



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 12-34, Delivery of the 2012 Internal Revenue Service (IRS) Form W-2,
Wage and Tax Statement

Date: December 20, 2012

To: Subscribers of All Title I Publications (Payroll Personnel)

In January 2013, the 2012 Internal Revenue Service (IRS) Form W-2, Wage and Tax Statement, will be mailed to the employee's residence mailing address as recorded in the Payroll/Personnel System (PPS). The data on the W-2 includes salary payments for Pay Period 26, 2011, (or the pay period of implementation into the PPS) through Pay Period 25, 2012, inclusive. Employees who worked during this tax year for more than one organization serviced by the National Finance Center (NFC) will receive a W-2 containing the total wages paid by NFC for all organizations. The W-2 will be issued under the name of the current employing organization.

Note: Agencies are encouraged to remind their employees to verify that their residence addresses are correct and make any changes prior to the processing of the W-2s. The address can be updated through the Self-Service Option of Employee Personal Page (EPP) or their respective employing Agency Human Resources (HR) office, by close of business (COB) December 17, 2012. If an address is not recorded in PPS, the employee's W-2 will be mailed to their Agency. **Note:** The last day for Agencies to place a hold on any 2012 W-2 is 12 p.m. on December 20, 2012.

Attached is the Description of the 2012 Form W-2, Wage and Tax Statement (Attachment 1) which contains a list of the boxes on the W-2 with the definition of each box. Also attached is the 2012 W-2, Wage and Tax Statement, Sample with Notice to Employee insert (Attachment 2) that will be included with the employee's W-2. The insert contains descriptions of certain boxes as required by IRS.

Employee Indebtedness

To comply with IRS regulations, employees who have not repaid an indebtedness (i.e., salary overpayment) incurred during calendar year 2012 will have the outstanding debt included as taxable wages on their W-2s. The outstanding debt is subject to Federal and State (if applicable) income tax. Any payments which are made toward a debt between December 5 and December 31, 2012, could result in a corrected W-2 being issued at a later date.

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Electronically Delivered Version of the W-2

IRS will allow employees the option to file their tax return with a printout of an electronically delivered version of their W-2 for tax year 2012. Employees who are established users of NFC's EPP can print this electronic version of the W-2 for tax year 2012 (via NFC's Web site at www.nfc.usda.gov) for submission with their tax return. The 2012 W-2s will be available on the EPP in January 2013.

Note: Employees who have not yet requested a password for accessing their EPP can find instructions on the NFC Home Page by clicking the My EPP icon on the Application Launchpad. Once an employee requests access to their EPP, W-2 history data is available on their EPP (tax years 1998 forward).

Turbo Tax/At Home

In addition to printing their W-2 from the EPP, employees will also be able to import their 2012 W-2 information into Turbo Tax or At Home (formally TaxCut). NFC has worked with the software providers to make their products interoperable with the EPP. Changes to the software are expected to be in place by the end of January 2013.

Reporting Center

W-2 data will be available on the Reporting Center through the Financial Reports Menu in January 2013.

Maintaining W-2 Data

Although W-2 history data for tax years 1998 forward is available to the employee on their EPP and for Agencies via the Reporting Center, only 2 years of W-2 data are available in the W-2 Online Processing System. The W-2 data for tax year 2010 was moved to history in October 2012 and is no longer available to be viewed by Agencies. In mid-January 2013, Agencies will be able to view W-2 data for tax years 2011 and 2012.

Inquiries and W-2 Reprints

If some employees do not receive W-2s when they are initially mailed, it may have been determined that these W-2s required adjustments (i.e., relocation travel payments). The appropriate adjustments will be completed by January 31, 2013, and the W-2s will be sent to the employees upon completion. Employees should use their EPP to check their W-2 data.

All current and former employees of Agencies serviced by NFC must request W-2 reprints from their respective Servicing Personnel Office. When Agencies receive requests from current employees for W-2 reprints, the Agency is encouraged to inform employees to utilize EPP. Agencies are encouraged to utilize the full suite of available reports on the Reporting Center. Agency representatives without current Reporting Center access (or without access to the W-2, Wage and Tax Statement, Report) should submit a request for access via their Agency Security

Officer. For more information on W-2 reprints see bulletin Title I, 12-11, Availability of Reprints of IRS Form W-2, Wage and Tax Statement, on the (EPP) and the Reporting Center.



RANDY L. SPEED, Director
Government Employees Services Division

Attachments

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Description of the 2012 Form W-2, Wage and Tax Statement Attachment 1

The 2012 Form W-2, Wage and Tax Statement, is printed as a single sheet that can be separated at the perforation to facilitate the filing of Federal, State, and local tax returns. Below is a list that corresponds to the boxes on the W-2 with a description of each box.

Note: The box numbers on the W-2 are not in sequential order. The items described below correspond to the boxes on the W-2.

