

USPS-R Calendar Year-end Review

Calendar Year 2019



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NEW FILING DEADLINE

- The Protecting Americans from Tax Hikes (PATH) Act, enacted last December, includes a new requirement for employers. They are now required to file their copies of Form W-2, submitted to the Social Security Administration, by **Jan. 31**.
- Deadline for submitting to NOACSC is **Friday, January 17th**.

2

Pre-W2 Processing



- OSDI abbreviations ****IMPORTANT-REQUIRED**** for proper reporting on W2.
 - Include OSDI code number and district name in the W2 Abbrev field on the School District **Payroll Item Configuration** record. Filter grid for 800 codes.

Payroll Item Configuration

Save Cancel

Type: OSDI Tax

Name: MILLCREEK-WEST UNITY

abbreviation: W2 abbreviation: 8604 M/VUNITY

Payment Cycle: Monthly

Options:

Suppress SSN ID Employer Health Coverage Voluntary

Required Show On Create Wizard

Payee Information

Payee: SCHOOL DISTRICT INCOME - TAX (Number:) (Address: P.O. BOX 182388, COLUMBUS, OH, 43218-2388)

Pre-W2 Processing (continued)

- Verify 'Entity code' in **Payroll Item Configuration** is completed for any magnetic reporting to any city.





Pre-W2 Processing (continued)

Payroll Item Configuration

Save Cancel

Type City Tax	Code 003	Name Riverside Motors
abbreviation City Tax	W2 abbreviation City Tax	Payment Cycle Quarterly
Tax Entry Code TEST		
CCA	CCA Description	Report to CCA
City Tax Annuity Options		
<input type="checkbox"/> Annuity 401 a	<input type="checkbox"/> Annuity 401 k	<input type="checkbox"/> Annuity 403 b
<input type="checkbox"/> Annuity 403 k	<input type="checkbox"/> Annuity 457	<input type="checkbox"/> Annuity 501 c
<input checked="" type="checkbox"/> Non Wages 125	<input type="checkbox"/> Other	<input type="checkbox"/> Wages 125
Options		
<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Job Level
<input type="checkbox"/> Medicare Pickup	<input checked="" type="checkbox"/> Tax Employer Amounts	<input checked="" type="checkbox"/> Tax Non Cash Earn
<input type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input checked="" type="checkbox"/> Show On Create Wizard
Payee Information		
Payee Nicholls Signs (Number:) (Address: 009 Moore Drive, Savannah, OH, 42608)		
RITA		
RITA 42n	RITA Description sbzcfzorp	

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Pre-W2 Processing (continued)

- CCA/RITA Reporting
 - Verify values in **Payroll Item Configuration** are set
 - RITA/CCA codes are required for tax data to be included on a submission file
 - See information from RITA/CCA web sites on codes as defined

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Pre-W2 Processing (continued)



Payroll Item Configuration

Save Cancel

Type: City Tax Code: 003 Name: Riverside Motors
abbreviation: City Tax W2 abbreviation: City Tax Payment Cycle: Quarterly
Tax Entity Code: zrgdmvbg
CCA: CCA Description: Report To CCA
City Tax Annuity Options: Annuity 401 a, Annuity 408 k, Non Wages 125, Annuity 401 k, Annuity 457, Other, Annuity 403 b, Annuity 501 c, Wages 125
Options: Suppress SSN ID, Medicare Pickup, Voluntary, Employer Health Coverage, Tax Employer Amounts, Required, Job Level, Tax Non Cash Earn, Show On Create Wizard
Payee Information: Payee: Nicholls Signs (Number:) (Address: 909 Moore Drive, Savannah, OH, 42008)
RITA: RITA: 123 RITA Description: RIVERSIDE

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Pre-W2 Processing (continued)

Payroll Item Configuration

Save Cancel

Type: City Tax Code: 004 Name: Janis Bakery
abbreviation: City Tax W2 abbreviation: City Tax Payment Cycle: Monthly
Tax Entity Code: ynprobws
CCA: CCA Description: Report To CCA
City Tax Annuity Options: Annuity 401 a, Annuity 408 k, Non Wages 125, Annuity 401 k, Annuity 457, Other, Annuity 403 b, Annuity 501 c, Wages 125
Options: Suppress SSN ID, Medicare Pickup, Voluntary, Employer Health Coverage, Tax Employer Amounts, Required, Job Level, Tax Non Cash Earn, Show On Create Wizard
Payee Information: Payee: Lyons Development (Number:) (Address: 1595 Eastmoor Drv, Needmore, OH, 36120)
RITA: RITA: CCA 456 RITA Description: Test

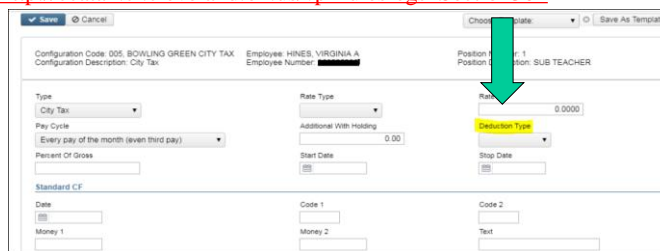
8

Pre-W2 Processing (continued)

- Verify Payroll Item “Deduction Type” value must be on all city Payroll Item records that report to CCA or RITA
- Is this city **tax** record required because of the employees place of:
Employment or Residence

See the following web sites for complete details regarding C-Employment and R- Residence reporting for RITA and CCA:

- http://www.ritaohio.com/Businesses/Faqs?category=business_employerwithholding
- <http://ccatax.ci.cleveland.oh.us/?p=rulesregs#Section301>



The screenshot shows a payroll configuration form for 'BOWLING GREEN CITY TAX'. The form includes fields for Configuration Code (005), Employee Name (HINES, VIRGINIA A), and Position (SUB TEACHER). A green arrow points to the 'Deduction Type' dropdown menu, which is currently set to 'Other'. Other fields include Rate Type, Rate (0.0000), Additional With Holding (0.00), Start Date, Stop Date, and Standard CF (Code 1, Code 2, Money 1, Money 2, Text).

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Pre-W2 Processing (continued)

- Health Savings Account (HSA)
 - Annuity Type on the **Payroll Item Configuration** must be set to “Other” even if there are no employee amounts withheld



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Pre-W2 Processing (continued)

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Pre-W2 Processing (continued)



- Employee Expense Reimbursements
 - If district desires amounts paid through warrant to appear on the W2 form as wages
 - Look at ‘Reimbursements of Employee Expenses’ options
 - Special processing through **Adjustments** may be needed
 - Manual changes may be needed

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Pre-W2 Processing (continued)

- Excludable moving expenses ****Active Military Only****
- Reimbursements, including payments made directly to a third party, for ACTIVE MILITARY employees only, be entered in the **Adjustments** screen. The amount in this field is treated as an excludable fringe benefit
 - Contact legal advisor with questions
 - Manually enter excludable amounts into the federal tax field.

