

Notice to Employee

Refund. Even if you do not have to file a tax return, you should file to get a refund if box 2 shows federal income tax withheld or if you can take the earned income credit.

Earned income credit (EIC). You may be able to take the EIC for 2011 if: **(a)** you do not have a qualifying child and you earned less than \$13,660 (\$18,740 if married filing jointly), **(b)** you have one qualifying child and you earned less than \$36,052 (\$41,132 if married filing jointly), **(c)** you have two qualifying children and you earned less than \$40,964 (\$46,044 if married filing jointly), or **(d)** you have three or more qualifying children and you earned less than \$43,998 (\$49,078 if married filing jointly). You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than \$3,150. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

Clergy and religious workers. If you are not subject to social security and Medicare taxes, see **Pub.517**, Social Security and Other Information for Members of the Clergy and Religious Workers.

Corrections. If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file **Form W-2c**, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 1-800-772-1213. You also may visit the SSA at www.socialsecurity.gov.

Credit for excess taxes. If you had more than one employer in 2011 and more than \$4,485.60 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$3,088.80 in Tier II RRRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or 1040A instructions and **Pub. 505**, Tax Withholding and Estimated Tax.

Instructions. This section starts the IRS instructions regarding W-2 boxes.

Box 1. Enter this amount on the wages line of your tax return.

Box 2. Enter this amount on the Federal income tax withheld line of your tax return.

Box 10. This amount is the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

Box 12. The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, and G) under all plans are generally limited to \$16,500 (\$19,500 for section 403(b), if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code H are limited to \$7,000. However, if you were at least age 50 in 2011, your employer may have allowed an additional deferral of up to \$5,500. This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last 3 years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See "Wages, Salaries, Tips, etc." line instructions for form 1040.

D--Elective deferrals to a section 401(k) cash or deferred arrangement

E--Elective deferrals under a section 403(b) salary reduction agreement

G--Elective and nonelective deferrals to a section 457(b) deferred compensation plan

H--Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. See

"Adjusted Gross Income" in the Form 1040 instructions for how to deduct.

P--Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5)

Box 13. If the "Retirement plan" box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct.

Box 14. DEF RET - The amount shown is the total deducted for your deferred retirement plan, if any. It is for your information only. This amount was already subtracted from the amount shown in box 1 and is not reportable in any other box.

PRETAX INS - The amount shown is the total deducted for your medical insurance premiums and medical Flexible Spending Account that was pretaxed (deducted before Federal Income tax, Social Security, and Medicare taxes were calculated), if any. It is for your information only. This amount was already subtracted from the amount shown in box 1, 3, and 5. This is not reportable in any other box. **FRINGE BEN** - This amount is the taxable fringe benefit amount included in box 1, 3 and 5.

Examples of the types of **taxable** fringe benefits that could be included are: Employer provided vehicle personal commute value, Non-Qualified Section 152 insurance benefits, Travel Expenses, Employer provided educational assistance, Meal Reimbursements, etc. You may be able to deduct expenses related to fringe benefits; see the Form 1040 instructions.

Note: Keep **Copy C** of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help **protect your social security benefits**, keep **Copy C** until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year. Compare the Social Security wages and the Medicare wages to the information shown on your annual (for workers over 25) Social Security Statement.

This publication is available in an alternate format upon request by calling (360) 664-6400.

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