

Program Letter

United States
Railroad Retirement Board
Office of Programs



Quality Reporting Service Center

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TO: Certification Contact Officials

SUBJECT: Medicare Taxes Withheld Shown in the “Other” Box (14) on Form W-2

Please share this information with the appropriate members of your staff who provide payroll services for employees of your organization.

The purpose of this letter is to provide you with the information about the new enhanced on-line version of Form W-2 available through the Social Security Administration (SSA) website. The new form allows employers covered under the Railroad Retirement Act (RRA) to display the amount of Medicare taxes withheld in the “Other” box (14) for their employees.

The Form W-2 is an Internal Revenue Service (IRS) form that is filed with SSA. The IRS receives this wage information from SSA for federal tax data purposes. Employers must file Form W-2 by the last day of February each year. SSA also provides employers with an automated process to submit the W-2 information through their Business Services Online (BSO) application which is available through their website.

In accordance with the SSA instructions for completion of Form W-2, RRA covered employers can make no entries in boxes 3, 4, 5, and 6 of Form W-2 or in the corresponding boxes on Form W-3. A common error is to enter Medicare tax withheld in the Medicare tax block. However, that Medicare box is for employees covered under the Social Security Act. Employers covered under the Railroad Retirement Tax Act must show the amount of Tier I and Tier II tax withheld in the “Other” box (14). In addition to the Tier I and Tier II tax withheld, you may include optional information such as Medicare tax withheld.

Based on information the Railroad Retirement Board obtained from our covered employers who use the SSA online system to file their Forms W-2/W-3 we worked with the IRS and SSA to make changes to the on-line Form W-2. Previously our rail and labor employers could not use the on-line version to report Medicare tax in the “Other” box (14) because it would only accept two entries for the Tier I and Tier II tax withheld. Based on collaboration between the agencies, the IRS changed the on-line format to accept three entries which will allow RRA covered employers to now record the Medicare tax withheld. This change became effective with the December 5, 2011 release of the W-2 Online software for Tax Year 2011 reporting in January 2012.

The Social Security Administration has provided a link to their Business Services Online Tutorial instructions to help employers register for and use their on-line system. This is a handy overall guide for anyone who wants to electronically file using W-2 Online.

<https://www.ssa.gov/employer/documents/W2Online.pdf>

If you have questions about this letter, please contact the Quality Reporting Service Center (QRSC) at the telephone number or email address shown above.