The screenshot shows the 'Adjustment Journal' window. At the top, there are 'Save' and 'Cancel' buttons. Below that, the 'Employee' field is set to 'Wright, Amber Lloyd - ANON295'. The 'Payroll Item' dropdown is set to 'Type: Federal Tax, Code: 001'. The 'Type' dropdown is set to 'Moving Expense'. The 'Transaction Date' is '9/12/18'. The 'Amount' is '200.00'. The 'Description' field is empty.

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Pre-W2 Processing (continued)



- Fringe benefit amounts
 - Contact legal advisor with questions
 - *Enter taxable amount in fringe benefit field in the **Adjustments** screen
 - All tuition reimbursement above \$5250.00 are considered Fringe benefits and would be subject to regular taxation. So this figure would go in **Adjustments** under the Federal tax Payroll Item under the Fringe Benefit Type

The screenshot shows the 'Adjustment Journal' window. At the top, there are 'Save X', 'Save +', 'Save', and 'Cancel' buttons. Below that, the 'Employee' field is set to 'Wright, Amber Lloyd - ANON295'. The 'Payroll Item' dropdown is set to 'Type: Federal Tax, Code: 001'. The 'Type' dropdown is set to 'Fringe Benefits'. The 'Transaction Date' is '9/26/18'. The 'Amount' is '6,000.00'. The 'Description' field is empty.

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Pre-W2 Processing (continued)

- When the Save button is clicked this will update the total and taxable gross fields for any Payroll Item that taxes **Fringe Benefits** (Federal, State). This is then reflected on the W2 Report.

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Pre-W2 Processing (continued)

- **Life insurance purchased for withheld annuities-Notice received from annuity company-Entered in payroll before last pay.**
- **IRS Publication 15-B Section 2 pages 13-15** (<http://www.irs.gov/pub/irs-pdf/p15b.pdf>) **contains the calculation table to figure the cost.**
- In **PAYROLL-CURRENT** or the **PAYROLL-FUTURE** program, the amount should be entered choosing the **Life Insurance Premium-Pay Type**. This pay type represents one kind of non-cash earnings for the employee.
- This pay type will be treated differently for taxation purposes. For the **Life Insurance Premium** amount, the tax amounts for Medicare and Social Security will be calculated during the Initialization of the payroll. No Federal, Ohio, or OSDI tax amounts will be calculated. All of these will be treated according to the federal rules. The software provides the ability to withhold city tax on non-cash earnings. This can be activated by setting the "Tax Non-Cash Earn" flag to Y (yes) on the city tax record on the **Payroll Item Configuration** screen.

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Life Insurance (continued)

- **Life insurance was not entered before the last pay:**
- If the **Life Insurance Premium** pay type was not used prior to the last pay of the calendar year, the following manual procedure must be used in order for the **Life Insurance Premium pay** to show correctly on the W2 form and to insure that the Quarter Report balances. Follow these procedures prior to generating W2 forms.
- **Core/Adjustments-** Click on Create: Find the Employee, choose 001 Federal Payroll Item, Type is Life Insurance, Transaction Date and Amount

Type	Transaction Date	Amount	Description
Life Insurance	9/12/18	100.00	

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Life Insurance (continued)

- When the Save button is clicked this will update the total and taxable gross fields by for any Payroll Item that taxes **Life Insurance Premiums** (Federal, State, OSDI, City (if applicable) and Medicare). This is then reflected on the W2 Report.
- If the Medicare withholding was paid by the employee, employer or employee and employer, adjustments must be made to the Amount Withheld and Board Amount of Payroll Item. If Medicare is fully board paid (pickup) then the total adjustment should be made to the Board Amount of Payroll Item.

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Pre-W2PROC (continued)

- **Dependent Care**

- If not using the Dependent Care deduction type

- *Manually enter dependent care amounts in through the **Core-Adjustments** screen.

- *Max \$5000.00 for married

- **Core/Adjustments-** Click on Create:

Type	Transaction Date	Amount	Description
Dependent Care	9/12/18	6,000.00	

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Dependent Care (continued)

- When the Save button is clicked this will update the total and taxable gross fields by any amount above the \$5,000.00 threshold for any Payroll Item that taxes **Dependent Care** (Federal, State, City (if applicable)). This is then reflected on the W2 Report. The total amount of Dependent Care will appear in Box 10 on the W2.

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Pre-W2PROC (continued)

- Use of Company Vehicle
 - Calculate leased vehicle value
 - Manually enter leased vehicle **Core/Adjustments**
 - Click on Create:

Type	Transaction Date	Amount	Description
Vehicle Lease	9/12/18	1,000.00	

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Vehicle Lease (continued)

- When the Save button is clicked this will update the total and taxable gross fields for any Payroll Item that taxes **Vehicle Lease** (Federal, State). This is reflected on the W2 Report and will appear in Box 14 on the W2.

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Employer Sponsored Health Care Cost on W2

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. This total includes the employee and employer payments for Medical Insurance. This is informational purposes only.

- **If any employee** is paying for their insurance out of pocket, this amount will need to be added as follows:
 - Go to **Core/Adjustments**
 - Click **Create**
 - **Employee**-Find Employee by typing in a few characters of first t last name. Choose employee
 - **Payroll Item**-Use Drop Down Choose Federal Tax 001
 - **Type**-From Drop Down Choose Health Insurance
 - **Transaction Date**-Enter in or choose a date from the calendar
 - **Amount**-Enter in Amount
 - Description-Enter a Description (optional)
 - Click

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Employer Sponsored Health Care Cost on W2 (continued)

- **If the employee insurance** is paid half a year out of pocket and the other half through payroll, the amount paid by the employee will need to be added as follows:
 - Go to **Core/Adjustments**
 - Click **Create**
 - **Employee**-Find Employee by typing in a few characters of first t last name. Choose employee
 - **Payroll Item**-Use Drop Down Choose Federal Tax 001
 - **Type**-From Drop Down Choose Health Insurance
 - **Transaction Date**-Enter in or choose a date from the calendar
 - **Amount**-Enter in Amount
 - Description-Enter a Description (optional)
 - Click

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Employer Sponsored Health Care Cost on W2 (continued)

Manually enter only amount **not** tracked in USPS system in **Core/Adjustments**- Click on Create:

The screenshot shows the 'Adjustment Journal' form. At the top, there are 'Save' and 'Cancel' buttons. Below that, the 'Employee' field is set to 'Morse, Nancy Patty - ANON103'. The 'Payroll Item' field is set to 'Type: Federal Tax, Code: 001'. A table below contains one entry:

Type	Transaction Date	Amount	Description
Health Insurance	12/12/18	600.00	

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Employer Sponsored Health Care Cost on W2

- When the Save button is clicked this will update the total Employer Health Coverage withheld for W2 reporting purposes.

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Employer Sponsored Health Care Cost on W2 (continued)

- Must report the cost of employer-sponsored Health Coverage in Box 12 using Code DD if the district filed 250 or more W2's for the preceding calendar year
- **Life, Dental and Vision** are not required to be included in the total if they are separate plans and not included as part of the medical plan
<http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>
- ****Note-**The contribution amount by Employee and Employer for **Health Saving Account (HSA)** is **NOT** to be included as employer-sponsored health coverage. This is reported in Box 12 using (Code W).



