

**Volunteer Quality Alert 2009-03**  
**Form W-2 Wage and Tax Statement**  
**February 26, 2009**

## Form W-2 - Box 1 and 2 – What's Next?

**General Rule:** Forms W-2 are full of information about the income and benefits, both taxable and non-taxable, received by taxpayers. W-2s also include information such as advanced earned income payments, dependent care benefits, and retirement savings contributions – all of which is critical information needed for accurate tax return preparation.

**Challenge:** Every entry on Form W-2 is critical in completing an accurate return. Look at all information provided on the Form W-2. When preparing a tax return electronically –

### KEY WHAT YOU SEE!

a Control number 458		22222		OMB No. 1545-0008	
b Employer identification number 58-0000000		1 Wages, tips, other compensation 20,000.00		2 Federal income tax withheld \$2,150.00	
c Employer's name, address, and ZIP code  ABC Minit Mart 111 Main Anytown, USA 30444		3 Social security wages \$21,522.00		4 Social security tax withheld \$1,240.00	
		5 Medicare wages and tips \$21,522.00		6 Medicare tax withheld \$290.00	
		7 Social security tips		8 Allocated tips	
d Employee's social security number 123-45-6789		9 Advance EIC payment \$730.00		10 Dependent care benefits \$1,000.00	
e Employee's first name and initial      Last name  Doe, Mary Jane 123 Main Anytown, USA 30444		11 Nonqualified plans		12a D   \$522.00	
		13 Statutory employee      Retirement plan      Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State      Employer's state ID number		16 State wages, tips, etc. \$21,522.00	
		17 State income tax \$385.00		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

**Advance EIC Payment:** When using e-file, this amount will automatically fill in on line 61 of Form 1040 or line 36 of Form 1040A. If preparing a paper return, remember to include the amount of the **Advance EIC Payment**.

**Dependent Care Benefits:** When using e-file, an amount in this box will automatically complete Page 2 of **Form 2441, Child and Dependent Care Expenses**. If preparing a paper return, a manual calculation is required.

**Box 12 Code & Amount:** When using e-file, an amount in this box with code D and G will automatically generate a **Form 8880, Credit for Qualified Retirement Savings Contributions**, if the taxpayer meets the age and income requirements. If preparing a paper return, you must manually calculate **Form 8880**.

**Training refresher, Volunteers can refer to:**

- Publication 678, Volunteer Student Guide, Lesson 3, Income, or
- Publication 4491, Process Based Training Student Guide, Lesson 8, Wages, Interest, Etc. or
- **Link & Learn Taxes** <http://www.irs.gov/app/vita/index.jsp>, or
- Publication 4012, Volunteer Resource Guide, or
- Publication 17, Your Federal Income Tax, Part 2, Income, or
- Call the VITA Hotline at 1-800-829-8482.