


## FINE PRINT: W-2 Form

If you work as an employee, you will receive a W-2 in the mail in January. Learn what to do with it.

### Part I: Read The Fine Print

Analyze this sample W-2 to answer the questions.

a Employee's social security number <b>123-45-6789</b>		Safe, accurate, FAST! Use  Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>				
b Employer Identification Number (EIN) <b>987654321</b>		1 Wages, tips, other compensation <b>17,780.00</b>	2 Federal income tax withheld <b>1,600.20</b>			
c Employer's name, address, and ZIP code <b>SCOOPS ICE CREAM 123 MAIN STREET INDIANAPOLIS, IN 46205</b>		3 Social security wages <b>17,780.00</b>	4 Social security tax withheld <b>1,102.36</b>			
		5 Medicare wages and tips <b>17,780.00</b>	6 Medicare tax withheld <b>257.81</b>			
		7 Social security tips	8 Allocated tips			
d Employee's social security number		9 Verification Code	10 Dependent care benefits			
e Employee's first name and initial Last name Suff. <b>LILY M SMITH 215 FIRST STREET INDIANAPOLIS, IN 46205</b>		11 Nonqualified plans				
		12a See instructions for box 12 C o d e				
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>				
		12b C o d e				
f Employee's address and ZIP code		14 Other				
		12c C o d e				
15 State Employer's State ID number <b>IN 00122234001</b>		16 State wages, tips, etc. <b>17,780.00</b>	17 State income tax <b>542.29</b>	18 Local wages, tips, etc. <b>17,780.00</b>	19 Local income tax <b>339.60</b>	20 Locality name
<b>Form W-2 Wage and Tax Statement</b>		<b>2024</b>		Department of the Treasury - IRS		

1. What do you know about Lily's employment?
  - a. Lily earned minimum wage plus tips
  - b. Lily worked at Scoops Ice Cream in 2024
  - c. Lily worked during every month of 2024
  - d. Lily's annual net pay (take-home pay) was \$17,780 after taxes
2. Lily uses a tax filing software that asks for her Employer's Identification Number (EIN). What is it?
  - a. 123-45-6789
  - b. 987654321
  - c. 00122234001
  - d. 1545-0008
3. What tax information is NOT included on this W-2?
  - a. Gross wages earned
  - b. Federal income taxes she's already paid
  - c. State income taxes she's already paid
  - d. Income earned from her investments
4. What were Lily's gross wages from this employer for this period?
  - a. \$1,102.36
  - b. \$1,600.20
  - c. \$17,780.00
  - d. \$20,220.67
5. What was the largest withholding on Lily's W-2?
  - a. Medicare tax
  - b. Federal income tax
  - c. State income tax
  - d. Social security tax
6. Based on this W-2, which of the following statements is TRUE?
  - a. Lily is contributing to a 401(k) retirement through her employer
  - b. Lily works in the state of Indiana, which has a state income tax
  - c. Lily's taxable wages are much larger at the federal level than at the state or local level
  - d. Lily earned less than \$14,600 (which is the standard deduction amount)
7. While filing, Lily finds out that her total federal income tax due was \$318. Based on her federal income tax withheld, how much of a tax refund can she expect?
  - a. \$318.00
  - b. \$1,282.20
  - c. \$1,600.20
  - d. \$2,642.37

8. Lily paid \_\_\_\_\_ in Social Security tax, which is \_\_\_\_\_ of her total wages.
- a. \$257.81; 1.45%
  - b. \$257.81; 6.2%
  - c. \$1,102.36; 6.2%
  - d. \$1,102.36; 1.45%
9. What was the total amount deducted from Lily's pay for Federal, State, and Local income tax?
- a. \$881.89
  - b. \$1,600.20
  - c. \$2,482.09
  - d. \$3,842.26
10. Based on her W-2, what state income tax rate did Lily pay?
- a.  $339.60 / 17,780.00 = 1.91\%$
  - b.  $542.29 / 17,780.00 = 3.05\%$
  - c.  $1,102.36 / 17,780.00 = 6.20\%$
  - d.  $542.29 / 1,600.20 = 33.89\%$

## **Part II: What Did You Learn?**

11. What is the purpose of a W-2 form?