

2023 General Instructions for Forms W-2 and W-3

(Including Forms W-2AS, W-2CM, W-2GU, W-2VI,
W-3SS, W-2c, and W-3c)

Volume 1 of 3



Department of the Treasury
Internal Revenue Service

Instruction for Forms W-2 and W-3 (Rev 2023) Catalog Number 47712B
Department of the Treasury **Internal Revenue Service** www.irs.gov



Visit the Accessibility
Page on [IRS.gov](https://www.irs.gov)

This page intentionally left blank

Contents	Regular Page	Large Print Page
Future Developments	1	5
What's New	1	5
Reminders	1	7
Need Help?	4	27
How To Get Forms and Publications	4	30
Common Errors on Forms W-2	5	31
General Instructions for Forms W-2 and W-3	5	33
Special Reporting Situations for Form W-2	7	49
Penalties	13	96
Specific Instructions for Form W-2	15	106

Specific Instructions for Form W-3	23	165
General Instructions for Forms W-2c and W-3c	25	181
Special Situations for Forms W-2c and W-3c	25	185
Specific Instructions for Form W-2c	27	194
Specific Instructions for Form W-3c	28	201
Form W-2 Reference Guide for Box 12 Codes	30	215
Form W-2 Box 13 Retirement Plan Checkbox Decision Chart	30	216
Nonqualified Deferred Compensation Reporting Example Chart	31	217
Index	33	219

Future Developments

For the latest information about developments related to Forms W-2 and W-3 and their instructions, such as legislation enacted after they were published, go to [IRS.gov/FormW2](https://www.irs.gov/FormW2).

What's New

Forms W-2 (including Forms W-2AS, W-2GU, and W-2VI) redesigned. Beginning with the tax year 2023 forms (filed in tax year 2024), you may complete and print Copies 1, B, C, 2 (if applicable), and D (if applicable) of Forms W-2, W-2AS, W-2GU, and W-2VI on IRS.gov to provide to the respective recipient. An entry made in any one of these copies will automatically populate to the other copies. As before, Copy A cannot be completed online to print and file with the SSA and is posted on IRS.gov for informational purposes only. Copy D for employers and the Note for Employers that

was previously provided on the back of Copy D has been removed from the Forms W-2AS, W-2GU, and W-2VI to reduce the number of pages for printing purposes.

Electronic filing of returns. The Taxpayer First Act of 2019, enacted July 1, 2019, authorized the Department of the Treasury and the IRS to issue regulations that reduce the threshold for mandatory electronic filing. Currently, electronic filing is required if 250 returns of one type are filed. If final regulations are issued and effective for 2023 tax returns required to be filed in 2024, we will post an article at [IRS.gov/FormW2](https://www.irs.gov/FormW2) explaining the change. Until final regulations are issued, however, the number remains at 250, as reflected in these instructions.

Disaster tax relief. Disaster tax relief is available for those affected by recent disasters. For more information about disaster relief, go to [IRS.gov/DisasterTaxRelief](https://www.irs.gov/DisasterTaxRelief).

Penalties increased. Failure to file and failure to furnish penalties, and penalties for intentional disregard of filing and payee statement requirements, have increased due to adjustments for inflation. The higher penalty amounts apply to returns required to be filed after December 31, 2023. See *Penalties* for more information.

Reminders

Discrepancies when reconciling Forms W-2 and W-3 with Forms 941, 941-SS, 943, 944, CT-1, and Schedule H (Form 1040) due to coronavirus (COVID-19) related employment tax credits and other tax relief. You may have a discrepancy when reconciling Forms W-2 and W-3 to Forms 941, 941-SS, 943, 944, CT-1, and Schedule H (Form 1040) if you utilized any of the COVID-19 tax relief. See Pub. 15 or Pub. 51, the instructions for your respective employment tax form, and the *Caution* under *Reconciling Forms W-2, W-3,*

941, 941-SS, 943, 944, CT-1, and Schedule H (Form 1040), for more information.

Due date for filing with SSA. The due date for filing 2023 Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3, and W-3SS with the SSA is January 31, 2024, whether you file using paper forms or electronically.

Extensions of time to file. Extensions of time to file Form W-2 with the SSA are not automatic. You may request one 30-day extension to file Form W-2 by submitting a complete application on Form 8809, Application for Extension of Time To File Information Returns, indicating that at least one of the criteria on the form and instructions for granting an extension applies, and signing under penalties of perjury. The IRS will only grant the extension in extraordinary circumstances or catastrophe. See *Extension of time to file Forms W-2 with the SSA* for more information. This does not affect extensions of time to furnish Forms W-

2 to employees. See Extension of time to furnish Forms W-2 to employees for more information.



Get it done faster...E-file your Forms W-2 and W-2c with the SSA. See E-filing.

Rejected wage reports from the Social Security Administration (SSA). The SSA will reject Form W-2 electronic and paper wage reports under the following conditions.

- Medicare wages and tips are less than the sum of social security wages and social security tips;
- Social security tax is greater than zero; social security wages and social security tips are equal to zero; and
- Medicare tax is greater than zero; Medicare wages and tips are equal to zero.

- Additionally, Forms W-2 and W-2c electronic and paper wage reports for household employers will be rejected under the following conditions.
- The sum of social security wages and social security tips is less than the minimum yearly earnings subject to social security and Medicare tax withholding for a household employee, and
- The Medicare wages and tips are less than the minimum yearly earnings subject to social security and Medicare tax withholding for a household employee.

If the above conditions occur in an electronic wage report, the SSA will notify the submitter by email or postal mail to correct the report and resubmit it to the SSA. If the above conditions occur in a paper wage report, the SSA will notify the employer by email or

postal mail to correct the report and resubmit it to the SSA.

Note. Do not write “corrected” or “amended” on any resubmitted reports.

Household employers, see Pub. 926,
Household Employer's Tax Guide.

Social security numbers. Employers may truncate the employee's SSN on employee copies of Forms W-2. Do **not** truncate the employees' SSN on Copy A of Forms W-2, W-2c, W-2AS, W-2GU, and W-2VI. See *Taxpayer identification numbers (TINs)*, later. Also see Regulations section 31.6051-1(a)(1)(i)(B) and 31.6051-2(a). To truncate where allowed, replace the first 5 digits of the 9-digit number with asterisks (*) or Xs (for example, an SSN xxx-xx-1234 would appear on the employee copies as ***-**-1234 or XXX-XX-1234). Truncation of SSNs on employee copies of Form W-2 is voluntary. You are not required to truncate SSNs on employee copies of Form W-2. Check with

your state, local, or territorial governments to determine whether you are permitted to truncate SSNs on copies of Form W-2 submitted to the government.

An employer's EIN may not be truncated on any form. See Regulations section 31.6051-1(a)(1)(i)(A) and 301.6109-4(b)(2)(iv).

Limit on health flexible spending arrangement (FSA). For 2023, a cafeteria plan may not allow an employee to request salary reduction contributions for a health FSA in excess of \$3,050. The salary reduction contribution limitation of \$3,050 does not include any amount carried over from a previous year. For more information, see *Health flexible spending arrangement (FSA)*.