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Employer Sponsored Health Care Cost on W2 (continued)

- The box “**Employer Health Coverage**” on the Regular and Annuity **Payroll Item Configuration**, plus any **Core/Adjustments-Health Insurance** entries, are used to calculate the Employer Sponsored Health Care Cost.
- If this **Employer Health Coverage** box is checked, the YTD **Payroll Item** totals will be included in the total moved to the employees W2 for Employer Health Coverage.

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Employer Sponsored Health Care Cost on W2 (continued)

Payroll Item Configuration

Save Cancel

Type Annuity	Code 501	Name Crawfordville Software
abbreviation Annuity	W2 abbreviation Annuity	Payment Cycle Monthly
Annuity Type 403B		

Object Codes

Certified Object vkly	Classified Object xrfq	Other Object hwkf
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Options

<input type="checkbox"/> Suppress SSN ID	<input checked="" type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Print Employer Amount
<input checked="" type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input type="checkbox"/> Show On Create Wizard

Payee Information

Payee
Hiram Cafe (Number: 52066557) (Address: 979 Langan Court, Weston, OH, 26811)

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Employer Sponsored Health Care Cost on W2 (continued)

- If the district only tracks the employee portion of health care costs in the USPS system, the district will need to create a spreadsheet using the appropriate header information with the Board YTD costs for Employee Health Insurance
- See SSDT Wiki on Mass Load: <https://wiki.ssd-ohio.org/display/uspsrdoc/Mass+Load>

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Employer Sponsored Health Care Cost on W2 (continued)

- **UTILITIES/MASS LOAD/ADJUSTMENTS** can be used to load a spreadsheet with any data not tracked in the payroll system into the **Core/Adjustments** record for Medical Insurance coverage.

USPS Load File No file chosen

Importable Entities: ▼

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Employer Sponsored Health Care Cost (continued)

- Note-If you are not currently processing the board portion of paid medical insurance through USPS you can track Employer Sponsored Health Care portion through USPS
- If not wanting to use **Employer Distributions Submission**, leave **Object Codes** fields in Payroll Item Configuration record blank.



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HEALTH REIMBURSEMENT ARRANGEMENT

- The IRS has added a new Code FF for Box 12. It will report the total amount of permitted benefits under a qualified small employer health reimbursement arrangement. This will allow eligible employers to pay or reimburse medical care expenses of eligible employees after the employees provide proof of coverage. Use this code to report the total amount of permitted benefits under a QSEHRA. The maximum reimbursement for an eligible employee under a QSEHRA is \$5,150 (\$10,450 if it also provides reimbursements for family members), before indexing for inflation.
- Eligible employers are those small employers with less than 50 Full-Time Equivalent employees (those who work 130 hours a month or 30 or more hours a week for 120 consecutive days). Another eligibility is that the employer does NOT offer a group health plan to any of their employees.
- You will need to add a value in **Core/Adjustments** for Health Reimbursement. Then this value will appear on the W2Tape file and W2FORM.DAT as a code FF with the amount in Box 12. The Health Reimbursement amount will also appear on the W2CITY.DAT file. The Health Reimbursement amount (HLTH REIMBURSE) will appear on the W2 Report under the employee's Federal heading, if there is an amount to report. The HLTH REIMBURSE amount will also total and appear in the Grand Totals and Report Totals, if there are any.

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Health Reimbursement Arrangement on W2 (continued)



- Go to Core/Adjustments/Create

The screenshot shows a software window titled "Adjustment Journal" with a "Save" button and a "Cancel" button. The form contains the following fields:

- Employee: Wagner, Morgan Joanne - ANON445
- Payroll Item: Type: Federal Tax, Code: 001
- Type: Health Reimbursement (highlighted in yellow)
- Transaction Date: 10/15/18
- Amount: 100.00
- Description: (empty field)

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W2 Report and Submission Features

- Program used to generate
 - W2 Report.XXX use as a Balancing report
 - W2 Form Data.XML files for laser printing
 - W2Tape.Seq file for file submission to SSA



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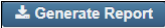
Pre-W2 Reporting



- Go to **Reports/W2 Report and Submission** before last pay of 2019 has been completed. Can be run as many times as necessary.
- **Output Type-Report**
 - **Format**-Choose format type desired from drop down
 - **Report Title**-Default is W2 Report. Can be changed if desired
 - **Federal ID Number**-Defaults from **Core/Organization**
 - **State ID Number**-Defaults from **Core/Organization**

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Pre W2 Reporting

- **Kind of Employer**-S-State and Local Government Employer (non501c) automatically populates. Can be changed by using drop down
- **Sort Options**-Choose from drop down
- **Report for Year**-Current year defaults. Choose from drop down if change needed.
- Click 
 - Balance to-date data
 - Review and correct warnings and errors
 - No separate error report; Ctrl F to search for “errors”
 - See <https://wiki.ssd-ohio.org/display/uspsrdoc/W2+Report+and+Submission> for error descriptions and help

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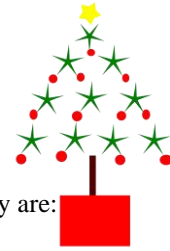
2019 W2 Reporting- W2 Submission Files



- Go to **Reports/W2 Report and Submission**
- Output Type-**Submission**
 - **Federal ID Number**-Defaults from **Core/Organization**
 - **Additional Federal ID Number**-Can be added if needed
 - **State ID Number**-Defaults from **Core/Organization**
 - **Kind of Employer**-S-State and Local Government Employer (non501c) automatically populates. Can be changed by using drop down. **See next slide.**
 - **Sort Options**-Choose from drop down
 - **Report for Year**-Current year defaults. Choose from drop down if change needed
 - **Employer Name**-Defaults from **Core/Organization**

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Kind of Employer



- Your districts will need to specify what type of employer they are:
 - The Kind of Employer can be one of the following:
 - F = Federal Government
 - S = State and Local Governmental Employer (non 501c)
 - T = Tax Exempt Employer
 - Y = State and Local Tax Exempt Employer (501c)
 - N = None Apply

If the school district is part of a local government and has NOT applied for 501C status, they will choose State/local non 501c (S)

If the school has applied for 501C status and was granted that non profit status they choose State/local 501c (Y)

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2019 W2 Reporting- Submission Files(continued)

- **Employer Address first line**-Defaults from **Core/Organization**
- **Employer Address second line**-Defaults from **Core/Organization**
- **Employer City**- Defaults from **Core/Organization**
- **Employer State**-Defaults from **Core/Organization**
- **Employer Zip Code**-Defaults from **Core/Organization**
- **Contact Name**-**Required**
- **Contact Phone Number**-**Required**
- **Contact Phone Extension**-Optional
- **Contact Fax Number**-Optional
- **Contact Email Address**-**Required**

