.



› **Box 17** shows the state taxes withheld from an employee's paycheck during the year.

MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

If the employee resides in a state without a reporting requirement, like Florida, these boxes will be empty.

1.47 Boxes 18-20

Boxes 18 - 20

Boxes 18-20 involve the money that is taxable at the local level:

Click on the outlined sections of the screenshot.



MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Untitled Layer 1 (Slide Layer)

Boxes 18 - 20

Boxes 18-20 involve the money that is taxable at the local level:

- › **Box 18** shows the wages subject to local taxes.

Click on the outlined sections of the screenshot.



MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number		16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.		19 Local income tax	20 Locality name

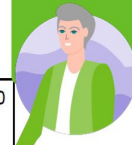
Untitled Layer 2 (Slide Layer)

Boxes 18 - 20

Boxes 18-20 involve the money that is taxable at the local level:

- › **Box 19** shows any money withheld for a local tax entity.

Click on the outlined sections of the screenshot.



MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number		16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.		19 Local income tax	20 Locality name

Untitled Layer 3 (Slide Layer)

Boxes 18 - 20

Boxes 18-20 involve the money that is taxable at the local level:

- › **Box 20** gives the name of that entity.
 - This could be a city, county, or municipality.

MI	42-1000003	459687.89	38840.00
15 State Employer's state I.D. number		16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Click on the outlined sections of the screenshot.



1.48 Knowledge Check 7

(Drag and Drop, 10 points, unlimited attempts permitted)

Knowledge Check 7

Drag and drop.

Match the W-2 section with the information covered in that section.

Employee earnings and federal taxes

State and local taxes

Employee and employer contact information

Additional compensation and deductions

1 Boxes A - E

2 Boxes 1 - 6

3 Boxes 7 - 14

4 Boxes 15 - 20

Drag Item	Drop Target
Additional compensation and deductions	Boxes 7 - 14
Employee and employer contact information	Boxes A - E
State and local taxes	Boxes 15 - 20
Employee earnings and federal taxes	Boxes 1 - 6

Drag and drop properties
Snap dropped items to drop target (Snap to center)
Allow only one item in each drop target
Delay item drop states until interaction is submitted

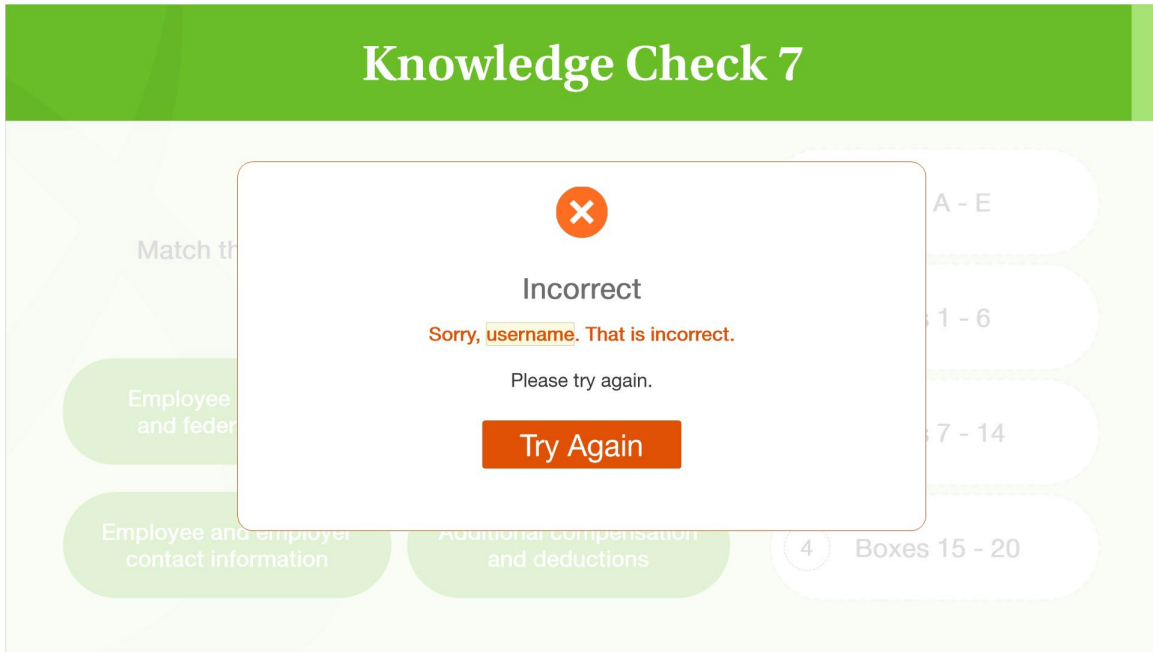
Correct (Slide Layer)