Additional Medicare Tax. In addition to withholding Medicare tax at 1.45%, an employer is required to withhold a 0.9% Additional Medicare Tax on any Federal Insurance Contributions Act (FICA) wages or Railroad Retirement Tax Act (RRTA)

compensation it pays to an employee in excess of \$200,000 in a calendar year. An employer is required to begin withholding Additional Medicare Tax in the pay period in which it pays wages or compensation in excess of \$200,000 to an employee and continue to withhold it until the end of the calendar year. Additional Medicare Tax is imposed only on the employee. There is no employer share of Additional Medicare Tax. All wages and compensation that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on Additional Medicare Tax, go to [IRS.gov/ADMTfaq](https://www.irs.gov/ADMTfaq).

Unless otherwise noted, references to Medicare tax include Additional Medicare Tax.

Medicaid waiver payments. Notice 2014-7 provides that certain Medicaid waiver payments may be excluded from income for federal income tax purposes. See Notice

2014-7, 2014-4 I.R.B. 445, available at [IRS.gov/irb/2014-4_IRB#NOT-2014-7](https://www.irs.gov/irb/2014-4_IRB#NOT-2014-7). Also see [IRS.gov/ MedicaidWaiverPayments](https://www.irs.gov/MedicaidWaiverPayments) for questions and answers on the notice.

Business Services Online (BSO). The SSA has enhanced its secure BSO website to make it easier to register and navigate. Use BSO's online fill-in forms to create, save, and submit Forms W-2 and W-2c to the SSA electronically. BSO lets you print copies of these forms to file with state or local governments, distribute to your employees, and keep for your records. BSO generates Form W-3 automatically based on your Forms W-2. You can also use BSO to upload wage files to the SSA, check on the status of previously submitted wage reports, and take advantage of other convenient services for employers and businesses. Visit the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/ employer](https://ssa.gov/employer) for more information about using BSO to save

time for your organization. Here you will also find forms and publications used for wage reporting, information about verifying employee social security numbers online, how to reach an SSA employer services representative for your region, and more.



Preview BSO by viewing a brief online tutorial. Go to

[SSA.gov/employer/bsotut.htm](https://www.ssa.gov/employer/bsotut.htm).

Correcting wage reports. You can use BSO to create, save, print, and submit Forms W-2c, Corrected Wage and Tax Statement, online for the current year as well as for prior years. After logging into BSO, navigate to the Electronic Wage Reporting home page and click on the “Forms W-2c/W-3c Online” tab. Also see *E-filing* and *E-filing Forms W-2c and W-3c*.

Tax relief for victims of terrorist attacks. Disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States (or its allies) are

not included in income. Because federal income tax withholding is required only when a payment is includable in income, no federal income tax should be withheld from these payments.

Distributions from governmental section 457(b) plans of state and local agencies.

Generally, report distributions from section 457(b) plans of state and local agencies on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. See Notice 2003-20 on page 894 of Internal Revenue Bulletin 2003-19 at [IRS.gov/pub/irs-irbs/irb03-19.pdf](https://www.irs.gov/pub/irs-irbs/irb03-19.pdf).

Earned income credit (EIC) notice (not applicable to Forms W-2AS, W-2CM, W-2GU, and W-2VI). You must notify employees who have no income tax withheld that they may be able to claim an income tax refund because of the EIC. You can do this by using the official Internal Revenue Service

(IRS) Form W-2 with the EIC notice on the back of Copy B or a substitute Form W-2 with the same statement. You must give your employee Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording if (a) you use a substitute Form W-2 that does not contain the EIC notice, (b) you are not required to furnish Form W-2, or (c) you do not furnish a timely Form W-2 to your employee. For more information, see section 10 in Pub. 15 (Circular E), Employer's Tax Guide.

Electronic statements for employees.

Furnishing Copies B, C, and 2 of Forms W-2 to your employees electronically may save you time and effort. See *Furnishing Form W-2 to employees electronically* in Pub. 15-A, Employer's Supplemental Tax Guide, for additional information.

E-filing. The SSA encourages all employers to *e-file*. E-filing can save you time and effort and helps ensure accuracy. You must *e-file* if you are required to file 250 or more Forms W-2 or W-2c. If you are required to *e-file* but fail to do so, you may incur a penalty.

The SSA's BSO website makes e-filing easy by providing two ways to submit your Forms W-2 or W-2c Copy A and Forms W-3 or W-3c information.

- If you need to file 50 or fewer Forms W-2 or 25 or fewer Forms W-2c at a time, you can use BSO to create them online. BSO guides you through the process of creating Forms W-2 or W-2c, saving and printing them, and submitting them to the SSA when you are ready. You do not have to wait until you have submitted Forms W-2 or W-2c to the SSA before printing copies for your employees. BSO generates Form W-3 or W-3c

automatically based on your Forms W-2 or W-2c.

- If you need to file more than 50 Forms W-2 or more than 25 Forms W-2c, BSO's "file upload" feature might be the best e-filing method for your business or organization. To obtain file format specifications, visit the SSA's website at [SSA.gov/employer/EFW2&EFW2C.htm](https://ssa.gov/employer/EFW2&EFW2C.htm), and select the appropriate document. This information is also available by calling the SSA's Employer Reporting Service Center at 800-772-6270 (toll free).



If you e-file, do not file the same returns using paper forms.

For more information about e-filing Forms W-2 or W-2c and a link to the BSO website, visit the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/ employer](https://ssa.gov/employer).

In a few situations, reporting instructions vary depending on the filing method you choose. For example, you can include every type of box 12 amount in one employee wage record if you upload an electronic file. If you file on paper or create Forms W-2 online, you can include only four box 12 amounts per Form W-2. See the *TIP* for *Box 12—Codes* under *Specific Instructions for Form W-2*.

Waiver from e-filing. If you are required to *e-file*, you can request a waiver from this requirement by filing Form 8508, Request for Waiver From Filing Information Returns Electronically. Submit Form 8508 to the IRS at least 45 days before the due date of Form W-2, or 45 days before you file your first Form W-2c. See Form 8508 for information about filing this form.

Form 944. Use the “944” checkbox in box b of Form W-3 or Form W-3SS if you filed Form 944, Employer's ANNUAL Federal Tax Return. Also use the “944” checkbox if you filed

Formulario 944(SP), the Spanish-language version of Form 944.

Forms W-2 for U.S. territories. In these instructions, reference to Forms W-2 and W-3 includes Forms W-2AS, W-2CM, W-2GU, W-2VI, and W-3SS, unless otherwise noted.

