



Answers to Frequently Asked Questions Regarding W-2s

Below are answers to questions most frequently asked regarding W-2s. If you have a question that is not included below, please contact your HR Administrator.

General questions about the W-2:

QUESTION: *I've been told that there is no tax on my overtime. What does this mean?*

ANSWER: One component of the H.R. 1, also known as the One Big Beautiful Bill Act, is the exemption of qualified overtime from federal income tax (FIT) when filing your federal return. Only the premium portion (.5) of overtime is eligible to be excluded from federal taxable wages. The maximum annual credit is limited to \$12,500 (\$25,000 for joint filers). The credit phases out for individuals with higher incomes. For those individuals who receive qualified overtime, we have provided the premium portion of overtime paid to you during the calendar year 2025 in Box 14 – with the label “OT Prem”. Please direct your tax preparer to use that information when preparing your 2025 federal income tax return.

QUESTION: *I've been told that my tips are exempt from tax. What does this mean?*

ANSWER: H.R. 1, also known as the One Big Beautiful Bill Act, allows individuals who receive qualified tips, to claim a credit on their federal income tax when filing your federal return. Qualified tips are amounts voluntarily given by customers either in cash or added to credit card payments or through tip sharing arrangements. Qualified tips are also specific to tips received by employees in occupations that customarily and regularly receive tips. The maximum annual credit is limited to \$25,000. The credit phases out for individuals with higher incomes. For those individuals who receive qualified tips, we have provided the qualified tip amount paid to you during the calendar year 2025 in Box 14 – with the label “Qual Tips”. The Treasury Tipped Occupation Code for your position has been reported in Box 14 – with the label “Tip Occ Code”. Note that this code is only 3 digits. Please ignore the decimal and the digits following the decimal. Please direct your tax preparer to use that information when preparing your 2025 federal income tax return.

QUESTION: *I transferred from one state agency to another last year. Will I receive a W-2 from each agency?*

ANSWER: No. The Commonwealth of Kentucky is one employer, so a transfer from one state agency to another will not result in separate W-2s. You will receive a single W-2 no matter how many different state agencies you work for.

QUESTION: *My address changed and I didn't get my W-2. Where is it and how can I get it or a copy?*

ANSWER: These are returned to the agency shown on the W-2. The agency can provide the employee with the returned W-2 when it is received by the agency, or a copy may be requested via KHRIS ESS beginning February 1st.

If you are a current employee, please access KHRIS ESS to update your address to avoid this problem in the future, or contact your agency HR Office to request an update. Current employees can also elect to receive their W-2 electronically. If you are a past employee, please contact the HR office for the agency where you were last employed, to update your address.

QUESTION: *How can I elect to receive my W-2 electronically?*

ANSWER: Employees may log into KHRIS ESS and elect to receive their W-2 online. Instructions are available on the Personnel Cabinet website under [W-2s](#). Tutorials for all ESS features are also available under [Training and Development/Employees- KHRIS ESS](#). This process must be completed by January 5th of each year, before tax documents are generated.

QUESTION: *Why has my co-worker(s) received their W-2 already? I have not receive mine yet.*

ANSWER: Your co-worker may have elected to receive their W-2 electronically. Employees who elect this online version gain access to their W-2, through KHRIS ESS up to as much as two to three weeks before paper versions are received through the US postal service. All paper W-2 forms are mailed at the same time. Deliver times for paper W-2's may vary depending upon delivery location, carrier, etc.

QUESTION: *Can I get a copy of my W-2?*

ANSWER: The Personnel Cabinet does not keep "hard" copies of W-2s. Employees may request a copy via KHRIS ESS or HR Administrators may submit a business request. Employees, who elect to receive their W-2s electronically, can obtain copies on their own, as needed.

Please note that W-2C and W-3C production for employees paid through KHRIS is handled by the Personnel Cabinet. For assistance with W-2Cs and W-3Cs, agencies should submit a business request.

QUESTION: *My gross on my last paycheck doesn't match my W-2 amount. Why?*

ANSWER: The W-2 reflects taxable, not gross wages. Most employees' gross wages are reduced by retirement and other pre-tax contributions. These contributions may include pretax retirement installment purchase agreements, premium conversion (pretax group health insurance premium), FSAs (medical and daycare), and deferred compensation contributions (deferred compensation, pretax retirement installment purchase and retirement contributions are subject to Social Security and Medicare taxes, but are exempt from federal and state income tax withholding). For your convenience, your gross wages are reported in box 14 on the form W-2.

