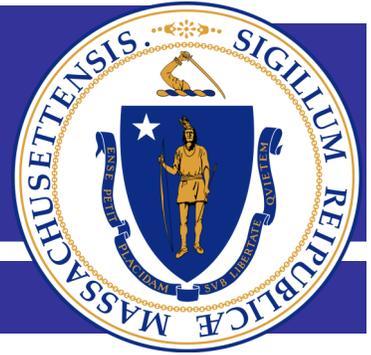


W-2 Form Instructions 2016

Tax Reporting for Commonwealth Employees

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April 18, 2017 is the due date to file taxes.

Office of the Comptroller
1 Ashburton Place, 9th Floor
Boston, MA 02108

Important Reminder for State and Public Employees

On your W-2, there is an amount shown for State wages, tips, etc. Generally, the amount shown for State wages is higher than the amount shown for Federal wages because your pension contributions are excluded from your income for Federal tax purposes. When filing your Massachusetts income tax return, you must use the amount shown for State wages. If you enter the lower dollar amount, your return will be corrected and any refund you may be expecting will be delayed.

The sample W-2 on the back of this brochure shows where you will find the State wages. Use the amount in this box on your Massachusetts income tax return.

This brochure provides a detailed explanation of the contents of the Form W-2 issued for tax year 2016 (26 pay periods). This represents taxable and non-taxable earnings you received during calendar year 2016. Due to the timing of actual cash receipts, this amount may vary from your stated annual salary. It also includes non-cash benefits (parking, housing, tangible assets, use of state provided vehicle, and certain health insurance), if applicable. You will be issued only one Form W-2 for tax year 2016, concluding with the pay period ending December 24, 2016, and payment dated December 30, 2016.

Please contact your department's payroll office if:

1. You have a question about your W-2
2. You need a Reprint of your W-2
3. You need a W-2C Statement of Corrected Income and Tax Amounts. A W-2C is needed if your name, social security number or any of the Federal reported amounts are incorrect
4. You need information about ePay or PayInfo



Some IRS Refunds must be held until Feb. 15

According to a new tax law change, the IRS cannot issue refunds before Feb. 15 for tax returns that claim the Earned Income Tax Credit or the Additional Child Tax Credit.

This applies to the entire refund, even the portion not associated with these credits.

The IRS still expects to issue most refunds in less than 21 days, though IRS will hold refunds for EITC and ACTC-related tax returns filed early in 2017 until Feb. 15 and then begin issuing them.



Commonwealth employees have the option to choose to have their W-2 and 1095-C delivered online!

- Access your tax forms sooner
- No possibility of your forms being lost, stolen or misplaced

eFile

Mass.gov/eFile

Make taxes less taxing. E-file today.

1. It's secure
2. Many taxpayers can file for free
3. Receive your refund faster

For more information about e-filing, visit mass.gov/eFile.

To better protect taxpayers, the IRS recently upgraded its identity verification process for certain online self-help tools. The purpose is to prevent taxpayer impersonations and account takeovers by identity thieves. Currently, the Secure Access Authentication process applies to the [Get Transcript Online](#) and [Get an IP PIN](#) tools. Because the Secure Access Authentication platform is more rigorous, it helps if you prepare to register in advance. Click on link for more information and to register <https://www.irs.gov/individuals/secure-access-how-to-register-for-certain-online-self-help-tools>

Box 1: The **Federal taxable income** is equal to employee's Total Gross Pay (less reimbursements) from pay stub for period ending December 24, 2016 and paid on December 30, 2016.

Plus

- Imputed (Non-cash) benefits listed in Boxes 12C, 14P, 14S, 14T.

Minus

- Dependent Care Assistance Plan contributions and fees (Box 10).
- Tax Sheltered Annuity contributions (Box 12E).
- OBRA 90 Alternative Retirement Plan contributions and elective Deferred Compensation (Box 12G).
- Pretax Health Care Spending Account contributions and fees (Box 14O).
- Pretax Qualified Transportation (up to monthly limits).
- Pretax Retirement contributions (Box 14Y).
- Pretax Health and Pretax Basic Life Insurance premiums (Box 14Z).

Box 5: Wages subject to Medicare tax are equal to employee's Total Gross Pay from pay stub for period ending December 24, 2016 and paid on December 30, 2016

Plus

- Non-cash benefits listed in Boxes 12C, 14P, 14S, 14T.

Minus

- Dependent Care Assistance Plan contributions and fees (Box 10).
- Pretax Qualified Transportation (up to monthly limits).
- Pretax Health and Pretax Basic Life Insurance premiums (Box 14Z).

Box 13: These Boxes will be check or left unchecked by your employer.

- A statutory employee is someone who is treated like an employee but didn't have any taxes withheld from their paycheck (this occurs frequently with employees who are 100% commission).
- Retirement Plan box checked means you have a retirement plan which may limit you to get tax incentives for other retirement plans .
- Third-party sick pay means that you received payments for sick time from a company other than the one that employed such as their insurance company.

Box 2: Total amount of Federal tax withheld

Box 6: Amount of Medicare tax withheld

Box 10: Total Dependent Care Assistance Plan (DCAP) deductions excluded from Boxes 1, 5

12C The cost of Group Term Life Insurance over \$50,000 – Imputed Income, included in Boxes 1, 5 and 16.
12DD Informational only - Cost of employer-sponsored health coverage. The amount reported is not taxable.
12E 403(b) Contributions made to a Tax Sheltered Annuity (TSA), excluded in Boxes 1 and 16.
12EE Roth Contribution included in Boxes 1, 5 and 16.
12G Elective and non-elective (OBRA 90 Alternative Retirement) 457 contributions to the Deferred Compensation "SMART" Plan excluded in Boxes 1 and 16.
12P Excludable moving expense reimbursements paid directly to employee (not included in Boxes 1, 5, or 16).

Form **W-2** Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service

Box 16: Total amount of state taxable wages

Box 17: Total amount of State tax withheld

Box 14 ID	W-2 Box ID Description	Instruction
M	MGL c. 3 s. 98 Per Diem (Paid)	Added in Boxes 1, 5, and 16.
O	Health Care Spending Account and HCFA Fee—Pre-Tax	Subtracted from Boxes 1, 5, and 16.
P	Parking and other Imputed Income	Added in Boxes 1, 5, and 16.
R	MGL c. 3 s. 98 Expenses (Paid)	Added in Boxes 1, 5, and 16.
S	Personal Use Auto—Imputed Income	Added in Boxes 1, 5, and 16.
T	Housing Allowance—Imputed	Added in Boxes 1, 5, and 16. (Cash housing is already included)
Y	Retirement—Pre-Tax Federal	Subtracted from Box 1.
Z	Health and Life Insurance—Pre-Tax	Subtracted from Boxes 1, 5, and 16.