



## The City of New York

## Financial Information Services Agency

## Office of Payroll Administration

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**W-2 2025 INFORMATION FOR CITY, CUNY COMMUNITY COLLEGE, WATER AUTHORITY AND  
HOUSING AUTHORITY EMPLOYEES**

The following information is prepared to help employees better understand their W-2 forms.

## 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 the ANNUAL SALARY. The amount reported on the W-2 form may include one or more of the following: supplemental payments, retroactive arrears, differentials, etc.

## Pay Statements

Each pay period, employees receive paystatements containing the details of their pay: gross earnings, withheld taxes, health insurance premiums, Tax Deferred Annuities (TDA) deductions, pension deductions, taxable benefits, etc., and year-to-date totals. Pay Statements are available to active employees on NYCAPS Employee Self-Service at [www.nyc.gov/ess](http://www.nyc.gov/ess). They are a resource to assist in verifying the W-2 Wage and Tax Statement information.

## Singular W-2 Form

The City of New York combines all earnings for one Social Security number onto one W-2 form (e.g., Department of Education, CUNY, Parks, Third-Party Sick Pay, and UFT Paid Parental leave are combined). Only NYC Housing Authority and NYC Municipal Water Finance Authority employees who are also NYC employees will receive a separate W-2 form.

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

The W-2 form includes all checks dated in calendar year 2025. Any checks for arrear payments received in 2025 for service performed during a prior year will be included in the 2025 W-2 form.

## Social Security/Medicare

Social Security (SS)/Medicare regulations stipulate that 2025 FICA deductions must be made at the rate of (SS) 6.2% of \$176,100.00 and (Medicare) 1.45% of all earnings. For Medicare wages in excess of \$200,000.00, the rate is 2.35%. This yields a maximum SS deduction of \$10,918.20. If, in error, more than \$10,918.20 was deducted during the year, a refund payment will be issued to eligible employees by the NYC Financial Information Services Agency-Office of Payroll Administration.

## Cost of Employer-Sponsored Health Coverage

As part of the Patient Protection and Affordable Care Act of 2010, employers are required to

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report to each employee the aggregate (employer and employee/retiree) cost of employer-sponsored group health plans. The amount appears in Box 12 labeled as "DD". The amount in Box 12 is for informational purposes only and per the W-2 instructions is not taxable.

**Tax Deferred Compensation Plan & TaxDeferred Annuity (TDA)(401(k), 403(b), 457 and ROTH)**

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

**Pension IRC414H**

Pension members' and NYS Voluntary Defined Contribution Program (VDC) participants' W-2 forms 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, State and City taxes. Please contact your pension system or NYS VDC for information. The Internal Revenue Service (IRS) defines a NYC employee as belonging to a pension plan if there is a plan available for the employee to join regardless of whether the employee opts to join. Therefore, "retirement plan" in Box 13 is checked.

**IRC125**

As a result of nondiscrimination testing for highly compensated employees, the City's Dependent Care Assistance Program (DeCAP) allows a minimum contribution of \$500.00 to a maximum contribution of \$5,000.00 for tax year 2025. The Health Care Flexible Spending Account (HCFSA) allows a minimum contribution of \$260.00 to a maximum contribution of \$3,300.00 for year 2025. Health insurance plan premium deductions for basic and/or optional riders are deducted from the employee's payroll statement. The following are the payroll deductions covered under IRC section 125: employee health insurance deductions, DeCAP and HCFSA. IRC125 deductions are treated on a pre-tax basis for Federal tax purposes, and these deductions reduce gross wages, TDA, FICA wages and taxes. However, they are subject to State and City taxes. The aggregate amount of the deductions is shown in Box 14 labeled as "IRC125." DeCAP will be shown in Box 10. New York State Income tax instructions direct the income tax filer to report wages as they are shown in Box 1 and then to add back the amount of the IRC125 to arrive at New York State/City taxable wages. For further information, contact the FSA Program via email through the FSA Program website at [www.nyc.gov/fsa](http://www.nyc.gov/fsa).

**Commuter Benefits Program IRC 132**

Under IRC 132, the City allows employees to cover qualified public transportation costs and qualified parking costs on a pre-tax basis through payroll deductions used to fund a Commuter Benefits Commuter Card, Annual Transit Card, Transit Pass, Access-a-Ride or Park-n-Ride plan. These pre-tax deductions, shown in Box 14 and labeled as "IRC132," are not subject to income or

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FICA taxes.

**Domestic Partner Benefit**

The taxable value of providing City health and/or Union/Welfare Fund coverage for your domestic partner has been reported to the IRS. Imputed income (IMP) is the taxable value of the employer contribution for health benefits provided to an employee's/retiree's domestic partner. This amount is included in Box 1 and must be reported for Federal, State, and Local taxes. This amount is shown in Box 14 labeled as "IMP." For DP enrollment information, go to the Health Benefits website at [www.nyc.gov/olr](http://www.nyc.gov/olr).

**Excess Benefit Plan**

Internal Revenue Code Section 415(b) is a federal tax provision that limits the amount of an annual benefit that a retiree can receive from a tax-qualified defined benefit pension plan. The Excess Benefit Plan (EBP) amount is included in Box 1 and must be reported for Federal taxes. This EBP amount is not subject to FICA, State or City taxes. The EBP amount is shown in Box 14 labeled as "EBP." For further EBP information, contact your retirement system.

**Union-Sponsored Legal Service/ Motor Vehicle Use/ Parking/ Commuter Benefits Program**

A portion of the money the City contributes to the Union/Welfare Fund is used to provide legal service benefits 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 and FICA wages on the 2025 W-2 form. Employees who have a City motor vehicle assigned to them and drive it to and from home will have an amount added to their gross and FICA Wages. Employees who have access to free parking spaces in areas in which equivalent parking costs more than \$325/month will have an amount added to their gross and FICA Wages. Employees who have a City driver assigned to them will have an additional amount added to their gross and FICA wages. For Commuter Card – No Admin Fee, Unrestricted, Annual Transit Card and Access-A-Ride plan participants, the City pays an administrative service fee on the employee's behalf. The value of this fringe benefit is added to gross and FICA wages reported. All of these fringe benefit amounts are shown in Box 14.

**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.

**Health and Fitness Reimbursement and Family Building Benefit For MBF Members**

Employees and retirees who receive Health and Fitness reimbursement and/or reimbursement related to surrogacy and the purchase of donor material will have an amount added to their gross and FICA wages. These benefit amounts are shown in Box 14. Employees and retirees who receive reimbursements for eligible adoption expenses will have an amount added to their gross and FICA wages. These benefit amounts is shown in Box 12 labeled as "T."

**Line-of-Duty Injuries (LoDI) (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 and FICA 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 must contact their agency's payroll/personnel office.

**Pedagogic Line-of-Duty Injuries (DoE LoDI only)**

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 and FICA 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 must contact the DoE. The DoE LoDI Hotline email is [W2Unit@schools.nyc.gov](mailto:W2Unit@schools.nyc.gov).

**Department of Education W-2 Inquiry Only**

DoE written inquiries may be emailed to [W2Unit@schools.nyc.gov](mailto:W2Unit@schools.nyc.gov).

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

Employees who believe an error exists on their W-2 forms must contact their agency. 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 available at [www.nyc.gov/ess](http://www.nyc.gov/ess). Only corrected data will appear on the W-2c. Income tax authorities are notified of corrections. The employee must file income tax returns with both the W-2c and the original W-2 forms.