These instructions are not applicable to wage and tax statements for Puerto Rico. Form W-2AS is used to report American Samoa wages paid by American Samoa employers, Form W-2CM is used to report the Commonwealth of the Northern Mariana Islands (CNMI) wages paid by CNMI employers, Form W-2GU is used to report Guam wages paid by Guam employers, and Form W-2VI is used to report U.S. Virgin Islands (USVI) wages paid by USVI employers. Do not use these forms to report wages subject to U.S. income tax withholding. Instead, use Form W-2 to show U.S. income tax withheld. For employment-related information for employers with territory employees, see Pub. 80, Federal Tax

Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Military Spouses Residency Relief Act (MSRRA). You may be required to report wages and taxes on a form different from the form you generally use if an employee claims residence or domicile under MSRRA in a different jurisdiction in one of the 50 states, the District of Columbia, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, or the U.S. Virgin Islands.

Under MSRRA, the spouse of an active duty servicemember (civilian spouse) may keep their prior residence or domicile for tax purposes (tax residence) when accompanying the servicemember spouse, who is relocating under military orders, to a new military duty station in one of the 50 states, the District of Columbia, or a U.S. territory. Before

relocating, both spouses must have had the same tax residence.

For example, if a civilian spouse is working in Guam but properly claims tax residence in one of the 50 states under MSRRA, their income from services would not be taxable income for Guam tax purposes. Federal income taxes should be withheld and remitted to the IRS. State and local income taxes may need to be withheld and remitted to state and local tax authorities. You should consult with state, local, or U.S. territory tax authorities regarding your withholding obligations under MSRRA.

However, for any taxable year of the marriage, the civilian spouse may elect to use the same residence for purposes of taxation as the servicemember regardless of the date on which the marriage of the spouse and the servicemember occurred.

In the previous example, the spouse would be allowed to elect to use the same residence as the servicemember.

Nonqualified deferred compensation plans. You are not required to complete box 12 with code Y (Deferrals under a section 409A nonqualified deferred compensation plan). Section 409A provides that all amounts deferred under a nonqualified deferred compensation (NQDC) plan for all tax years are includible in gross income unless certain requirements are satisfied. See *Nonqualified deferred compensation plans* under *Special Reporting Situations for Form W-2* and the Nonqualified Deferred Compensation Reporting Example Chart.

Reporting the cost of group health insurance coverage. You must report the cost of employer-sponsored health coverage in box 12 using code DD. However, transitional relief applies to certain employers and certain types of plans. For more

information, see *Box 12—Codes* for *Code DD—Cost of employer-sponsored health coverage*.

Severance payments. Severance payments are wages subject to social security and Medicare taxes. As noted in section 15 of Pub. 15 (Circular E), severance payments are also subject to income tax withholding and FUTA tax.

Substitute forms. You may use an acceptable substitute form instead of an official IRS form.

Form W-2. If you are not using the official IRS form to furnish Form W-2 to employees or to file with the SSA, you may use an acceptable substitute form that complies with the rules in Pub. 1141, General Rules and Specifications for Substitute Forms W-2 and W-3. Pub. 1141 is a revenue procedure that explains the requirements for format and content of substitute Forms W-2 and W-3.

Your substitute forms must comply with the requirements in Pub. 1141.

Pub. 1141 prohibits advertising on Form W-2. You must not include advertising on any copy of Form W-2, including coupons providing discounts on tax preparation services attached to the employee copies. See Pub. 1141 for further information.

Form W-2c. If you are not using the official IRS form to furnish Form W-2c to employees or to file with the SSA, you may use an acceptable substitute form that complies with the rules in Pub. 1223, General Rules and Specifications for Substitute Forms W-2c and W-3c. Pub. 1223 is a revenue procedure that explains the requirements for format and content of substitute Forms W-2c and W-3c. Your substitute forms must comply with the requirements in Pub. 1223.

Pub. 1223 prohibits advertising on Form W-2c. You must not include advertising on any copy of Form W-2c, including coupons

providing discounts on tax preparation services attached to the employee copies. See Pub. 1223 for further information.

Need Help?

Help with e-filing. If you have questions about how to register or use BSO, call 800-772-6270 (toll free) to speak with an employer reporting technician at the SSA. The hours of operation are Monday through Friday from 7:00 a.m. to 7:00 p.m. Eastern time. If you experience problems using any of the services within BSO, call 888-772-2970 (toll free) to speak with a systems operator in technical support at the SSA. To speak with the SSA's Employer Services Liaison Officer (ESLO) for the U.S. Virgin Islands, call 212-264-4402 (not a toll-free number).

For Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa, call 510-970-8247 (not a toll-free number). For all other employers, contact the

ESLO that services your region. For a complete telephone listing, visit the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/employer/wage_reporting_specialists.htm](https://ssa.gov/employer/wage_reporting_specialists.htm).

Information reporting customer service site. The IRS operates a centralized customer service site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions about reporting on these forms, call 866-455-7438 (toll free).

TTY/TDD equipment. Telephone help is available using TTY/TDD equipment for persons who are deaf, hard of hearing, or have a speech disability. If you have questions about reporting on information returns (Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, W-2, W-2G, and W-3), call 304-579-4827.

Employment tax information. Detailed employment tax information is given in:

- Pub. 15 (Circular E), Employer's Tax Guide;
- Pub. 15-A, Employer's Supplemental Tax Guide;
- Pub. 15-B, Employer's Tax Guide to Fringe Benefits;
- Pub. 15-T, Federal Income Tax Withholding Methods;
- Pub. 51 (Circular A), Agricultural Employer's Tax Guide;
- and
- Pub. 80 (Circular SS), Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

You can also call the IRS with your employment tax questions at 800-829-4933 or go to [IRS.gov/ EmploymentTaxes](https://www.irs.gov/employmenttaxes).

How To Get Forms and Publications

Internet. You can access IRS.gov 24 hours a day, 7 days a week to:

- Download, view, and order tax forms, instructions, and publications.
- Access commercial tax preparation and *e-file* services.
- Research your tax questions online.
- See answers to frequently asked tax questions.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins published in the last few years.

- Sign up to receive local and national tax news by email.

You can order forms, instructions, and publications at [IRS.gov/OrderForms](https://www.irs.gov/OrderForms). For any other tax information, go to [IRS.gov/Help/Tax-Law-Questions](https://www.irs.gov/Help/Tax-Law-Questions).



Do not print Copy A of Forms W-2, W-3, W-2c, or W-3c from IRS.gov and then file them with the SSA. The SSA accepts only e-filed reports and the official red-ink versions (or approved substitute versions) of these forms. For more information about acceptable substitute versions, see [Substitute forms](#). For information about e-filing, see [E-filing](#)

Common Errors on Forms W-2

Forms W-2 provide information to your employees, the SSA, the IRS, and state and local governments. Avoid making the

following errors, which cause processing delays.

Do not:

- Download Copy A of Forms W-2, W-2AS, W-2GU, W-2VI, and W-3SS; or Form W-3 from IRS.gov and file with the SSA.
- Omit the decimal point and cents from entries.
- Make entries using ink that is too light. Use only black ink.
- Make entries that are too small or too large. Use 12-point Courier font, if possible.
- Add dollar signs to the money-amount boxes. They have been removed from Copy A and are not required.
- Inappropriately check the "Retirement plan" checkbox in box 13. See *Retirement plan*.

