

## Understanding W-2 Box 12 Codes

On the W-2 form, box 12 has a number of sub-categories ranging from A to HH. The W-2 box 12 codes provide more information and determine if the amount listed is taxable. Each W-2 Form box 12 code is either a single or double letter code.

Code	Explanation	Code	Explanation
A	Uncollected social security tax on tips	S	Employee salary reduction Contributions under a section 408(p) SIMPLE
B	Uncollected Medicare tax on tips	T	Adoption benefits
C	Taxable cost of group-term life insurance over \$50,000	V	Income from the exercise of non-statutory stock options
D	Elective deferrals to a section 401(k) cash or deferred arrangement	W	Employer contributions to an employee's Health Savings Account – follow CTC instructions to <b>add Form 8889</b>
E	Elective deferrals under a section 403(b) salary reduction agreement	Y	Deferrals under a section 409A nonqualified deferred compensation plan
F	Elective deferrals under a section 408(k)(6) salary reduction SEP	Z	Income under a section 409A nonqualified deferred compensation plan
G	Elective deferrals and employer contributions to a section 457(b) deferred compensation plan	AA	Designated Roth contributions under section 401(k) plan
H	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	BB	Designated Roth contributions under a section 403(b) plan
J	Nontaxable sick pay	DD	Cost of employer-sponsored health coverage (non-taxable to employee)
K	20% excise tax on excess golden parachute payments - <i>out of scope</i>	EE	Designated Roth contributions under governmental section 457(b) plan
L	Substantiated employee business reimbursements	FF	Permitted benefits under a qualified small employer health reimbursement arrangement. Information only.
M	Uncollected social security tax on taxable cost of group-term life over \$50,000 (for former employees)	GG	Income from qualified equity grants under Section 83(i). Information only. This amount is includible in gross income from qualified equity grants under

			section 83(i)(1)(A) for the calendar year. This amount is wages for box 1.
N	Uncollected Medicare tax on taxable cost of group-term insurance over \$50,000 (former)	HH	Aggregate deferrals under Section 83(i) elections as of the close of the calendar year. Information only.
P	Excludable moving expense reimbursement paid directly to employee	TA	Employer contributions under a section 128 Trump account contribution program paid to a Trump account of an employee or a dependent of an employee.
Q	Nontaxable combat pay	TP	Total amount of <b>cash tips</b> reported to the employer. The employer is not a specified service trade or business. <b>Use this amount</b> in determining <b>the deduction for qualified tips</b> on Sch. 1-A (Form 1040).
R	Employer contributions to a Medical Savings Account	TS	Total amount of <b>cash tips</b> reported to the employer. The employer is a specified service trade or business. <b>Do not use</b> this amount in determining <b>the deduction for qualified tips</b> .
		TT	Total amount of <b>qualified overtime compensation</b> . <b>Use this amount</b> in determining <b>the deduction for qualified overtime compensation</b> on Sch. 1-A (Form 1040).