

Attention!

This form is provided for informational purposes and should not be reproduced on personal computer printers by individual taxpayers for filing. The printed version of this form is a "machine readable" form. As such, it must be printed using special paper, special inks, and within precise specifications.

Additional information about the printing of these specialized tax forms can be found in: Publication 1167, *Substitute Printed, Computer-Prepared, and Computer-Generated Tax Forms and Schedules*; and, Publication 1179, *Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G*.

The publications listed above may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS publication number.

| | | | | | |
|---|-------|----------------------------------|---|--|---|
| a Control number | 22222 | Void <input type="checkbox"/> | For Official Use Only ► OMB No. 1545-0008 | | |
| b Employer identification number | | | 1 Wages, tips, other compensation | 2 VI income tax withheld | |
| c Employer's name, address, and ZIP code | | | 3 Social security wages | 4 Social security tax withheld | |
| | | | 5 Medicare wages and tips | 6 Medicare tax withheld | |
| | | | 7 Social security tips | 8 Benefits included in box 1 | |
| d Employee's social security number | | | 9 Advance EIC payment | 10 | |
| e Employee's name (first, middle initial, last) | | | 11 Nonqualified plans | 12 | |
| | | | 13 See Form W-3SS instructions | 14 Other | |
| f Employee's address and ZIP code | | | 15 Statutory employee <input type="checkbox"/> | Pension plan <input type="checkbox"/> | Deferred compensation <input type="checkbox"/> |
| | | | | | |

Form **W-2VI** U.S. Virgin Islands Wage and Tax Statement **1998**

Cat. No. 49977C

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice and instructions, see Form W-3SS.

Copy A For Social Security Administration
Send this entire page with Form W-3SS to the Social Security Administration; photocopies are **Not** acceptable.

Do NOT Cut, Staple, or Separate Forms on This Page

| | | | | | |
|--|---|--|---|--|--|
| a Control number | 22222 | Void <input type="checkbox"/> | OMB No. 1545-0008 | | |
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| | 13 | | 14 Other | | |
| | 15 Statutory employee <input type="checkbox"/> | Pension plan <input type="checkbox"/> | Deferred compensation <input type="checkbox"/> | | |
| | | | | | |

Form **W-2VI** **U.S. Virgin Islands**
Wage and Tax Statement **1998**
 Copy 1—For VI Bureau of Internal Revenue

Department of the Treasury—Internal Revenue Service

| | | | |
|--|--|---------------------------------------|--|
| a Control number | OMB No. 1545-0008 | | |
| b Employer identification number | 1 Wages, tips, other compensation | 2 VI income tax withheld | |
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| d Employee's social security number | 9 Advance EIC payment | 10 | |
| e Employee's name, address, and ZIP code | 11 Nonqualified plans | 12 | |
| | 13 See instructions on back of Copy C | 14 Other | |
| | 15 Statutory employee <input type="checkbox"/> | Pension plan <input type="checkbox"/> | Deferred compensation <input type="checkbox"/> |
| | | | |

Form **W-2VI** **U.S. Virgin Islands**
Wage and Tax Statement **1998**
 Copy B—To Be Filed With Employee's VI Tax Return

Department of the Treasury—Internal Revenue Service
 This information is being furnished to the
 VI Bureau of Internal Revenue.

| | | | |
|--|--|---------------------------------------|--|
| a Control number | OMB No. 1545-0008 | | |
| b Employer identification number | 1 Wages, tips, other compensation | 2 VI income tax withheld | |
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| d Employee's social security number | 9 Advance EIC payment | 10 | |
| e Employee's name, address, and ZIP code | 11 Nonqualified plans | 12 | |
| | 13 See instructions on back | 14 Other | |
| | 15 Statutory employee <input type="checkbox"/> | Pension plan <input type="checkbox"/> | Deferred compensation <input type="checkbox"/> |
| | | | |

Form **W-2VI** **U.S. Virgin Islands**
Wage and Tax **1998**
Statement
 Copy C—For EMPLOYEE'S RECORDS

Department of the Treasury—Internal Revenue Service
 This information is being furnished to the
 VI Bureau of Internal Revenue.

Notice to Employee

You must file a tax return regardless of your income if any amount is shown in box 9, Advance EIC (earned income credit) payment. If you qualify, you can get the earned income credit in advance by filing Form W-5. See Pub. 596 for more details.

File Copy B of this form with your 1998 U.S. Virgin Islands income tax return. Keep Copy C for your records. If your name, social security number (SSN), or address is incorrect, correct Copies B and C, and ask your employer to correct your employment record. Be sure to ask the employer to file **Form W-2c**, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, amount, or SSN error reported to the SSA on Copy A of Form W-2VI.

If you expect to owe self-employment tax of \$1,000 or more for 1999, you may have to make estimated tax payments to the U.S. IRS. Use **Form 1040-ES**, Estimated Tax for Individuals.

