



STATE OF RHODE ISLAND PAYROLL DEPARTMENT

Information on the 2016 W-2 covers any payments made to you during the State's payroll pay dates of 01/15/2016 to 12/30/2016 (26 pay periods).

Box Explanations:

Box 1: Wages, tips, and other compensation. Box 1 reports your total taxable wages or salary for federal income tax purposes. This figure includes your wages, salary, tips you reported, bonuses, and other taxable compensation. Any taxable fringe benefits (such as group term life insurance) are also included in your Box 1 wages. Box 1 does not include any pre-tax benefits such as retirement contributions, contributions to 403(b) or 457 plans, health insurance, or other types of pre-tax benefits.

Box 2: Federal income tax withheld. Box 2 reports the total amount withheld from your payroll payments for federal income taxes. This represents the total amount of federal taxes you have paid-in from pay periods throughout the year.

Box 3: Social Security wages. Box 3 reports the total amount of wages subject to the Social Security tax. For 2016, the Social Security tax is assessed on wages up to \$118,500.

Box 4: Social Security tax withheld. Box 4 reports the total amount of Social Security taxes withheld from your paychecks. Normally, the Social Security tax is a flat tax rate of 6.2% on your wage income, up to the maximum wage base of \$118,500. Wages above the Social Security wage base are not subject to the Social Security tax.

Box 5: Medicare wages and tips. Box 5 reports the amount of wages subject to the Medicare tax. There is no maximum wage base for Medicare taxes. The amount shown in Box 5 may be larger than the amount shown in Box 1. Medicare wages includes any deferred compensation and 401(k) contributions. Other pre-tax benefits such as health insurance are excluded from the Medicare wages.

Box 6: Medicare tax withheld. Box 6 reports the amount of taxes withheld from your paycheck for the Medicare tax. The Medicare tax is a flat tax rate of 1.45% of your total Medicare wages. Starting in 2013, employees may be subject to withholding for the Additional Medicare Tax at a rate of 0.9%. Higher income earners may find that the amount in box 6 is greater than the amount in box 5 multiplied by the regular 1.45% Medicare tax rate. The extra amount would be due to the additional Medicare tax.



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Box 7: Social Security tips. Box 7 reports the amount of tip income that you reported to your employer. If you did not report tips to your employer, you will not have an amount in this box

Box 8: Allocated tips. Box 8 reports any tip income allocated to you by your employer.

Box 9: No longer used. Box 9 was used to report any advance of the Earned Income Credit. The advance earned income credit ended in 2010.

Box 10: Dependent Care Benefits. Box 10 reports any amounts reimbursed for dependent care expenses through a flexible spending account or the dollar value of dependent care services provided by your employer. Amounts under \$5,000 are non-taxable benefits. Amounts over \$5,000 are reported as taxable wages in Boxes 1, 3 and 5.

Box 11: Nonqualified Plans. Box 11 reports any amounts distributed to you from your employer's non-qualified deferred compensation plan or non-government Section 457 pension plan. The amount in Box 11 is already included as taxable wages in Box 1.

Box 12: Deferred Compensation and Other Compensation. There are several types of compensation and benefits that can be reported in Box 12. Box 12 will report a single letter or double letter code followed by a dollar amount. A few common examples are listed below:

12DD-Informational only - Cost of employer-sponsored health coverage. The amount reported is not taxable.

12E- 403(b) Contributions made to a Tax Sheltered Annuity (TSA), excluded in Boxes 1 and 16.

12G- Elective and non-elective 457 contributions to the Deferred Compensation Plan excluded in Boxes 1 and 16.

Box 13: Check the Box. There are three check boxes in Box 13. Boxes will be checked off if any of these situations apply to you as an employee:

Statutory employee means that you report the wages from this W-2 (and any other W-2 forms marked "statutory employee") on Form 1040 Schedule C. Your wages are not subject to income tax withholding (there will be a zero or blank amount in



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Box 2), but are subject to Social Security and Medicare tax withholdings (so Boxes 3 through 6 will be filled out

Retirement plan means that you participated in your employer's retirement plan during the year.

Third-party sick pay means that you received sick pay under your employer's third-party insurance policy. (Instead of receiving sick pay directly from your employer as part of your regular paycheck.) Sick pay is not included in your box 1 wages, although sick pay is usually subject to Social Security and Medicare taxes.

Box 14: Other Tax Information. Additional tax information in Box 14 includes pre-tax deductions such as retirement plans, health insurance, supplemental insurance, and medical savings plans.

Box 15: State and State Employer's Identification. Box 15 reports your state and state tax identification number.

Box 16: State wages. Box 16 reports the total amount of taxable wages earned in the state.

Box 17: State income tax withheld. Box 17 reports the total amount of state income taxes withheld from your paychecks for the wages reported in Box 16.

Box 18: Local wages. Box 18 reports the total amount of wages subject to local, city, or other state income taxes.

Box 19: Local income tax withheld. Box 19 reports the total amount of taxes withheld from your paychecks for local, city, or other state income taxes.

Box 20: Locality name. Box 20 provides a brief description of the local, city, or other state tax being paid.