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2019 W2 Reporting- Submission Files(continued)

To create SSA submission file click [Generate SSA W2 Submission File](#)

To create CCA submission file click [Generate CCA W2 Submission File](#)

To create RITA submission file click [Generate RITA W2 Submission File](#)

To create city tape file go to the 'W2 City Options' tab
and click [Generate City W2 Submission File](#)

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W2 Files and Submission

- W2CITY.XML file used for special city submissions
- W2TAPE.seq submission file is used to report
 - Federal
 - State
- W2CCA.seq submission file for CCA
- W2RITA.seq submission file for RITA



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Creation of W2 XML File

- Go to **Reports/W2 Report and Submission**
- **Output Type**-Choose **XML**
 - **XML-W2 Form Data** is default. Title-Can be changed if desired
 - **Federal ID Number**-Defaults from **Core/Organization**
 - **State ID Number**-Defaults from **Core/Organization**
 - **Kind of Employer**-S-State and Local Government Employer (non501c) automatically populates. Can be changed by using drop down. **See slide 39.**



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Creation of W2 XML File (continued)

- **Report for Year**-Current year defaults. Choose from drop down if change needed.
- **Employer Name**-Defaults to district name from **Core/Organization**.
- **Employer Address First Line**-Defaults to first line address from **Core/Organization**
- **Employer Address Second Line**-Defaults to second line address from **Core/Organization**



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Creation of W2 XML File (continued)

- **Employer City**-Defaults to City from **Core/Organization**.
- **Employer State**-Defaults to State from **Core/Organization**.
- **Employer Zip Code**-Defaults to Zip Code from **Core/Organization**
- Click 



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Creation of W2 XML File (continued)

- This XML file will be used to print out the W2's for the district from the EDGE printing software.



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W2 Processing



- Additional deduction codes
 - Allows districts to print additional information in box 14, “Other”
 - Six can be entered
 - Leased vehicle value is always included
 - Other user values are secondary
 - Prints the first 3 for each employee in the order entered

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W2 Balancing

- Information on W2 Report should balance to:
 - 941 totals as reported
 - Run **Reports/Employee Earnings Register**
 - Payroll Items represents amounts withheld from employees for the calendar year
 - Run **Reports/Quarter Report**
 - Represents amounts as current in the YTD figures
 - Balance Federal, Ohio, and City taxes and gross amounts

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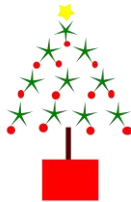
W2 Balancing



941 data
.....

Federal tax w/h
 1st qtr _____
 2nd qtr _____
 3rd qtr _____
 4th qtr _____
 YTD _____
 W2REPT Total _____

These 2 totals
 should equal except
 for special payments



W2 Balancing Earnings Register

Total Gross			Total Deduct			Total Net			
\$3,053,866.89			(\$4,325.14)			\$2,035,161.24			
Code	Abbreviation	Employee Amt	Employer Amt	Position	Pay Accounts			Chg Amt	%
001	plhryswfpldierhly	238,329.92		T	001-1100-111-0000-0000001-00-01-0000			99,565.95	100.00
002	rzsocwllkldedgnaklsw	94,381.47		T	001-2110-171-0000-000000-300-00-0000			1,530.00	100.00
003	gpbtrdrtayrgfthbr	44,026.00		T	001-4590-113-0000-000000-200-00-0000			25,628.86	100.00
006	vsvcrvovwvqlydyskfp	631.71		T	001-2510-149-0000-000000-300-00-0000			31,898.54	100.00
008	uhcjkhlfgzqgzweped	266.36		T	001-2510-141-0000-000000-300-00-0000			66,573.39	0.00
009	iswvwxzwbhfygch	2,460.29		T	001-2510-152-0000-000000-300-00-0000			270.00	0.00
400	qjwfwdfgkzclgfwet		81,686.26	T	001-2825-142-0000-000000-000-00-0000			7,425.22	100.00
450	yshgzwgpcwclztdlma		344,151.26	T	001-1100-111-0000-000000-100-14-0000			131,142.49	100.00
508	roqgzwzbnkqjstsb	21,300.00		T	001-2700-142-0000-000000-000-00-0000			3,250.60	100.00
514	brvpostgwapjwvtrzy	2,400.00		T	001-4530-113-0000-000000-200-00-0000			13,803.34	100.00
550	cmnjzqfsoejwvswznc	600.72	36,415.50	T	001-1100-111-0000-000000-200-00-0000			42,126.20	100.00
563	wqyrycwhpqpqchtd	1,131.29		T	001-1100-111-0000-000000-100-01-0000			90,003.32	100.00
564	qjwfwdfgkzclgfwet	4,444.44		T	001-4530-143-0000-000000-200-00-0000			3,569.72	100.00
565	gtrszryvrbzqjhtdne	1,170.81		T	001-1280-111-0000-000000-100-15-0000			65,744.42	100.00
566	stttcldwvohyfwqgpa	4,709.52		T	430-1280-111-9017-000000-000-00-0000			36,095.36	0.00
		76,660.54		T	300-4540-143-9530-000000-200-00-0000			1,674.58	0.00
		36,250.00	125,272.24	T	300-4520-143-9530-000000-200-00-0000			1,529.79	0.00
		47,417.17		T	300-4530-143-9530-000000-200-00-0000			4,058.04	0.00

Amounts in this column on
 Earnings Register should be
 used for balancing

W2 Balancing Quarter Report



Deduction Items Summary

Deduction Name	BEID	QTD Total	YTD Total	FTD Total	QTD Taxable	YTD Taxable
Federal Tax	001	\$0.00	\$11,757.08	\$0.00	\$0.00	\$101,291.60
Ohio State Tax	002	\$0.00	\$2,671.85	\$0.00	\$0.00	\$101,291.60
City Tax	003	\$0.00	\$1,754.83	\$0.00	\$0.00	\$116,987.30
City Tax	006	\$0.00	\$25.15	\$0.00	\$0.00	\$5,028.60
State Tax	009	\$0.00	\$73.52	\$0.00	\$0.00	\$1,729.79
Annuity	500	\$0.00	\$1,696.37	\$0.00	\$0.00	\$0.00
Annuity	514	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00
Health Savings Account	550	\$0.00	\$10.48	\$0.00	\$0.00	\$0.00
Annuity	563	\$0.00	\$46.00	\$0.00	\$0.00	\$0.00
Annuity	564	\$0.00	\$12.24	\$0.00	\$0.00	\$0.00
Annuity	565	\$0.00	\$50.08	\$0.00	\$0.00	\$0.00
Annuity	566	\$0.00	\$198.72	\$0.00	\$0.00	\$0.00
Annuity	569	\$0.00	\$3,293.83	\$0.00	\$0.00	\$0.00
Health Savings Account	570	\$0.00	\$1,646.00	\$0.00	\$0.00	\$0.00
SERS Annuity	590	\$0.00	\$1,846.94	\$0.00	\$0.00	\$0.00
STRS Annuity	591	\$0.00	\$12,296.68	\$0.00	\$0.00	\$0.00
Regular	600	\$0.00	\$27.95	\$0.00	\$0.00	\$0.00
Regular	603	\$0.00	\$1,280.47	\$0.00	\$0.00	\$0.00
Regular	604	\$0.00	\$311.31	\$0.00	\$0.00	\$0.00
Regular	612	\$0.00	\$10.00	\$0.00	\$0.00	\$0.00
Child Support			\$946.97	\$0.00	\$0.00	\$0.00
Regular			\$210.12	\$0.00	\$0.00	\$0.00
Regular			\$42.45	\$0.00	\$0.00	\$0.00
Regular			\$533.79	\$0.00	\$0.00	\$0.00
Regular			\$199.37	\$0.00	\$0.00	\$0.00
Employer SERS			\$455.31	\$0.00	\$0.00	\$0.00
Employer STRS	691	\$0.00	\$1,461.00	\$0.00	\$0.00	\$0.00