The screenshot shows a slide titled "Knowledge Check 7" with a green header. A central white box with a blue border contains a blue checkmark icon, the word "Correct" in blue, the text "You're right, username." in blue, and "You selected the correct response." in black. Below this is a blue "Continue" button. The background is a light green grid with several rounded rectangular boxes containing text: "Match th...", "Employee and feder...", "Employee and employer contact information", "Additional compensation and deductions", "A - E", "1 - 6", "7 - 14", and "4 Boxes 15 - 20".

Incorrect (Slide Layer)

The screenshot shows a slide titled "Knowledge Check 7" with a green header. A central white box with a red border contains a red 'X' icon, the word "Incorrect" in red, the text "Sorry, username. That is incorrect." in red, and "You did not select the correct response." in black. Below this is a red "Continue" button. The background is a light green grid with several rounded rectangular boxes containing text: "Match th...", "Employee and feder...", "Employee and employer contact information", "Additional compensation and deductions", "A - E", "1 - 6", "7 - 14", and "4 Boxes 15 - 20".

Try Again (Slide Layer)



Knowledge Check 7

Match the

Employee and feder

Employee and employer contact information

Additional compensation and deductions

A - E

1 - 6

7 - 14

4 Boxes 15 - 20

✘

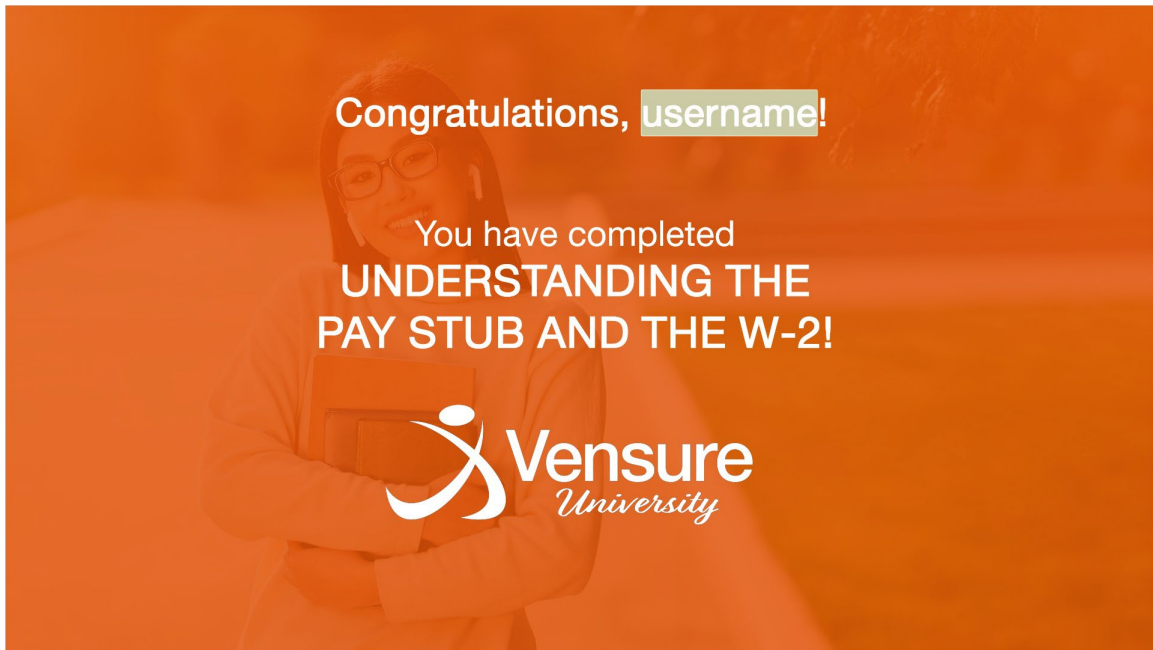
Incorrect

Sorry, **username**. That is incorrect.

Please try again.

Try Again

1.49 Congratulations



Congratulations, **username!**

You have completed
**UNDERSTANDING THE
PAY STUB AND THE W-2!**

