

W-2 EXPLANATION FOR 2016

BOX 1 - Wages, Tips, Other Compensation

The taxable Federal wages listed in Box 1 are a cumulative total of gross wages paid during calendar year 2016, plus taxable benefits, minus before-tax deductions.

To Calculate Federal wages on your W-2, begin with your 2016 gross wages and add or subtract benefits/deductions as listed below:

PLAN TYPE	LOCATION ON W-2	Before Tax (Subtract from gross)	Taxable Benefits (Add To Gross)
Medical	Box 14 (PROPPL)	X	
Dental	Box 14 (PROPPL)	X	
Prescription	Box 14 (PROPPL)	X	
FSA Medical	N/A	X	
FSA Dependent Care	Box 10	X	
Parking	N/A	X	
403B (Supplemental Pension)	Box 12E	X	
414H (Mandatory Pension)	Box 14	X	
457 (Deferred Compensation)	Box 12G	X	
Group Term Life Ins above \$50,000	Box 12C		X
Domestic Partner	N/A		X

Box 2 - Federal Income Tax Withheld

Cumulative total of federal income tax withheld from each paycheck in calendar year 2016.

Box 3 - Social Security Wages

The annual maximum for Social Security wages in 2016 was \$118,500.

To Calculate Social Security wages on your W-2 begin with your 2016 gross wages and add or subtract deductions and benefits as listed below:

PLAN TYPE	LOCATION ON W-2	Before Tax (Subtract from gross)	Taxable Benefits(Adds To Gross)
Medical	Box 14 (PROPPL)	X	
Dental	Box 14 (PROPPL)	X	
Prescription	Box 14 (PROPPL)	X	
FSA Medical	N/A	X	
FSA Dependent Care	Box 10	X	
Parking	N/A	X	
Group Term Life Ins over \$50,000	Box 12, Code C		X
Domestic Partner	N/A		X

Box 4 - Social Security Tax

The social security tax withheld is 6.2% of the Social Security wages reported in Box 3. The maximum social security tax withheld in 2016 was \$7,347.00.

Box 5 - Medicare Wages

Unlike social security wages, there is no annual maximum for Medicare wages. To calculate Medicare Wages, see explanation for Social Security wages.

Box 6 - Medicare Tax

The Medicare tax is 1.45% of Medicare wages in Box 5. Medicare Wages over \$200,000.00 are subject to an additional 0.9% withholding tax. This is included in the amount shown in Box 6.

Box 12

Code C

The cost of group term life insurance coverage that exceeds \$50,000.

Code DD

Cost of Employer Sponsored Health Coverage for calendar year 2016. This is for informational purposes only.

Code E

Amount withheld for supplemental pension for calendar year 2016.

Code G

Amount withheld for deferred compensation plans for calendar year 2016.

Box 13 - The retirement box will be checked if the employee was active in a pension plan in calendar year 2016. The third party sick pay box will be checked if the employee received state disability payments in calendar year 2016.

Box 14

PROPPL- Premium Option Plan

Health, Dental and Prescription before-tax deductions for calendar year 2016.

414H

Mandatory pension deductions for calendar year 2016.

FLI

NJ Family Leave Insurance tax withheld for calendar year 2016.

Box 16 - State Wages

The sum of state taxable wages for 2016.

To calculate NJ state wages, add the taxable benefit in Box 12, Code C to the gross wages paid in 2016:

PLAN TYPE	LOCATION ON W-2	Before Tax (Subtract from gross)	Taxable Benefits (Adds To Gross)
Group Term Life Ins over \$50,000	Box 12, Code C		X

To calculate PA state wages, begin with your 2016 gross wages and add or subtract benefits/deductions as listed below:

PLAN TYPE	LOCATION ON W-2	Before Tax (Subtract from gross)	Taxable Benefits (Adds To Gross)
Medical	Box 14 (PROPPL)	X	
Dental	Box 14 (PROPPL)	X	
Prescription	Box 14 (PROPPL)	X	
FSA Medical	N/A	X	
Domestic Partner	N/A		X

Box 17 - State Income Tax

State income tax withheld for 2016.

Box 19 - Local Income Tax

Unemployment (NJ-UI) and Disability (NJ-SDI) Tax withheld in 2016.