



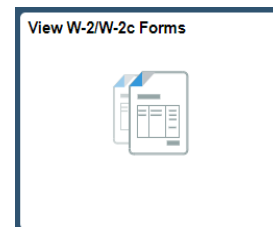
STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

To: State of Hawaii Employees

Subject: The following information is being furnished to assist employees with reading their W2 tax form

Accessing W2s Electronically

From tax year 2018 on, W2s for all State of Hawaii employees will be posted in the Hawaii Information Portal (HIP) at hip.hawaii.gov. For privacy and security purposes, W2s can be accessed from a computer connected to the State's network. When accessing the system, use the "View W-2/W-2c Forms" tile.



If an employee forgets their logon information, they may contact the HIP Service Center on Oahu at 201-SERV (7378) for assistance. If an employee needs to request a W2 from a year prior to 2018, they may contact their payroll department to request a reprint from the Dept. of Accounting and General Services at a cost of \$10.

Employee Addresses

Employee addresses displayed on W2s as well as pay statements come from the employee's home address in HIP. To update an address for future W2s, the employee may logon to HIP and update their address. See instructions at: <http://ags.hawaii.gov/hawaiipay/files/2018/10/Address-Instructions.pdf>

Opting Out of Paper W2s for Future Tax Years

Employees who don't wish to receive paper copies of their W2s for future tax years, may consent to receive an electronic copy only. To elect this, click on the tile in HIP for "W-2/W-2c Consent" and check the box next to "I consent to receive electronic W2s and agree not to receive paper copies". Employees may opt in/out at any time. Once an employee separates from State service, any prior consent they provided to receive electronic W2s will automatically be rescinded and their W2 will be mailed to their home address in HIP.



Singular W2 Form

The State of Hawaii combines all earnings for one Social Security number onto one W2 form.

Pay Statements

For each pay period worked, employees receive pay statements containing the details of their pay: gross earnings, withheld taxes, federal taxable wages, deductions, year-to-date totals, etc. Pay statements are available for active employees in hip.hawaii.gov. Their last 2018 pay statement should reflect their total earnings and are a means for the employee to verify their W2 Wage and Tax Statement.

"Year-to-Date" Pay Statements vs. W2 Amounts

Pay Statements include information on calendar year-to-date earnings for each job an employee works. If an employee works multiple jobs, they will have multiple pay statements. The sum of all year-to-date information on the pay statements will match the W2 amounts, less any pay adjustments processed by the employee's department.

Annual Salary vs. Amount Actually Received

Wages and other compensation, as shown on the W2, reflect 2018 taxable earnings processed for an employee during the calendar year less before tax deductions, NOT ANNUAL SALARY. The amount reported on the W2 form may include one or more of the following: supplemental/bonus payments, retroactive pay, and non-ERS eligible amounts.

Note: As of the date this guide was printed (1/16/19), a federal shutdown is in effect that may affect IRS services and processing.

Date of Service vs. Date of Check

The W2 form includes all taxable wages in calendar year 2018. Any checks for arrear payments received in 2018 for service performed during a prior year will be included in the 2018 W2 form.

-- SAMPLE --

| | | | | |
|---|---|---|--|--|
| Form W-2 Wage and Tax Statement 2018 | | 7 Social security tips | 1 Wages, tips, other compensation 59394.85 | 2 Federal income tax withheld 5684.05 |
| c Employer's name, address, and ZIP code STATE OF HAWAII 235 S BERETANIA ST HONOLULU HI 96813 | | 8 Allocated tips | 3 Social security wages 64232.63 | 4 Social security tax withheld 3982.42 |
| e Employee's name, address, and ZIP code | | 9 Verification code | 5 Medicare wages and tips 64232.63 | 6 Medicare tax withheld 931.37 |
| | | 10 Dependent care benefits | 11 Nonqualified plans | 12a See instructions for box 12 G 4837.78 |
| | | 13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/> | 14 Other | 12b DD 4347.36 |
| | | b Employer identification number (EIN) 99-6001081 | | 12c |
| | | a Employee's social security number | | 12d |
| 15 State HI | Employer's state ID number WH-013-438-5664-0 | 16 State wages, tips, etc. 63382.63 | 17 State income tax 4123.80 | 18 Local wages, tips, etc. |
| | | | 19 Local income tax | 20 Locality name |
| Copy B-To Be Filed With Employee's FEDERAL Tax Return | | | This information is being furnished to the Internal Revenue Service. OMB No. 1545-0045 | |
| | | | Dept. of the Treasury - IRS Visit the IRS website at www.irs.gov/efile . | |

Understanding the W2 Boxes

| | |
|-----------|---|
| 1 | Equal to the year-to-date Federal Taxable Gross from the last 2018 pay statement, less any pay adjustments processed by the employee's department. This figure can be re-calculated by taking the year-to-date gross minus the year-to-date before tax deductions. |
| 2 | Equal to the year-to-date federal withholding amount from the last 2018 pay statement, less any pay adjustments processed by the employee's department. |
| 3 | Equal to the Federal Taxable Gross in the next to the last box on the last 2018 pay statement, adding back in retirement, and any applicable deferred compensation and/or tax-sheltered annuities (TSA). Note that retirement, deferred compensation, and TSA are not pre-tax for Social Security and Medicare purposes. There is a maximum amount of \$128,400 applicable to Box 3. |
| 4 | Equal to the amount of Federal Social Security (OASDI) taxes withheld year-to-date on the last 2018 pay statement. The maximum amount for this box is \$7,960.80 for 2018. |
| 5 | Equal to the Federal Taxable Gross in the next to the last box on the last 2018 pay statement, adding back in retirement, deferred compensation and TSA. Retirement, deferred compensation, and TSA are not pre-tax for Social Security and Medicare purposes. There is no maximum amount applicable for Box 5. |
| 6 | Equal to the amount of Medicare year-to-date withholdings from the last 2018 pay statement. |
| 10 | Equal to the amount of any deductions for Flexible Spending Account deductions for dependent care, if applicable. |
| 12 | <ul style="list-style-type: none"> - Code E: The amount of any tax-sheltered annuities (TSA), if applicable. - Code G: The W2 form provides for deferred compensation contributions to appear as a separate item in Box 12 labeled as "G", if applicable - Code DD: As part of the Patient Protection and Affordable Care Act of 2010, employers are required to report to each employee the aggregate (employer and employee/retiree) cost of employer-sponsored group health plans. The amount appears in Box 12 labeled as "DD". The amount in Box 12 labeled as "DD" is for informational purposes only and as per the W2 instructions is not taxable. |
| 13 | ERS-eligible employees' W2s will show a gross wage reduced by the amount of their ERS contributions and the "retirement plan" in Box 13 will be marked with an "X". |
| 16 | Your total taxable wages for State of Hawaii tax purposes. |
| 17 | Equal to the amount withheld for State of Hawaii taxes. The year-to-date taxes paid will equal the amount of year-to-date Hawaii withholding from the last 2018 pay statement, less any pay adjustments processed by the employee's department. |

Federal Guidance

For more information and form instructions, consult the Internal Revenue Service's (IRS) General Instructions at: <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>.

Note: As of the date this guide was printed (1/16/19), a federal shutdown is in effect that may affect IRS services and processing.