TO: ALL CITY, CUNY COMMUNITY COLLEGES, AND HOUSING AUTHORITY EMPLOYEES
FROM: THE CITY OF NEW YORK OFFICE OF PAYROLL ADMINISTRATION
SUBJECT: W-2 2014 INFORMATION

The following information is prepared to help employees better understand their W-2 forms. For more information, visit our website at www.NYC.gov/ess. Active employees must access the W-2 forms at www.NYC.gov/ess.

A. Annual Salary vs. Amount Actually Received
Wages and other compensation, as shown on the W-2, reflect monies actually paid to an employee during the calendar year, NOT ANNUAL SALARY. The amount reported on the W-2 form may include one or more of the following: supplemental payments, retroactive arrears, non-pensionable amounts, and longevity payments.

B. Pay Statements
Each pay period employees receive pay statements containing the details of their pay: gross earnings, withheld taxes, health, TDA, pension deductions, etc., and year-to-date totals. Pay Statements are available to active employees on NYCAPS Employee Self Service or www.NYC.gov/ess. They are also a means to assist in verifying the W-2 Wage and Tax Statement.

C. "Year-to-Date" Pay Statements vs. W-2 Amounts
Pay Statements include information on year-to-date earnings. These amounts are limited to earnings from only one agency. They do not include earnings from other agencies. Year-to-date totals may not include all checks to which employees are not entitled.

D. Singular W-2 Form
The City of New York combines all earnings for one social security number onto one W-2 form (i.e., DoE, CUNY, Parks, Third Party Sick Pay are combined). Only NYC Housing Authority and NYC Municipal Water Finance Authority employees will receive a separate W-2 form.

E. Date of Service vs. Date of Check
The W-2 form includes all checks dated calendar year 2014. Any checks for arrear payments received in 2014 for service performed during a prior year will be included in the 2014 W-2 form.

F. Social Security/Medicare
Social Security/Medicare regulations stipulate that 2014 FICA deductions be made at the rate of (SS) 6.2% of $117,000.00 and (Medicare) 1.45% of all earnings. For Medicare wages in excess of $200,000.00, the rate is 2.35%. This yields a maximum SS deduction of $7,254.00. If, in error, more than $7,254.00 was deducted during the year, a refund payment will be issued by the NYC Office of Payroll Administration (OPA).

G. Cost of Employer-Sponsored Health Coverage
As part of the Patient Protection and Affordable Care Act of 2010, employers are required to report to each employee the aggregate (employer and employee/retiree) cost of employer-sponsored group health plans. The amount appears in Box 12 labeled as "DD". The amount in Box 12 labeled as "DD" is for informational purposes only and as per the W-2 instructions is not taxable.

H. Tax Deferred Annuity (TDA) (401(k), 403(b), 457 and ROTH)
Your retirement system, insurance company, or Deferred Compensation Plan (DCP) will provide you with a statement of your contributions. The W-2 form provides for TDA contributions to appear as a separate item in Box 12 labeled as "AA," "D," "E," "EE" or "G." Box 1 "Wages,..." on the W-2 form will be reduced by this amount for "D," "E" and "G." Please contact your TDA provider for further information.

I. Pension IRC414H
Pension members' W-2's will show a gross wage reduced by the amount of their pension contributions. This contribution, shown in Box 14 and labeled as "IRC414H," is NOT subject to Federal income tax. However, it is subject to FICA, State and City taxes. Please contact your pension system for information. The Internal Revenue Service (IRS) defines a NYC employee as belonging to a pension plan if the employee has a plan available to join regardless of whether the employee opts to join. Therefore, "retirement plan" in box 13 is checked.

J. IRC125
The Dependent Care Assistance Program (DeCAP) is limited from a minimum of $500 to a maximum of $5,000. The Health Care Flexible Spending Account (HCFSA) is limited from a minimum of $260 to a maximum of $2,500.00. Health insurance plan deductions for basic and/or optional riders are deducted from one's payroll statement. All of the previous contributions
are treated on a pre-tax basis. The contributions will reduce Gross wages, TDA, FICA wages and taxes. However, they are subject to State and City taxes. The aggregate amount of the contributions is shown in Box 14 labeled as "IRC125." Additionally, DECAP will be shown in Box 10. For further information, call 212-306-7760.

