

# One Philly: *How to Navigate Your 2025 W-2*



January 2026

Presented By: OnePhilly Team

# How to Calculate the W-2 Totals

Tax Name	Tax Rate	Box on W2
Federal Income Tax (FIT)	Different for every employee (See IRS publication 15) and based on the W4 withholding and whether they are single or married	2
*Social Security (SS)	6.2%	4
Medicare	**1.45%	6
City Wage Tax <small>(Note: Rate decrease effective 7.1.2025 from 3.75% to 3.74% for residents and from 3.44% to 3.43% for non-residents)</small>	3.74% (R)	19
State Unemployment (SUI)	0.07% (Taxable wage base \$10,000)	14
State Income Tax (SIT)	3.07%	17

\*No Social Security taxes are withheld when gross earnings exceed \$176,100.

\*\*An additional 0.9% is withheld on only the gross earnings that exceed \$200,000. For example, gross earnings of \$210,000 in total would be assessed 1.45% on the \$200,000 and 1.45% **PLUS** 0.9% (**Total: 2.35%**) on the \$10,000. **NOTE:** Rates are applied from Oracle Vertex and are cumulatively applied based on the tax rates as given.

# How to Calculate the Boxes on the W-2 Form

Form W-2 Wage and Tax Statement 2025		OMB No. 1545-0029		Department of the Treasury - Internal Revenue Service			
Control number 2026300784		Employer identification number 23-6003047		<b>COPY B To Be Filed With Employee's FEDERAL Tax Return</b> <b>Tax bracket varies based on earnings</b>			
Employer's name, address and zip code City of Philadelphia 1401 JFK Blvd, MSB 13th Fl Philadelphia PA 19102		Employee's SSN [REDACTED]		1 Wages, tips, other compensation 87407.57		2 Federal income tax withheld 10246.88	
		7 Social security tips		3 Social security wages 96709.44		4 Social security tax withheld 5995.99 <span>6.2% of Box 3</span>	
		8 Allocated tips		5 Medicare wages and tips 96709.44		6 Medicare tax withheld 1402.29 <span>1.45% of Box 5</span>	
Employee's first name and init Last Name Suffix [REDACTED]		9 [REDACTED]		10 Dependent care benefits		11 Nonqualified plans	
		12a C 179.84 <b>Imputed Income or ER Medical</b>		13 Statutory Employee <input type="checkbox"/>  Retirement Plan <input checked="" type="checkbox"/>  Third-party sick pay <input type="checkbox"/>		14 Other PenLTD 43676.77 PenYTD 6001.87 PAUC 67.70  <span>PAUC is .07% of Box 3</span>	
		12b G 3300.00 <b>Deferred Comp. if any</b>					
		12c					
12d							
Employee's address and ZIP code		15 State PA		Employer's State ID number 690234872		16 State wages, tips etc. 96709.44	
		17 State income tax 2968.93		18 Local wages, tips etc. 96709.44		19 Local income tax 3622.42	
						20 Locality name Philadelphia	

This information is being furnished to the Internal Revenue Service

Tax rates for 2025 are shown in green boxes.

3.07% of Box 16

3.75/3.74% of Box 18



❖ The amount of taxable income shown in **Box 1** is decreased by the amount of pre-tax deductions

# Last 2025 Online Paystub Mapped to W-2 Form

Current Earnings			Hours	Amount	Taxes	Current	YTD
Time Entry Wages	30.00	1,875.87			Federal Tax	Box 2	10,246.88
Vacation	37.50	2,344.85			Social Security	Box 4	5,995.99
Holiday Cash	7.50	468.97			Medicare	Box 6	1,402.29
Imputed Income	0.00	8.17			PA State Tax	Box 17	2,968.93
					Philadelphia	Box 19	3,622.42
					PA Unemployment	Box 14	67.70
<b>Gross Current Earnings</b>		<b>4,697.86</b>					
Retro Earnings			Hours	Amount	Pre Tax Deductions	Current	YTD
					Pen_Plan Y2	Box 14 Pen YTD	6,001.87
					Def Comp Flat	Box 12b G	3,300.00
<b>Gross Retro Earnings</b>							
Total Earnings		Current	YTD	Post Tax Deductions		Current	YTD
Gross Earnings		4,697.86	96,709.44	Critical Ill Ins Sp	2.22	48.84	
Net Earnings		2,841.72	62,287.72	Life Ins Supp	13.66	300.52	
				Life Ins Dep	0.81	17.82	
				Critical Ill Ins	5.27	115.94	
				ADD Ins Supp	1.29	28.38	
				Accident	5.65	124.30	
Accruals		Net Entitlement		Pension Plan		YTD	LTD
				Plan Y	Box 14 Pen YTD	6,001.87	43,676.77

The Accrual Balances below are effective as of the pay period ending date shown above on this pay stub. Any leave earned or used after the pay period ending date are not reflected in these balances.