	Employer's Name, Address, and Zip Code	The employer's address: Organization Name c/o USDA, National Finance Center P.O. Box 60000 New Orleans, Louisiana 70160
	Employee's Name, Address, and Zip Code	The employee's name and residence address.
	Employer's ID	The employer's Identification Number 72-0564834.
	Employee's SSN	The employee's 9-digit Social Security number.
Box 1.	Wages, Tips, Other Compensation	The amount of wages, tips, and other compensation subject to Federal income tax. Travel advance is not included in this box. The amount shown should be entered on the appropriate line of the employee's Federal tax return.
Box 2.	Federal Income Tax Withheld	The amount of Federal income tax withheld. The amount shown should be entered on the appropriate line of the employee's Federal tax return.

Box 3.	Social Security Wages	The wage amount subject to Social Security tax.
Box 4.	Social Security Tax Withheld	The amount of Social Security tax withheld.
Box 5.	Medicare Wages and Tips	The wage and tips amount subject to Medicare tax.
Box 6.	Medicare Tax Withheld	The amount of Medicare tax withheld.
Box 8.	Allocated Tips	The amount of tips allocated to the employee by the employing organization.
Box 9.		
Box 10.	Dependent Care Benefits	The amount of Flexfund dependent care expense deductions.
Box 12.		
	C. Taxable Life Insurance	The amount of taxable group-term life insurance.
	D. 401K TSP	The amount of Thrift Savings Plan (TSP) deductions, Federal, and non-Federal TSP catch-up deductions.
	E. 403B TIAA	The amount of elective deferrals under a section 403(b) salary reduction agreement.

	P. Moving Allowance NT	The 2012 moving allowance amount not taxed.
	W. HSA	Employer contributions to your Health Savings Account. Report on Form 8889, Health Savings Account (HSA). Also, amounts the employee elected to contribute to an HSA, using a section 125 (cafeteria plan), are reported here.
	AA. 401K Roth	Designed Roth contributions under a section 401(k) plan.
	BB. 403 B Roth	Designed Roth contributions under a section 403(b) plan.
	DD. Employer Health Coverage	Total cost of health coverage.
Box 13.	Statutory Employee, Retirement Plan, Third Party Sick Pay	Listed below are descriptions for each check box:
		<p>Statutory Employee. This checkbox identifies statutory employees whose earnings are subject to Social Security and Medicare taxes but not subject to Federal income tax withholding. For more information on statutory employees, see Internal Revenue Service (IRS) Publication 15-A.</p> <p>Retirement Plan. This check box identifies employees who were active participants (for any part of the year) in certain retirement plans. For more information on retirement plans, see IRS Notice 87-16, 1987-1 C.B. 446; IRS Notice 98-49, 1998-2</p>

		<p>C.B. 365, section 219 (g)(5); and IRS Publication 590.</p> <p>Third Party Sick Pay. This check box identifies third party sick pay employees. For more information on third party sick pay, see IRS Publication 15-A.</p>
Box 14.	No longer shows an alpha associated with the title	
	After Tax 401K	The amount of taxable 401K.
	Moving Allowance Taxed	The 2012 moving allowance amount that was taxed (Travel Relocation Expenses).
	NT Health Benefits	The amount of nontaxable and/or amount of Flexfund health care expense deductions.
	COLA	The amount of cost-of-living allowance (COLA).
	Parking FSA	A Flexible Spending Account for eligible employees with qualifying parking expenses to set aside a pre-determined amount on each pay period on a pre-taxed basis.
	YTD PR RET	The amount of retirement deduction withheld when an employee's duty station was Puerto Rico.
Box 15.	State/Employer's State ID#	The taxing State name and identification (ID) number.

Box 16.	State Wages, Tips, Etc.	The amount of wages subject to State taxes within said State.
Box 17.	State Income Tax	The amount of State income tax withheld.
Box 18.	Local Wages, Tips, Etc.	Reserved for future use.
Box 19.	Local Income Tax	The amount of city and/or county tax(es) withheld.
Box 20.	Locality Name/Locality ID#	The taxing city and/or county name and ID number(s).

2012 W-2, Wage and Tax Statement, Sample Attachment 2

EMPLOYER'S NAME, ADDRESS, AND ZIP CODE				EMPLOYEE'S NAME, ADDRESS, AND ZIP CODE			
EMPLOYER'S ID 72-0564834				EMPLOYEE'S SSN			
8 Allocated tips	9	10 Dependent care benefits	12	11 Wages, tips, other compensation	2 Federal income tax withheld		
\$	\$	\$		\$	\$		
13 <input type="checkbox"/> Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third Party Sick Pay				3 Social security wages	4 Social security tax withheld		
15 State/Employee's State ID#				5 Medicare wages and tips	6 Medicare tax withheld		
16 State wages, tips, etc.				17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name/Locality ID#
\$				\$	\$	\$	

Department of the Treasury-Internal Revenue Service
FORM W-2 Wage and Tax Statement 2012

