

THE TAX PICTURE

Your W-2: What You Need To Know



(NAPSA)—By February 2, 2004, every employer that paid you during 2003 must provide you with a Form W-2, Wage and Tax Statement—even if you worked for only one day. The nation's leader in payroll education, the American Payroll Association, offers these tips to help you check your W-2:

- If you haven't received your W-2, contact the company's payroll department. Be prepared with your full name, your Social Security number, and your employee number. If you moved during the past year, be prepared to give any prior addresses, as well as your new address, so your W-2 can be mailed to you.

- Check that your name and Social Security number exactly match those on your Social Security card. If not, contact your payroll department and request a corrected W-2. An exact match is vital to get your eventual Social Security benefits. An exception: it's okay if your Social Security card shows your middle name, but your W-2 only contains your middle initial.

- Locate your last pay stub of the year. If you notice a discrepancy between the pay stub and your W-2, you should note that the amounts entered in W-2 box 1 (Wages, tips, and other compensation), box 3 (Social Security wages), and box 5 (Medicare wages and tips) may differ from your year-to-date gross pay. Deductions from

your pay for some employer-sponsored savings plans, such as 401(k), reduce the amount reported in box 1. Payroll deductions for flexible spending accounts (medical, dependent care, etc.) will reduce the amounts in boxes 1, 3, and 5, if you chose pre-tax deductions.

- Make sure that the state and local boxes accurately reflect the states and municipalities for which you have a tax liability. Some of these jurisdictions may calculate taxable wages differently from what is reported in box 1.

- Read the back of the W-2 Copy B to determine if you are eligible for the Earned Income Tax Credit, and the back of Copy C for explanations of other boxes.

- If any of the dollar amounts seem incorrect, contact your payroll department.

- If you misplace your W-2, request a "reissued statement" from your payroll department. A fee may be charged for the replacement.

- If, as a freelance or contract worker, you received \$600 or more from any one company in 2003, you should receive a Form 1099-MISC, Miscellaneous Income, from that company. If you haven't, contact the company's accounts payable department.

For more information about your W-2 form and other topics relating to your paycheck and withholding, visit www.nationalpayrollweek.com.