

# Filing Your Taxes <sup>(1/3)</sup>

## Directions

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- ❶ Review the following terms before completing this activity.
  - » **W-2 (Wage and Tax Statement):** A form used to report wages paid to employees and taxes withheld from them. Should be completed for each employee on or before Jan. 31 of each year.
  - » **1099 (MISC Statement for Recipients of Non-Employee Compensation):** Used to report earnings of \$600 or more paid per calendar year, for which no withholding of social security taxes and income tax was made over the year.
  - » **1040 (A, EZ):** The starting form for personal income tax returns filed with the IRS
  - » **IRS (Internal Revenue Service):** United States government agency that is responsible for the collection and enforcement of taxes
  - » **Head of household:** A filing status that is used for individuals who are not married. They must pay more than half of the costs for the household.
  - » **Joint return:** Income taxes that are filed for a couple who are married. The income, tax credits, tax deductions, and tax exemptions are combined on one tax return.
  - » **FICA (Federal Insurance Contributions Act):** Taxes that are used to pay for social security or Medicare programs.
  - » **Income tax withholdings:** This is money an employer legally has to withhold (take out, deduct) from an employee's earnings and is sent to the city, state and federal governments. This money is applied toward the amount of money an employee will owe the government agency when income taxes are filed.
- ❷ Access and digitally complete the 1040EZ form located at <http://www.irs.gov/pub/irs-pdf/f1040ez.pdf>.
  - » First, complete the form filing as a single, head of household.
  - » Next, complete the form filing a joint return. Have students use the second W-2 provided, titled "Spouse".
- ❸ Access and digitally complete the 1040 form by transferring the information from the sample W-2 and 1099 provided in the activity. A blank W-2 form can be found at <http://www.irs.gov/pub/irs-pdf/f1040.pdf>.
- ❹ List all items commonly withheld from gross pay.  
  
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- ❺ Research and explain the difference among Social Security, Medicaid and Medicare.  
  
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# Filing Your Taxes [2/3]

## Sample Form W-2

22222		a Employee's social security number 000-00-0000		OMB No. 1545-0008		This is a recreation of a W-2 for education purposes only.	
b Employer identification number (EIN) 62-0000XXX				1 Wages, tips, other compensation \$41,000.00		2 Federal income tax withheld \$5986.50	
c Employer's name, address, and ZIP code  Marketing Strategies, Inc. 1749 Main St. Del Boca Vista, FL 90035				3 Social security wages \$41,000.00		4 Social security tax withheld \$2,542.00	
				5 Medicare wages and tips \$41,000.00		6 Medicare tax withheld \$594.50	
				7 Social security tips		8 Allocated tips	
				9		10 Dependent Care benefits	
d Control number				11 Nonqualified plans		12a See instructions for box 12 	
e Employees first name and initial  Jane King		Last name  Sample		Suff. 13 Statutory Retirement Third-party Employee plan sick pay		12b 	
f Employee's address and ZIP code		14 Other		12c 		12d 	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips	
						19 Local income tax	

Form **W-2** Wage and Tax Statement  
Copy C - for Employee's Records (See Notice to Employee on the back of Copy B.)

2011 This is not a real W-2 form but a recreation of a W-2 for education purposes only.

## Spouse's W-2

22222		a Employee's social security number 000-00-0000		OMB No. 1545-0008		This is a recreation of a W-2 for education purposes only.	
b Employer identification number (EIN) 62-0000XXX				1 Wages, tips, other compensation \$41,000.00		2 Federal income tax withheld \$5986.50	
c Employer's name, address, and ZIP code  Marketing Strategies, Inc. 1749 Main St. Del Boca Vista, FL 90035				3 Social security wages \$41,000.00		4 Social security tax withheld \$2,542.00	
				5 Medicare wages and tips \$41,000.00		6 Medicare tax withheld \$594.50	
				7 Social security tips		8 Allocated tips	
				9		10 Dependent Care benefits	
e Employees first name and initial  James King		Last name  Sample		Suff. 11 Nonqualified plans		12a See instructions for box 12 	
f Employee's address and ZIP code		13 Statutory Retirement Third-party Employee plan sick pay		12b 		12c 	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips	
						19 Local income tax	

Form **W-2** Wage and Tax Statement  
Copy C - for Employee's Records (See Notice to Employee on the back of Copy B.)

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