

W-2 FAQ's for 2009

Frequently Asked Questions (FAQs) by Employees Concerning the 2009 W-2 Form

Q-1 Why do the wages reported on my W-2 not match my true earnings?

A-1 Due to government regulations, pre-tax deductions, retirement, and annuity contributions deducted from your paycheck may not be included in wages subject to taxes. If you have none of these deductions or contributions on your paycheck, your W-2 wages will equal your true gross wages.

Q-2 Why are there four wage amounts listed on my W-2 Form and why are they different amounts?

A-2 Government regulations determine how each type of wages are reported and taxed by the various federal and state agencies. Your W-2 will show one or more of the following types of wages:

Box 3 – Social Security Wages

Wages that are subject to Social Security tax (corresponding to OASDI gross on your paystub).

Box 5 – Medicare Wages and Tips

Wages subject to Medicare taxes (corresponding to MED gross on your paystub).

Your gross wages for Social Security and Medicare are reduced by “pre-tax” payroll deductions for health insurance, dental insurance, vision insurance, AD&D insurance, NC Flex (dependant care and medical), Health Care Plus and also for pre-tax parking. If your Social Security wages exceeded \$106,500, OASDI tax was withheld on the first \$106,500 only since this is the maximum amount from which social security taxes can be withheld for 2008. The maximum Social Security Tax for 2009 is \$6,603.00. Medicare has no maximum.

Box 1 – Wages, Tips, Other Compensation

Wages subject to Federal income tax (corresponding to Fed Gross YTD on your paystub).

Box 16 – State Wages, Tips, Etc.

Wages subject to State income tax (corresponding to State Gross YTD on your paystub).

Your gross wages for federal and state taxes are reduced by the same “pre-tax” payroll deductions as Social Security and Medicare. In addition, deductions for retirement and deferred compensation (annuities) contributions are also deducted.

Q-3 Following is a wage base table showing how gross wages for Boxes 1, 3, 5 and 16 on your W-2 are calculated. This corresponds with Q-2 above:

	Actual Gross Wages	
+	<u>Non-Wage Compensation</u> (awards, courtesy cars, athletic meals, gift certificates, etc.)	
=	True Wage Base	
-	<u>Pre-tax insurances</u>	
=	Social Security Taxable Gross	
-	Retirement	
-	<u>Annuities</u>	
=	Federal and State Taxable Gross	

Q-4 What do the letters “D”, “E”, “G” and “AA” in Box 12 reflect?

A-4 NCSU employees may participate in four types of tax deferred annuity programs – Code Section 401(k), Roth 401(k), 403(b) and 457. IRS codes are explained on the back of W-2 Form “Copy 2 (File with State, City, and local taxes) and C (Employee’s Record.) Other important information is also documented there. For those employees who opted to print their own Form W-2 via Employee Self Service the information that is usually on the back of the Form W-2 is located at the link titled “Filing Instructions”.

Q-5 What is Code “P” in Box 12 of W-2 Form?

A-5 Code “P” indicates that you received “Excludable moving expense reimbursements”. This amount is not taxable and is not included in boxes 1, 3, 5 or 16.

Q-6 If I did not have any taxes withheld last year; do I still need to file an income tax return?

A-6 The amount of taxes withheld does not determine whether or not you should file a tax return. The requirement to file a return is based primarily on the amount earned, citizenship status, dependency status and age. Refer to the section titled “Do You Have to File?” in the federal tax Form 1040, Form 1040EZ, or Form 1040NR instructions for information. The forms are available at your local IRS and NC Department of Revenue offices and on their websites shown below. The University does not stock these individual tax forms. You may also call the IRS at 1-800-829-1040 from 7AM until 10PM at all local time zones for help in determining your filing status.

Q-7 I am a US citizen and received a scholarship / fellowship this year. Why didn’t I receive a W-2 Form?

A-7 Qualified scholarships and fellowships are non-taxable if, (1) you are a candidate for a degree at an educational institution, (2) the amount received is used for tuition and fees required for enrollment or attendance at the educational institution, for books, supplies and equipment required for courses of instruction and (3) the amounts received are not for payment of your services.

Generally, the entire amount received is taxable if you are not a candidate for a degree.