# Imputed Income

Imputed Income appears in Box 12a C of your W2. It refers to taxable non-cash benefits or income that are not typically included in normal taxable wages, such as group term life insurance valued at more than \$50,000. Imputed income reflects the market value of the benefit.

When a benefit qualifies as imputed income (i.e., when it is valued at more than \$100), it is typically taxed at the federal income tax rate.

# Imputed Backup Care

The City of Philadelphia has provided the employees with the opportunity to use Backup Care through the City partner Wellthy. Employees who used backup care between 01-Jan-2025 and 30-Nov-2025, will see an entry on their last regular paystub of the year 2025, indicating the imputed amount for which only City taxes were deducted.

Current Earnings		Hours	Amount	Taxes
Time Entry Wages	60.00	2,789.68		
Holiday Comp Taken	7.50	348.71		
Certified Sick	7.50	348.71		
Longevity Pay	0.00	143.85		
Vacation Sellback	37.50	1,743.55		
Imputed Backup Care	0.00	585.00		
<b>Gross Current Earnings</b>		<b>5,959.50</b>		

  

Retro Earnings		Hours	Amount	Taxes
				Med Ded Pretax Pen_Plan Y3 Def Comp Flat
<b>Gross Retro Earnings</b>				

  

Total Earnings		Current	YTD	Post Tax Deductions
Gross Earnings	5,959.50	97,606.62		Def Comp Flat Roth Benefits Plus Insurance Union DC47 PAC Union Dues Deferred Comp Loan
Net Earnings	3,280.82	66,958.79		

  

Form W-2 Wage and Tax Statement 2025		OMB No. 1545-0029		Department of the Treasury - Internal Revenue Service			
Control number 2060101757		Employer identification number 23-6003047		COPY B To Be Filed With Employee's FEDERAL Tax Return			
Employee's name, address and zip code City of Philadelphia 1401 JPK Blvd, MSB 13th Fl Philadelphia PA 19102		Employee's SSN [REDACTED]		1 Wages, tips, other compensation 88563.25	2 Federal income tax withheld 9080.25		
		7 Social security tips 93762.52		3 Social security wages 93762.52		4 Social security tax withheld 5813.28	
		8 Allocated tips		5 Medicare wages and tips 93762.52		6 Medicare tax withheld 1359.56	
Employee's first name and init [REDACTED]		Last Name [REDACTED]		Suffix [REDACTED]		9 [REDACTED]	
		12a DD   16459.10		10 Dependent care benefits		11 Nonqualified plans	
		12b EE   460.00		13 Statutory Employee <input type="checkbox"/>		14 Other PenLTD 50251.66 PenYTD 5139.27 PAUC 65.63	
		12c G   60.00		Retirement Plan <input checked="" type="checkbox"/>			
		12d		Third-party sick pay <input type="checkbox"/>			
Employee's address and ZIP code							
15 State PA	Employee's State ID number 690234872	16 State wages, tips etc. 93762.52	17 State income tax 2878.47	18 Local wages, tips etc. 97606.62	19 Local income tax 3655.11	20 Locality name Philadelphia	

Amount of benefit used from January through November 2025.

Matches Box 18 on the W-2 for 2025.

Matches the YTD Gross Earnings on the last paystub of the year 2025.



# Imputed Backup Care (Continued)

Employees who used Backup Care in December of 2025, will not see the amount used on their last paystub of the year. The usage value will be reflected as an increased gross, in Box 18 of the W-2. Employees were **not** taxed for this usage and may owe City Local tax during filing.

