



FRANK J. JABBIA
Superintendent

321 N. Theard St.
Covington, LA 70433
985.892.2276 • Fax 985.898.3267

DATE: January 29, 2021
TO: All Employees
FROM: Terri F. Prevost, CPA
Director of Business Affairs
RE: 2020 W-2 Questions

Please find below a recap of the most frequently asked questions concerning W-2 forms:

Question: Why are my taxable wages on my W-2 less than my contract salary?

Answer: Taxable wages on your W-2 will probably be less than your contract salary because of certain “cafeteria” deductions or payments taken out of your check that are NOT taxable per IRS rules. Such deductions include retirement, health insurance, annuity contributions, flexible medical spending account contributions and other deductions that qualify for such treatment.

Question: Why are my Medicare wages higher than my taxable wages?

Answer: The computation for Medicare taxes does not recognize the same “cafeteria” deductions that are used for Federal taxable wages. Medicare only recognizes health insurance related deductions as not taxable for Medicare.

Additional Reporting in Box 14 for FFCRA wages

Included in Box 14, *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 are reported in Box 14:

- Sick leave wages subject to the \$511 per day limit because of care you required;
- Sick leave wages subject to the \$200 per day limit because of care you provided to another; and
- 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 the qualified sick leave or qualified family leave wages on Form 7202, *Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals*, included with your income tax return and reduce (but not below zero) any qualified sick leave or qualified family leave equivalent credits by the amount of these qualified leave wages. If you have **self-employment income**, you should refer to the instructions for your individual income tax return for more information.

Additional Form 1095-C-Health Insurance Reporting for Tax Purposes

All full-time employees will be receiving a 2020 Form 1095-C no later than March 1, 2021 (the IRS deadline). This form is required by the Internal Revenue Service and will provide the employee with information related to health insurance coverage for the employee, spouse, and dependents as applicable. This form is not required to prepare your individual income tax return for 2020.

Please direct any additional W2 questions you may have to shannon.jenkins@stpsb.org or ronald.randolph@stpsb.org.