Notice to Employee

Do you have to file? Refer to the Form 1040 Instructions to determine if you are required to file a tax return. Even if you do not have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

Earned income credit (EIC) You may be able to take the EIC for 2020 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than the specified amount for 2020 or if income is earned for services provided while you were an inmate at a penal institution. For 2020 income limits and more information, visit www.irs.gov/EITC. Also, see Pub. 596, Earned Income Credit. Any EIC that is more than you tax liability is refunded to you, but only if you file a tax return.

Corrections If your name, SSN, or address is incorrect fix Copies B, C, and 2, and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2c from your employer for all corrections made so you may file them with your tax return. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 800-772-1213. You also may visit the SSA at www.SSA.gov.

Credit for excess taxes. If you had more than one employer in 2020 and more than $8,537.40 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. See your Form 1040 instructions and Pub. 505, Tax Withholding and Estimated Tax.

Instructions for Employee

Box 1: Wages, Tips, Other Compensation - This amount includes all the federal taxable income for wages received during the calendar year. Pre-tax deductions such as health insurance, pre-tax parking, flexible spending accounts, and the deductions for administrative fees for pre-tax parking or flexible spending, reported in box 10 or 14, have been subtracted from your gross wages to determine your federal taxable wages. Tax shelter annuity contributions and mandatory employee retirement deduction amounts have also been deducted from gross wages. The amount reported in this box will differ from your gross wages because of these pre-tax deductions.

Box 2: Federal Income Tax Withheld - All Federal income tax withheld during the year.

Box 3: Social Security Wages - All Social Security (FICA-Social Security) taxable income for wages received during the calendar year. The maximum wages subject to social security tax in 2020 was $137,700.

Box 4: Social Security Tax Withheld - All Social Security (FICA-Social Security) tax withheld during the calendar year. This amount equals 6.2% of the amount in box 3 and should not exceed $8,537.40 for 2020.

Box 5: Medicare Wages and Tips - All Medicare (FICA-Medicare) taxable income withheld during the calendar year. There is no limit on wages for Medicare taxes. Unlike federal wages, certain employee deductions for retirement savings do no reduce Social Security and Medicare wages. Often this box will be larger than Box 1 or 3 unless the employee can claim an exemption under certain conditions as a student or in a particular visa classification. This amount may be required to be entered on Form 8959, Additional Medicare Tax. See Form 1040 instructions to determine if you are required to complete Form 8959.

Box 6: Medicare Tax Withheld - 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 7: Social Security Tips - This amount includes tips declared but not paid thru payroll such as tips earned in cash. It also includes credit card tips paid via payroll payment.

Box 8: Allocated Tips - 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. 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. On Form 4137, you will calculate 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 filling form 4137, your social security tips will be credited to your social security record (used to figure your benefits).

Box 9: Verification Code - This box is not used by Virginia Tech

Box 10: Dependent Care Benefits - This amount includes the total dependent care flexible spending amounts withheld during the calendar year. 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 11: Nonqualified Plans - This box is not used by Virginia Tech

Box 12: The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA, BB and EE) under all plans are generally limited to a total of $19,500 ($22,500 for section 403(b) plans if you quality for the 15-year rule explained in Pub. 571).Deferrals under code G are limited to $19,500. However, if you were at least age 50 in 2020, your employer may have allowed an additional deferral of up to $6,500. This additional deferral amount is not subject to the overall limit on elective deferrals. 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. See the instructions for Form 1040. **Note:** The following box descriptions correlate to those boxes usually found on a W2 issued by Virginia Tech. A full list of box descriptions can be found on the IRS website www.irs.gov

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 sect. 401(k) arrangement.

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

G--Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan

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

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

P--Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5)

BB--Designated Roth contributions under a section 403(b) plan.

DD--The reporting of the cost of employer-sponsored health coverage is for your information only. The amount reported with Code DD is not taxable.

EE--Designated Roth contributions under a governmental section 457(b) plan.

Box 13: The "Retirement plan" box is checked if you contributed to any pre-tax retirement plans for VRS or a Faculty Option retirement plan or have cash match contributions.

Box 14: Other - The following explains the codes shown in box 14 and are for information reporting only.

RET--Pretax ORP/VRS/Buyback

HI--Pretax Health Insurance

OTH--Pretax Parking, Pretax Administrative Fees and/or Pretax Medical Reimbursement.

Employers may use this box to report information such as state disability insurance taxes withheld, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, etc.

Box 15: State/Employer's State ID Number - This box represents states in which taxable wages are being reports and Virginia Tech's state tax identification number.

Box 16: State Wages, Tips, etc. - All the state taxable income for wages received during the calendar year. Applicable pre-tax deductions are subtracted from gross wages to arrive at the taxable wage amount.

Box 17: State Income Taxes Withheld - All state income tax withheld during the year.

Box 18, 19, and 20. Local Wages, Local Income Tax and Locality Name - These boxes apply to out-of-state employees only, whose tax residency states collect local income tax.

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.