



OFFICE OF THE CHANCELLOR

## Memorandum

**DATE:** January 13, 2022

**RE:** Distribution of 2021 W-2 Forms

The 2021 W-2 forms have been generated for all active and terminated Pennsylvania State System of Higher Education employees who had taxable wages in calendar year 2021. Those enrolled in the electronic W2 should now be able to view and print via Employee Self Service. We are anticipating the mailing of W2s within the next 10 days (from ADP) for those who are terminated or elected to receive a paper copy. The forms were mailed to each employee's most recent Mailing or Permanent Residence address on file in the Human Capital Management (HCM) system.

The 2021 W-2 form consists of four parts. Copy C of the W-2 form is for the employee's personal records, Copy B is for the employee's Federal tax return, the first sheet of Copy 2 is for the employee's State tax return, while the second sheet of Copy 2 is for the employee's Local tax return. **The 2021 W-2 form is an official tax document, and it should be retained by all active and terminated employees.** The Internal Revenue Service (IRS) requires employers to retain this document for four years.

### 2021 W-2 FORM HIGHLIGHTS

There was one change to the W-2 from the previous year which adds information to Box 20 per item #8 below. The following is a breakdown of each box on the form:

1. **Boxes 1, 3, and 5** contain the Federal, Social Security, and Medicare Taxable Gross Wages, respectively. The amount in **Box 3** (Social Security Wages) **should not exceed \$142,800.**
2. **Boxes 2, 4, and 6** contain the Federal, Social Security, and Medicare income taxes withheld, respectively. The amount in **Box 4** (Social Security Tax Withheld) **should not exceed \$8,854.**
3. **Box 10** contains Dependent Care Flexible Spending Account Deductions, if applicable for the employee.
4. In accordance with the Affordable Care Act of 2010, we are reporting the total cost of the employer sponsored health coverage you received during the year in **box 12 under code DD.** This figure includes both the employee and employer paid shares of health insurance premiums and is for informational purposes only. This amount is not taxable



5. **Box 12, code EE** will include after-tax contributions to a Roth 457(b) retirement plan offered by government employers.
6. **Boxes 16 and 17** contain the State Taxable Gross Wages and the State Income Tax withheld, respectively, for the applicable State indicated in **Box 15**.
7. **Boxes 18 and 19** contain the Local Taxable Wages and the Local Income Tax Withheld.
8. **Box 20** - Per Act 18 of 2018 entries in box 20 (Locality Name) of the employee's copy of the Form W-2 must contain the six-digit code for the employee's work location PSD code and the two-digit PSD code for the Tax Collection District (i.e., county) where the tax was remitted. The State System remits all local taxes to Lancaster County (PSD 36). This change will be reflected on the 2021 W-2.
9. Detailed explanations of the codes used in **Box 12** are printed on the back of Copy B to be filed with the Federal Tax Return.
10. **Box 14 may include one or more of the following:**
  - **Retirement Plan Contributions (SERS, PSERS, or ARP)**
  - **Pre-Tax Benefit Programs**
    - Payroll deductions covered under the Internal Revenue Code Section 125 for flexible spending account programs are also shown in this box. These include deductions for:
      - Health insurance premiums
      - Health Care Flexible Spending Account (HCFSA)
  - **Other deductions such as:**
    - Union Dues
    - Taxable Automobile
    - Taxable Moving Expenses
    - Maintenance Taxable and Nontaxable

**NOTE: Employee health insurance premiums and employee HCFSA contributions are grouped together and described as Flexible Spending Account (FLX SP AC) contributions in Box 14.**

**Wages paid in 2021 under the Families First Coronavirus Response Act (FFCRA):**

Included in your final 2021 Pay Statement (available on ESS), if applicable, are amounts paid to you as qualified sick leave wages or qualified family leave wages under the Families First Coronavirus Response Act. Specifically, up to three types of paid qualified sick leave wages or qualified family leave wages may appear on the pay statement as follows:

- **Wage Type: 0421 EPSLA COVID** – Emergency Sick COVID- Sick leave wages subject to the \$511 per day limit because of care you required;
- **Wage Type: 0422- Emergency Sick Family COVID** - Sick leave wages subject to the \$200 per day limit because of care you provided to another; and/or
- **Wage Type: 0423 – Emergency FMLA COVID** - Emergency family leave wages.

If you have self-employment income in addition to wages paid by your employer, and you intend to claim any qualified sick leave or qualified family leave equivalent credits, you must report any qualified sick leave or qualified family leave wages on Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals. If you have self-employment income, you should refer to the instructions for your individual income tax return for more information.

Employees should verify the Social Security Number, Name, and Address reported on the W-2 form, as this is the information that will be sent to the Social Security Administration (SSA) and the IRS. Any discrepancies in social security number and/or name should be reported **immediately** so we can notify the proper agencies. Please note, employee names should be the same in the HCM system as they are on the employee's social security card for the employee to receive proper credit for the earnings reported in calendar year 2021.