

# PA W-2 RECONCILIATION WORKSHEET

PA-40 W-2 RW (12-14)

|      |                        |
|------|------------------------|
| Name | Social Security Number |
|------|------------------------|

|                                             |                                  |                                  |                                   |
|---------------------------------------------|----------------------------------|----------------------------------|-----------------------------------|
| Employer's identification number from Box b | <b>FEDERAL WAGES<br/>(Box 1)</b> | <b>FEDERAL WAGES<br/>(Box 1)</b> | <b>MEDICARE WAGES<br/>(Box 5)</b> |
|---------------------------------------------|----------------------------------|----------------------------------|-----------------------------------|

## PART I – STARTING POINT

|                             |                 |                 |                 |
|-----------------------------|-----------------|-----------------|-----------------|
| <b>PART II – Additions:</b> | <b>COLUMN A</b> | <b>COLUMN B</b> | <b>COLUMN C</b> |
|-----------------------------|-----------------|-----------------|-----------------|

|                                                                                                      |  |  |  |
|------------------------------------------------------------------------------------------------------|--|--|--|
| 1. Company contribution to deferred comp plan.                                                       |  |  |  |
| 2. Elective deferrals to IRC Section 401(K) - Code "D" in Box 12.                                    |  |  |  |
| 3. Elec. deferrals under IRC Section 403(b) salary reduction agreement - Code "E" in Box 12.         |  |  |  |
| 4. Elec. def under IRC Section 408(k)(6) salary reduction agreement SEP - Code "F" in Box 12.        |  |  |  |
| 5. Elec. & non-elec. deferrals under IRC Section 457(b) deferred comp. plan - Code "G" in Box 12.    |  |  |  |
| 6. Elective deferrals to a Section 501 (C)(18)(D) tax-exempt organization plan - Code "H" in Box 12. |  |  |  |
| 7. Income under IRC Section 409A nonqualified deferred comp (NQDC) plan - Code "Z" in Box 12.        |  |  |  |
| 8. Deferrals under IRC Section 409A NQDC plan - Code "Y" in Box 12.                                  |  |  |  |
| 9. <b>OTHER ADDITIONS</b> (provide full descriptions)                                                |  |  |  |
| 9a.                                                                                                  |  |  |  |
| 9b.                                                                                                  |  |  |  |
| 9c.                                                                                                  |  |  |  |
| 9d.                                                                                                  |  |  |  |
| 9e.                                                                                                  |  |  |  |
| <b>TOTAL PART II (add lines 1 through 9e.)</b>                                                       |  |  |  |

|                                 |                 |                 |                 |
|---------------------------------|-----------------|-----------------|-----------------|
| <b>PART III – Subtractions:</b> | <b>COLUMN A</b> | <b>COLUMN B</b> | <b>COLUMN C</b> |
|---------------------------------|-----------------|-----------------|-----------------|

|                                                                                                  |  |  |  |
|--------------------------------------------------------------------------------------------------|--|--|--|
| 10. Company contribution to deferred comp plan.                                                  |  |  |  |
| 11. Cost of group-term life - Code "C" in Box 12.                                                |  |  |  |
| 12. Income under IRC Section 409A nonqualified deferred comp (NQDC) plan - Code "Z" in Box 12.   |  |  |  |
| 13. Deferrals under IRC Section 409A NQDC plan - Code "Y" in Box 12.                             |  |  |  |
| 14. Personal use of company vehicle.                                                             |  |  |  |
| 15. Distributions from an IRC Section 409A NQDC plan                                             |  |  |  |
| 16. Distributions from an IRC Section 409A NQDC plan previously taxed for Pennsylvania purposes. |  |  |  |
| 17. <b>OTHER SUBTRACTIONS</b> (provide full descriptions)                                        |  |  |  |
| 17a.                                                                                             |  |  |  |
| 17b.                                                                                             |  |  |  |
| 17c.                                                                                             |  |  |  |
| 17d.                                                                                             |  |  |  |
| 17e.                                                                                             |  |  |  |
| <b>TOTAL PART III (add lines 10 through 17e.)</b>                                                |  |  |  |

## PART IV – FINISHING POINT

|                                             |                                   |                              |                              |
|---------------------------------------------|-----------------------------------|------------------------------|------------------------------|
| [Add Parts I and II then subtract Part III] | <b>MEDICARE WAGES<br/>(Box 5)</b> | <b>PA WAGES<br/>(Box 16)</b> | <b>PA WAGES<br/>(Box 16)</b> |
|---------------------------------------------|-----------------------------------|------------------------------|------------------------------|

# PA-40 W-2 RW (12-14)

## W-2 Reconciliation Worksheet PA-40 W-2 RW (12-14)

### OVERVIEW

Use the PA-40 W-2 RW in situations where: 1) Federal Form W-2 information is incomplete for determining the correct amount of Pennsylvania taxable compensation, 2) Medicare wages are different from Pennsylvania wages and insufficient W-2 coding is present to explain the differences, or 3) to show amounts of any previously taxed non-qualified deferred compensation. Examples include instances where the employer fails to show on the W-2 the amount of S corporation owner health benefits or personal use of company auto included in federal and Medicare wages that are not included in Pennsylvania wages.