Amounts in this column on Quarter Report should be used for balancing

51

W2 Balancing W2 Report



Report Summary

Code	Description	Count	Tax Withheld	Taxable Gross	Total Gross	Annuities
001	Federal Tax	75	\$11,420.39	\$101,583.68	\$122,197.73	\$20,614.05
	Medicare Pickup		\$192.08			
	Empir Hlth Coverage		\$26,061.61			
	HSA		\$124,855.51			
	457		\$1,160.00			
	Section 125		\$5,210.43			
002	Ohio State Tax	75	\$2,598.16	\$101,583.68	\$122,197.73	\$20,614.05
003	City Tax	75	\$1,754.83	\$116,987.30	\$122,197.73	\$5,210.43
006	City Tax	3	\$25.15	\$5,028.60	\$6,360.54	\$1,331.94
			\$73.52	\$1,729.79	\$2,238.13	\$508.34
			\$1,696.37	\$116,987.30	\$122,005.65	\$0.00
			\$144.91	\$7,272.67	\$8,952.93	\$1,680.26

Amounts in this column on W2 Report should be used for balancing

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W2 Balancing

- Items that affect balancing between W2 Report and Quarter (See Specific Affects documentation)
 - Dependent care benefits over limit
 - Fringe Benefits
 - Medicare pickup amounts
 - Taxable third party sick pay
 - Use of company vehicle
 - Employee expense reimbursements paid through warrant

53



W2 Balancing

- Dependent care benefits
 - Amounts over limit (\$5,000.00) are added to total and taxable gross amounts on Federal, Ohio and City total and taxable gross fields on the W2 Report
 - Ex-If \$6000.00 is added to Adjustments/Dependent Care on the 001 record, \$1000.00 will be added to total and taxable gross fields as stated above.
 - This will cause gross amounts on W2 Report to be higher.

54

Adjustments/ Dependent Care



Adjustment Journal

Save Cancel

Employee
Nieves, Brooklyn Pete - ANON781

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Dependent Care		6,000.00	

55



W2 Balancing

- Fringe Benefits
 - An Adjustments/Fringe Benefits entry on the 001 record adds all fringe benefit amounts to total and taxable gross amounts on Federal and Ohio records
 - Will cause gross amounts on W2 Report to be higher

56



Fringe Benefits

Adjustment Journal

Save Cancel

Employee
Nieves, Brooklyn Pete - ANON761

Payroll Item
Type: Federal Tax Code: 001

Type	Transaction Date	Amount	Description
Fringe Benefits		200.00	

57

W2 Balancing



- Medicare Pickup
 - Amount added to total and taxable gross amounts on Federal, Ohio and OSDI records
 - Will cause gross amounts on W2 Report to be higher.

58

W2 Balancing

- If ‘**Tax Employer Amounts**’ option is **not** used on the city tax record on the Payroll Item Configuration record (Tax Employer Amounts box **unchecked** on Payroll Item Configuration)
 - The Medicare Pickup box should be checked if the city taxes the Medicare pickup
 - The Medicare pickup is added to the city total and taxable gross amounts on the W2 Report.
 - Employee pays tax after the fact



59

W2 Balancing



Payroll Item Configuration

Save Cancel

Type City Tax	Code 003	Name Riverside Motors
abbreviation City Tax	W2 abbreviation City Tax	Payment Cycle Quarterly
Tax Entry Code Jrdmny0g		
CCA []	CCA Description []	Report To CCA <input type="checkbox"/>
City Tax Annuity Options		
<input type="checkbox"/> Annuity 401 a	<input type="checkbox"/> Annuity 401 k	<input type="checkbox"/> Annuity 403 b
<input type="checkbox"/> Annuity 408 k	<input type="checkbox"/> Annuity 457	<input type="checkbox"/> Annuity 501 c
<input checked="" type="checkbox"/> Non Wages 125	<input type="checkbox"/> Other	<input type="checkbox"/> Wages 125
Options		
<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Job Level
<input checked="" type="checkbox"/> Medicare Pickup	<input type="checkbox"/> Tax Employer Amounts	<input checked="" type="checkbox"/> Tax Non Cash Earn
<input type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input checked="" type="checkbox"/> Show On Create Wizard
Payee Information		
Payee Nicholls Signs (Number:) (Address: 909 Moore Drive, Savannah, OH, 42608)		
RITA []		
RITA ezn	RITA Description sbxcorp	

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W2 Balancing Third Party Sick Pay

The image displays two screenshots of the 'Adjustment Journal' form. Both screenshots show the following fields: Employee (Branch: Ryan Pam - ANON564), Payroll Item (Type: Federal Tax, Code: 001), and a table with columns for Type, Transaction Date, Amount, and Description. The top screenshot has 'Total Gross' selected in the Type field, a transaction date of 10/5/16, and an amount of 500.00. The bottom screenshot has 'Taxable Gross' selected in the Type field, a transaction date of 10/5/16, and an amount of 500.00.

63

Non-Taxable Third Party Sick Pay

- Non-taxable third party sick pay
 - Does not affect balancing
 - Does not affect taxes
 - Add amount using **Adjustments/Third Party Pay** to the Federal Tax (001) record.
 - District is notified how much to enter by third party
 - This amount will print in Box 12 with a code 'J'



64



Non-Taxable Third Party Sick Pay

Adjustment Journal

Save Cancel

Employee
Branch, Ryan Pam - ANON564

Payroll Item
Type: Federal Tax Code 001

Type	Transaction Date	Amount	Description
Third Party Pay	10/6/18	1,500.00	

65

W2 Balancing- Company Vehicle



- Use of Company Vehicle Field
- Add amount using **Core/Adjustments/Vehicle Lease** to the Federal Tax (001) record.
 - This adds the Vehicle Lease amount from the 001 federal record to the total and taxable gross fields on the Federal (001), and Ohio (002) total and taxable gross fields on the W2 Report.
 - Will cause the gross amounts on W2 Report to be higher

66

Use of Company Vehicle

Adjustment Journal

Save Cancel

Employee
Branch, Ryan Pam - ANON664

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Vehicle Lease	10/01/18	2,000.00	



