Martin Matson
Comptroller

John M. Egan, CPA
Deputy Comptroller

Office of the Comptroller

Glenn Steinbrecher, CPA
Special Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

January 22, 2016

Ref: Pay Admin

MEMORANDUM

TO: Payroll Personnel

FROM: Martin Matson, Comptroller

SUBJECT: Form W-2 Wage and Tax Statement for 2015

IRS Form W-2 Wage and Tax Statement 2015 is required to be distributed to all current and former employees on or before **January 31, 2016**. In order to prevent penalties from being assessed to the City, your cooperation in meeting this deadline is imperative.

To assist you in answering routine employee questions we are providing some basic guidance as to what is reported in specific boxes on these W-2 forms. This year the form covers wages earned in Pay Period 1, 2015 (paid January 15, 2015) through and including Pay Period 26, 2015 (paid December 30, 2015) for a total of twenty-six (26) pay days.

The employees' departmental pay location number is shown in the return address box (c) following, "CITY OF MILWAUKEE."

Box 1 - Wages, tips, other comp. - contains 2015 taxable wages. In addition to wages, Box 1 includes any other taxable payments such as donor payments, taxable portion of moving reimbursements, clothing (i.e. boot, glove, uniform, cleaning, etc.), telephone and other allowances, safety bingo, taxable tuition reimbursements, commuting mileage in city-owned vehicles, and auto allowance paid in excess of government specified rates. Taxable fringe benefits such as the imputed value of group-term life insurance over $50,000 and domestic partner insurance are also included in Box 1. Not included are contributions to the deferred compensation plan, pre-tax health and dental deductions, FSA dependent care, parking and medical expense contributions, and amounts received as current year injury. Prior year injury pay adjustments are reported on W-2cs for each respective year.

City Hall, Room 404, 200 E. Wells Street, Milwaukee, WI 53202 • Phone (414) 286-3321 • Fax (414) 286-3281
www.milwaukee.gov/comptroller

MILWAUKEE

Box 3 - Social security wages - contains the Social Security portion of eligible components included in Box 1. Deductions on these amounts were made at 6.2% until the $118,500.00 gross taxable earnings limit was reached. The maximum deduction was $7,347.00. Deductions for pre-tax health and dental deductions, FSA dependent care, parking and medical expense contributions are not included in this box. Current year injury pay is also excluded. Deferred compensation is included in social security wages.

Box 5 - Medicare wages and tips - contains the Medicare portion of eligible components included in Box 1. Deductions on these amounts were made at 1.45% of all gross taxable earnings, unlimited. Deductions for pre-tax health and dental deductions, FSA dependent care, parking and medical expense contributions are not included in this box. Current year injury pay is also excluded. Deferred compensation is included in Medicare wages.

Box 10 - Dependent care benefits - contains the amount of deductions for FSA dependent care.

Boxes 12a through 12d - Unlabeled - contain amounts that are IRS defined with a one or two letter code. These codes are as follows:

C - Taxable cost of group-term life insurance over $50,000

DD - Cost of ER-sponsored health – Informational only

EE - Designated Roth contributions under governmental Section 457(b)

G - Section 457(b) deferred compensation plan contributions

L - Automobile mileage allowance equal to government

P Excludable moving expense reimbursement

Box 14 - Other - contains the current year injury payments made.

Box 16 – State wages, tips – contains the same taxable wages as Box 1.

Please attempt to answer routine employee questions regarding W-2s. Payroll Administration should be contacted by departmental payroll personnel only if they are unable to answer specific questions. Employees should not contact our office directly to prevent delays in normal payroll processing. If you are mailing the forms to the employee, please ensure the complete, correct address appears in the window of the W-2 envelopes and that it is mailed out as soon as possible, no later than **January 31, 2016**.

Address IRS Form 1095C specific questions to DER at 3184.

Address W-2 specific questions to Sue Prothero at 2310 or Jo Ann Nelson at 2320. Return all undelivered forms by **January 31, 2016** to Payroll Administration attention Sue Prothero.

Office of the Comptroller
MM:srp
ye\w2iss15