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:
   a. **Box 1 – Wages, Tips, Other Compensation**
      Wages subject to Federal income tax (corresponding to Fed Gross applicable gross YTD on your paystub).
   b. **Box 3 – Social Security Wages**
      Wages that are subject to Social Security tax (corresponding to FICA Social Security applicable gross YTD on your paystub).
   c. **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.

   d. **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.

Related Articles

- What is the appropriate method for paying an independent contractor?
- FEES - Do I have to pay taxes on Tuition Waiver?
- How do I reconcile my last paycheck of the year to my Form W-2?
- Is the University exempt from sales tax charged by hotels?
- How do I change the withholding on my Form W-4 and NC-4?