QUESTION: *My FIT and SIT taxables don't match my Social Security and Medicare taxables. Why?*

ANSWER: This is usually due to certain deductions that are pretax for federal and state income tax but not pretax for Social Security and Medicare taxes. Deferred compensation, retirement installment purchases and retirement contributions are subject to Social Security and Medicare taxes but are exempt from federal and state income tax withholding.

QUESTION: *Why do I have information in Box 12, code DD? Why is health insurance cost information on my W-2?*

ANSWER: Employers are required to report the cost of employer sponsored group health plan coverage. This information will be reported in box 12, code DD on the 2014 W-2. This reporting to the IRS is for informational purposes only and is intended to communicate the cost of health care coverage to employees. The value of the coverage provided is not considered taxable income. The reportable cost includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee.

QUESTION: *I started working for the state in December of last year. Will I receive a W-2?*

ANSWER: If you started working between December 1-15th you will receive a W-2 for that tax year because that payroll will be released no later than December 30th. If you started working on or after December 16th you will not, because that payroll will not be released until January 15th. W-2s are based on the payments *received* during a tax year, not when the work was performed.

QUESTION: *I received two W-2 forms in the mail or when I downloaded my W-2 form, there was a second page. Why am I receiving this second page?*

ANSWER: The second page will have additional reporting in box 12. Box 12 is used to report various sub-categories of information that is necessary for your tax return preparation. When an employee has more than four entries to report in box 12, a second page is generated to provide the information.

Questions about tax preparation (software and company):

QUESTION: *I'm using tax preparation software or a tax preparer, and when the Kentucky Employer Identification Number (077156) from box 15 for Form W2 is entered, the return shows an error and won't accept it with a leading 0.*

ANSWER: We are aware that some tax software and/or preparers may have trouble accepting this number. If this issue is encountered, please omit the "0" from the beginning of the number shown and enter 77156 to remove the leading 0.

NOTE: This is not an error on the W2; therefore, corrected W2s will not be provided.

QUESTION: *When I enter Box D/Control number or try to import my W-2 information, I get an error message, or I get an incorrect address for my employer. What do I need to do?*

ANSWER: Box D/Control number is for use by the employer. The Commonwealth uses this box to store the employee PERNR. The Commonwealth does not provide W-2 data for import by tax software or for tax preparation companies. If you try to use the import function with the numbers on the W-2, it will cause an error. Users should key their W-2 information for their tax returns directly from the W-2 form. We have not received reports of issues related to Box D with direct entry.

QUESTION: *My tax software program requires a local taxable amount. My W-2 doesn't show one. Where can I get this figure?*

ANSWER: The IRS does not require a local taxable figure on the W-2. Only the local tax paid must be shown. However, some tax preparation software does require a local taxable figure for processing. We recommend that the employee use the Medicare taxable figure, found in box 5 of the W-2.

QUESTION: *Box 20, Locality Name, has nothing in it, but I did pay local tax. Why is there nothing in that box, and what should I use?*

ANSWER: The W-2 has one field for Local wages (Box 18/Local wages, tips, etc.) and Locality name (Box 20). Many Commonwealth employees have multiple local tax authorities for which local tax is deducted from their pay and, therefore, multiple local taxable wage bases and local tax authority names. The IRS does not require these fields be completed for the W-2 or for the filing of tax returns. For this reason, the Commonwealth does not print information in these fields. However, some tax preparation software and tax preparers may require this information. We recommend that you use the figure in Box 5/Medicare wages and tips for Box 18/Local wages, tips, etc. For Box 20 Locality name, users should enter their primary local tax location name. Most names will have to be abbreviated to fit, and users may abbreviate as desired, as there is no edit of this field against a standard abbreviation.

Questions about other tax forms provided by the Commonwealth:

QUESTION: *How can I obtain copies of my 1099-R, 1099-MISC, 1099-NEC or 1095-C?*

ANSWER: Other tax forms are produced by other agencies. Please see the contact information below:

1099-R – Distribution from Pensions

Kentucky Public Pensions Authority (KERS, CERS, SPRS) (502) 696-8800

Teachers Retirement of Kentucky (800) 618-1687

1099-MISC – Miscellaneous Payments (Estates) or

1099-NEC – Non-employee Compensation (Independent Contractors)

Finance - email 1099.help@ky.gov or call (502) 564-8639

1095-C – Employer-Provided Health Insurance Offer and Coverage

Contact your agency HR office