- Misformat the employee's name in box e. Enter the employee's first name and middle initial in the first box, their surname in the second box, and their suffix (such as "Jr.") in the third box (optional).
- Enter the incorrect employer identification number (EIN) or the employee's SSN for the EIN.
- Cut, fold, or staple Copy A paper forms mailed to SSA.
- Mail any other copy other than Copy A of Form W-2 to the SSA.

General Instructions for Forms W-2 and W-3

Who must file Form W-2. You must file Form(s) W-2 if you have one or more employees to whom you made payments (including noncash payments) for the

employees' services in your trade or business during 2023.

Complete and file Form W-2 for each employee for whom any of the following applies (even if the employee is related to you).

- You withheld any income, social security, or Medicare tax from wages regardless of the amount of wages; or
- You would have had to withhold income tax if the employee had claimed no more than one withholding allowance (for 2019 or earlier Forms W-4) or had not claimed exemption from withholding on Form W-4; or
- You paid \$600 or more in wages even if you did not withhold any income, social security, or Medicare tax.

Only in very limited situations will you not have to file Form W-2. This may occur if you were not required to withhold any income tax,

social security tax, or Medicare tax and you paid the employee less than \$600, such as for certain election workers and certain foreign agricultural workers. See Election workers and Foreign agricultural workers, later.

Unless otherwise noted, references to Medicare tax include Additional Medicare Tax.

If you are required to *e-file* Forms W-2 or want to take advantage of the benefits of e-filing, see E-filing.

Who must file Form W-3. Anyone required to file Form W-2 must file Form W-3 to transmit Copy A of Forms W-2.

Make a copy of Form W-3 and a copy of each Form W-2 Copy A (For SSA) to keep for your records for at least 4 years. Be sure to use Form W-3 for the correct year. If you are filing Forms W-2 electronically, also see E-filing.

Household employers. Even employers with only one household employee must file Form W-3 to transmit Copy A of Form W-2. On Form W-3, check the “Hshld. emp.” checkbox in box b. For more information, see Schedule H (Form 1040), Household Employment Taxes, and its separate instructions. You must have an employer identification number (EIN). See *Box b—Employer identification number (EIN).*

Who may sign Form W-3. A transmitter or sender (including a service bureau, reporting agent, paying agent, or disbursing agent) may sign Form W-3 (or use its PIN to *e-file*) for the employer or payer only if the sender satisfies both of the following.

- It is authorized to sign by an agency agreement (whether oral, written, or implied) that is valid under state law; and
- It writes “For (name of payer)” next to the signature (paper Form W-3 only).



Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that Forms W-2 are furnished to employees and that Forms W-2 and W-3 are filed with the SSA, correctly and on time. See Penalties for more information.

Be sure that the payer's name and EIN on Forms W-2 and W-3 are the same as those used on the Form 941, Employer's QUARTERLY Federal Tax Return; Form 943, Employer's Annual Federal Tax Return for Agricultural Employees; Form 944, Employer's ANNUAL Federal Tax Return; Form CT-1, Employer's Annual Railroad Retirement Tax Return; or Schedule H (Form 1040) filed by or for the payer.

When to file. Mail or electronically file Copy A of Form(s) W-2 and Form W-3 with the SSA by January 31, 2024. You may owe a penalty for each Form W-2 that you file late. See

Penalties. If you terminate your business, see *Terminating a business.*

Extension of time to file Forms W-2 with the SSA. You may request only one extension of time to file Form W-2 with the SSA by submitting a complete application on Form 8809, Application for Extension of Time To File Information Returns. When completing the Form 8809, indicate that at least one of the criteria on the form and instructions for granting an extension applies. You must sign the application under penalties of perjury. Send the application to the address shown on Form 8809. You must request the extension before the due date of Forms W-2. If the IRS grants your request for extension, you will have an additional 30 days to file. The IRS will grant extensions to file Forms W-2 only in limited cases for extraordinary circumstances or catastrophe, such as a natural disaster or fire destroying the books and records needed for filing the forms. No additional extension of

time to file will be allowed. See Form 8809 for details.



Even if you request and are granted an extension of time to file Forms W-2, you must still furnish Forms W-2 to your employees by January 31, 2024. But see Extension of time to furnish Forms W-2 to employees.

Where to file paper Forms W-2 and W-3.

File Copy A of Form(s) W-2 with Form W-3 at the following address.

Social Security Administration

Direct Operations Center

Wilkes-Barre, PA 18769-0001



If you use "Certified Mail" to file, change the ZIP code to "18769-0002."
If you use an IRS-approved private delivery service, add "Attn: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." Go to

[IRS.gov/PDS](https://www.irs.gov/PDS) for a list of IRS-approved private delivery services.



Do not send cash, checks, money orders, or other forms of payment with the Forms W-2 and W-3 that you submit to the SSA.

Employment tax forms (for example, Form 941 or Form 943), remittances, and Forms 1099 must be sent to the IRS.

Copy 1. Send Copy 1 of Form W-2, if required, to your state, city, or local tax department. For more information concerning Copy 1 (including how to complete boxes 15 through 20), contact your state, city, or local tax department.

American Samoa. File Copy 1 of Form W-3SS and Forms W-2AS at the following address.

**American Samoa Tax Office
Executive Office Building
First Floor
Pago Pago, AS 96799**

Guam. File Copy 1 of Form W-3SS and Forms W-2GU at the following address.

**Guam Department of Revenue and
Taxation
P.O. Box 23607
Barrigada, GU 96921**

For additional information about Form W-2GU, see GuamTax.com.

U.S. Virgin Islands. File Copy 1 of Form W-3SS and Forms W-2VI at the following address.

**Virgin Islands Bureau of Internal
Revenue
6115 Estate Smith Bay
Suite 225
St. Thomas, VI 00802**

For additional information about Form W-2VI, see BIR.VI.gov.

Commonwealth of the Northern Mariana Islands. File Form OS-3710 and Copy 1 of Forms W-2CM at the following address.

**Division of Revenue and Taxation
Commonwealth of the Northern
Mariana Islands
P.O. Box 5234 CHRB
Saipan, MP 96950**

Forms OS-3710 and W-2CM are not IRS forms. For additional information about Form W-2CM, see Finance.gov.mp/forms.php.

Shipping and mailing. If you file more than one type of employment tax form, group Forms W-2 of the same type with a separate Form W-3 for each type, and send them in separate groups. See the specific instructions for Box b—Kind of Payer and Box b—Kind of Employer in *Specific Instructions for Form W-3*.

Prepare and file Forms W-2 either alphabetically by employees' last names or numerically by employees' social security numbers. Do not staple or tape Form W-3 to the related Forms W-2 or Forms W-2 to each other. These forms are machine read. Staple holes or tears interfere with machine reading. Also do not fold Forms W-2 and W-3. Send the forms to the SSA in a flat mailing.

Furnishing Copies B, C, and 2 to employees.

