

What is a W-2 Form? How to read it. When to expect it and other important terms.**What is a W-2?**

IRS Form W-2, also known as a “Wage and Tax Statement,” reports an employee’s income from the prior year and how much tax the employer withheld. This includes all physical paychecks received in 2024. Payment for hours worked in 2024 paid in 2025 will appear on your 2025 W-2.

When should I receive my W-2 form?

You should have your W-2 by the first week of February. The IRS requires employers to furnish W-2’s to the employees by January 31st. The city will provide you with Form W-2 which shows how much money you earned and taxes withheld from your paychecks as well as benefits provided during the previous year and how much you contributed to your retirement plan during the year. Information from Form W-2 is used when you file your personal tax returns – both federal and state – with the IRS and your state’s tax agency. The city distributes form W-2 to active employees through their department heads prior to or on January 31st. Inactive employees will receive their forms in the mail post marked by January 31st.

You will receive three copies of Form W-2:

- Copy B is filed with your federal tax return
- Copy 2 is used to report any state, city, or local income taxes
- Copy C is for your records. Keep a W-2 for at least three years after you file.

What are pre-tax benefits?

With pre-tax benefits, the value of the benefit is deducted from your paycheck before federal income taxes are applied. By withholding deductions before you withhold taxes, your total taxable income is lower, reducing the amount of federal income tax you, the employee, has to pay.

An employee elects for benefits to be deducted from their pay pre-tax at the time of onboarding or during open enrollment.

Examples of a pre-tax benefit includes – Medical, Vision, Dental and Retirement Plans

What are post-tax benefits?

Post-tax benefit contributions, sometimes called after-tax deductions, are taken from an employee’s paycheck after taxes have already been deducted. Since post-tax deductions reduce net pay rather than gross pay, they don't lower the individual's overall tax burden.

An employee would elect for benefits to be deducted from their pay post-tax at the time of onboarding or during open enrollment.

Why is it important to understand pre and post tax benefits?

It’s important to understand if you’ve elected to have benefits deducted from your pay at pre or post tax status because it affects your bi-weekly paycheck, the federal and state taxes deducted from your pay as well as your year end W-2 statement and ultimately how much you will or will not owe for taxes when filing. As with any tax situation it is recommended you seek professional tax advice when making elections.

What is a W-4 and why is it important?

Form W-4 is provided to employees when hired through onboarding. A W-4 is a State of Delaware and IRS document that you complete that determines how much should be withheld from your paycheck for federal income and state income taxes.

Things to consider when completing this form would be your filing status, how many dependents you have and if you have more than one source of income. The IRS has a tool that can assist you in completing form W-4 called the tax withholding estimator. <https://www.irs.gov/individuals/tax-withholding-estimator>

The State of Delaware has a separate form W-4 which is also required following a federal change to form W-4 in 2020.

It's important to fill out the form completely and accurately. Please be sure your name, address and social security number are correct when completing the form. This information is used to report your wages and tax deductions to the IRS and Social Security Administration.

How do I make changes to form W-4?

Employees can change their W-4 status anytime by completing the appropriate forms and returning them to Human Resources. To obtain a copy of the forms you can call (302) 736-7073.

What is an I-9 form?

An I-9 form, also known as "Employment Eligibility Verification", is a document used by U.S. employers to verify the identity and employment authorization of every new employee they hire, including both citizens and non-citizens. This form is completed at on-boarding. At least two forms of identification are required when completing the form. Although a social security card / number is not considered a proof of identity. Rather it can be used for proof of employment. Providing your social security card allows HR to verify your social security number for the payroll systems.

Can I change my address?

Yes, please contact Human Resources at (302) 736-7073 to make changes to your address.

What do I do if I did not receive a W-2?

Contact Human Resources at (302) 736-7073. Changes of address must be received prior to January 15th to assure the form is mailed to the correct location.

How do I know what my gross wages are?

Gross wages are wages earned before any deductions. Employees receive pay increases based on their bargaining pay scales and the approved city budget. Changes to wages happen at least once per year.

How are taxable wages calculated?

For a more detailed explanation see the following pages. In short, taxable wages depend on how you fill out your W-4 and if you've elected for pre-tax or post-tax benefits.

How to read a W-2.

The top and middle sections of Form W-2 shows taxpayer information. (Employer and Employee)

OMB No. 1545-0008 **Form W-2 Wage and Tax Statement 2024**

a Employee's social security number	1 Wages, tips, other compensation	2 Federal income tax withheld
b Employer ID number (EIN) 51-6000092	3 Social security wages	4 Social security tax withheld
c Employer's name, address, and ZIP code CITY OF DOVER 5 EAST REED STREET DOVER DE 19901	5 Medicare wages and tips	6 Medicare tax withheld
d Control number		
e Employee's name, address, and ZIP code		
7 Social security tips	8 Allocated tips	9

Box a: Your Social Security Number (SSN). Always double-check to make sure this is correct. If the SSN is not correct contact Human Resources at (302) 736-7073 to update you personnel file by completeing a new W4 and I9 forms at the date of hire.

Box b: Your employer's EIN. This is your employer's federal employer identification number.

Box c: Your employer's address. This is your employer's corporate address on file with SSA and IRS.

Box d: A control number is an internal number used to identify employees.

Box e: Your name and address. Your name should reflect what is on the W-4 and I-9 forms filed with Human Resources at your date of hire. Your address should be your current mailing address. Contact Human Resources at (302) 736-7073 to update any personal identifying information to your personnel file.

