GUIDE

Form W-2, for employers

Form W-2 is the year-end statement of an employee's wages and the taxes withheld from them. Employers send one to every employee and file copies with the Social Security Administration, with Form W-3, by February 1, 2027 for 2026 wages. New for 2026, box 12 codes TP and TT report tips and overtime for the new deductions.

QUICK FACTS

- **Due date.** To employees and the SSA, because January 31, 2027 is a Sunday
- **Wage base.** Social Security wages in box 3 stop at $184,500 for 2026
- **New codes.** Box 12 codes for qualified tips (TP) and qualified overtime (TT)

Who gets a W-2?

Every employee you paid wages to during 2026, including part-time and seasonal staff, family members on payroll and S-Corp owner-employees. You also send one if you withheld any income, Social Security or Medicare tax, even on tiny wages. Contractors don't get a W-2. They get a Form 1099-NEC if they were paid $2,000 or more.

What do the main boxes mean?

- Box 1: wages, tips and other compensation subject to federal income tax, after pre-tax deductions like 401(k)
- Box 2: federal income tax withheld
- Boxes 3 and 4: Social Security wages, up to $184,500 for 2026, and the 6.2% tax
- Boxes 5 and 6: Medicare wages, with no cap, and the 1.45% tax plus any additional 0.9%
- Box 12: coded amounts, such as D for 401(k) deferrals, W for HSA, DD for employer health coverage cost and AA for Roth 401(k)
- Box 13: checkboxes for statutory employees, retirement plan participants and third-party sick pay
- Boxes 15 to 20: state and local wages and tax

What's new for 2026?

Employers report qualified overtime compensation with code TT and qualified tips with code TP in box 12, so employees can claim the new federal deductions for 2025 to 2028. Tipped employees also get an

General information, not tax advice for your situation.

occupation code. Payroll software has to be set up to track the overtime premium separately. Our guide to no tax on tips and overtime explains what employers have to do.

How do S-Corp owners show health insurance?

For an owner with more than 2% of an S-Corp, health insurance premiums the company pays are added to box 1 wages, but not to boxes 3 and 5. The owner then deducts them on their personal return. Missing this is a common W-2 error. Our reasonable salary guide covers owner pay.

How do I file and fix W-2s?

File Copy A with the SSA, with Form W-3 as the summary, through SSA Business Services Online or your payroll provider. If you file 10 or more information returns in total, you have to e-file. To fix an error after filing, issue Form W-2c to the employee and the SSA, with Form W-3c. Check that your four Form 941 returns add up to the W-3 totals before you file.

Common questions

When are 2026 W-2s due?
February 1, 2027, to employees and to the Social Security Administration, since January 31 is a Sunday.

Can I send W-2s electronically to employees?
Yes, if each employee agrees to receive them electronically, with the IRS consent rules.

What is the penalty for late W-2s?
A per-form penalty that rises the later you file, applied separately to the SSA copy and the employee copy.

Does an S-Corp owner get a W-2?
Yes. Owner-employees of an S-Corp are paid a salary through payroll and receive a W-2.

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