

New Code Y for the 2005 Form W-2, Box 12

Announcement 2004-96

Purpose	The purpose of this announcement is to advise employers about an additional code for use on the 2005 Form W-2. This code will be used to identify annual deferrals of income under a nonqualified deferred compensation plan.
Reporting Income Deferrals Under a Nonqualified Deferred Compensation Plan	<p>A new code (Code Y-Deferrals under a section 409A nonqualified deferred compensation plan), for use in box 12, has been added to the 2005 Form W-2 and the 2005 Instructions for Forms W-2 and W-3.</p> <p>The American Jobs Creation Act of 2004 added section 409A to the Internal Revenue Code. Section 409A generally takes effect after December 31, 2004, and requires employers to report annual deferrals under a nonqualified deferred compensation plan on each employee's Form W-2. The deferred amounts should be reported in box 12 of Form W-2, using Code Y.</p>
