



Federal reporting for fringe benefits chart

Tax year 2023



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Here's a quick reference chart of the federal reporting requirements from some of the most frequently provided wage payments and benefits.

For information concerning the federal, state and local tax treatment of over 150 earnings and deduction types, ask us about our TaxAbility™ services.

For more information about TaxAbility see page 4.

Federal reporting for fringe benefits chart

Tax year 2023

Federal reporting for fringe benefits – 2023

Benefit type	W-2 Box 1	W-2 Boxes 3 and 5	W-2 Box 10	W-2 Box 12 ¹⁰	W-2 Box 13 ⁶	W-2 Box 14	941 Line 2 ⁷	941 Lines 5a and 5c	940 Part 2, Line 3	940 Part 2, Line 4 ⁹
Adoption assistance not more than \$15,950 per adoption	No	Yes	No	Yes ¹⁴ (code T)	No	No	No	Yes	Yes	No
Automobile, personal use	Yes	Yes	No	No	No	Yes ¹⁵	Yes	Yes	Yes	No
Business expenses: unsubstantiated or excess payments ¹	Yes	Yes	No	Yes (code L)	No	No	Yes	Yes	Yes	No
Dependent care assistance not more than \$5,000	No	No	Yes ²	No	No	No	No	No	Yes	Yes
Disaster relief benefits under IRC §137	No	No	No	No	No	No	No	No	Yes	Yes
Group-term life over \$50,000	Yes	Yes	No	Yes (code C)	No	No	Yes	Yes	Yes	Yes
Group-term life over \$50,000, former employees	Yes	Yes	No	Yes ⁸ (code M,N)	No	No	Yes	Yes ¹²	Yes	Yes
Health plan, aggregate employer cost ¹⁶	No	No	No	Yes (code DD)	No	No	No	No	No	No
Health insurance-employer provided ¹⁶	No	No	No	Yes (code DD)	No	No	No	No	No	No
Health savings account - employer contributions and employee pretax contributions	No	No	No	Yes (code W)	No	No	No	No	Yes	Yes
Nonqualified deferred compensation-distribution ¹⁷	Yes	No	No	No	No	No	Yes	No	Yes	Yes
Nonqualified deferred compensation – vest ¹⁷	No	Yes	No	No	No	No	No	Yes	Yes	No

Federal reporting for fringe benefits – 2023

Benefit type	W-2 Box 1	W-2 Boxes 3 and 5	W-2 Box 10	W-2 Box 12 ¹⁰	W-2 Box 13 ⁶	W-2 Box 14	941 Line 2 ⁷	941 Lines 5a and 5c	940 Part 2, Line 3	940 Part 2, Line 4 ⁹
Third-party sick pay: taxable portion ¹¹	Yes	Yes	No	No	No	Yes (optional)	Yes	Yes	Yes	No
Third-party sick pay: nontaxable portion ¹¹	No	No	No	Yes (code J)	No	No	No	No	Yes	Yes
Tips: FICA not withheld ³	Yes	Yes	No	Yes (code A,B)	No	No	Yes	Yes ¹²	Yes	No
Tips: allocated ⁴	No	No	No	No	No	No	No	No	No	No
Reimbursed moving expenses: taxable	Yes	Yes	No	No	No	Yes ¹³	Yes	Yes	Yes	No
Reimbursed moving expenses: nontaxable	No ¹³	No	No	Yes (code P)	No	Yes ¹³	No ¹³	No	Yes	Yes
§401(k) pretax contributions	No	Yes	No	Yes (code D)	Yes ⁶	No	No	Yes	Yes	No
Roth §401(k) post-tax contributions	Yes	Yes	No	Yes (code AA)	Yes ⁶	No	Yes	Yes	Yes	No
Roth §457(b) post-tax contributions	Yes	Yes	No	Yes (code EE)	No	No	Yes	Yes	Yes	No
SEP: Employer contributions	No	No	No	No	Yes ⁶	No	No	No	No	No
SEP: Employee contributions	No	Yes	No	Yes (code F)	Yes ⁶	No	No	Yes	Yes	No
§125 pretax contributions, except for adoption assistance	No	No	No	No	No	No	No	No	Yes	Yes
§501(c)(18)(D) plans	Yes	Yes	No	Yes (code H)	Yes ⁶	No	Yes	Yes	Yes	No
Wages paid after death: year of death ⁵	No	Yes	No	No	No	No	No	Yes	Yes	No
Wages paid after death: year after death ⁵	No	No	No	No	No	No	No	No	No	No

"Yes" indicates that the benefit is reported in this area of the form. "No" indicates that the benefit is not reported in this area of the form.