Generally, you must furnish Copies B, C, and 2 of Form W-2 to your employees by January 31, 2024. You will meet the “furnish” requirement if the form is properly addressed and mailed on or before the due date.

If employment ends before December 31, 2023, you may furnish copies to the employee at any time after employment ends, but no later than January 31, 2024. If an employee asks for Form W-2, give them the

completed copies within 30 days of the request or within 30 days of the final wage payment, whichever is later. However, if you terminate your business, see *Terminating a business*.

You may furnish Forms W-2 to employees on IRS official forms or on acceptable substitute forms. See *Substitute forms*. Be sure the Forms W-2 you provide to employees are clear and legible and comply with the requirements in Pub. 1141.

Forms W-2 that include logos, slogans, and advertisements (including advertisements for tax preparation software) may be considered as suspicious or altered Forms W-2 (also known as “questionable Forms W-2”). An employee may not recognize the importance of the employee copy for tax reporting purposes due to the use of logos, slogans, and advertisements. Therefore, the IRS has determined that logos, slogans, and advertising will not be allowed on Forms W-3,

Copy A of Forms W-2, or any employee copies reporting wages paid. Limited exceptions on this prohibition exist with respect to employee copies. See Pub. 1141 for more information.

Extension of time to furnish Forms W-2 to employees. You may request an extension of time to furnish Forms W-2 to employees by faxing a letter to:

Internal Revenue Service Technical Services Operation

Attn: Extension of Time Coordinator

Fax: 877-477-0572 (International Fax: 304-579-4105)

Fax your letter on or before the due date for furnishing Forms W-2 to employees. It must include:

- Your name and address,
- Your EIN,

- A statement that you are requesting an extension to furnish “Forms W-2” to employees,
- The reason for delay, and
- Your signature or that of your authorized agent.

See the 2023 General Instructions for Certain Information Returns.



Requests for an extension of time to furnish ! Forms W-2 to employees are not automatically granted. If approved, an extension will generally be granted for no more than 15 days from the due date, unless the need for up to a total of 30 days is clearly shown.

Undeliverable Forms W-2. Keep for 4 years any employee copies of Forms W-2 that you tried to but could not deliver. However, if the undelivered Form W-2 can be produced electronically through April 15th of the fourth year after the year at issue, you do not need

to keep undeliverable employee copies. Do not send undeliverable employee copies of Forms W-2 to the Social Security Administration (SSA).

Taxpayer identification numbers (TINs).

Employers use an employer identification number (EIN) (XX-XXXXXXX). Employees use a social security number (SSN) (XX-XX-XXXX). When you list a number, separate the 9 digits properly to show the kind of number.

Do not accept an IRS individual taxpayer identification number (ITIN) in place of an SSN for employee identification or for Form W-2 reporting. An ITIN is available only to resident and nonresident aliens who are not eligible for U.S. employment and need identification for other tax purposes. You can identify an ITIN because it is a 9-digit number formatted like an SSN beginning with the number “9” and with a number in one of the following ranges in the fourth and fifth digits: 50–65, 70–88, 90–92, and 94–99 (for

example, 9NN-70-NNNN). Do not auto populate an ITIN into box a, Employee's social security number, on Form W-2. See section 4 of Pub. 15 (Circular E).



An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN from the Social Security Administration.

The IRS uses SSNs to check the payments that you report against the amounts shown on employees' tax returns. The SSA uses SSNs to record employees' earnings for future social security and Medicare benefits. When you prepare Form W-2, be sure to show the correct SSN for each employee. You may truncate the employee's SSN on employee copies of Forms W-2. Do not truncate an employee's SSN on Copy A of Forms W-2. Go to *Social security numbers*, earlier, for more information. Also see Regulations section 31.6051-1(a)(1) (i)(B) and 31.6051-2(a). For information about verifying

SSNs, see section 4 of Pub. 15 (Circular E) or visit the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/employer](https://www.ssa.gov/employer).



Form W-2 e-filed with the SSA must contain the employer's complete EIN and the complete SSN of the employee. Do not truncate EINs or SSNs on Copy A.

Special Reporting Situations for Form W-2

Adoption benefits. Amounts paid or expenses incurred by an employer for qualified adoption expenses under an adoption assistance program are not subject to federal income tax withholding and are not reportable in box 1. However, these amounts (including adoption benefits paid from a section 125 (cafeteria) plan, but not including adoption benefits forfeited from a cafeteria plan) are subject to social security, Medicare,

and railroad retirement taxes and must be reported in boxes 3 and 5. (Use box 14 if railroad retirement taxes apply.) Also, the total amount, including any amount in excess of the \$15,950 exclusion, must be reported in box 12 with code T. For more information on reporting adoption benefits in box 12, see *Code T—Adoption benefits*, later.

For more information on adoption benefits, see Notice 97-9, 1997-1 C.B. 365, which is on page 35 of Internal Revenue Bulletin 1997-2 at [IRS.gov/pub/irs-irbs/irb97-02.pdf](https://www.irs.gov/pub/irs-irbs/irb97-02.pdf). Advise your employees to see the Instructions for Form 8839, Qualified Adoption Expenses.

Agent reporting. An agent who has an approved Form 2678, Employer/Payer Appointment of Agent, should enter the following in box c of Form W-2.

(Name of agent)

Agent for (name of employer)

Address of agent

Each Form W-2 should reflect the EIN of the agent in box b. An agent files one Form W-3 for all of the Forms W-2 and enters its own information in boxes e, f, and g of Form W-3 as it appears on the agent's related employment tax returns (for example, Form 941). Enter the client-employer's EIN in box h of Form W-3 if the Forms W-2 relate to only one employer (other than the agent); if not, leave box h blank.

If the agent (a) is acting as an agent for two or more employers or is an employer and is acting as an agent for another employer, and (b) pays social security wages to an individual on behalf of more than one employer, the agent should file separate Forms W-2 for the affected employee reflecting the wages paid by each employer.

See Rev. Proc. 2013-39, 2013-52 I.R.B. 830, available at [IRS.gov/irb/2013-52_IRB#RP-2013-39](https://www.irs.gov/irb/2013-52_IRB#RP-2013-39) and the Form 2678 instructions for

procedures to be followed in applying to be an agent.



Generally, an agent is not responsible for refunding excess social security or railroad retirement (RRTA) tax withheld from employees. If an employee worked for more than one employer during 2023 and had more than \$9,932.40 in social security and/or Tier 1 RRTA tax withheld, they should claim the excess on the appropriate line of Form 1040, 1040-SR, or 1040-NR. If an employee had more than \$5,821.20 in Tier 2 RRTA tax withheld from more than one employer, the employee should claim a refund on Form 843, Claim for Refund and Request for Abatement.

Archer MSA. An employer's contribution to an employee's Archer MSA is not subject to federal income tax withholding or social security, Medicare, or railroad retirement taxes if it is reasonable to believe at the time of the payment that the contribution will be

excludable from the employee's income. However, if it is not reasonable to believe at the time of payment that the contribution will be excludable from the employee's income, employer contributions are subject to income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable) and must be reported in boxes 1, 3, and 5. (Use box 14 if railroad retirement taxes apply.)

