USPS Calendar Year-end Review Calendar Year 2020



FILING DEADLINE

- The Protecting Americans from Tax Hikes (PATH) Act requires that employers file their copies of Form W-2, W-3, to the Social Security Administration, by Jan. 31.
- Deadline for submitting to NOACSC is Friday, January 15th.

2

2020 Changes - Important

- SSDT is recommending that files be backed up prior to finishing W2 processing; SSDT has had to load special software for the splits of state tax reporting and SSDT has concerns about the software's performance
- YOU WILL BE ASKED TO EITHER PERFORM THE W2 PROCESS FIRST THING IN THE MORNING, OR STOP TO LET US BACK UP FILES....WE'LL DISCUSS THIS IN MORE DEPTH LATER IN THE PRESENTATION

2020 Changes - FFCRA Reporting

- Families First Coronavirus Response Act (FFCRA)

 The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with ped slock have or expanded tendy and medical sense for specifical measure stated to COVE-161, The Department of Labor's (Department) Wage and Hour Devision (WHD) administrator and emboose the new loady paid leave requirements. These provisions will apply from the effective date through Section (Provided Response) and the section of the section of
- rressury and Lacor.

 A covered employer must provide to employees that it has employed for at least 30 days.

 Emergency-Lip to an additional f0 weeks of paid expanded family and medical leave at hor-brids three

 Emergency-Lip to an additional f0 weeks of paid expanded family and medical leave at hor-brids three

 employees translate rate of paywhere an employee is unable to work that a borsal fide mead for leave to

 care for a child whose school or ohlid care provider is closed or unaveilable for resoons related to COVID-19.

2020 Changes – State Taxes

- State of Indiana is requiring electronic file submission for employers with 25 or more W-2 forms
 There is an option to create the IN submission tape file

 - Contact NOACSC for this option
- State of Indiana is requiring electronic file submission for employers with 25 or more W-2 forms
 - There is an option to create the IN submission tape file
 - Contact NOACSC for this option
- $^{\bullet}$ $\,$ State of Kentucky electronic file submission required for employers with 100 or more
- State of West Virginia electronic file submission required for employers with 50 or
- € State of Pennsylvania all submissions must be electronic

W2MAINT

https://wiki.ssdt-ohio.org/display/usps/W2MAINT+-+W2+Maintenance

The SSAEVS option in W2MAINT can be processed

https://www.socialsecurity.gov/employer/ssnv.htm#a0=3

Register at the above website to register with SSNVS.

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44	40-01-07	8.0 Miles	T-10-10-11	277.000	

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-
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W2MAINT (cont.)

port file Specificat	Whatseleng (E.P);	1	
(0001)46 (0100)			
select ALL employer	s un file, leave the	following aptions	blank.
Termination date: Nire date: Last paid date:	33		

An EVSREQ2K.SEQ file is created and this file needs to be uploaded to the SSA for SSN verification.

7

W2MAINT (cont.)

The SSA will return a file to the user with any errors. This file needs to be renamed EVSVER2K.SEQ and then FTP'd to the user's directory and then the EVSRTN option in W2MAINT needs to be processed to create a printable report with listing any errors. (ITC intervention may be needed)

M294.567 - MP No.5	to - V M O de de W - 12	
P. EVANYN D. EXIV	- Bon deployee Varilestini Gamerati - Espioyee Verification Return Repa - Exit program	48 23
home; MJMASHY	Opt Leur	
KF- ACCUPT	Fr Hulp rw Skit	fir Best

1

Pre-W2PROC



- OSDI abbreviations **IMPORTANT-REQUIRED** for proper reporting on W2.
 - Include OSDI code number and district name in the W2 Abbrev field in USPSDAT on the DEDNAM record

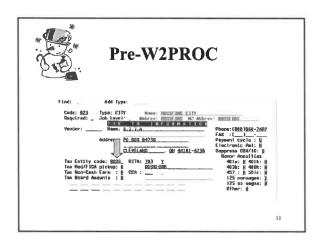
1nd: \$66	Add Typ	01	
Code: 500 Resilved: 3	Type: 000	ADDRESS: CLUTTOND 42 ADDR	101. 107.188
winter	Address	SCHOOL STREET, SHOOM TAK BE BENEST HOUSE BOOK NO	Phone: () FAX : () Payment Eygle : M
		HHOYILLE OH 8689D-	Electronic Pmt: 8 Suppress SSN/10:
0901 Code:	1991		

Pre-W2PROC

• Verify 'Entity code' in USPSDAT/DEDNAM is completed for any magnetic reporting to any city.