Even though you did not receive a W-2 Form, all or part of the proceeds received in your scholarship/fellowship may be taxable. You should review IRS Publication 970 “*Tax Benefits for Education*” at www.irs.gov to determine which expenses are taxable and which are nontaxable. Taxable expenses such as room and board and other personal expenses, will need to be reported on your income tax return (1040,1040A, etc.) as taxable income. You will need to review the instructions for the tax return form used. You may also wish to make quarterly payments to the IRS for the taxable portion of your fellowship. For more information on scholarships and fellowships, see IRS Publication 970 “*Tax Benefits for Education*.”

If your scholarship / fellowship has a work requirement, taxes must be withheld from your paycheck and a 2009 W-2 will be issued.

Q-8 Where can I get information about income taxation or request tax return forms?

A-8 IRS Information	800-829-1040	NC Dept of Revenue	
IRS Forms	800-829-3676	Information and Forms	1-877-252-3052
IRS Website	www.irs.gov	NC Revenue Website	www.dor.state.nc.us

Q-9 Can you fax my W-2 to me?

A-9 No, due to confidentiality issues we are unable to fax W-2s.

Q-10 Can I download and print my W-2 online?

A-10 Yes you can and it is so easy! To access them, go to the “My Pack” portal and click on Employee Self Service. Click on Payroll and Compensation, then on View/Print W-2/W-2c Forms. Click on the link for “Year End Form” under the 2009 Tax Year. This will bring up your W-2 that you can print. Then click on “Filing Instructions” and print this information on the reverse of your Form W-2.

Q-11 What if I lose my W-2 or I don’t receive it?

A –11 For lost or damaged Forms W-2, employees (including those who left NCSU in 2009) can print a duplicate via the “My Pack” portal on any computer with internet access. If you no longer have access to the “My Pack” portal, you may print a

“Request for Duplicate W-2 Form” form located at <http://www.fis.ncsu.edu/he/forms/payroll/w2dup11.doc>. Send completed forms to Angie McGee-Platt, University Payroll Office, Box 7233 or fax the request to Payroll at 919-515-4320. ***Replacements will be issued starting Thursday, February 11. Any requests received before that date will be denied.***

Foreign National Employees or Students with Nonresident Tax Status:

If a Foreign National employee or student with nonresident tax status received a scholarship/fellowship from NC State University or used a tax treaty to exempt some or all of their wages from federal and state withholding taxes, these amounts will be reported on a Form 1042-S, “*Foreign Person’s U.S. Source Income Subject to Withholding.*” The individual will receive a Form 1042-S wage/tax statement from the University Payroll Office prior to March 15, 2010.

Forms 1099-MISC or 1098-T

All questions concerning Form 1099-MISC (for non-payroll related payments paid to individuals through Accounts Payable) should be addressed to Milburn Holbrook in University Accounting. Milburn can be reached at 515-3823.

All questions pertaining to Form 1098-T should be addressed to the Cashier’s Office. They may be reached at 515-2986.

Q-8 What is the EIC and how do I find out if I qualify?

A-8 EIC is an acronym for Earned Income Credit. You may also see it called ‘EITC’ for Earned Income Tax Credit or Advance EIC. EIC is a refundable federal tax credit for working individuals who do not earn much money. If eligible, the tax credit can be claimed when you file your income tax return (EIC); or, you can actually receive the credit in your paychecks throughout the year (Advance EIC) by completing a Form W-5, Earned Income Credit Advance Payment Certificate, at the Payroll office. The EIC is not available to nonresident alien individuals or to students who are exempt from social security taxes. The earnings scenarios for EIC eligibility are as follows:

Tax Year 2009

- \$13,440 (\$18,440 if married filing jointly) if you have no qualifying child
- \$35,463 (\$40,463 if married filing jointly) if you have one qualifying child
- \$40,295 (\$45,295 if married filing jointly) if you have two qualifying children
- \$43,279 (\$48,279 if married filing jointly) if you have more than two qualifying children

Interested and want to know more? See the [pamphlet](#) entitled “*Will YOU qualify for the EITC this year?*” for a brief explanation. For more detailed information, see [IRS Publication 596, Earned Income Credit \(EIC\)](#).