Why are there four wage amounts listed on my Form W-2?

Tell Me

Government regulations determine how each type of wages are reported and taxed by the various federal and state agencies.

1. Your Form W-2 will show one or more of the following types of wages:
   1. Box 1 – Wages, Tips, Other Compensation
      Wages subject to Federal income tax (corresponding to Fed Gross applicable gross YTD on your paystub).
   2. Box 3 – Social Security Wages
      Wages that are subject to Social Security tax (corresponding to FICA Social Security applicable gross YTD on your paystub).
   3. Box 5 – Medicare Wages and Tips
      Wages subject to Medicare taxes (corresponding to FICA Medicare applicable gross YTD on your paystub).

   **Note**
   Your gross wages for Social Security and Medicare are reduced by “pre-tax” payroll deductions for health insurance, dental insurance, vision insurance, AD&D insurance, NC Flex (dependent care and medical), Health Care Plus and also for pre-tax parking. See this [FAQ](#) for the current Social Security wage base limit. Medicare has no maximum.

      Wages subject to State income tax (corresponding to NC State applicable gross YTD on your paystub).

   **Note**
   Your gross wages for federal and state taxes are reduced by the same “pre-tax” payroll deductions as Social Security and Medicare. In addition, deductions for retirement and deferred compensation (annuities) contributions are also deducted.

2. See this [FAQ](#) to learn how to reconcile your last paystub of the year to your Form W-2.

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**Related Articles**

- [How do I change the allowances on my Form W-4 and NC-4?](#)
- [Is the University exempt from sales and use tax?](#)
- [Why are vacation balances no longer shown on my pay stub earnings summary?](#)
- [Why are there four wage amounts listed on my Form W-2?](#)
- [Who is exempt from FICA tax withholding?](#)