10



Pre-W2PROC



- CCA/RITA Reporting
 - Verify values in USPSDAT/DEDNAM 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

CCA Addresses

- Want to make sure the addresses are correct for CCA re porting or may have issues
- Have your districts verify that they adhere to the USPS Standards

https://pe.usps.com/text/pub28/welcome.htm

14

13

CCA Setup

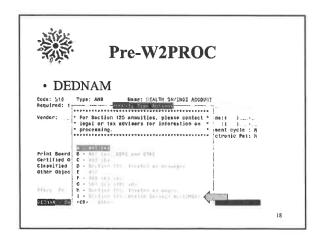
- Make sure your districts know the following about CCA for the RS record:
 - http://ccatax.ci.cleveland.oh.us/?p=mmspec
- Districts must have CCA set up accordingly:
 - * IFCCA city is in Appendix A, they need the following in DEDNAM for CCA: CCA flag = Y, valid CCA code and valid CCA city name.
 - * If CCA city is not in Appendix A but in Appendix B, they need the following in DEDNAM for CCA: CCA flag = blank, valid CCA code and valid CCA city name.
 - $^{\bullet}$ If CCA city is not in Appendix B or C, they name the following in DEDNAM for
 - CCA: CCA flag = blank, CCA code = blank and valid CCA city name found in OHIO Municipal (necuse Tax Rate Table

Pre-W2PROC - Verify DEDSCN "Employ/Residence" value must be on all city deductions that report to CCA or RITA • Is this city tax record required because of the employees place of: C = Employment R = Residence See the following web sites for complete details regarding C-Employment and R-Residence reporting for RITA and CCA: - https://www.ritaohio.com/Businesses - http://ccatax.ci.cleveland.oh.us/?p=rulesress/Section301 Deduction type · Hunicipelity Tax Reme: VILLAGE OF HOLLYHOOD Tax percentage: 1.000 Start: 01/98/8000 Employ/Residence: Start: 01/98/8000 Employ/Residence: View of Justines of J

Pre-W2PROC

- Health Savings Account (HSA)
 - Type in DEDNAM must be set to "I" even if there are no employee amounts withheld





Pre-W2PROC



- 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 may be needed
 - Manual changes may be needed

19

Pre-W2PROC

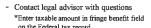
- Excludable moving expenses **Active Military Only**
- Reimbursements, including payments made directly to a third party, for ACTIVE MILLTARY employees only, be entered in the Moving Expense field. The amount in this field is treated as an excludable fringe benefit
 - Contact legal advisor with questions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

Deduction type - Fodaral Tax	Name: HID AH
Calculate option; E.	a examptions; Fringe banefits;
Tex percent :	Pensian plan: à Life Ins. cost :
Raidt' I willhhold :	Mith Relab: Adopt, explot, :
Error adjustment:	Empir With: Dependent care :
Herital status : 2	Hove Exp : 1600.00 Third party pay:
	Taor, Bon : A. Vehicle Inter :
Accum	QTD Totals WID Totals YID Totals
Daduct total :	
Gross pay : B2.80	P28,80 P90,89
Insuble pross : 55,60	983.04
edd withhold :	

20

Pre-W2PROC

• Fringe benefit amounts



All fution reimbursement above \$5250.00 are considered Fringe benefits and would be subject to regular taxation. So this figure would go in the fringe Benefit field on the 001 record.

Deduction type - Federal Tax	Name: HID AN	A
Deliculate option: { Tax percent Add' atthbuld Error adjustment Rerital status Deduct total Frose pay 3282,78 Taxable gross 2282,58 Add sithbuld	### ### ##############################	



Pension Plan

- Pension Plan in DEDSCN 001 this is used to determine if the retire plan box on W2 form should be marked.
 - A = Automatically check the retire plan box per the calculations of W2PROC (must have an active Retirement Deduction).
 Y= Yes, always check the retire plan box.