**K. TransitBenefit Program IRC132**

Under IRC132, the City allows employees to purchase a Commuter Benefits Commuter Card, Transit Pass or Park-n-Ride plans, or contribute to cover some public transportation costs through Access-A-Ride on a pre-tax basis through payroll deductions. These pre-tax deductions, shown in Box 14 and labeled as "IRC132," are not subject to income or FICA taxes.

**L. Domestic Partner Benefit**

The taxable value of providing City health and/or union welfare fund coverage for your domestic partner has been reported to the IRS. IMP - Imputed income (The taxable value of the employer contribution for health benefits provided to an employee/retiree’s domestic partner.) This amount is included in Box 1 and must be reported for Federal, State and Local taxes. This amount is shown in Box 14 labeled as "IMP." For enrollment information go to [www.NYC.gov/olr](http://www.NYC.gov/olr) and then select Health Benefits Program on the left.

**M. Union-Sponsored Legal Service\ Motor Vehicle Use\ Parking\ TransitBenefit Program\ MBF HCR Fringe Benefits**

A portion of the money the City contributes to the Union Welfare Fund is used to provide legal services benefit to eligible participants. The cost of this benefit is considered income, whether or not the service is used. The value of the benefit varies by union affiliation. The value will be added to the Gross wages and FICA wages on the 2014 W-2 form. Employees who have a City motor vehicle assigned to them and drive it to and from home will have an amount added to their Gross Wages and FICA Wages. Employees who have access to free parking spaces in areas in which equivalent parking costs more than $250/month will have an amount added to their Gross Wages and FICA Wages. For Commuter Card - No Admin Fee and Access-A-Ride transit pass participants, the City pays an administrative service fee on the employee’s behalf. The value of this fringe benefit, up to $21.24 for a full year for Commuter Card - No Admin Fee and Premium TransitChek MetroCard or $36.60 for a full year for Access-A-Ride, is added to Gross and FICA wages reported. Employees and retirees who receive Management Benefits Fund (MBF) Health Club Reimbursements will have an amount added to their Gross Wages and FICA wages. All of these fringe benefit amounts are shown in Box 14.

**N. Union Disability (Third Party Sick Pay)**

Union short-term disability payments to employees are treated as regular wages for the purposes of SS/Medicare deductions.

**O. Line-of-Duty Injuries (Uniformed Agencies/D.A.’s)**

IRS regulations provide favorable tax treatment of your wages during the approved leave period of injury. Wages will be treated on a pre-tax basis. LoDI will reduce Gross wages and FICA wages for all days an employee is out on LoDI. TDA contributions will also be affected by LoDI wages. Affected employees who believe that an error exists on their W-2 form must contact their agency's payroll/personnel office.

**P. Pedagogic Line-of-Duty Injuries (LoDI)**

Continuation of full wages is granted on approved OP198 forms by the DoE Medical Bureau. IRS regulations provide favorable tax treatment of your wages received during this approved leave period of injury. LoDI will reduce Gross wages and FICA wages for all days an employee is out on LoDI. TDA contributions may also be affected by LoDI wages. Affected employees who believe that an error exists on their W-2 forms must contact the DoE. The LoDI Hotline telephone number is 718-935-4373.

**Q. Errors on the W-2 Wage and Tax Statement**

Employees who believe an error exists on their W-2 forms can obtain a "W-2 Correction Request Form" from the NYC OPA’s website at [www.NYC.gov/olr](http://www.NYC.gov/olr). When completed, this form may be faxed to 212-669-4928 or mailed to: OPA W-2 Adjustment Unit, 1 Centre Street, Room 200N, New York, NY 10007. Amended W-2's (Form W-2c) are used for W-2 corrections. If after review, the W-2 has been determined to be incorrect, form W-2c will be available at [www.NYC.gov/ess](http://www.NYC.gov/ess). Only corrected data will appear on the W-2c. Income tax authorities are notified of corrections. The employee must file income tax returns with both the W-2c and the original W-2 forms.

**R. Department of Education W-2 Inquiry**

The DoE has established a W-2 Hotline Number. The W-2 Hotline number is 718-935-4000. The fax number is 718-935-3262. DoE written inquiries may be mailed to DoE W-2 Unit, 65 Court Street Room 1400, Brooklyn, NY 11201.