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.

4. **Box 16 – State Wages, Tips, Etc.**
   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?