

Help Take The “Taxing” Out Of Taxes

(NAPS)—Form W-2, *Wage and Tax Statement*, is one of the most basic elements of tax preparation, yet if it's incorrect, your federal income tax bill or refund and social security benefits will be severely impacted. There are simple, straightforward questions you can answer now about your Form W-2 that will help take the “taxing” out of tax time.

Your Form W-2 is an itemized annual guide to your personal earnings and taxes. The nation's leader in payroll training and education—the American Payroll Association offers workers helpful tips about Form W-2 as tax season approaches:

1) Was It Lost In the Mail?

Employers are required by law to mail W-2 forms to their employees by January 31. If you haven't received your W-2 soon after that date, contact the payroll professional at your company and request that your Form W-2 be reissued.

2) How Many Employers Did You Work For During 2000?

Every employer you worked for during 2000 must send you a Form W-2—even if you worked for only one day.

3) Have You Played “The Matching Game?”

Your social security number is your account number with the government. It's how the IRS keeps track of taxes deducted from your paycheck and how the Social Security Administration tracks your earnings and calculates your benefits. Check to make sure that the name and social security number entered on your W-2 form match your social security card.

4) It's Tax Season...Do You Know Where Your Last Pay Stub Is?

Locate your last pay stub of the year. The amount entered in Box #1 of your W-2 form may not be the same as the total annual income shown on your last pay stub. If the numbers don't match, your company's payroll professional can tell you why.

5) Have You Been Playing the Field?

If you are a freelance



or contract worker who has received \$600 or more from any one company in 2000, you should receive a Form 1099-MISC, *Statement for Recipients of Miscellaneous Income*, from that company. If you haven't received the form by early February, contact the company's Accounts Payable department.

6) Married With Children?

Take time to evaluate how much money is being withheld from your paycheck. If you've gotten married or had children since you last filled out your Form W-4, *Employee's Withholding Allowance Certificate*, it may be a good idea to fill out a new Form W-4 with the correct marital status and number of withholding allowances.

7) Where did It All Go?

If your regular paycheck withholdings seem high, remember that the law requires 90 percent of an employee's tax liability to be withheld during the year—or at least match the employee's tax liability in the previous year. If you receive a large tax refund, you've had too much withheld and you may want to adjust your withholding.

8) Did the Dog Eat It?

Whatever the reason, if your W-2 form pulls a disappearing act, simply contact your payroll professional and request another one.

For more information about checking your W-2 form, visit www.nationalpayrollweek.org.