

Notice to Employee

The Form W-2 “wage and tax statement” for employees who elected an electronic W-2, is available on employee self-service. For employees who did not elect to receive an electronic W-2, the paper W-2s have been delivered to the employee’s home address.

The following is intended to answer the most frequently asked questions regarding the content and distribution of your W-2, which is needed to file income tax returns.

Box 1; Wages, Tips, Other Compensation. This is the taxable amount reported to the Internal Revenue Service (IRS). It includes any taxable fringe benefits (such as education benefits greater than \$5,250), rewards and recognition, gifts, bonuses, taxable moving and excess contributions to dependent care over \$5000, as well as the taxable value of group-term life insurance in excess of \$50,000 (see box 12, below). The amount in Box 1 will generally be the “YTD Gross” under the Summary section of your final paystub, minus any pre-tax deductions. The “YTD Gross” is the sum of the Year to Date (YTD) amounts under Hours and Earnings.

Box 3; Social Security Wages. The applicable limit on Social Security wages in 2020 was \$137,700. Income subject to the Social Security tax is not reduced by your contributions to a retirement plan (403b or 457), but is affected by all other pre-tax deductions, which includes parking, healthcare, flex spending, etc. The only applicable exceptions are NSU student employees working at NSU while enrolled at least half time and attending classes, as well as nonresident alien employees visiting the U.S. for a limited period on F-1, J-1, M-1 or Q-1 visas and performing services to carry out the purpose for which such visas have been issued.

Box 4; Social Security Tax Withheld. The Social Security tax rate for 2020 is 6.2%, and a matching amount of 6.2% is paid by NSU. The only applicable exceptions are NSU student employees working at NSU while enrolled at least half time and attending classes, and nonresident alien employees visiting the U.S. for a limited period on F-1, J-1, M-1 or Q-1 visas and performing services to carry out the purpose for which such visas have been issued.

Box 5; Medicare Wages and Tips. There was no applicable limit on Medicare wages in 2020. Income subject to the Medicare tax is not reduced by your contributions to a retirement plan (403b or 457), but is affected by all other pre-tax deductions, which includes parking, healthcare, flex spending, etc. The only applicable exceptions are NSU student employees working at NSU while enrolled at least half time and attending classes, and nonresident alien employees visiting the U.S. for a limited period on F-1, J-1, M-1 or Q-1 visas and performing services to carry out the purpose for which such visas have been issued.

Box 6; Medicare Tax Withheld. The Medicare tax rate is 1.45%, and a matching amount is paid by NSU. The additional Medicare tax of 0.9% is applied NSU employees making greater than \$200,000. The only applicable exceptions are NSU student employees working at NSU while enrolled at least half time and attending classes, and nonresident alien employees visiting the U.S. for a limited period on F-1, J-1, M-1 or Q-1 visas and performing services to carry out the purpose for which such visas have been issued.

Box 10; Dependent Care Benefits. NSU must report the pre-tax amount paid into a dependent care flexible spending account as part of the NSU Benefits Plan. Only dependent care benefits are reportable. Other pre-tax deductions withheld under the Benefits plan are not reportable. Any

amount over \$5,000 is also included in Box 1. Complete Form 2441, Child and Dependent Care Expenses, to commute any taxable or nontaxable amounts.

Box 12; Up to four figures may appear, when applicable, as described here and in the Notice to Employee on the back of your Form W-2. The following codes are used:

12 C - Taxable Cost of GTL. The calculated value of group-term life insurance in excess of \$50,000 that has been added into Box 1 as “other compensation”.

12 D - Elective deferrals to a section 401(K) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of section 401(k) arrangement.

12 E - Section 403(b) Salary Reductions. Your total “elective deferrals” to TIAA/VALIC retirement plans. IRC Section 403(b) plan deferrals were generally limited to \$19,500 in 2020, with a \$6,500 “catch-up” deferral permitted if you were age 50 or over.

12 G - Elective deferral and employer contribution to section 457(b).

12 DD - Cost of Employer-Sponsored Health Coverage. This is the cost of your employer sponsored health coverage. The amount reported is not taxable. This figure includes both the employee and the employer paid health insurance premiums and is for informational purposes only.

Box 13; The “Retirement Plan” block must be checked if you contributed to any of the University’s tax deferred options, or if you were a participant in the University’s Optional Retirement Plan. Thus, all NSU Employees who fall into this category will have an X in this block. By checking the “Retirement plan” block, an employer notifies the IRS that an employee’s eligibility for a deductible Individual Retirement Arrangement (IRA) is limited.

Box 14; Other Employers may use this box to report information such as state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy's parsonage allowance and utilities.

Box 15; State indicates the state where your wages and taxes are being reported. If you had wages and taxes reported for more than one state, the wages and taxes for each state will show separately.

Box 16; State Wages, Tips, etc is your state taxable wages. If you had wages and taxes reported for more than one state, the wages and taxes for each state will show separately. For most employees, this figure will match Box 1.

Box 17; State Income Tax is the amount of state tax withheld in 2020. If you had wages and taxes reported for more than one state, the wages and taxes for each state will show separately. This is shown under the Taxes tab of the paycheck summary, separately for each state for which taxes were withheld; for example AZ Withholding, CA Withholding. (Note: Withholding has been truncated to Withholding on the paycheck summary.)

Box 18; Local Wages, Tips etc. represents your taxable local wages if you reside in a state that allows cities, counties, or school districts to levy separate income taxes in addition to state income taxes.

Box 19; Local Income Tax Withheld represents your taxable local withheld if you reside in a state that allows cities, counties, or school districts to levy separate income taxes in addition to state income taxes.

Box 20; Locality Name provides a brief description of the entity assessing and collecting local income taxes.

The **Notice to Employee** on the back of copy C includes information provided by the IRS, and edited here to reflect applicability to circumstances at NSU regarding income tax refunds, Form W-2 corrections, dependent care expenses and other potentially important concerns of taxpayers.

NSU's Form W-2 consists of four original laser-printed copies on a single perforated sheet. One of them is marked COPY C FOR EMPLOYEE'S RECORDS, and should be retained permanently. We do not maintain a file of paper copies.

For employees who have not elected to receive their W-2 electronically, the W-2 was sent directly from printing to the Post Office; and then distributed via first class mail to your "HR/Payroll" home addresses as it appears in Employee Self-Service. You must verify your contact information such as name and address through Employee Self Service. To make any corrections or changes, please contact Human Resources at hr4u@nova.edu or (954) 262-4748.

If you have any questions upon receiving your Form W-2, please contact the Payroll Department at payroll@nova.edu or 954-262-7887.