Footnotes:

¹ The amount equal to the government-specified rate is reported in the W-2 in box 12; the excess or unsubstantiated reimbursement is reported in boxes 1,3 and 5.

² Report 100% of employer-provided dependent care assistance in Box 10, even if the value exceeds \$5,000. Also report the excess over \$5,000 per year in boxes 1, 3 and 5 of the W-2. Remind dependent care assistance plan participants to include Form 2441 with their federal tax return or the taxpayer may be disallowed the \$5,000 exclusion.

³ Report wages even though FICA tax not withheld. Report in box 12 of the W-2 an "A" for Social Security tax not collected from tips and a "B" for Medicare tax not collected and do not report in boxes 4 and 6 of the W-2.

⁴ This amount is reported in box 8 only.

⁵ The federal taxable amount of the payment should be reported on the 1099-MISC (rather than box 1 of the W-2) and issued to the beneficiary or recipient of the wages. Wages paid after death but in the same year as death are FICA- and FUTA-taxable and reported as such on the W-2, 941, and 940. Wages paid in the year after death are not taxable for FICA or FUTA, and are not reported on the W-2, 941 or 940 but only on the 1099 MISC. Federal taxable income in connection with nonqualified deferred compensation that is paid to the beneficiary of a deceased employee is reported on Form 1099-R.

⁶ Box 13, "retirement plan," is checked for all participants in a retirement plan. This may include those employees who are eligible but elected not to participate. Discuss with your organization's benefits consultant.

⁷ See the 941 instructions for line 2.

⁸ Report taxable group-term life insurance over \$50,000 in box 12 with the amount preceded by a "C." Report uncollected social security tax from former employees' taxable group-term life insurance in box 12 preceded by an "M." Report uncollected Medicare tax in box 12 preceded by an "N." You must show the taxable group-term life in box 12 preceded by Code C to avoid being assessed the amounts reported in box 12, Codes M and N.

⁹ Check one of the boxes as appropriate for the wage type that is exempt from FUTA. For instance, check box 4(a), "fringe benefits" for pretax health contributions under a cafeteria plan arrangement and 4(b), "group-term life" for taxable group-term life over \$50,000.

¹⁰ Letters shown in this column must precede the dollar amount in box 12. There must be at least one space between the code and the dollar amount.

¹¹ Sick pay received in the first six months from the last day of the month that the employee last worked is reported in boxes 1, 3 and 5 of the Form W-2. Sick pay received after this six-month coverage period is reported in box 1 of the W-2 only. Report nontaxable sick pay in box 12 with the code J. Form 8922 is required if Forms 941 and W-2 will not agree (usually applies to the third-party payer).

¹² Show a credit for the Social Security and/or Medicare tax not withheld from tips and/or group-term life insurance over \$50,000 on line 9 of the Form 941.

¹³ For expenses incurred through December 31, 2017: Exclude nontaxable amounts from box 1 of the W-2 and Line 2 of the 941. Taxable relocation expenses are also reported as Social Security and Medicare wages on the Forms W-2 and 941. Report nontaxable relocation reimbursements made directly to employees in box 12 of the W-2 preceded by a "P." Do not report nontaxable payments made directly to third parties in box 12; however, include these amounts on Form 940, Part 2, Line 3 and Part 2, Line 4 (check box 4e). Box 14 reporting is optional.

For expenses incurred on and after January 1, 2018: Employee reimbursements or payments made to third parties for moving expenses are no longer excluded from taxable wages. An exception applies to moving expenses incurred by members of the Armed Forces.

¹⁴ When reporting adoption assistance in box 12, exclude amounts forfeited under an adoption assistance flexible spending account.

¹⁵ If 100% of a vehicle's use is reported in box 1 of the W-2, show in box 14 the amount included in box 1 of the W-2 or provide a separate statement to employee with this information.

