

CAN MY W-2 BE WRONG? YES! HERE'S WHAT YOU SHOULD DO IF YOU DISCOVER AN ERROR

What if there's incorrect information on the W-2 you receive from your employer?

In many cases, you can correct the information yourself. Here's what to do if you find these mistakes:

1. Your name, social security number (SSN) or address is wrong.

Cross out the incorrect information on each copy of your W-2. You may use these corrected copies to file your returns. Ask your employer to correct your employment records. Also, be sure to ask your employer to notify the Social Security Administration (SSA) of the changes, by filing Form W-2c, Corrected Wage and Tax Statement.

2. Your name is correct, but it has changed from the name on your social security card.

If your name on your W-2 does not match your social security card, you will not be able to file your tax return electronically. Not only that, but the reporting of your wages and calculation of retirement benefits will be wrong. Your tax return will be rejected until your true name can be verified.

Report your name change as soon as possible to the SSA office nearest you, or call 1-800-772-1213. It usually takes about 14 days for social security records to be changed. Once they are, you'll be able to file your return electronically. You will receive a corrected social security card in the mail.

3. There's an incorrect dollar amount on your W-2.

If any dollar amounts are incorrect, such as wages, taxes withheld, or salary deferrals,

you'll need to ask for a corrected W-2. Notify your employer of the error, so that he or she can provide you with a Form W-2c to replace your incorrect W-2.

4. Your wage amount is incorrect, and your employer will not correct it.

If you believe a dollar amount on your W-2 is incorrect, and your employer will not give you a corrected W-2, you may contest the amount.

If the income on your W-2 is too low, report the additional amount on the wage line and attach a statement to the return explaining the additional income.

If the income on your W-2 is too high, report the amount on the W-2 as usual, but enter the overstatement as a negative amount on line 21. Enter "Overstated wages" in the margin to the left of line 21, and attach a statement explaining the overstatement. Be sure to keep the supporting documents, just in case the IRS asks you for more information.

Example: Your pay stubs for the year total \$32,000, but

your W-2 shows wages of \$35,000. You know that there are no taxable benefits or gains from the exercise of stock options that would increase your wages. You wonder if 401(k) contributions were inadvertently counted as taxable income.

You notify your employer of the error, but she refuses to correct the mistake. Report the \$35,000 on Line 7 as usual. Enter a negative \$3,000 on Line 21, and attach a statement explaining the situation.

Follow the same procedure for any state and local returns.

Only a few years ago, thousands of people received W-2s with an "X" in a box that indicated they were 'deceased.' That would be one mistake that you'd want to catch. The best advice: check your W-2 carefully for errors; if you find any, there are action steps you can take.

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5. Your W-2 shows an incorrect amount of taxes withheld, and your employer will not correct the withholding.

List what you believe to be the correct amounts on your tax return(s). Attach a statement to your return along with copies of supporting documents, such as a final pay stub that shows the total withholding for the year.

6. Your employer will not correct SSN, FICA and Medicare withholding that is listed incorrectly.

Notify the Social Security Administration of the error. The SSA will work with you to correct your records.