67

Employee Expense Reimbursements



- If district wants employee reimbursements originally paid through USAS to appear on the W2 as wages, Adjustments will be made. This will create a balancing difference between Quarter Report and W2 Report
- May cause W2 Report to show higher gross amounts than actually paid through USPS
- See 'Reimbursements of Employee Expenses' document for more details

68

Balancing Problems



- Voided checks from prior calendar year
 - Go to **Payments/Check Register** filter the Transaction Date as 01/01/2019..12/31/2019 and Status as V. This will pull in all voided checked dated between 01/01/19 and 12/31/19.
 - The report option can then be used to create a report of all voided checks.
- To pull all Refund of annuity withheld in prior calendar year
 - Go to **Payments/Refund Checks** Show Transaction Date on grid and then filter 01/01/2019..12/31/2019 click on
 - Do the Same option on the **Refund ACH** Tab

69

Balancing Problems (continued)

- Manual Updates
 - Go to **Reports/Report Manager/SSDT Audit Trail**
 - Set **Start Date** as **Y** and **End Date** as **R** to get the calendar year data.
 - Search for YTD changes
 - When **VIEWING** the AUDRPT.TXT, hit the Ctrl key and the 'F' key and enter in YTD. The search box will list how many occurrences of YTD are in the file. Then from here, you can click on the go to next line with 'YTD' in it.

70



W2 Report

Report Summary						
Code	Description	Count	Tax Withheld	Taxable Gross	Total Gross	Annuities
001	Federal Tax	75	\$11,420.39	\$101,583.68	\$122,197.73	\$20,614.05
	Medicare Pickup		\$192.08			
	Empir Hlth Coverage		\$26,061.61			
	HSA		\$124,855.51			
	457		\$1,160.00			
	Section 125		\$5,210.43			
002	Ohio State Tax	75	\$2,598.16	\$101,583.68	\$122,197.73	\$20,614.05
003	City Tax	75	\$1,754.83	\$116,987.30	\$122,197.73	\$5,210.43
006	City Tax	3	\$25.15	\$5,028.60	\$6,360.54	\$1,331.94
009	State Tax	1	\$73.52	\$1,729.79	\$2,238.13	\$508.34
692	Medicare Tax	71	\$1,696.37	\$116,987.30	\$122,005.65	\$0.00
800	OSDI Tax	6	\$144.81	\$7,272.67	\$8,952.93	\$1,680.26

Special amounts for W2s

From Payroll Item

Total Gross minus Taxable Gross

Common W2 Error Messages

- **Warning:** Calculated annuity amount exceeds the total annuities
 - Indicates the total gross minus taxable gross is greater than total annuities from the YTD deduction amounts
 - Indicates possible problem with annuity amounts, gross or taxable gross
 - Verify manual adjustment updates
 - Verify error adjustments



Common W2 ErrorMessage

- **Error: Invalid SSN**
 - SSA defines series of SSNs as invalid
 - Verify SSN with employee's SS card
 - Go to Core/Employees-Using the grid locate the employee. Click and update the SSN with the correct SSN. Click



73

Common W2 Error Messages

- **Error: Medicare amount does not equal 1.45% of Medicare gross**
 - Medicare tax may be incorrect
 - Verify amounts
 - SSA/IRS may not accept with incorrect amounts



74

Common W2 Error Messages

- Verify manual adjustment updates
- Check medicare pickup records
 - Must have 692 or 693 with 2.9%



75

Common W2 Error Messages

- **Warning:** Negative annuity on file for this employee. Assuming zero
 - A total negative annuity indicates a check was voided from a prior calendar year in the current calendar year. Run the REPORTS/PAYMENT TRANSACTION STATUS REPORT option to attempt to isolate the problem. If this is the case, you will need to zero the negative amount of the annuity and file a W2-C form for the previous calendar year
- OR
- If desire to report it as if withheld and refunded in current calendar year
 - Use **Core/Adjustment** and zero annuity amount by entering a positive figure that coincides with that negative figure.
 - Use **Core/Adjustments** and increase total gross amounts on federal, Ohio, OSDI and city, if the city honored the annuity initially



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Common W2 Error Messages

- **Info-Pension Plan flag on federal record is overriding W2PROC calculations**
 - If the Federal Payroll Item has the Pension Plan marked “No, never check the pension plan box”, but finds an active retirement record
 - If Federal Payroll Item has the Pension Plan marked to “Automatically check the pension plan box based on retirement” or “Yes, check the pension plan box” but does not find an active retirement record
 - Common to receive this informational for students who do not participate in SERS
 - No action is needed



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Common W2 Error Messages

- **Info:Payroll Item XXX:Possible error in OSDI gross or tax**
 - Indicates taxable OSDI wages but no tax was withheld
 - Common informational for employees who have smaller wage amounts per payroll
 - Verify amounts
 - Usually no action is needed



78

Common W2 Error Messages

- **Warning:** Federal Total annuities \$xxxx.xx does not equal total gross less taxable gross
 - Calculated annuity amount (total gross less taxable) does not match the YTD annuity amounts from Payroll Item
 - Program compares total annuities from Payroll Items to total gross less taxable gross calculation, uses federal tax record
 - Possible problem with annuity total
 - Possible problem with total gross
 - Possible problem with taxable gross



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Common W2 Error Messages

- Federal Total annuities \$xxxx.xx do not equal total gross less taxable gross (continued)
 - Verify manual adjustment updates
 - Verify refund of deductions
 - If refund from prior calendar year and district wants it to appear as if amounts were withheld and refunded in current calendar year
 - » Increase total gross on federal, Ohio, OSDI and city if they initially honored the annuity by using **Core/Adjustments**



80

Common W2 Error Messages

- **Error:** This employee's Medicare wages are less than their Social Security wages
 - The Medicare gross wages amount is incorrect or the FICA (Social Security) gross wages amount is incorrect. Please update the gross amount on the Medicare or FICA **Payroll Item** that has the incorrect amount, by using Core/Adjustments. This error should be corrected before creating a tape. The Social Security Administration will contact the district if this error is not fixed.