You must report all employer contributions to an Archer MSA in box 12 of Form W-2 with code R. Employer contributions to an Archer MSA that are not excludable from the income of the employee must also be reported in boxes 1, 3, and 5 (box 14 if railroad retirement taxes apply).

An employee's contributions to an Archer MSA are includible in income as wages and are subject to federal income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable). Employee

contributions are deductible, within limits, on the employee's Form 1040 or 1040-SR.

For more information, see Pub. 969, Health Savings Accounts and Other Tax-Favored Health Plans, and

Notice 96-53, which is found on page 5 of Internal Revenue Bulletin 1996-51 at [IRS.gov/pub/irs-irbs/irb96-51.pdf](https://www.irs.gov/pub/irs-irbs/irb96-51.pdf).

Clergy and religious workers. For certain members of the clergy and religious workers who are not subject to social security and Medicare taxes as employees, boxes 3 and 5 of Form W-2 should be left blank. You may include a minister's parsonage and/or utilities allowance in box 14. For information on the rules that apply to ministers and certain other religious workers, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers and section 4 in Pub. 15-A.

Deceased employee's wages. If an employee dies during the year, you must report the accrued wages, vacation pay, and other compensation paid after the date of death. Also report wages that were available to the employee while they were alive, regardless of whether they were actually in the possession of the employee, as well as any other regular wage payment, even if you may have to reissue the payment in the name of the estate or beneficiary.

If you made the payment after the employee's death but in the same year the employee died, you must withhold social security and Medicare taxes on the payment and report the payment on the employee's Form W-2 only as social security and Medicare wages to ensure proper social security and Medicare credit is received. On the employee's Form W-2, show the payment as social security wages (box 3) and Medicare wages and tips (box 5) and the social security

and Medicare taxes withheld in boxes 4 and 6. Do not show the payment in box 1.

If you made the payment after the year of death, do not report it on Form W-2, and do not withhold social security and Medicare taxes.

Whether the payment is made in the year of death or after the year of death, you must also report it in box 3 of Form 1099-MISC, Miscellaneous Information, for the payment to the estate or beneficiary. Use the name and taxpayer identification number (TIN) of the payment recipient on Form 1099-MISC.

However, if the payment is a reissuance of wages that were constructively received by the deceased individual while they were still alive, do not report it on Form 1099-MISC.

Example. Before Employee A's death on June 15, 2023, A was employed by Employer X and received \$10,000 in wages on which federal income tax of \$1,500 was withheld. When A died, X owed A \$2,000 in wages and \$1,000

in accrued vacation pay. The total of \$3,000 (less the social security and Medicare taxes withheld) was paid to A's estate on July 20, 2023. Because X made the payment during the year of death, X must withhold social security and Medicare taxes on the \$3,000 payment and must complete Form W-2 as follows.

- Box a— Employee A's SSN
- Box e— Employee A's name
- Box f— Employee A's address
- Box 1— 10000.00 (does not include the \$3,000 accrued wages and vacation pay)
- Box 2— 1500.00
- Box 3— 13000.00 (includes the \$3,000 accrued wages and vacation pay)
- Box 4— 806.00 (6.2% of the amount in box 3)

- Box 5— 13000.00 (includes the \$3,000 accrued wages and vacation pay)
- Box 6— 188.50 (1.45% of the amount in box 5)



Employer X must also complete Form 1099-MISC as follows.

- Boxes for recipient's name, address, and TIN—the estate's or beneficiary's name, address, and TIN.
- Box 3: 3000.00 (Even though amounts were withheld for social security and Medicare taxes, the gross amount is reported here.)

If Employer X made the payment after the year of death, the \$3,000 would not be subject to social security and Medicare taxes and would not be shown on Form W-2. However, the employer would still file Form 1099-MISC.

Designated Roth contributions. Under section 402A, a participant in a section 401(k) plan, under a 403(b) salary reduction agreement, or in a governmental 457(b) plan that includes a qualified Roth contribution program, may elect to make designated Roth contributions to the plan or program in lieu of elective deferrals. Designated Roth contributions are subject to federal income tax withholding and social security and Medicare taxes (and railroad retirement taxes, if applicable) and must be reported in boxes 1, 3, and 5. (Use box 14 if railroad retirement taxes apply.)

Section 402A requires separate reporting of the yearly designated Roth contributions. Designated Roth contributions to 401(k) plans will be reported using code AA in box 12; designated Roth contributions under 403(b) salary reduction agreements will be reported using code BB in box 12; and designated Roth contributions under a governmental section

457(b) plan will be reported using code EE in box 12. For reporting instructions, see the box 12 instructions for Code AA—Designated Roth contributions under a section 401(k) plan, Code BB—Designated Roth contributions under a section 403(b) plan, and Code EE—Designated Roth contributions under a governmental section 457(b) plan.

Educational assistance programs.

Employer-provided educational assistance up to a maximum of \$5,250 is excludable from an employee's wages only if assistance is provided under an educational assistance program under section 127. See Pub. 970, Tax Benefits for Education, and section 2 of Pub. 15-B for more information. Also see Box 1—Wages, tips, other compensation.

Election workers. Report on Form W-2 payments of \$600 or more to election workers for services performed in state, county, and municipal elections. File Form W-2 for payments of less than \$600 paid to

election workers if social security and Medicare taxes were withheld under a section 218 (Social Security Act) agreement. Do not report election worker payments on Form 1099-MISC.

If the election worker is employed in another capacity with the same government entity, see Rev. Rul. 2000-6, which is on page 512 of Internal Revenue Bulletin 2000-6 at [IRS.gov/pub/irs-irbs/irb00-06.pdf](https://www.irs.gov/pub/irs-irbs/irb00-06.pdf).

Employee business expense reimbursements. Reimbursements to employees for business expenses must be reported as follows.

- Generally, payments made under an accountable plan are excluded from the employee's gross income and are not reported on Form W-2. However, if you pay a per diem or mileage allowance and the amount paid for substantiated miles or days traveled exceeds the amount treated as

substantiated under IRS rules, you must report as wages on Form W-2 the amount in excess of the amount treated as substantiated. The excess amount is subject to income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable). Report the amount treated as substantiated (that is, the nontaxable portion) in box 12 using code L. See the box 12 instructions for Code L—Substantiated employee business expense reimbursements. (Use box 14 if railroad retirement taxes apply.)

- Payments made under a nonaccountable plan are reported as wages on Form W-2 and are subject to federal income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if

applicable). (Use box 14 if railroad retirement taxes apply.)

For more information on accountable plans, nonaccountable plans, amounts treated as substantiated under a per diem or mileage allowance, the standard mileage rate, the per diem substantiation method, and the high-low substantiation method, see Pub. 463, Travel, Gift, and Car Expenses; and section 5 of Pub. 15 (Circular E).

