

Notice to Employee

Do you have to file? Refer to the Form 1040 Instructions to determine if you are required to file a tax return. Even if you do not have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

Earned income credit (EIC). You may be able to take the EIC for 2014 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than the specified amount for 2014 or if income is earned for services provided while you were an inmate at a penal institution. For 2014 income limits and more information, visit www.irs.gov/eitc. Also see Pub. 596, Earned Income Credit. **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.

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 2014 and more than \$7,254 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 \$3,828 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.

W-2 box Instructions for employees.

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 \$17,500 (\$20,500 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 2014, 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.

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);

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);

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. See Pub. 590, Individual Retirement Arrangements (IRAs).

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/surcharges 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 boxes 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 available at www.ssa.gov.

This publication is available in an alternate format upon request by calling (360) 407-9100.

Notice to Employee

Do you have to file? Refer to the Form 1040 Instructions to determine if you are required to file a tax return. Even if you do not have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

Earned income credit (EIC). You may be able to take the EIC for 2014 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than the specified amount for 2014 or if income is earned for services provided while you were an inmate at a penal institution. For 2014 income limits and more information, visit www.irs.gov/eitc. Also see Pub. 596, Earned Income Credit. **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.

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 2013 and more than \$7,254 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 \$3,828 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.

W-2 box Instructions for employees.

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 \$17,500 (\$20,500 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 2014, 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.

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);

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);

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. See Pub. 590, Individual Retirement Arrangements (IRAs).

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/surcharges 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 boxes 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 available at www.ssa.gov.

This publication is available in an alternate format upon request by calling (360) 407-9100.