



OFFICE OF PAYROLL ADMINISTRATION

One Centre Street, Room 200N, New York, NY 10007

www.nyc.gov/payroll

TO: ALL CITY, CUNY COMMUNITY COLLEGES, AND HOUSING AUTHORITY EMPLOYEES
FROM: THE CITY OF NEW YORK OFFICE OF PAYROLL ADMINISTRATION
SUBJECT: **W-2 2008 INFORMATION**

The following information has been prepared to help employees better understand their W-2 forms. For more information visit our website at www.NYC.gov/payroll. Active employees whose agencies have NYCAPS Employee Self-Service have the ability to print duplicate W-2 forms themselves.

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, miscellaneous, retroactive arrears, severance, non-pensionable cash, longevity, etc. 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 valuable documents and should be retained. 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. Multi-Agency W-2 Forms

The City of New York combines all earnings for one social security number onto one W-2 form (i.e. DoE, CUNY, Parks are combined). Housing Authority, DoE Custodian and Custodian Helpers employees will receive separate W-2 forms.

E. Date of Service vs. Date of Check

The W-2 form includes all checks dated calendar year 2008. Any checks for arrear payments received in 2008 for service performed during a prior year will be included in the 2008 W-2 form.

F. Social Security/Medicare-Federal Tax transfer

An employee's Federal withholding tax may be affected by FICA (Social Security/Medicare) adjustments. Social Security/Medicare regulations stipulate that 2008 FICA deductions be made at the rate of (SS) 6.2% of \$102,000.00 and (Medicare) 1.45% of all earnings. This yields a maximum SS deduction of \$6,324.00. Medicare does not have any maximum. If, in error, more than \$6,324.00 was deducted during the year, a REFUND PAYMENT will be issued by the NYC Office of Payroll Administration (OPA) no later than April, 2009. If less than the required \$6,324.00 was deducted, the amount not deducted is transferred from the employee's Federal withholding taxes to the employee's FICA withholding.

G. Tax Deferred Annuity (401(k), 403(b) or 457)

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" or "G". Box 1 "Wages,..." on the W-2 form will be reduced by this amount. Please contact your TDA provider for further information.

H. 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 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.

I. IRC125

The Dependent Care Assistance Program (DeCAP) is limited to a minimum of \$500 and a maximum

of \$5,000. The Health Care Flexible Spending Account (HCFSA) is limited to a minimum of \$260 and a maximum of \$5,000. 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, it is 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.

J. TransitBenefit Program IRC132

Under IRC132, the City allows employees to purchase a Premium TransitChek MetroCard, establish a TSA debit card account or contribute to cover some public transportation costs through Access-A-Ride on a pre-tax basis through payroll deductions. These deductions, shown in Box 14 and labeled as "IRC132", are not subject to income or FICA taxes.

K. Domestic Partner Benefit

City employees and retirees covered by the City Employee Benefits Program have been granted the right to add their Domestic Partner to their City Health plan coverage. A portion of the amount paid by an employer attributable to coverage of an employee's domestic partner is taxable. Therefore, gross wages and FICA wages on the W-2 will be increased. For further information, call 212 306-7605.

L. Union-Sponsored Legal Service\ Motor Vehicle Use\ Parking\ TransitBenefit Program Fringe Benefits

A portion of the money the City contributes to the Union Welfare Fund is used to provide a pre-paid group 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 wage, FICA wages on the 2008 W-2 form. Consequently, FICA deficits will be recovered from Federal taxes paid. 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 \$220/month will have an amount added to their Gross Wages and FICA Wages. For TransitBenefit Program Premium TransitChek Metrocards participants, the City pays an administrative service fee on the employee's behalf. The value of this fringe benefit, up to \$15.60 for a full year for Premium TransitChek Metrocards or \$23.40 for a full year for Access-A-Ride, is added to Gross and FICA wages reported. All of these fringe

benefit amounts are shown in Box 14.

M. 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. A separate W-2, labeled as "THIRD PARTY PAYOR", is mailed. **NOTE: FOR WAGE/TAX CORRECTIONS, CONTACT YOUR UNION'S WELFARE BENEFIT FUND.**

N. 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.

O. 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 LoDI Hotline telephone number is 718 935-4373.

P. 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/payroll. 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 mailed to the employee. 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.

Q. Department of Education W-2 Inquiry

The DoE has established a W-2 Hotline Number. The Hotline number is 718 935-3889.

R. IRS, NYS and SSA contact information

IRS	www.IRS.gov	1-800-829-1040
NYS	www.NYSTAX.gov	1-800-CALL-TAX
SSA	www.SocialSecurity.gov	1-800-772-1213