**Instructions for Employee**

**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 3.** You may be required to report this amount on Form 8959, Additional Medicare Tax. See the Form 1040 instructions to determine if you are required to complete Form 8959.

**Box 6.** This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips shown in Box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above $200,000.

**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.

**Box 5.** You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount unless you can prove that you received a smaller amount. If you have records that show the actual amount of tips you received, report that amount even if it is more or less than the allocated tips. The entire amount of 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 includes the total dependent care benefits that your employer paid to 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 amounts are reported in box 12. You need this information to complete your tax return. Elective deferrals (codes E, D, B, and F) and designated Roth contributions (codes A, A, B, and E) under all plans are generally limited to a total of $18,000 ($12,500 if you only have SIMPLE plans; $21,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to $18,000. Deferrals under code H are limited to $7,000. However, if you were at least age 50 in 2015, your employer may have allowed an additional deferral of up to $6,000 ($3,000 for section 401(k)11 and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall elective deferral limit. 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.

**Note.** If a year follows code D through H, Y, Z, AA, BB, or EE, you may be required to prepare 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, for the current year if no year is shown, the contributions are for the current year.

A—Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See “Other Taxes” in the Form 1040 instructions.

B—Uncollected Medicare tax on tips. Include this tax on Form 1040. See “Other Taxes” in the Form 1040 instructions.

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

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.

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

F—Elective deferrals under a section 401(k) salary reduction agreement.

G—Elective deferrals and employer contributions (including nonelective deferrals) to a section 401(k) 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.

J—Nontaxable sick pay (information only, not included in boxes 1, 3, or 5).

K—20% excise tax on excess golden parachute payments. See “Other Taxes” in the Form 1040 instructions.

L—Substantiated employee business expense reimbursements (nontaxable).

M—Uncollected social security or RRTA tax on taxable cost of group-term life insurance over $50,000 (former employees only). See “Other Taxes” in the Form 1040 instructions.

N—Uncollected Medicare tax on taxable cost of group-term life insurance over $50,000 (former employees only). See “Other Taxes” in the Form 1040 instructions.

P—Excludable moving expense reimbursements paid directly to you with no exclusion ($15,000 for employees only). See “Other Taxes” in the Form 1040 instructions.

Q—Nontaxable combat pay. See the instructions for Form 1040 or Form 4040 for details on reporting this amount.

R—Employer contributions to Archer MSAs. See "Other Taxes" in the Form 1040 Instructions.

S—Employee salary reduction contributions under a section 401(k) plan.

T—Adoption benefits (not included in box 1). Complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

V—Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3, up to social security wage base), and 5). See Pub. 525 and instructions for Schedule D (Form 1040) for reporting requirements.

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).

Y—Deferrals under a section 409A nonqualified deferred compensation plan.

Z—Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See “Other Taxes” in the Form 1040 instructions.

A—Designated Roth contributions under a section 401(k) plan.

B—Designated Roth contributions under a section 403(b) plan.

C—Cost of employer-sponsored health coverage. The amount reported with Code DD is not taxable.

D—Designated Roth contributions under a governmental section 457(b) plan. This amount does not apply to contributions under a tax-exempt organization section 457(b) plan.

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. Employers may use this box to report information such as state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy’s parsonage allowance and utilities. Railroad employers use this box to report railroad retirement (RRTA) compensation, Tier 1 tax, Tier 2 tax, Medicare tax, and Additional Medicare Tax. Include tips reported by the employee to the employer in railroad retirement (RRTA) compensation.

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.
TO: ALL UNIVERSITY OF MASSACHUSETTS EMPLOYEES

DATE: JANUARY 22, 2015

SUBJECT: 2014 TAX REPORTING

This memo provides an explanation of some of the important changes for this year and other information for the 2014 Form W-2, Wage and Tax Statement.

For federal tax purposes, the following pre-tax benefits are excluded from the gross taxable federal wages in Box 1 (Wages, Tips, Other Compensation) on the employee’s Form W-2:

- certain contributions to the Commonwealth Retirement Plan (SERS)
- contributions to the Optional Retirement Program (ORP)
- contributions to the 401(a) Gap Plan
- contributions to the Dependent Care Assistance Plan (DCAP)
- contributions to the 457(b) Deferred Compensation Plan
- contributions to the 403(b) Elective Deferral Savings Plan
- certain contributions to the Pre-Tax Parking and Transit Pass Programs
- certain payments of Health Insurance Premiums
- contributions to Health Care Saving Account (HSCA)
- contributions to Health Care Saving Account HCSA Fee (HCSAF).

For Massachusetts state tax purposes, the following pre-tax benefits are excluded from the gross taxable state wages in Box 16 (State Wages, Tips, etc.) on the employee’s Form W-2:

- contributions to the 401(a) Gap Plan
- certain contributions to the Dependent Care Assistance Plan (DCAP)
- contributions to the 457(b) Deferred Compensation Plan
- contributions to the 403(b) Elective Deferral Savings Plan
- certain contributions to the Pre-Tax Parking and Transit Pass Programs
- certain payments of Health Insurance Premiums
- contributions to Health Care Saving Account (HSCA)
- contributions to Health Care Saving Account HCSA Fee (HCSAF)

Generally, state wages (Box 16) are higher than federal wages (Box 1) because contributions to SERS and ORP are excluded from federal wages, but not from state wages. State wages include the value of tuition and fee waivers for graduate level courses for employee dependents.

Starting in 2012, Box 12DD displays the cost of employer-provided group health insurance. This is for informational purposes only and has no effect on your grosses or taxes.

Box 14 Codes (if applicable) are as follows for 2014:

- 140 – Health Care Spending Account (including HCSA Fee)
- 14S – Personal Use Auto
- 14T – Housing Allowance
- 14V – Pre-Tax Parking
- 14W – Qualified Transit/Parking
- 14X – Post-Tax Retirement
- 14Y – Pre-Tax Retirement
- 14Z – Pre-Tax Health Insurance

Note to foreign employees about 1042-S Forms:
If you are an employee who has claimed exemption from income tax withholding based on a tax treaty, your exempt treaty wages will be reported on a 1042-S form. Your taxable wages (if applicable) will be reported on a W-2 form. If you were not a U.S. citizen or U.S. resident for some portion of the tax year and you received a vendor payment or certain scholarships and awards (outside of payroll), you may receive one or more 1042-S forms.

The 1042-S forms will be delivered to the foreign employees separately from the W-2 forms. They are scheduled to be distributed by March 15, 2015 in accordance with IRS requirements.

Please contact your Human Resource or Payroll Office:
1. to obtain a reprint of your Form W-2 if your copy is misplaced or lost. You can do this yourself if you have access to the PeopleSoft self-service panel, but be careful when you print them as your SSN and address are there. or
2. to obtain a Form W-2C (Statement of Corrected Income and Tax Amounts) if your name, social security number or any of the information reported on Form W-2 is incorrect, or
3. for information about the contents of specific boxes on Form W-2, or
4. if you have any additional questions.