The W-2 RW is arranged in a three column format. The first column is used to reconcile your federal wages to Medicare wages. The second column is used to reconcile your federal wages to Pennsylvania wages, and the third is to reconcile Medicare wages to Pennsylvania wages.

### SPECIFIC INSTRUCTIONS

At the top of the form enter your Name, Social Security number and Employer's identification number from Box b of the W-2 for this reconciliation. Then complete the following:

#### PART I – STARTING POINT: List each of the following amounts:

- 1) Federal Wages from Box 1 of the Form W-2 in Column A and Column B,
- 2) Medicare Wages from Box 5 of the Form W-2 in Column C.

#### PART II – ADDITIONS: List the amounts for each of the following lines in the appropriate columns:

|        |                                                                                                                                                                                                                                                                   |                        |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Line 1 | Company contribution to deferred compensation plan.                                                                                                                                                                                                               | Column A               |
| Line 2 | Elective deferrals to IRC § 401(K) - Code "D" in Box 12.                                                                                                                                                                                                          | Columns A & B          |
| Line 3 | Elective deferrals under IRC § 403(b) salary reduction agreement - Code "E" in Box 12.                                                                                                                                                                            | Columns A & B          |
| Line 4 | Elective deferrals under IRC § 408(k)(6) salary reduction agreement SEP - Code "F" in Box 12.                                                                                                                                                                     | Columns A & B          |
| Line 5 | Elective & non-elective deferrals under IRC § 457(b) deferred compensation plan - Code "G" in Box 12.                                                                                                                                                             | Columns A & B          |
| Line 6 | Elective deferrals to a § 501 (C)(18)(D) tax-exempt organization plan - Code "H" in Box 12.                                                                                                                                                                       | Columns A & B          |
| Line 7 | Income under IRC § 409A nonqualified deferred compensation plan - Code "Z" in Box 12.                                                                                                                                                                             | Column A               |
| Line 8 | Deferrals under IRC § 409A nonqualified deferred compensation plan - Code "Y" in Box 12.                                                                                                                                                                          | Column A               |
| Line 9 | <b>OTHER ADDITIONS:</b> Include amounts for any items not shown on Lines 1 through 8 that are taxable as Medicare or Pennsylvania wages that are not included in taxable federal or Medicare wages. (Provide full descriptions along with corresponding amounts.) | Any appropriate column |

**TOTAL PART II** -- Add Lines 1 through 9e for each column.

#### PART III – SUBTRACTIONS: List the amounts for each of the following lines in the appropriate columns:

|         |                                                                                                                                                                                                                                                                |                        |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Line 10 | Company contribution to deferred compensation plan.                                                                                                                                                                                                            | Column C               |
| Line 11 | Cost of group-term life - Code "C" in Box 12.                                                                                                                                                                                                                  | Columns B & C          |
| Line 12 | Income under IRC § 409A nonqualified deferred compensation plan - Code "Z" in Box 12.                                                                                                                                                                          | Column C               |
| Line 13 | Deferrals under IRC § 409A nonqualified deferred compensation plan - Code "Y" in Box 12.                                                                                                                                                                       | Column C               |
| Line 14 | Personal use of company vehicle.                                                                                                                                                                                                                               | Columns B & C          |
| Line 15 | Distributions from an IRC § 409A nonqualified deferred compensation plan.                                                                                                                                                                                      | Column A               |
| Line 16 | Distributions from an IRC § 409A nonqualified deferred compensation plan previously taxed for Pennsylvania purposes.                                                                                                                                           | Column B               |
| Line 17 | <b>OTHER SUBTRACTIONS:</b> Include amounts for any items not shown on Lines 10 through 16 that are not taxable for Pennsylvania or Medicare wages that are taxable as federal or Medicare wages. (Provide full descriptions along with corresponding amounts.) | Any appropriate column |

**TOTAL PART III** -- Add Lines 10 through 17e for each column.

**PART IV – FINISHING POINT:** For each column, add the amount from Part I and the Total from Part II together and subtract the amount from the Total for Part III.

The results should be the amounts reported on your W-2 for either Medicare or Pennsylvania wages. If the amounts calculated don't match the amounts listed on the W-2 provided by your employer, you may be required to make adjustments to your Pennsylvania reportable compensation.