



# FORM W-2 INSTRUCTIONS 2020

## Tax reporting for Commonwealth employees

OFFICE OF THE COMPTROLLER OF THE COMMONWEALTH - MACOMPTROLLER.ORG



**April 15, 2021 is the due date for both state and federal taxes.**

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 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 (Box 16).

This represents taxable and non-taxable earnings you received during calendar year 2020. If you enter the lower dollar amount, your return will be corrected and any refund you may be expecting will be delayed.

### For MBTA Employees

Boxes 1 and 16 should match, as MBTA pension contributions are excluded from State and Federal taxable wages.



### Federal Form W-4

- Has 5 steps. Only Step 1 (Personal Information) and Step 5 (Signing Form) are mandatory
- Eliminates "Allowances"
- Encourages the inclusion of Other Income (Step 2) and Tax Deductions (Steps 3 and 4) for better estimates of tax liability
- IRS Paycheck Checkup Estimator found at: [irs.gov/individuals/tax-withholding-estimator](https://irs.gov/individuals/tax-withholding-estimator)

### This brochure details Form W-2 for tax year 2020 (26 pay periods).

This represents taxable and non-taxable earnings you received during calendar year 2020.

Due to the timing of actual payroll periods, this amount may be different 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 receive only one Form W-2 for tax year 2020, ending with the pay period December 19, 2020, and payment dated December 24, 2020.

### Please contact your department's payroll office if:

- You have a question about your Form W-2
- You need a reprint of your Form W-2
- You need a Form W-2C Statement of Corrected Income and Tax Amounts  
You need this form if your name, social security number or any of the federal reported amounts are incorrect.
- You need information about ePay or PayInfo

## MAKE TAXES LESS TAXING.

### GO PAPERLESS!

Commonwealth employees can choose to have their W-2 delivered online!

Access your tax forms sooner and eliminate the possibility of your forms being lost, stolen, or misplaced.

Log into HR/CMS to suppress your paper W-2.

### FILE ELECTRONICALLY!

eFile is free, secure, and you may receive your refund faster.

Visit [mass.gov/eFile](https://mass.gov/eFile) for more information.

### COMMON TAX SCAMS ⚠

The IRS and the Massachusetts Department of Revenue (DOR) will never:

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card, or wire transfer. Generally, the IRS and DOR will first mail you a bill if you owe any taxes.
- Threaten to immediately bring in local police or law enforcement to have you arrested for not paying.
- Demand that you pay taxes without giving you the opportunity to question or appeal the amount that you owe.
- Ask for credit or debit card numbers over the phone.

**BOX 1: Federal Taxable Income** is equal to the employee's Total Gross Pay (less reimbursements) from pay stub for period December 19, 2020 and paid on December 24, 2020;

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 (Box 14Z)

**BOX 2:** Total amount of Federal tax withheld

|  |                            |  |                                |                            |                     |                  |
|--|----------------------------|--|--------------------------------|----------------------------|---------------------|------------------|
| a Employee's social security number      |                            | OMB No. 1545-0008                              |                                |                            |                     |                  |
| b Employer identification number (EIN)   |                            | 1 Wages, tips, other compensation              | 2 Federal income tax withheld  |                            |                     |                  |
| c Employer's name, address, and ZIP code |                            | 3 Social security wages                        | 4 Social security tax withheld |                            |                     |                  |
|  |                            | 5 Medicare wages and tips                      | 6 Medicare tax withheld        |                            |                     |                  |
|  |                            | 7 Social security tips                         | 8 Allocated tips               |                            |                     |                  |
| d Control number                         |                            | 9 Verification code                            | 10 Dependent care benefits     |                            |                     |                  |
| e Employee's first name and initial      |                            | Last name                                      | Suff.                          |                            |                     |                  |
| 11 Nonqualified plans                    |                            |  |                                | 12a                        |                     |                  |
| f Employee's address and ZIP code        |                            | 13 Statutory employee <input type="checkbox"/> | 12b                            |                            |                     |                  |
|  |                            | Retirement plan <input type="checkbox"/>       | 12c                            |                            |                     |                  |
| 14 Other <input type="checkbox"/>        |                            | 12d  | 12d                            |                            |                     |                  |
| 15 State                                 | Employer's state ID number | 16 State wages, tips, etc.                     | 17 State income tax            | 18 Local wages, tips, etc. | 19 Local income tax | 20 Locality name |

Form **W-2 Wage and Tax Statement** 2020 Department of the Treasury—Internal Revenue Service

**BOX 12BB:** Designated Roth contributions under a 403(b) plan

**BOX 12C:** The cost of Group Term Life Insurance over \$50,000 - Imputed Income, included in Boxes 1, 3, 5, and 16

**BOX 12DD:** Informational only - Cost of employer-sponsored health coverage. The amount reported is not taxable

**BOX 12E:** 403(b) Contributions made to a Tax Sheltered Annuity (TSA), excluded in Boxes 1 and 16

**BOX 12EE:** Roth Contribution included in Boxes 1, 3, 5, and 16

**BOX 12G:** Elective and non-elective (OBRA 90 Alternative Retirement) 457 contributions to the Deferred Compensation "SMART" Plan excluded in Boxes 1 and 16. Roth Contribution included in Boxes 1, 3, 5, and 16

**BOX 12P:** Excludable moving expense reimbursements paid directly to employee (not included in Boxes 1, 3, 5, or 16)

**BOX 14**

| ID | W-2 Box ID Description                              | Instructions  |
|----|---|---|
| O  | Health Care Spending Account and HCSA Fee - Pre-Tax | Subtracted from Boxes 1, 3, 5, and 16.  |
| P  | Parking and other Imputed Income                    | Added in Boxes 1, 3, 5, and 16.   |
| Q  | Paid Family and Medical Leave Contribution          | Informational Only  |
| R  | M.G.L. c. 3 s. 9C Expenses (Paid)                   | Added in Boxes 1, 3, 5, and 16.   |
| S  | Personal Use Auto - Imputed Income                  | Added in Boxes 1, 3, 5, and 16.   |
| T  | Housing Allowance - Imputed                         | Added in Boxes 1, 3, 5, and 16. Cash housing is already included.   |
| Y  | Retirement - Pre-Tax Federal                        | FOR MOST COMMONWEALTH EMPLOYEES: Subtracted from Box 1.<br>FOR MBTA EMPLOYEES ONLY: Subtracted from Box 1 and Box 16. |
| Z  | Health and Life Insurance - Pre-Tax                 | Subtracted from Box 1, 3, 5, and 16.  |

**Boxes 3 and 4 only apply to MBTA employees.**



**BOX 3: Social Security Wages** are equal to employee's Total Gross Pay from pay stub for period ending December 19, 2020 and paid on December 24, 2020;

PLUS:

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

MINUS:

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

**BOX 4:** Total amount of Social Security Tax withheld

**BOX 5: Wages Subject to Medicare Tax** are equal to employee's Total Gross Pay from pay stub for period ending December 19, 2020 and paid on December 24, 2020;

PLUS:

- Non-cash benefits listed in Boxes 12C, 12P, 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 (Box 14Z)
- Pretax Health Care Spending Account (Box 14O)

**BOX 6:** Total amount of Medicare tax withheld

**BOX 10:** Total Dependent Care Assistance Plan (DCAP)

**BOX 13:** These Boxes will be checked or left unchecked by your employer:

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