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## OFFICE OF PAYROLL ADMINISTRATION

One Centre Street, Room 200N, New York, New York 10007

TO: ALL CITY, CUNY COMMUNITY COLLEGES, AND HOUSING AUTHORITY EMPLOYEES  
FROM: THE CITY OF NEW YORK OFFICE OF PAYROLL ADMINISTRATION  
SUBJECT: **W-2 2007 INFORMATION**

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The following information has been prepared to help employees better understand their W-2 forms. For more information visit our website at [www.NYC.gov/payroll](http://www.NYC.gov/payroll).

### **A. Annual Salary vs. Amount Actually Received**

Wages and other compensation, as shown on the W-2, reflect monies actually paid to an employee during the calendar year, NOT ANNUAL SALARY. The amount reported on the W-2 form may include one or more of the following: supplemental checks, retroactive payments, severance payments, non-pensionable cash payments, longevity payments, etc.

### **B. Pay Statements**

Each pay period employees receive pay statements containing the details of their pay: gross earnings, withheld taxes, health, TDA, pension deductions, et al. and year-to-date totals. Pay Statements are valuable documents and should be retained. They are also a means to assist in verifying the W-2 Wage and Tax Statement.

### **C. "Year-to-Date" Pay Statements vs. W-2 Amounts**

Pay Statements include information on year-to-date earnings. These amounts are limited to earnings from one agency. They do not include earnings from other payroll agencies. Year-to-date totals may not include all cancelled checks.

### **D. Multi-Agency W-2 Forms**

The City of New York combines all earnings for one social security number onto one W-2 form (i.e. DoE, CUNY, Parks are combined). Housing Authority, DoE Custodian and Custodian Helpers employees will receive separate W-2 forms.

### **E. Date of Service vs. Date of Check**

The W-2 form includes all checks dated calendar year 2007. Any checks for arrear payments received in 2007 for service performed during a prior period will be included in the 2007 W-2 form.

### **F. Social Security/Medicare-Federal Tax transfer**

An employee's Federal withholding tax may be affected by FICA(Social Security/Medicare)

adjustments. Social Security/Medicare regulations stipulate that 2007 FICA deductions be made at the rate of (SS) 6.2% of \$97,500.00 and (Medicare) 1.45% of all earnings. This yields a maximum SS deduction of \$6,045.00. Medicare does not have any maximum. If, in error, more than \$6,045.00 was deducted during the year, a REFUND CHECK will be issued by the NYC Office of Payroll Administration on or about April, 2008. If less than the required \$6,045.00 was deducted, the amount not deducted is transferred from the employee's Federal withholding taxes to the employee's SS/Medicare withholding.

### **G. Tax Deferred Annuity (401(k), 403(b) or 457)**

Your retirement system, insurance company, or Deferred Compensation Plan (DCP) will provide you with a statement of your contributions. The W-2 form provides for TDA contributions to appear as a separate item in Box 12 labeled as "AA", "D", "E" or "G". Box 1 "Wages,..." on the W-2 form will be reduced by this amount. Please call your TDA provider for further information.

### **H. Pension IRC414H**

Pension members' W-2's will show a gross wage reduced by the amount of their pension contributions. This contribution, shown in Box 14 and labeled as "IRC414H", is NOT subject to Federal income tax. However, it is subject to FICA (SS/Medicare) and State and City taxes. Please call your pension system for information. The IRS defines a NYC employee as belonging to a pension plan if the employee has a plan available to join regardless of whether the employee opts to join. Therefore, "retirement plan" in box 13 is checked.

### **I. IRC125**

The Dependent Care Assistance Program (DeCAP) is limited to a minimum of \$500 and a maximum of \$5,000. The Health Care Flexible Spending Account (HCFSA) is limited to a minimum of \$260 and a maximum of \$5,000. Health insurance plan deductions for basic and/or optional riders are deducted from one's payroll check. All of the

previous contributions are treated on a pre-tax basis. The contributions will reduce Gross wages, TDA, and SS/Medicare wages and taxes. However, it is subject to State and City taxes. The aggregate amount of the contributions is shown in box 14 labeled as "IRC125". Additionally, DECAP will be shown in Box 10. For further information, call 212-306-7760.