Copy B - To be filed with employee's Federal tax return

OMB No. 1545-0008

EMPLOYER'S NAME, ADDRESS, AND ZIP CODE				EMPLOYEE'S NAME, ADDRESS, AND ZIP CODE			
EMPLOYER'S ID 72-0564834				EMPLOYEE'S SSN			
8 Allocated tips	9	10 Dependent care benefits	12	11 Wages, tips, other compensation	2 Federal income tax withheld		
\$	\$	\$		\$	\$		
13 <input type="checkbox"/> Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third Party Sick Pay				3 Social security wages	4 Social security tax withheld		
15 State/Employee's State ID#				5 Medicare wages and tips	6 Medicare tax withheld		
16 State wages, tips, etc.				17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name/Locality ID#
\$				\$	\$	\$	

Department of the Treasury-Internal Revenue Service
FORM W-2 Wage and Tax Statement 2012

Copy C - For employee's records
(See insert for important information)

OMB No. 1545-0008

EMPLOYER'S NAME, ADDRESS, AND ZIP CODE				EMPLOYEE'S NAME, ADDRESS, AND ZIP CODE			
EMPLOYER'S ID 72-0564834				EMPLOYEE'S SSN			
8 Allocated tips	9	10 Dependent care benefits	12	11 Wages, tips, other compensation	2 Federal income tax withheld		
\$	\$	\$		\$	\$		
13 <input type="checkbox"/> Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third Party Sick Pay				3 Social security wages	4 Social security tax withheld		
15 State/Employee's State ID#				5 Medicare wages and tips	6 Medicare tax withheld		
16 State wages, tips, etc.				17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name/Locality ID#
\$				\$	\$	\$	

Department of the Treasury-Internal Revenue Service
FORM W-2 Wage and Tax Statement 2012

Copy 2 - To be filed with employee's state or local tax return

OMB No. 1545-0008

EMPLOYER'S NAME, ADDRESS, AND ZIP CODE				EMPLOYEE'S NAME, ADDRESS, AND ZIP CODE			
EMPLOYER'S ID 72-0564834				EMPLOYEE'S SSN			
8 Allocated tips	9	10 Dependent care benefits	12	11 Wages, tips, other compensation	2 Federal income tax withheld		
\$	\$	\$		\$	\$		
13 <input type="checkbox"/> Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third Party Sick Pay				3 Social security wages	4 Social security tax withheld		
15 State/Employee's State ID#				5 Medicare wages and tips	6 Medicare tax withheld		
16 State wages, tips, etc.				17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name/Locality ID#
\$				\$	\$	\$	

Department of the Treasury-Internal Revenue Service
FORM W-2 Wage and Tax Statement 2012

Copy 2 - To be filed with employee's state or local tax return

OMB No. 1545-0008

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 2012 if (a) you do not have a qualifying child and you earned less than \$13,980 (\$19,190 if married filing jointly), (b) you have one qualifying child and you earned less than \$36,920 (\$42,130 if married filing jointly), (c) you have two qualifying children and you earned less than \$41,952 (\$47,162 if married filing jointly), or (d) you have three or more qualifying children and you earned less than \$45,060 (\$50,270 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 \$3,200 or if income is earned for services provided while you were an inmate at a penal institution. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

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.

Cost of employer-sponsored health coverage (if such cost is provided by the employer). The reporting in Box 12, using Code DD, of the cost of employer-sponsored health coverage is for your information only. **The amount reported with Code DD is not taxable.**

Credit for excess taxes. If you had more than one employer in 2012 and more than \$4,624.20 in social security and/or Tier I 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 \$3,194.10 in Tier II RRTA 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

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 8. This amount is **not** included in boxes 1, 3, 5 or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

Unless you have records that show you did not receive the amount reported in box 8 as allocated tips, you must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report the allocated tip amount. On Form 4137 you will figure the social security and Medicare tax owed on the allocated tips shown on your Form(s) W-2 that you must report as income and on other tips you did not report to your employer. By filing Form 4137, your social security tips will be credited to your social security record (used to figure your benefits).

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, F, and S) and designated Roth contributions (codes AA and BB) under all plans are generally limited to a total of \$17,000 (\$11,500 if you only have SIMPLE plans; \$20,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$17,000. Deferrals under code H are limited to \$7,000.

However, if you were at least age 50 in 2012, your employer may have allowed an additional deferral of up to \$5,500 (\$2,500 for section 401(k)(11) and 408(p) SIMPLE plans). 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 the “Wages, Salaries, Tips, etc.” line instructions for Form 1040.

Note. If a year follows code D through H, S, Y, AA, or BB, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

Box 12 C. Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5).

Box 12 D. Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

Box 12 E. Elective deferrals under a section 403(b) salary reduction agreement.

Box 12 P. Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5).

Box 12 W. Employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria plan) to your health savings account. Report on Form 8889, Health Savings Accounts (HSAs).

Box 12 AA. Designated Roth contributions under a section 401(k) plan.

Box 12 BB. Designated Roth contributions under a section 403(b) plan.

Box 12 DD. Cost of employer-sponsored health coverage. **The amount reported with Code DD is not taxable.**

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

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.