



**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 W-2 Wage and Tax Statement

**Accessing W-2s Electronically**

From tax year 2018 on, W-2s for all State of Hawaii employees will be posted in the Hawaii Information Portal (HIP). For privacy and security purposes, W-2s 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.



For instructions on how to access HIP, employees may visit <http://ags.hawaii.gov/hip/how-to-access-hip/>.

**Employee Names**

If employees notice a difference in how their names are displayed on their W-2 from how it's normally displayed on other State of Hawaii documents such as the pay statement, it is because HIP complies with IRS regulations. It's important to note that how your name is displayed on your W-2 will not cause issues for you during the tax filing process.

IRS regulations for W-2s are as follows: "*Boxes e and f—Employee's name and address. Enter the name as shown on your employee's social security card (first name, middle initial, last name). If the name does not fit in the space allowed on the form, you may show the first and middle name initials and the full last name.*" [IRS regulations are found at <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>. See page 15, General Instructions for Employers.]

HIP's name logic complies with the required regulations. It evaluates an employee's name to determine what's needed on the W-2 form for legal purposes. It goes through these steps:

1. Is the First Name + Middle Name + Last Name + Suffix more than 33 Characters?
2. Is the First Name + Middle Name more than 21 Characters?
3. Is the Last Name more than 13 Characters?

If the name falls into one of these three categories above, HIP will take the first character of the first name, first character of the middle name(s) and the 1st through 34th characters of the last name.

**Employee Addresses**

Employee addresses displayed on W-2s as well as pay statements come from the employee's home address in HIP. The address as it shows on your W-2 was reported to the IRS by the State of Hawaii, so it cannot be amended for tax purposes. To update an address for future W-2s, the employee may logon to HIP and update their address. See instructions at:

<http://ags.hawaii.gov/hawaii/pay/files/2018/10/Address-Instructions.pdf>

### **Opting Out of Paper W-2s for Future Tax Years**

Employees who don't wish to receive paper copies of their W-2s 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 W-2s 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 W-2s will automatically be rescinded and their W-2 will be mailed to their home address in HIP.



### **Singular W-2 Form**

The State of Hawaii combines all earnings for one Social Security number onto one W-2 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. Their last pay statement of the calendar year should reflect their total earnings and are a means for the employee to verify their W-2 Wage and Tax Statement. (See *next page for calculation information.*)

### **"Year-to-Date" Pay Statements vs. W-2 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 W-2 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 W-2, reflect taxable earnings processed for an employee during the calendar year less before tax deductions, NOT ANNUAL SALARY. The amount reported on the W-2 form may include one or more of the following: supplemental/bonus payments, retroactive pay, and non-ERS eligible amounts.

### **Date of Service vs. Date of Check**

The W-2 form includes all taxable wages in the calendar year. Any checks for arrear payments received in the calendar year for service performed during a prior year will be included in the W-2 form.

Form <b>W-2 Wage and Tax Statement</b> 2020		<b>7</b> Social security tips	<b>1</b> Wages, tips, other compensation 61445.71	<b>2</b> Federal income tax withheld 7621.35
<b>c</b> Employer's name, address, and ZIP code STATE OF HAWAII PO BOX 119 HONOLULU HI 96810-1019		<b>8</b> Allocated tips	<b>3</b> Social security wages 66868.75	<b>4</b> Social security tax withheld 4145.86
		<b>9</b>	<b>5</b> Medicare wages and tips 66868.75	<b>6</b> Medicare tax withheld 969.60
		<b>10</b> Dependent care benefits	<b>11</b> Nonqualified plans	<b>12a</b> See instructions for box 12 DD 5109.39
<b>e</b> Employee's name, address, and ZIP code Redacted		<b>13</b> <input checked="" type="checkbox"/> Retirement plan b Employer identification number (EIN) 99-6001081 a Employee's social security number Redacted	<b>14</b> Other	<b>12b</b>
				<b>12c</b>
				<b>12d</b>
<b>15</b> State HI	Employer's state ID number WH-013-438-5664-01	<b>16</b> State wages, tips, etc. 66868.75	<b>17</b> State income tax 4614.27	<b>18</b> Local wages, tips, etc.
			<b>19</b> Local income tax	<b>20</b> 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. 1545-0008 Dept. of the Treasury - IRS Visit the IRS website at www.irs.gov/efile.

**Understanding the W-2 Boxes**

<b>1</b>	Equal to the year-to-date Federal Taxable Gross from the last calendar year 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.
<b>2</b>	Equal to the year-to-date federal withholding amount from the last calendar year pay statement, less any pay adjustments processed by the employee's department.
<b>3</b>	Equal to the Federal Taxable Gross in the next to the last box on the last calendar year 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 \$142,800 applicable to Box 3 for tax year 2021.
<b>4</b>	Equal to the amount of Federal Social Security (OASDI) taxes withheld year-to-date on the last calendar year pay statement.
<b>5</b>	Equal to the Federal Taxable Gross in the next to the last box on the last calendar year pay statement, adding back in retirement, deferred compensation and TSA. Retirement, deferred compensation, and TSA are not pretax for Social Security and Medicare purposes. There is no maximum amount applicable for Box 5.
<b>6</b>	Equal to the amount of Medicare year-to-date withholdings from the last calendar year pay statement.
<b>10</b>	Equal to the amount of any deductions for Flexible Spending Account deductions for dependent care, if applicable.
<b>12</b>	<ul style="list-style-type: none"> <li>- Code E: The amount of any tax-sheltered annuities (TSA), if applicable.</li> <li>- Code G: The W-2 form provides for deferred compensation contributions to appear as a separate item in Box 12 labeled as "G", if applicable</li> <li>- 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 W-2 instructions is not taxable.</li> </ul>
<b>13</b>	ERS-eligible employees' W-2s 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".

14	Pursuant to Internal Revenue Bulletin 2020-31 at this link: <a href="https://www.irs.gov/irb/2020-31_IRB">https://www.irs.gov/irb/2020-31_IRB</a> , employers are required to report the amount of qualified sick leave wages and qualified family leave wages (SL1, SL2, and SL3) paid or were reclassified in the 1st quarter of 2021 under the Families First Coronavirus Response Act (FFCRA) in Box 14 of Form W-2. These employees are supposed to have a W-2 with Box 14 showing as blank, as well as an additional W-2 for each type of FFCRA earnings they received with the respective amounts populated in Box 14. For example, an employee with SL1, SL2, and SL3 earnings should receive a total of four W-2s; one with a blank Box 14, a second one with SL1 in Box 14, a third one with SL2 in Box 14, and a fourth one with SL3 in Box 14.
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 calendar year 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/iW-2w3.pdf> or a tax professional.