Employee's social security and Medicare taxes (or railroad retirement taxes, if applicable) paid by employer. If you paid your employee's share of social security and Medicare taxes rather than deducting them from the employee's wages, you must include these payments as wages subject to federal (or American Samoa, CNMI, Guam, or U.S. Virgin Islands) income tax withholding and social security, Medicare, and federal unemployment (FUTA) taxes. If you paid your employee's share of railroad retirement taxes,

you must include these amounts as compensation subject to railroad retirement taxes. The amount to include as wages and/or compensation is determined by using the formula contained in the discussion of *Employee's Portion of Taxes Paid by Employer* in section 7 of Pub. 15-A and in Rev. Proc. 83-43, 1983-24 I.R.B. 60.



This does not apply to household and agricultural employers. If you pay a household or agricultural employee's social security and Medicare taxes, you must include these payments in the employee's wages for income tax withholding purposes. However, the wage increase due to the tax payments is not subject to social security, Medicare, or FUTA taxes. For information on completing Forms W-2 and W-3 in this situation, see the Instructions for Schedule H (Form 1040) and section 4 of Pub. 51 (Circular A), Agricultural Employer's Tax Guide.

Federal employers in the CNMI. The U.S. Treasury Department and the CNMI Division of Revenue and Taxation entered into an agreement under 5 U.S.C. section 5517 (“5517 agreement”) in December 2006. Under this agreement, all federal employers (including the Department of Defense) are required to withhold CNMI income taxes, rather than federal income taxes, and deposit the CNMI taxes with the CNMI Treasury for employees who are subject to CNMI taxes and whose regular place of federal employment is in the CNMI. Federal employers are also required to file quarterly and annual reports with the CNMI Division of Revenue and Taxation. For questions, contact the CNMI Division of Revenue and Taxation.

Federal employers may use Form W-2 (rather than Forms W-2CM or OS-3710) to report income taxes withheld and paid to CNMI, as well as to report social security and Medicare taxes. Use the state boxes 15, 16, and 17 for

CNMI income tax reporting. See the instructions for boxes 15, 16, and 17 under *Boxes 15 through 20—State and local income tax information*, later. This rule applies only to income tax reporting. Federal employers should withhold and report social security and Medicare taxes for these employees in the same way as for other federal employees. For more information, go to [IRS.gov/Individuals/International-Taxpayers/SpecialWithholding-Rules-for-US-Federal-Agency-Employers-With-Employees-in-CNMI-or-Puerto-Rico](https://www.irs.gov/Individuals/International-Taxpayers/SpecialWithholding-Rules-for-US-Federal-Agency-Employers-With-Employees-in-CNMI-or-Puerto-Rico).

Foreign agricultural workers. You must report compensation of \$600 or more paid in a calendar year to an H-2A visa agricultural worker for agricultural labor. If the H-2A visa agricultural worker furnishes a valid taxpayer identification number, report these payments in box 1 of Form W-2. If the worker does not furnish a valid taxpayer identification number,

report the payments on Form 1099-MISC.
See Form 1099-MISC below.

On Form W-2, no amount should be reported in box 3 or 5. In most cases, you do not need to withhold federal income tax from compensation paid to H-2A visa agricultural workers. Employers should withhold federal income tax only if the H-2A visa agricultural worker and the employer agree to withhold. The H-2A visa agricultural worker must provide a completed Form W-4. If the employer withholds income tax, the employer must report the tax withheld in box 2 of Form W-2 and on line 8 of Form 943. See Pub. 51 (Circular A).

Form 1099-MISC. If the H-2A visa agricultural worker fails to furnish a taxpayer identification number to the employer, and the total annual payments made to the H-2A visa agricultural worker are \$600 or more, the employer must begin backup withholding on the payments made until the H-2A visa

agricultural worker furnishes a valid taxpayer identification number. Employers must report the compensation paid and any backup withholding on Forms 1099-MISC and Form 945, Annual Return of Withheld Federal Income Tax. See the current Instructions for Forms 1099-MISC and 1099-NEC and the current Instructions for Form 945.

For more information, go to [IRS.gov/H2A](https://www.irs.gov/H2A).

Fringe benefits. Include all taxable fringe benefits in box 1 of Form W-2 as wages, tips, and other compensation and, if applicable, in boxes 3 and 5 as social security and Medicare wages. Although not required, you may include the total value of fringe benefits in box 14 (or on a separate statement).

However, if you provided your employee a vehicle, you must include the value of any personal use in boxes 1, 3, and 5 of Form W-2. You must withhold social security and Medicare tax, but you have the option not to withhold federal income tax *if* you notify the

employee and include the value of the benefit in boxes 1, 3, 5, and 14. See Pub. 15-B for more information.



Public Law 115-97, section 11045, does not permit employees to deduct unreimbursed employee business expenses for tax years 2018 through 2025. If you included 100% of the vehicle's annual lease value in the employee's income, the employee will not be able to deduct expenses attributable to the business use of an employer-provided vehicle. See Pub. 15-B.

Golden parachute payments (not applicable to Forms W-2AS, W-2CM, W-2GU, or W-2VI). Include any golden parachute payments in boxes 1, 3, and 5 of Form W-2. Withhold federal income, social security, and Medicare taxes (or railroad retirement taxes, if applicable) as usual and report them in boxes 2, 4, and 6, respectively. (Use box 14 if railroad retirement taxes apply.) Excess parachute

payments are also subject to a 20% excise tax. If the excess payments are considered wages, withhold the 20% excise tax and include it in box 2 as income tax withheld. Also report the excise tax in box 12 with code K. For definitions and additional information, see Regulations section 1.280G-1 and Rev. Proc. 2003-68, 2003-34 I.R.B. 398, available at [IRS.gov/irb/2003-34_IRB#RP-2003-68](https://www.irs.gov/irb/2003-34_IRB#RP-2003-68).

Government employers. Federal, state, and local governmental agencies have two options for reporting their employees' wages that are subject to only Medicare tax for part of the year and both social security and Medicare taxes for part of the year.

The first option (which the SSA prefers) is to file a single set of Forms W-2 per employee for the entire year, even if only part of the year's wages are subject to both social security and Medicare taxes. Check "941" (or "944") in box b of Form W-3 or check "941-SS" in box b of Form W-3SS. The wages in

box 5 of Form W-2 must be equal to or greater than the wages in box 3 of Form W-2.

The second option is to file one set of Forms W-2 for wages subject only to Medicare tax and another set for wages subject to both social security and Medicare taxes. Use a separate Form W-3 to transmit each set of Forms W-2. For the Medicare-only Forms W-2, check "Medicare govt. emp." in box b of Form W-3. For the Forms W-2 showing wages subject to both social security and Medicare taxes, check "941" (or "944") in box b of Form W-3 or check "941-SS" in box b of Form W-3SS. The wages in box 5 of Form W-2 must be equal to or greater than the wages in box 3 of Form W-2.