 - N = No, do not check the retire plan box
- Employees eligible for STRS or SERS who have waived the option (typically students or board members), must have the Pension Plan field on the 001 record set to "Y."

22

Pre-W2PROC

- Employee Name must match the Social Security card.
 - •The W2 form will only show the middle
 - •The report FULL_EMP shows employee
 - •Legal name is on BIOSCN, page 2.



Pre-W2PROC

- · Life insurance purchased for withheld annuities-Notice received from annuity company-Entered in payroll before last pay.
- IRS Publication 15-B Section 2 pages 12-14 (http://www.irs.gov/pub/irs-pdf/p15b.pdf) contains the calculation table to figure the cost.
- calculation table to figure the cost.

 USPSCN/UPDCAL_CUR or USPSCN/UPDCAL_FUT program, the amount should be entered using a pay type of NCI. This pay type represents one kind of non-cash earnings for the employee. Do not enter amount in Life ins field on 001 deduction record. This gets updated when CHKUPD is ran. This pay type will be treated differently for taxation purposes. Using this non-cash earnings amount, the tax amounts for Medicare and Social Security will be calculated during the CALCPAY and UPDCAL_CUR programs. 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 earnings" flag to Y (yes) on the city tax record in the USPSDAT/DEDNAM program.

Life Insurance

- Life insurance was not entered before the last pay:
- If the NC1 pay not was not used prior to the last pay of the calendar year, the following manual procedure must be used in order for the NC1 pay to show correctly on the W2 form and to ensure that the QRTRPT balances. Follow these procedures prior to generating W2 forms.
- Increase the QTD and YTD gross and the QTD and YTD taxable gross figures on the Federal tax record by the amount of the taxable premium.
- Increase the YTD gross and YTD taxable gross figures on the state tax deduction record to reflect the taxable premium.
- Increase the YTD gross and the YTD taxable gross figures on the municipality tax deduction record IF required by the municipality. It may be necessary to contact the city tax department to determine if the premiums on life insurance over \$50,000 are considered taxable or not.

Life Insurance (continued)

- Increase the YTD gross and YTD taxable gross figures on the FICA and/or Medicare deduction records to reflect the taxable premium.
- Obtain payment from the employee for the FICA (6.2% of the taxable premium) and/or Medicare (1.45% of the taxable premium) withholding amounts. Include this amount on the YTD Deduct Total field of the FICA/Medicare Deduction record(s). The board of education must match these same amounts calculated in this step (process as a USAS transaction).
- Enter the taxable premium of life insurance on the Federal tax deduction record in DEDSCN on the "Life Insurance Cost" line.
- Enter the taxable premium of life insurance on the QTD, YTD and FYTD amount fields for Non-cash earnings on JOBSCN (3 of 3). This will ensure that the QRTRPT non-cash earnings will balance.

26

Life Insurance (continued)

loduction type - Federal Tax Catelliate option: E Tax parcent Tax parc	Name: MID AN	cost : ssist : i care : rty pay:	(
	3		

Pre-W2PROC Dependent Care If not using the DPCARE deduction type *Manually enter dependent care amounts into the Federal tax field for dependent care. (Max-\$5000.00 or \$2500.00 married filling separate) Deduction type - Faderel Tax examples in the Federal tax field for dependent care. (Max-\$5000.00 or \$2500.00 married filling separate) Deduction type - Faderel Tax examples in the Federal tax field for dependent care: Interest in the Federal tax field for dependent care in the Federal tax field for dependent countries. In the Federal tax field for dependent countries in the Federal tax field for dependent countries. In the Federal tax field for dependent care in the Fed

Pre-	W	2	P	R	O	C
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- ROC
- · Use of Company Vehicle
 - Calculate leased vehicle value
 - Manually enter leased vehicle value amount into the Federal tax field.

eduction type - Federal Tax Calculate option: E	Name: HID AM N mxmmptlonm: Frings	benefits:
Tax percent :		ns. cost :
Addl' withhold :	Hth Rwimb: Adopt.	assist.:
Error adjustment:	Emptr With: Begand	ent care :
Marital status : 2	Nove Exp : Third	
		g lease :
Accum	QTD Totals FYID Igtals	
Damist 101n1 : 255.82		
Gross pay : 3202.78	19291.20	22483.99
Taxable ecoss : 2825.40	17405.13	20300.97
	THE PERSON NAMED OF	
Add utibboid :		

Employer Sponsored Health Care Cost in 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 is informational purposes only.