81

W2 Instructions Reviewed

- Specific details on W2 form reporting requirements
 - Found at
 - <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>



82

W2 Instructions Reviewed

- Corrections (Page 24- 2019 Instructions for Forms W-2 and W-3)
 - Use W2-C form
 - A W3-C form must accompany a W2-C form
 - W3-C form corrects totals submitted on tape file by ITC
 - Incorrect address
 - W2-C form not required



83

W2 Instructions Reviewed

- Deceased employee's wages (Page 8 -2019 Instructions for Forms W-2 and W-3)
 - If payment is made in year employee died
 - W2 reporting required
 - 1099 reporting required
 - If payment is made in year after the death of employee
 - 1099 reporting required



84

W2 Instructions Reviewed

- Designated Roth IRA amounts (Page 8 - 2019 Instructions for Forms W-2 and W-3)
- Educational Assistance (pages 8)
 - Verify taxability with legal advisor
- Employee business expense reimbursements (Page 9)
 - Verify taxability with legal advisor



85

W2 Instructions Reviewed

- Employee taxes paid by employer (Page 9 -2019 Instructions for Forms W-2 and W-3)
 - Medicare pickup
- Fringe benefits (Page 9)
 - Verify taxability with legal advisor
- Group-term life insurance (Page 10)
 - Over \$50,000 provided
 - Must use Publication 15-B table and calculate taxable value of premium, page 13-15
 - NOTE: Print 15-B now – IRS updates this early for new tax year



86

W2 Instructions Reviewed

- Health Savings Account (HSA) (Page 10- 2019 Instructions for Forms W-2 and W-3)
- Lost W2 form (Page 11)
 - Go to Reports/W2 Report and Submission/Forms
 - Will create a PDF copy; will NOT be an official copy
 - Contact us if you need a press and sealed W2

87

W2 Instructions Reviewed

- Moving Expenses (Page 11 -2019 Instructions for Forms W-2 and W-3)
 - Only for members of the US Armed Forces
- Third Party Sick Pay (Page 22-23)
 - Verify taxability using information received from annuity company
 - Pages 15 -21 in Publication 15-A includes specific instructions

<http://www.irs.gov/pub/irs-pdf/p15a.pdf>

88



W2 Instructions Reviewed



- Box a (Page 15 -2019 Instructions for Forms W-2 and W-3)
 - Employee SSN as entered in Employee Screen
- Box b (Page 15 -2019 Instructions for Forms W-2 and W-3)
 - Federal EIN
- Box c (Page 15 -2019 Instructions for Forms W-2 and W-3)
 - Employer information as entered in W2 Report

89

W2 Instructions Reviewed

- Boxes e and f (Page 15-2019 Instructions for Forms W-2 and W-3)
 - Employee's name and address
 - Data from Employee Screen
 - Uses legal name if non-blank
 - Uses name field if legal name is blank
- Box 1 (Page 16)
 - Wages from federal taxable gross amount



90



W2 Instructions Reviewed

- Box 2 (Page 16 - 2019 Instructions for Forms W-2 and W-3)
 - Tax withheld for YTD on federal tax record
- Box 3 (Page 16)
 - Social security wages from 692/693 records flagged as a Payroll Item-Social Security Tax

91



W2 Instructions Reviewed

- Box 4 (Page 17 -2019 Instructions for Forms W-2 and W-3)
 - Social security taxes withheld from the 692/693 and 692/693 records flagged as Payroll Item-Social Security Tax
- Box 5 (Page 17)
 - Medicare wages from 692/693 records flagged with a Payroll Item-Medicare

92



W2 Instructions Reviewed

- Box 6 (Page 17 - 2019 Instructions for Forms W-2 and W-3)
 - Medicare taxes withheld on the 692/693 records flagged as Payroll Item-Medicare
- Box 10 (Page 17)
 - Dependent care benefits as entered through Adjustments on Federal 001 record

93

W2 Instructions Reviewed

- Box 12-Codes (Pages 18-21 -2019 Instructions for Forms W-2 and W-3)
 - Code C
 - Group-term life over \$50,000 cost
 - Code D
 - 401(k) amounts
 - Code E
 - 403(b)



94

W2 Instructions Reviewed

- Code F
 - 408(k)(6)
- Code G
 - 457(b) 457(f)
- Code H
 - 501 c(18)(D)
- Code J
 - Non taxable sick pay



95

W2 Instructions Reviewed

- Code P
 - Excludable moving expenses
- Code T
 - Adoption benefits
- Code W
 - Employer contributions to Health Savings Accounts
 - Employer contributions include section 125 annuity amounts the employee contributes
- Code AA
 - Designated Roth contributions under a section 401(k)



96

W2 Instructions Reviewed

- Code BB
 - Designated Roth contributions under a 403(b)
- Code DD
 - Cost of employer-sponsored health coverage
- Code EE
 - Designated Roth contributions under a governmental section 457 (b) plan
- Code FF
 - Permitted benefits under a qualified small employer health reimbursement arrangement
 - Max reimbursement amount for single \$5150.00 and family \$10,450.00



97

W2 Instructions Reviewed

- Box 13 – (Page 21-2019 Instructions for Forms W-2 and W-3)
 - Retirement plan
 - 401(a)
 - 401(k)
 - 403(b)
 - 408(k)
 - 501c(18)
 - Notice 87-16 defines “active participant”



98

W2 Instructions Reviewed

- Box 14 - Other (Page 22 2019 Instructions for Forms W-2 and W-3)
 - Value of vehicle lease from federal tax record
 - Other deductions entered in W2 Report
 - Optional possibilities include
 - Union dues
 - Retirement



99

W3 Instructions Reviewed

- W3 form
 - Not required unless filing on paper
 - Totals on W2 submission file created by W2 Report is the substitute for the W3 form



100

Post W2 Processing

- Corrections before files have been submitted to SSA
 - Files can be recreated as many times as needed



101

Post W2 Processing

- Corrections after submission of files by ITC
 - In this scenario a W2C and W3C will have to be submitted by the district



102

Preparing for 2020



- Enter changes in tax withholding rates effective January 1, 2020
 - **City rates**
 - <https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Download/MuniRateTableInstructions.aspx>
 - Click on *Municipal Income Tax Rate Database Table*
 - **OSDI rates**
 - <https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default/schooldistrict.aspx>
 - Click on *School District Income Tax Rate Database Table*

103

Preparing for 2020 (continued)

-CCA City Rates-

- <http://ccatax.ci.cleveland.oh.us/?p=taxrates>

-RITA City Rates-

- <https://www.ritaohio.com/TaxRatesTable>

104

Preparing for 2020 (continued)

- Unsure if employee should be taxed
- https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_schooldistrict.aspx

Lookup Tax Rate

- Address
- Zip Code 5 digit or 9 digit
- Latitude/Longitude



105

Mass Changing Payroll Item Rates

Use the Mass Load option or the Mass Change definition option on Payroll Items-

Mass Load

- Go to Reports/Custom report Creator
- Select the correct Object (Annuity Item, Regular Item, City Tax Item, etc)
- Choose the fields you want included on your file
- Configure filters as needed (Ex. Display name-Code Operation-Equals Filter Value-param("specificConfigurationCode"))
- Click Generate Report
- Format-Choose Excel-FieldNames
- Specify the Payroll Item Code you wish to make the changes to
- Click Generate Report
- Make any necessary changes to the rate, etc on your file and then click Save As and choose CSV (Comma Delimited)
- You can then use Utilities/Mass Load and select your csv file and the appropriate Importable Entity. Click on Load and the changes from the csv file will be made to the appropriate payroll item records.



