

# W-2 Codes

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## Background

The IRS requires all employers to provide each employee with a Form W-2 to summarize annual wage earnings, withholding, and deductions.

## Foundation Communities Policy

Clients must present paper copies of W-2's (or equivalent documents) to VITA volunteers in order to properly prepare a tax return.

## How To Assist Tax Clients

The following codes may appear on a client's W-2. Use this chart to explain to the client the origin of these notations:

Code	Explanation
A	Uncollected social security tax on tips
B	Uncollected Medicare tax on tips
C	Taxable cost of group-term life insurance over \$50,000
D	Elective deferrals to a § 401(k) cash or deferred arrangement
E	Elective deferrals under a § 403(b) salary reduction agreement
F	Elective deferrals under a § 408(k)(6) salary reduction SEP
G	Elective deferrals and employer contributions to a § 457(b) deferred compensation plan
H	Elective deferrals to a § 501(c)(18)(D) tax-exempt organization plan
J	Nontaxable sick pay
K	20% excise tax on excess golden parachute payments <sup>1</sup>
L	Substantiated employee business reimbursements
M	Uncollected social security tax on taxable cost of group-term life over \$50,000 (for former employees)
N	Uncollected Medicare tax on taxable cost of group-term insurance over \$50,000 (former)

Code	Explanation
P	Excludable moving expense reimbursement paid directly to employee
Q	Nontaxable combat pay
R	Employer contributions to an Archer Medical Savings Account
S	Employee salary reduction contributions under a § 408(p) SIMPLE
T	Adoption benefits
V	Income from the exercise of non-statutory stock options
W	Employer contributions to an employee's Health Savings Account
Y	Deferrals under a § 409A nonqualified deferred compensation plan
Z	Income under a § 409A nonqualified deferred compensation plan
AA	Designated Roth contributions under section 401(k) plan
BB	Designated Roth contributions under section 403(b) plan
DD	Cost of employer-sponsored health coverage (non-taxable to employee)
EE	Designated Roth contributions under governmental section 457(b) plan

1. Such payments are generally considered to be "out of scope" for VITA volunteers. Refer golden parachute payment recipients to a paid tax professional.