¹⁶ Under the Affordable Care Act of 2010 and effective in 2012, employers are required to report in Form W-2, box 12, [code DD](#) the aggregate cost of employer-provided group health care if they filed 250 or more Forms W-2 in the previous tax year. This amount is informational only and has no effect on taxable wages.

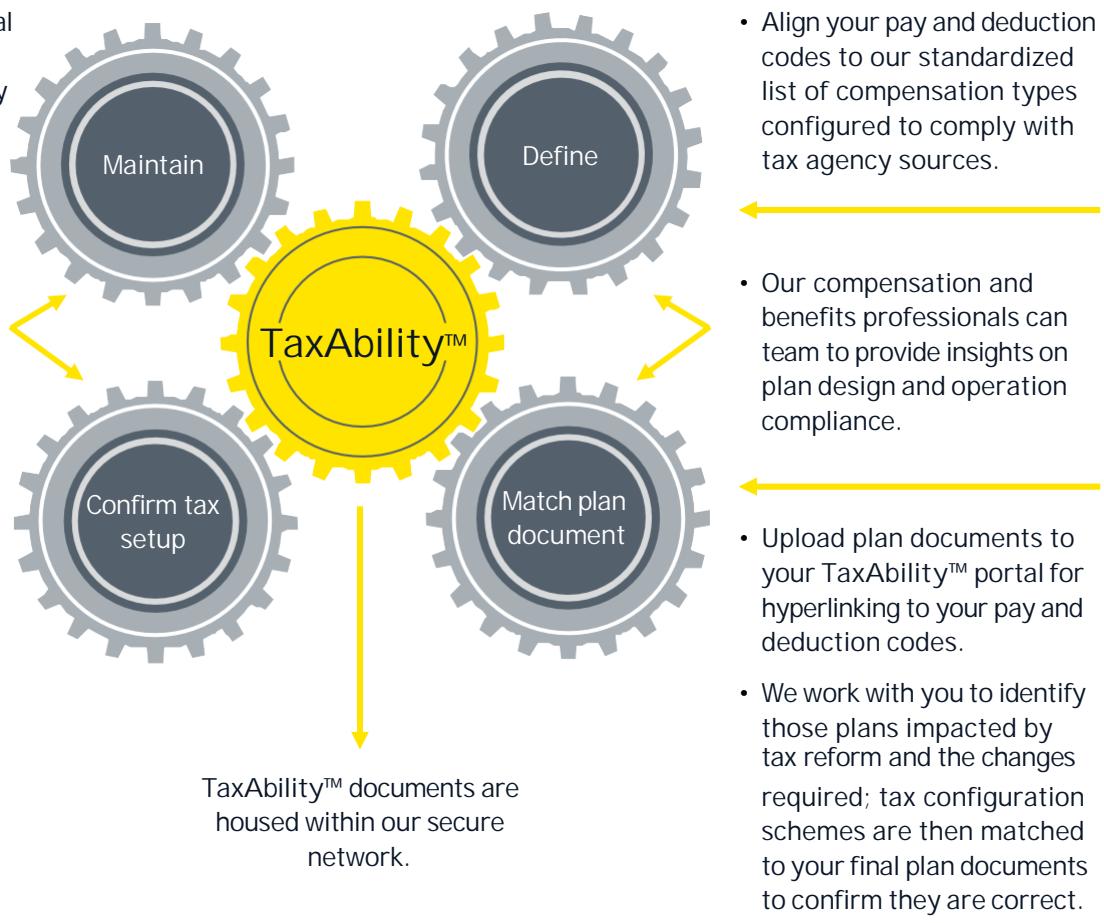
¹⁷ If a nonqualified deferred compensation amount reported as FICA wages in boxes 3 and 5 or as FIT wages in box 1 was earned in prior year, report the amount earned in a prior year in box 11. Do not report in box 11 amounts that were vested and distributed in the tax year.

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- An exception report is provided showing pay and deduction code settings that may be incorrect.
- Pay codes are verified for proper supplemental wage indicators.
- Special Form W-2 reporting information, if applicable, is provided for your pay and deduction codes.

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ED None

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