106

Mass Changing Payroll Item Rates (continued)

Mass Change option

- Go to Core/Payroll Items screen
- Filter the Code you are wishing to change by using the grid and entering in the code number you may wish to filter on the rate as your second filter option. So if you enter a specific code and specific rate only records that meet that criteria will appear on the screen.
- Click the Mass Change button
- In Maintenance Mode-Under Script Definition choose "rate"
- In the New Value field enter in the new rate
- Under Definition Name give the change a name Ex. Rate Change
- Click Save
- Now select Execution Mode
- Under Load Definition select the definition that you created-Rate Change
- Click Submit Mass Change
- All filtered records now should display the updated rate change

Note-We suggest that the ITC's perform Mass Change operations until districts become more familiarized with this feature

107

Changes for 2019/2020



Changes for 2019 (continued)



- **Coming Soon for 2019!**
- The Ohio Department of Taxation (ODT) is pleased to announce that a new W-2 Upload feature will be coming soon to Ohio Business Gateway (OBG).
- This feature will allow payroll providers and employers to submit W-2 files to the Ohio Department of Taxation through the OBG. Additionally, those who submit W-2s through OBG will not be required to submit a separate Ohio IT 3.
- In the following weeks, new information will be posted in the Employer Withholding Tax section of our https://www.tax.ohio.gov/employer_withholding.aspx. There will be a tutorial available that will contain a step by step guide on how to complete a W-2 Upload transaction through the W-2 Upload feature on OBG. Please see the FAQs below for additional information.
- Specifications regarding W-2s can be found here: https://www.tax.ohio.gov/Portals/0/employer_withholding/2020%20Tables/2020%20Tax%20Year/2019%201099-R%20Specifications.pdf?utm_source=Tax.Ohio.Gov+Tax+Alerts

Changes for 2019 (continued)

FAQs:

- Q: We are a payroll service provider with numerous clients in Ohio. Is the submission of W-2 files required to be transmitted separately for each client or is there a bulk upload option?
- A: There is no need to produce individual W-2 files for each of your clients. The OBG W-2 Upload feature will accept files containing multiple clients' W-2 information within the same file. Note: Files must NOT exceed 50 MB.
- Q: In previous years, ODT only required employers/payroll service providers who issued 250 or more W-2s to submit their W-2 files. With the introduction of the new W-2 Upload feature on OBG, has this requirement changed for tax year 2019 (submitted in January 2020)?
- A: For tax year 2019 the requirement for employers with less than 250 employees will not change; however, we **strongly** encourage all employers/payroll service providers to familiarize themselves with using the new OBG W-2 Upload feature to submit their W-2 information to ODT.
- Tax records, including W-2 information, are required to be maintained for a period of at least four (4) years from the due date. If the information is not submitted to us, ODT may request W-2 information when conducting compliance programs.
- Q: Can we submit 1099-Rs through the new W-2 Upload feature on OBG?
- A: No. At this time, 1099-R information will only be accepted via CD. 1099-R specifications can be viewed by clicking here: https://www.tax.ohio.gov/Portals/0/employer_withholding/2020%20Tables/2020%20Tax%20Year/2019%201099-R

Changes for 2019 (continued)

The Ohio Department of Taxation (ODT) follows the EFW2 layout required by the Social Security Administration (with certain modifications outlined below) for the federal W-2.

Employers who issue 250 or more W-2 forms must submit this information to the Ohio Department of Taxation using the approved format. Employers who issue fewer than 250 W-2 forms are strongly encouraged to submit this information to the Ohio Department of Taxation using the approved format.

Online filing is now available for Ohio W-2s (1099-R online filing is not yet available). The Ohio Department of Taxation's preferred method for filing W-2s is to upload the EFW2 files through a new W-2 Upload feature on the Ohio Business Gateway. The Ohio IT 3 is not required when filing the W-2s through the Ohio Business Gateway.

Do not include your Federal Employer Identification Number (FEIN) in the file name. The file name will be included in the subject line and body of the email notification. The email will advise on whether the file was successfully uploaded.

The W2MAST.SEQ file will need to be renamed with a TXT extension.

If the file is 50MB or larger please zip the file (DO NOT password protect the zipped files). •

File size limit is 50 MB.

Due Date is January 31, 2020

W4 Changes for 2020

- There are changes being made to the W4 for 2020.
- The new W4 does NOT have to be submitted by employees who already have a W4 on file.
- The new W4 form must be used for all newly hired employees with a start date of 1/1/20 or later. These new W4 forms will allow for more accurate calculating of Federal taxes.
- Current employees can submit a new W4 for 2020 for life changes (such as marriage or having a baby) or simply to adjust their withholding amount.
- These changes will impact the look of the Federal tax record as some additional fields will be added.
- It was also impact the way taxes are calculated, based on the W4 information.

Fields added on the 001 Federal Tax Payroll Item

- **Use New W4**-Using New W4 form (This will be defaulted to N for all existing records)
- **Filing Status**-(This will be defaulted to blank for existing records) Step 1(c). This will determine the standard deduction and tax rates used to compute your withholding

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov.
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately		
<input type="checkbox"/> Married filing jointly (or Qualifying widow(er))			
<input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			

Fields added on the 001 Federal Tax Payroll Item

- **2 like jobs**- Step 2(c) (this will be defaulted to blank for existing records) If more than one job at the same time or married filing jointly you and spouse both work. Consider checking the box if there are only two jobs in the household. The standard deduction and tax brackets will be divided equally between the two jobs.

Step 2: Multiple Jobs or Spouse Works	Complete this step if you: (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following:
	(a) Use the estimator at www.irs.gov/W4App for most accurate withholding; or
	(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or
	(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. ▶ <input type="checkbox"/>
CAUTION: If you have privacy concerns, choose (a) or (b). If you and/or your spouse have income from self-employment, including as an independent contractor, choose (a).	

- **Depend**-Step 3 Dependent Amount (This will be defaulted to zeroes for existing records) Multiply # of children under 17 x \$2000.00. Multiply # of other dependents over 17 by \$500.00.

Step 3: Claim Dependents	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$		
	Multiply the number of other dependents by \$500 ▶ \$		
	Add the amounts above and enter the total here	3	\$

Fields added on the 001 Federal Tax Payroll Item

- Income**-Step 4(a) Other Income (This will be defaulted to zeroes for existing records)
 Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040- ES, Estimated Tax for Individuals.

Step 4 (optional): Other Adjustments	(a) Other income. If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income. You should not include income from any jobs . . .	4(a) \$
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b) \$
	(c) Extra withholding. Enter any additional tax you want withheld each pay period .	4(c) \$

Fields added on the 001 Federal Tax Payroll Item

- Deduct**-Step 4(b) Deduction Amount (This will be defaulted to zeroes for existing records) Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2020 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.
- Additional Withholding**- Step 4(c). Enter in this step any additional tax you want withheld from your pay each pay period, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Step 4 (optional): Other Adjustments	(a) Other income. If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income. You should not include income from any jobs . . .	4(a) \$
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b) \$
	(c) Extra withholding. Enter any additional tax you want withheld each pay period .	4(c) \$

Tax change for 2020

- Due to updated OHIO tax table for 2020, the OHIO taxes will be less in 2020



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