Current Earnings		Hours	Amount	Taxes	
Time Entry Wages	60.00	1,782.16	Federal Tax		
Vacation	15.00	445.54	Social Security		
Longevity Pay	0.00	54.60	Medicare		
			PA State Tax		
			PA Unemployment		
			Philadelphia		
<b>Gross Current Earnings</b>		<b>2,282.30</b>			
Retro Earnings		Hours	Amount	Pre Tax Deduction	
			Pen_Plan Y3		
			Def Comp Flat		
<b>Gross Retro Earnings</b>					
Total Earnings		Current	YTD	Post Tax Deduction	
Gross Earnings	2,282.30	64,571.23	Def Comp Flat Roth		
Net Earnings	1,605.72	45,370.84	Union Dues		

  

Form W-2 Wage and Tax Statement 2025				OMB No. 1545-0029				Department of the Treasury - Internal Revenue Service					
Control number 2058382881		Employer identification number 23-6003047		COPY B To Be Filed With Employee's FEDERAL Tax Return									
Employer's name, address and zip code City of Philadelphia 1401 JFK Blvd, MSB 13th Fl Philadelphia PA 19102				Employee's SSN [REDACTED]		1 Wages, tips, other compensation 59951.64		2 Federal income tax withheld 3817.39					
				7 Social security tips 64571.23		3 Social security wages 64571.23		4 Social security tax withheld 4003.42					
				8 Allocated tips		5 Medicare wages and tips 64571.23		6 Medicare tax withheld 936.28					
Employee's first name and init Last Name Suffix [REDACTED]				9		10 Dependent care benefits		11 Nonqualified plans					
				12a DD   18000.00		13 Statutory Employee <input type="checkbox"/>		14 Other PenLTD 32831.21 PenYTD 3144.59 PAUC 45.20					
				12b EE   70.00		Retirement Plan <input checked="" type="checkbox"/>							
				12c G   1475.00		Third-party sick pay <input type="checkbox"/>							
				12d									
Employee's address and ZIP code				15 State PA		Employer's State ID number 690234872		16 State wages, tips etc. 64571.23		17 State income tax 1982.30		18 Local wages, tips etc. 64901.23	
								19 Local income tax 2418.21		20 Locality name Philadelphia			
This information is being furnished to the Internal Revenue Service													

Last paystub does not include benefit usage for December, so the YTD is lower than the W-2.

Larger than the YTD on the last paystub of the year because benefit was used in December.



# W-2 FAQs

**Q1: What are some of the reasons the Federal, State and City gross totals would be different on a W-2?**

**A:** These totals will vary based on an employees pre- and post-tax deductions and tax year wage base limits. The FIT gross (gross minus pre-tax exemptions) is reduced by the pre-tax deductions such as Healthcare Benefits, Deferred Comp 457 contributions (Flat and Catch Up), Flexible Spending Accounts (FSA), Dependent Care and Pension contributions. **NOTE:** It's not a one size fits all tax exemption method, there are pre-tax deductions that are not exempt from certain taxes such as SIT and City tax withholdings.

**Q2: If the Social Security Number is incorrect on a W-2, how can it be corrected and a new W2 issued?**

**A:** An incorrect Social Security Number (SSN) must be reported to OHR by way of the employee's Department HR Manager. Reporting an incorrect SSN must be accompanied with supporting documentation before a correction will be made in Oracle. Once the SSN has been corrected in Oracle a W-2 Copy can be requested by the employee by way of their department's HR Manager.

**Q3: An employee earning a salary of \$85,000 per year, with a pre-tax deduction for Pension contributions only, was on IOD during an extensive period of the tax year. Why is the amount shown in Box 1 on their W-2 less than expected based on their annual salary?**

**A:** A non-uniform employee on IOD75 is only assessed FICA (Medicare & Social Security) tax for the hours of IOD; a uniform employee on IOD H&L is assessed City tax only so the taxable gross shown in Box 1 of the W-2 is reduced by the amount of compensation received for IOD75 and IOD H&L.

# W-2 FAQs

**Q4: An employee earned \$225,000 during the tax year. Will the tax rate for Medicare be 1.45%?**

**A:** No, when an employee earns more than \$200,000, the earnings over \$200,000 are assessed an additional 0.9% in addition to the standard 1.45%.

**Q5: Employee is questioning why they did not pay Social Security in their last two paychecks of the year when they are not Social Security exempt.**

**A:** There are a few circumstances when this can occur: 1.) If an employee earns more than \$176,100, Social Security taxes are no longer withheld; 2.) The maximum Social Security withholding amount for the tax year 2025 is \$10,918.20. This means no employee in the current tax year will pay more than \$10,918.20 in Social Security taxes.