

Actual 2021
W-2

		Federal Box 1	Soc. Sec. Box 3 & 7	Medicare Box 5
Gross Wages		218648.71	218648.71	218648.71
Txbl Benefits				
Group Term Life Adoption				
Deferred Comp		(2905.63)		
Section 125		(7200.00)	(7200.00)	(7200.00)
Other Pretax/Wage Limit			(68648.71)	
W-2 Wages		208543.08	142800.00	211448.71
1. WAGES, TIPS, OTHER COMPENSATION		208543.08	2. FEDERAL INCOME TAX WITHHELD	
			36647.24	
3. SOCIAL SECURITY WAGES		142800.00	4. SOCIAL SECURITY TAX WITHHELD	
			8853.60	
5. MEDICARE WAGES AND TIPS		211448.71	6. MEDICARE TAX WITHHELD	
			3169.04	
7. SOCIAL SECURITY TIPS			8. ALLOCATED TIPS	
9.			10. DEPENDENT CARE BENEFITS	
			5000.00	
11. NONQUALIFIED PLANS			12.a-d D	
			2905.63	
14. OTHER				
			13. STATUTORY EMPLOYEE <input type="checkbox"/> RETIREMENT PLAN <input checked="" type="checkbox"/> THIRD PARTY SICK PAY <input type="checkbox"/>	
16. STATE WAGES, TIPS, ETC.	17. STATE INCOME TAX	18. LOCAL WAGES, TIPS, ETC.	19. LOCAL INCOME TAX	20. LOCALITY NAME
208543.08	12317.21			

This W-2 is from 2021. As you know, taxes change every year. We update Iowa Support Master every year with tax code changes, as well as Guidelines changes.

As you look at this W-2, it is unknown the filing status. Married? Single? Claiming how many kids. Alas, we don't care.

Box 1: \$208,543.08 represents the gross wages paid to the party for the year. That is the amount we would enter in Support Master as the wage income for this party. But take a look at Box 10 below.

Box 2: \$36,647.24 was withheld from wages for federal income tax. Spending some time doing calculations you could figure out filing status, etc., but why bother? We don't need to know this number.

Box 3: \$142,800 is the maximum of wages on which the employee must contribute toward social security in 2021. The rate for an employee in 2021 was 6.2%. This amount is taken from their income and saved for them for their social security retirement. Multiply 142,800 X .062 = \$8,853.60. See **Box 4**. Do you need to know this, no. But this is an educational experience. Support Master will do the math for you. *The rates for 2022: \$147,000 in wages and 6.2% rate. It will cost you more in 2022.*

Box 4: \$8,853.60 see Box 3 information above. You don't need to know or use this number. Support Master will do the math.

Box 5: here's where things get tricky. Medicare Wages and Tips would typically be the same amount as shown in Box 1.

Medicare wages and tips is the total amount of wages plus deferred compensation, retirement contributions or other benefits that are normally excluded from the regular income tax.

You might try to figure out how this person managed to earn or receive an extra, almost \$3,000, in income in 2021. Depending on what this is and who you represent, you may want to enter this amount as the income for the person.

The total amount of \$211,448.71 is subject to the Medicare tax rate of 1.45%. There is an additional 0.9% Medicare tax on amounts over \$200,000.

$211,448.71 \times .0145 = \$3,066.00$ (Medicare Rate)

$11,448.71 \times .009 = \103.03 (Additional Medicare tax on excess of \$200,000)

$\$3,066.00 + \$103.04 = \$3,169.04$ as shown in **Box 6**

Box 6: See the math in Box 5 above.

Box 10: Dependent Care Benefits are monies paid to the employee that are pre-tax dollars to help pay for the care of a child, spouse or other dependent adult living in the home of the employee.

In this example, the employee receives \$5,000 per year.

In the Income Screen of Support Master, you would go to "Other Income" and enter this \$5,000 there and uncheck all boxes. This is money received by the employee not subject to tax.