**J. TransitBenefit Program IRC132**

Under IRC132, the City allows employees to purchase a Premium TransitChek MetroCard, establish a TSA debit card account or contribute to cover some public transportation costs through Access-A-Ride on a pre-tax basis through payroll deductions. These deductions, shown in Box 14 and labeled as "IRC132", are not subject to income taxes, SS and Medicare taxes.

**K. Domestic Partner Benefit**

City employees and retirees covered by the City Employee Benefits Program have been granted the right to add their Domestic Partner to their City Health plan coverage. A portion of the amount paid by an employer attributable to coverage of an employee's domestic partner is taxable. Therefore, gross wages and SS/Medicare wages on the W-2 will be increased. For further information, call 212 306-7605.

**L. Union-Sponsored Legal Service\ Motor Vehicle Use\ Parking\ TransitBenefit Program Fringe Benefits**

A portion of the money the City contributes to the Union Welfare Fund is used to provide a pre-paid group legal services benefit to eligible participants. The cost of this benefit is considered income, whether or not the service is used. The value of the benefit varies by union affiliation. The value will be added to the Gross wage, SS/Medicare wages on the 2007 W-2 form. Consequently, SS/Medicare deficits will be taken from Federal taxes paid. Employees who have a motor vehicle assigned to them and drive it to and from home will have an amount added to their Gross Wages and SS/Medicare Wages. Employees who have access to free parking spaces in areas in which equivalent parking costs more than \$215/month will have an amount added to their Gross Wages and SS/Medicare Wages. For TransitBenefit Program Premium TransitChek Metrocards participants, the City pays an administrative service fee on the employee's behalf. The value of this fringe benefit, up to \$15.60 for a full year for Premium TransitChek Metrocards or \$23.40 for a full year for Access-A-Ride, is added to Gross and SS/Medicare wages reported. All of these fringe benefit amounts are shown in Box 14.

**M. Union Disability (Third Party Sick Pay)**

Union short-term disability payments to

employees are treated as regular wages for the purposes of SS/Medicare deductions. A separate W-2, labeled as "THIRD PARTY PAYOR", is mailed. **NOTE: FOR AMENDMENTS INCLUDING WAGE/TAX CORRECTIONS, PLEASE CONTACT YOUR UNION'S WELFARE FUND.**

**N. Line-of-Duty Injuries (Uniformed Agencies/ D.A.'s)**

IRS regulations provide favorable tax treatment of your wages during the approved leave period of injury. Wages will be treated on a pre-tax basis. LoDI will reduce Gross wages and SS/Medicare wages for all days an employee is out on LoDI. TDA contributions will also be affected by LoDI wages. Affected employees who believe that an error exists on their W-2 form should contact their agency's payroll/personnel office.

**O. Pedagogic Line-of-Duty Injuries (LoDI)**

Continuation of full wages is granted on approved OP198 forms by the DoE Medical Bureau. IRS regulations provide favorable tax treatment of your wages received during this approved leave period of injury. LoDI will reduce Gross wages for all days an employee is out on LoDI. TDA contributions may also be affected by LoDI wages. Affected employees who believe that an error exists on their W-2 forms should contact the DoE LoDI Hotline telephone number is 718 935-4373.

**P. Errors on the W-2 Wage and Tax Statement**

*Employees who believe an error exists on their W-2 forms should obtain a "W-2 Correction Request Form" from the agency, payroll, personnel, school secretary, or DoE Regional Operational Center or at [www.NYC.gov/payroll](http://www.NYC.gov/payroll). When completed, this form should be faxed to 212 669-4928 or mailed to: OPA W-2 Adjustment Unit, 1 Centre Street, Room 200N, New York, N.Y. 10007.* Amended W-2's (Form W-2c) are used for W-2 corrections. If after review, the W-2 has been determined to be incorrect, form W-2c will be mailed to the employee. Only corrected data will appear on the W-2c. Income tax authorities are notified of corrections. The employee must file income tax returns with W-2c forms plus original W-2.

**Q. Department of Education W-2 Inquiry**

The DoE has established a W-2 Hotline Number. The Hotline number is 718 935-3889.

**R. IRS and NYS tax information telephone numbers?**

IRS: 1 800 829-1040 NYS: 1 800 CALL-TAX