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MEMORANDUM

TO: Legislative Fiscal Officers, Payroll
and Personnel Officers

FROM: Robert L. Childree
State Comptroller

SUBJECT: 2004 Form W-2's for Legislators

To assist you in responding to questions from legislators, the following recaps the calculation of the boxes on the Form W-2 as it applies to legislative pay. If a legislator has received pay other than for legislative service, refer to the attached memo explaining the Form W-2 for State employees. An additional list is provided which shows the breakdown for each type of legislative pay.

Box 1 -- "Wages, tips and other compensation" is the total wages subject to Federal tax and should be used on the Federal tax return. This box is calculated as follows:

- + Legislative monthly expense allowance (\$2280/mth)
- + Legislative per diem (\$50 day)
- + Legislative salary (\$10 day)
- + Non-overnight Per Diem paid on voucher
- Deferred Compensation Contributions
- Exempt Health Insurance Premiums
- = **Federal Taxable Wages**

Box 2 -- "Federal income tax withheld" is the total amount withheld from employees' wages for federal income tax.

Box 5 -- “Medicare wages and tips” is the amount of wages subject to Medicare Tax. This box is calculated as follows:

+ Legislative salary (\$10 day)
= **Medicare Taxable Wages**

Box 6 -- “Medicare tax withheld” is the amount of tax deducted from the employees (legislative salary only) for Medicare tax. It is calculated by multiplying the amount in Box 5 by .0145.

Box 16-- “State wages, tips, etc.” is the total wages subject to State tax and should be used on the State tax return. This box is calculated as follows:

+ Legislative monthly expense allowance (\$2280/mth)
+ Legislative per diem (\$50 day)
+ Legislative salary (\$10 day)
+ Non-overnight Per Diem paid on voucher
- Deferred Compensation Contributions
- Exempt Health Insurance Premiums
= **State Taxable Wages**

Box 17-- “State income tax” is the total tax withheld from employees’ wages for State income tax.

If you have any additional questions, please contact Sandra Horn at (334) 242-2182.

RLC:sh/th