- If any employee is paying for their insurance out of pocket, this will need to be manually added to the 'Empir Hth' field on the employee's 001 Deduction record. This total includes both employee and employer contributions.
- If the employee is paid half a year out of pocket and the other half through payroll, these two amounts will need to be added together and reported on field 'Empir Hth'.
- If the district only tracks the employee portion of health care costs in the USPS system, the district will need to create a spreadsheet with the employee YTD costs for health insurance and the Board YTD costs for Employee Health insurance and then total these two amounts. Then using USPLOAD, this figure will need to be loaded into the 'Empir Hth' field on the OO1 Federal deduction record.

Employer Sponsored Health Care Cost on W2

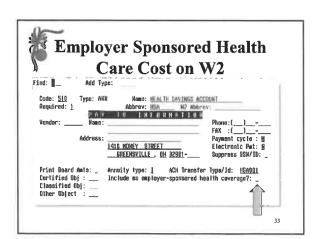
- Must report the cost of employer-sponsored Health Coverage in Box 12 using Code DD if the district filed 250 or more W2's for the preceding calendar year
- Life, Dental and Vision are not required to be included in the total if
 they are separate plans and not included as part of the medical plan
 http://www.irs.gov/uac/form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage
- 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

- The flag "Include as employer-sponsored health coverage?:"on the REG and ANN deduction screens in DEDNAM is used for calculating the Employer Sponsored Health Care Cost:
- If answered "Y" the YTD deduction totals will be included in the total moved to the employees W2

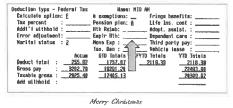


Employer Sponsored Health Care Cost on W2

- The "Emplr Hth:" field on the 001 Federal Deduction record will allow a specific value to be reported in Box 12 Code DD.
- This will override any automatic totaling done by W2PROC based on the DEDNAM records



Employer Sponsored Health Care Cost on W2



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Employer Sponsored Health Care Cost on W2

- · When processed, W2PROC will total the employee and board contribution amounts from all deductions flagged as applicable in DEDNAM
- · If there is a value in the Emplr Hth field on the Federal DEDSCN field, this value will be used
- The total will be copied to Box 12 Code DD
- · The submission files created by W2PROC will also contain the total in the appropriate fields.



Employer Sponsored Health Care Cost on W2

- If district only tracks Employee portion in USPS
 - Spreadsheet needs to be created containing total of the employee and employer contributions for Employer Sponsored Health Care

CHRISTMAS

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Employer Sponsored Health Care Cost on W2

- USPLOAD/DEDSCN can be used to load data into the employer sponsored health coverage field on the Federal DEDSCN record
 - EMPLR_HEALTH_COV
 - Must be numeric



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Employer Sponsored Health Care Cost

- 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 BRDDIS, leave OBJ code fields in DEDNAM record blank.

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 bealth 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 QSEIRA. The maximum reimbursement for an eligible employee under a QSEIRA is \$\$S\$,\$\$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.
- If a user enters a value in USPSCM/DEDSCN for Hth Reimburse on the Federal record, then this value will appear on the WZTape file and WZFCRM_DAT as a code FF with the amount in Box 12. The Health Reimbursement amount will also appear on the WZCITY_DAT file. The Health Reimbursement amount (HLTH REIMBURSE) will appear on the WZREPT_IXT 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