Group-term life insurance. You must include in boxes 1, 3, and 5 (or 14, if railroad retirement taxes apply) the cost of group-term life insurance that is more than the cost of \$50,000 of coverage, reduced by the amount the employee paid toward the

insurance. Use Table 2-2 in Pub. 15-B to determine the cost of the insurance. Also show the amount in box 12 with code C. For employees, you must withhold social security and Medicare taxes, but not federal income tax. For coverage provided to former employees, the former employees must pay the employee part of social security and Medicare taxes (or railroad retirement taxes, if applicable) on the taxable cost of group-term life insurance over \$50,000 on Form 1040 or 1040-SR. You are not required to collect those taxes. However, you must report the uncollected social security tax (or railroad retirement taxes, if applicable) with code M and the uncollected Medicare tax (or RRTA Medicare tax, if applicable) with code N in box 12 of Form W-2. However, any uncollected Additional Medicare Tax (on the cost of group-term life insurance, which, in combination with other wages, is in excess of \$200,000) is not reported with code N in box 12.

Health flexible spending arrangement (FSA). For plan year 2023, a cafeteria plan may not allow an employee to request salary reduction contributions for a health FSA in excess of \$3,050 (as indexed for inflation).

If a cafeteria plan timely complies with the written plan requirement limiting health FSA salary reduction contributions, but one or more employees are erroneously allowed to elect a salary reduction of more than \$3,050 for the plan year, the cafeteria plan will continue to be a section 125 cafeteria plan for the plan year if:

- The terms of the plan apply uniformly to all participants,
- The error results from a reasonable mistake by the employer (or the employer's agent) and is not due to willful neglect by the employer (or the employer's agent), and

- Salary reduction contributions in excess of \$3,050 are paid to the employee and reported as wages for income tax withholding and employment tax purposes on the employee's Form W-2 (or Form W-2c) for the employee's taxable year in which, or with which, ends the cafeteria plan year in which the correction is made.



The salary reduction contribution limit of \$3,050 does not include any amount (up to \$610) carried over from a previous year.

For more information, see Notice 2013-71, 2013-47 I.R.B. 532, available at [IRS.gov/irb/2013-47_IRB#NOT-2013-71](https://www.irs.gov/irb/2013-47_IRB#NOT-2013-71).

Health savings account (HSA). An employer's contribution (including an employee's contributions through a cafeteria plan) to an employee's HSA is not subject to federal income tax withholding or social

security, Medicare, or railroad retirement taxes (or FUTA tax) if it is reasonable to believe at the time of the payment that the contribution will be excludable from the employee's income. However, if it is not reasonable to believe at the time of payment that the contribution will be excludable from the employee's income, employer contributions are subject to federal income tax withholding, social security and Medicare taxes (or railroad retirement taxes, if applicable), and FUTA tax, and must be reported in boxes 1, 3, and 5 (use box 14 if railroad retirement taxes apply); and on Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.

You must report all employer contributions (including an employee's contributions through a cafeteria plan) to an HSA in box 12 of Form W-2 with code W. Employer contributions to an HSA that are not excludable from the income of the employee

must also be reported in boxes 1, 3, and 5. (Use box 14 if railroad retirement taxes apply.)

An employee's contributions to an HSA (unless made through a cafeteria plan) are includible in income as wages and are subject to federal income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable). Employee contributions are deductible, within limits, on the employee's Form 1040 or 1040-SR. For more information about HSAs, see Notice 2004-2, Notice 2004-50, and Notice 2008-52.

Notice 2004-2, 2004-2 I.R.B. 269, is available at [IRS.gov/irb/2004-02_IRB#NOT-2004-2](https://www.irs.gov/irb/2004-02_IRB#NOT-2004-2).

Notice 2004-50, 2004-33 I.R.B. 196, is available at [IRS.gov/irb/2004-33_IRB#NOT-2004-50](https://www.irs.gov/irb/2004-33_IRB#NOT-2004-50).

Notice 2008-52, 2008-25 I.R.B. 1166, is available at [IRS.gov/irb/2008-25_IRB#NOT-2008-52](https://www.irs.gov/irb/2008-25_IRB#NOT-2008-52). Also see Form 8889, Health Savings Accounts (HSAs), and Pub. 969.

Lost Form W-2—Reissued statement. If an employee loses a Form W-2, write “REISSUED STATEMENT” on the new copy and furnish it to the employee. You do not have to add “REISSUED STATEMENT” on Forms W-2 provided to employees electronically. Do not send Copy A of the reissued Form W-2 to the SSA. Employers are not prohibited (by the Internal Revenue Code) from charging a fee for the issuance of a duplicate Form W-2.

Military differential pay. Employers paying their employees while they are on active duty in the U.S. uniformed services should treat these payments as wages. Differential wage payments made to an individual while on active duty for periods scheduled to exceed 30 days are subject to income tax withholding, but are not subject to social security, Medicare, and unemployment taxes. Report differential wage payments in box 1 and any federal income tax withholding in box

2. Differential wage payments made to an individual while on active duty for 30 days or less are subject to income tax withholding, social security, Medicare, and unemployment taxes and are reported in boxes 1, 3, and 5. See Rev. Rul. 2009-11, 2009-18 I.R.B. 896, available at [IRS.gov/irb/ 2009-18 IRB#RR-2009-11](https://www.irs.gov/irb/2009-18_IRB#RR-2009-11).

Moving expenses. Effective for tax years 2018 through 2025, the exclusion for qualified moving expense reimbursements applies **only** to members of the U.S. Armed Forces on active duty who move pursuant to a military order and incident to a permanent change of station. All other employees have only nonqualified moving expenses and expense reimbursements subject to tax and withholding.

Report qualified moving expenses for members of the Armed Forces as follows.

- Qualified moving expenses that an employer paid to a third party on

behalf of the employee (for example, to a moving company), and services that an employer furnished in kind to an employee, are not reported on Form W-2.

- Qualified moving expense reimbursements paid directly to an employee by an employer are reported only in box 12 of Form W-2 with code P.

Nonqualified moving expenses and expense reimbursements are reported in boxes 1, 3, and 5 (use box 14 if railroad retirement taxes apply) of Form W-2. These amounts are subject to federal income tax withholding and social security and Medicare taxes (or railroad retirement taxes, if applicable).

Nonqualified deferred compensation plans. Section 409A provides that all amounts deferred under a nonqualified deferred compensation (NQDC) plan for all tax years are currently includible in gross

income to the extent not subject to a substantial risk of forfeiture and not previously included in gross income, unless certain requirements are met. Generally, section 409A is effective with respect to amounts deferred in tax years beginning after December 31, 2004, but deferrals made before that year may be subject to section 409A under some circumstances.

It is not necessary to show amounts deferred during the year under an NQDC plan subject to section 409A. If you report section 409A deferrals, show the amount in box 12 using code Y. For more information, see Notice 2008-115, 2008-52 I.R.B. 1367, available at [IRS.gov/irb/ 2008-52 IRB#NOT-2008-115](http://IRS.gov/irb/2008-52_IRB#NOT-2008-115).