Box 8. If there is an amount in this box, you may be able to deduct expenses that are related to fringe benefits; see the instructions for your income tax return.

Box 9. Enter this amount on the advance earned income credit payments line of your tax return.

Box 11. This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or section 457 plan or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457 plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount.

Box 13. The following list explains the codes shown in box 13. You may need this information for your tax return.

A—Uncollected social security tax on tips

B—Uncollected Medicare tax on tips

C—Cost of group-term life insurance coverage over \$50,000 (included in box 1)

D—Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

E—Elective deferrals under a section 403(b) salary reduction agreement

F—Elective deferrals to a section 408(k)(6) salary reduction SEP

G—Elective and nonelective deferrals to a section 457(b) deferred compensation plan

H—Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan (You may be able to deduct.)

J—Nontaxable sick pay (not includible as income)

M—Uncollected social security tax on cost of group-term life insurance coverage over \$50,000 (former employees only)

N—Uncollected Medicare tax on cost of group-term life insurance coverage over \$50,000 (former employees only)

P—Excludable moving expense reimbursements paid directly to employee (not included in box 1)

Q—Military employee basic quarters, subsistence, and combat zone compensation

R—Employer contributions to your medical savings account (MSA)

S—Employee salary reduction contributions to a section 408(p) SIMPLE (not included in box 1)

T—Adoption benefits (not included in box 1)

Box 15. If the "Pension plan" box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct. If the "Deferred compensation" box is checked, the elective deferrals shown in box 13 (codes D, E, F, G, H, and S) (for all employers, and for all such plans to which you belong) are generally limited to \$10,000. Elective deferrals for section 403(b) contracts are limited to \$10,000 (\$13,000 in some cases; see Pub. 571). Amounts over these limits must be included in income.

Credit for excess social security tax. If one employer paid you wages during 1998 and more than the maximum was withheld, you may have the excess refunded by claiming this amount on Form 1040 and filing it with the VI Bureau of Internal Revenue, 9601 Estate Thomas, St. Thomas, VI 00802. If more than one employer paid you wages during 1998 and more than the maximum social security tax was withheld, you may have the excess refunded by filing **Form 843**, Claim for Refund and Request for Abatement, with the Internal Revenue Service Center in Philadelphia. If you must file Form 1040 with the United States, claim the excess credit on Form 1040.

Note: Keep Copy C for at least 3 years after the due date for filing your income tax return. However, to help **protect your social security benefits**, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year. SSA suggests you confirm your work record with them from time to time.

| | | | | |
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| | 13 See Form W-3SS instructions | 14 Other | | |
| | 15 Statutory employee <input type="checkbox"/> | Pension plan <input type="checkbox"/> | Deferred compensation <input type="checkbox"/> | |
| | | | | |

Form **W-2VI** U.S. Virgin Islands Wage and Tax Statement **1998**
 Copy D—For Employer

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice and instructions, see Form W-3SS.

Instructions for Preparing Form W-2VI

Changes to note—Two checkboxes in box 15 eliminated. Two checkboxes were removed from box 15. The “Hshld. emp.” box was removed because all household employees are now required to file Form W-3SS with Form W-2VI. Form W-3SS contains a household employer designation. Also the “Subtotal” box was removed. You are no longer required to subtotal your Forms W-2VI when submitting 42 or more forms.

Who must file. You must prepare Form W-2VI for each employee to whom any of the following items applied during 1998:

- a. You withheld income tax or social security and Medicare taxes.
- b. You would have withheld income tax if the employee had not claimed more than one withholding allowance.
- c. You paid any amount for services if you are in a trade or business. Include the cash value of any payment you made that was not in cash.
- d. You made any advance EIC (earned income credit) payments.

Distribution of copies. By February 1, 1999, furnish Copies B and C to each person who was your employee during 1998. For anyone who stopped working for you before the end of 1998, you may furnish Copies B and C any time after employment ends but by February 1. If the employee asks for Form W-2VI, furnish the completed copies within 30 days of the request or the final wage payment, whichever is later. You may also file Copy A and **Form W-3SS**, Transmittal of Wage and Tax Statements, with the Social Security Administration at the same time.

Note: *If you terminate your business, see the rules on furnishing and filing Forms W-2VI and W-3SS under **Employers terminating a business in the Form W-3SS instructions.***

When to file. By March 1, 1999, send Copy A of Forms W-2VI and W-3SS to the Social Security Administration. Send Copy 1 of Form W-2VI and W-3SS to the VI Bureau of Internal Revenue. See Form W-3SS.

Reporting on magnetic media. If you must file 250 or more Forms W-2VI, you must file using magnetic media. For information, contact the Magnetic Media Coordinator at 787-766-5574.

See Form W-3SS for more information on how to complete Form W-2VI.

