



BOB RILEY  
Governor

JAMES ALLEN MAIN  
Director of Finance

STATE OF ALABAMA  
DEPARTMENT OF FINANCE  
OFFICE OF THE STATE COMPTROLLER

RSA UNION  
100 North Union Street, Suite 220  
Montgomery, Alabama 36130-2602  
Telephone (334) 242-7050  
FAX (334) 242-2440

ROBERT L. CHILDREE  
State Comptroller

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MEMORANDUM

TO: Legislative Fiscal Officers, Payroll  
and Personnel Officers

FROM: Robert L. Childree  
State Comptroller

SUBJECT: 2006 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