Form W-2 reports wages, taxes withheld, and benefits. (Boxes 1 – 14)

OMB No. 1545-0008 **Form W-2 Wage and Tax Statement 2024**

a Employee's social security number	1 Wages, tips, other compensation 46269.54	2 Federal income tax withheld 2523.53
b Employer ID number (EIN) 51-6000092	3 Social security wages 50830.81	4 Social security tax withheld 3151.46
	5 Medicare wages and tips 50830.81	6 Medicare tax withheld 737.00
c Employer's name, address, and ZIP code CITY OF DOVER 5 EAST REED STREET DOVER DE 19901		
d Control number		
e Employee's name, address, and ZIP code		
7 Social security tips	8 Allocated tips	9
10 Dependent care benefits	11 Nonqualified plans	12a See instructions for box 12
12b	12c	12d
13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>
14 Other		

Withholding Allowances			
	Filing Status	Exemptions	Extra Amount
Federal	M	0	30.00
State	S	0	0.00
Advice Totals			
Type		Current	YTD
Taxable Pay		1,969.24	46,269.54
Gross Pay		2,164.00	50,830.81
Deductions		572.42	13,313.90
Net Pay		1,591.58	37,516.91

Clip from last pay stub

All highlighted deductions equal \$13,313.90 for this employee's pay, however, not all deductions are eligible to be listed on form W2.

Deductions	Current	YTD	Emplr	Emplr YTD
SOC SEC	134.17	3151.46	134.17	3151.46
MEDICARE	31.38	737.00	31.38	737.00
ICMA 401A%	129.84	3040.85	129.84	3040.85
ICMA457EE%	64.92	1520.42		
ICMA457ER			64.92	1520.42
FEDERAL TAX	114.62	2523.53		
STATE TAX	87.49	1988.00		
DOE	10.00	110.00		
GF OPEB				505.11
AD&D		17.52		17.52
UNUM LID		105.12		105.12
STD DIS MAX		120.00		120.00
WC 9510			14.69	342.95

Box 1: Taxable wages, tips, and other compensation. This is Federal Taxable Wages and does not include any pre-tax benefits or pre-tax retirement contributions. Taxable fringe benefits are included in Box 1. It is not uncommon for the amount in Box 1 to be less than boxes 3 and 5. When looking at your last paystub of the year this your Gross Income less pre-tax benefits and pre-tax retirement contributions.

Box 2: Federal income tax withheld. You can adjust the amount withheld from your paycheck by submitting a new W-4 (see above).

Box 3: Social security wages. This is your total wages subject to the Social Security tax. This is total gross wages less any pre-tax benefits as found on your last paystub. For 2024 the Social Security tax deduction threshold is \$168,600. Any income earned above this threshold is not subject to Social Security tax.

Box 4: Social security tax withheld. This is the amount withheld from your pay (6.2% of wages) for Social Security taxes, up to the threshold mentioned above.

Box 5: Medicare wages and tips. This is your total wages subject to Medicare taxes. This is total gross wages less any pre-tax benefits as found on your last paystub. There is no wage limit for Medicare.

Box 6: Medicare tax withheld. This is the amount withheld from your pay (1.45% of wages) for Medicare taxes.

Boxes 7 & 8: Social security tips & Allocated tips. The City does not have SS Tips or Allocated tips.

Box 9: Verification code. This will be blank.

Box 10: Dependent care benefits. This will be blank.

Box 11: Non-qualified plans. This will be blank.

Box 12: Codes. These boxes report a variety information including taxable and non-taxable income. Some codes and amounts you may see here include, but are not limited to code G (contributions to a 457b retirement plan) and code DD (cost of employer-sponsored health coverage).

Box 13: Statutory employee, retirement plan, third-party sick pay. This is unlikely to be populated.

Box 14: Other. This will include anything that does not fit in any other box. This could include health insurance premiums deducted, and non-taxable income. Examples include but are not limited to Roth 457 Contributions, General Pension, 401a, Police and Fire Pensions.

The bottom of Form W-2 is for state and local tax reporting. Boxes 16 – 17

DE	516000092	46269.54	1988.00
15	State/Employer's state ID number	16	State wages, tips, etc.
17	State income tax	18	Local wages, tips, etc.
19	Local income tax	20	Locality name

Dept. DXA

Copy B - To Be Filed With Employee's FEDERAL Tax Return
This information is being furnished to the Internal Revenue Service.

Clip from last pay stub



Deductions	Current	YTD	Empr	Empr YTD
SOC SEC	134.17	3151.46	134.17	3151.46
MEDICARE	31.38	737.00	31.38	737.00
ICMA 401A%	129.84	3040.85	129.84	3040.85
ICMA457EE%	64.92	1520.42		
ICMA457ER			64.92	1520.42
FEDERAL TAX	114.62	2523.53		
STATE TAX	87.49	1988.00		
DOE	10.00	110.00		
GF OPEB			21.64	505.11
AD&D		17.52		17.52
UNUM LID		105.12		105.12
STD DIS MAX		120.00		120.00
WCR PLAN			14.69	347.95

Boxes 18 – 20 are for local tax. Dover does not have a local tax.

Box 15: State and Employer's state ID number. This will show your employer's state and state tax ID number.

Box 16: State, wages, tips, etc. This is your wage amount subject to state income taxes. This typically matches your federal taxable income as shown on your last paystub.

Box 17: State income tax. If you have wages reported in box 16, the tax withheld on that income is reported here.

Box 18: Local wages, tips, etc. If you are subject to local or city taxes, those wages will be shown here.

Box 19: Local income tax. Local taxes withheld will be displayed here if you have wages reported in box 18.

Box 20: Locality name. This is the name of the city or locality where your wages were subject to local taxes.