Deduction type - Federal Tax	Name: HID AM
Calculate option: E	# exemptions: Fringe benefits:
Tax percent :	Pension plan: 6 Life Ins. cost :
Addt I uithhold :	Hth Reimb: Adopt. assist. :
Error adjustment:	Empir Hth: Dependent care :
Marital status : 2	Hove Exp : Third party pay:
_	Tax. Ben : Vehicle lease :
Accus	OTD Totals YTD Totals YTD Totals
Deduct total :255.82	1757.07 2110.30 2110.39
Great pay :3262.78	19291.20 22493.99
Taxable gress : 2825,48	17465.13 20368.97
Add withhold :	

41

Pre-W2PROC

- Run W2PROC before last pay of 2020 has been completed
 - Balance to-date data
 - Review and correct warnings and errors
 - Do not create the Tape file at this point
 - W2PROC can be run multiple times







Pre-W2PROC

- Complete Regular Month-end Closing
- Balance QRTRPT
 - Run for Demand Option 'N'
 Check all totals for accuracy

 - Do NOT Run QRTRPT for Option Y
- · Balance Deductions
 - Run PAYDED to verify all deductions have been paid
- Run ODJFS
 - 13 weeks in this quarter



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W2PROC

- Program used to generate
 - Balancing reports
 - W2 print forms
 - W2 .DAT files for laser printing

W2PROC

- W2CITY.DAT file used for special city submissions
- W2 tape submission file
 - W2TAPE.SEQ
 - Federal
 - States (states reported separately)
 - Cities (RITA/CCA)



STOP!

• When you run actual W2 processing, please either do so first thing in the morning OR call us right away to back up your files. DO NOT PROCEED WITHOUT BEING SURE YOUR BACKUP IS DONE.

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W2PROC



- User must enter district data
 - Name
 - Address
 - Identification numbers
 - Federal
 - Ohio or other States if Applicable
 - · Verify values on W2REPT.TXT

4

W2PROC

- User must decide
 - Sorting
 - Any sort is acceptable for electronic filing
 - Paper filing must be sorted by name



W2PROC



Sort Options:

- S Sort by SSH
 N Sort by Employee Name
 B Sort by Building/Department and Employee Name
 D Sort by Building/Department, Pay Group, and Employee Name
 P Sort by Pay Group
 Y Sort by Zip Code and SSN
 Z Sort by Zip Code and Employee Name
 C Sort by Check Distribution and Employee Name

Enter Sort Option <\$>;

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W2PROC



If your employees have had Third Party Sick Pay (Dismbility Payments) paid to them and the Third Party withheld Federal Tax from these payernts, the total smount or all Federal Tax withheld for all amployees must be entered in this program to be included on the M2 tape file.

If you believe your employees may have received these types of payments and you have not been notified, you should not create the sugnetic tape for subsisions yet. These meants are required for submission on the magnetic tape.

Your district would have been notified by the Third Party in writing, if these payments have been made. Included in this motification would have been an explanation of any tax amounts withheld and paid.

Enter Federal Tmx amounts withheld by a Third Party Payer:

50

Kind of Employer



- Your districts will need to specify what type of employer they as e:

 The Kind of Employer can be one of the following:

 F = Rederal Government

 S = Suste and Local Governmental Employer (non 501c)

 T = Tar, Exempt Employer

 Y = Suste 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 check the box for State-local non 501c (S).

If the school has applied for $501\mathrm{C}$ status and was granted that non profit status they would check State/local $501\mathrm{c}$. (Y)

Contact Information



- · The Contact Name information will be used on the W2 and is a ***REQUIRED*** field.
- The following contact information will be used on the W2 tape file.
- Enter contact name:

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W2PROC



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
- Alignment forms-Would you like to print a dummy W2 for form alignment?

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W2PROC



Additional deduction information can be provided to your employees using the box labeled 'Other' on the W2 forms. Entering deduction code(s) will cause the year-to-date amount to print on the forms. You may enter up to 6 deduction codes, but only the first 3 deductions it encounters for the employee will print in the box.

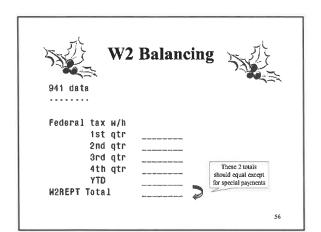
Enter a deduction code <909>:_____ Enter 999 to exit. 590

Enter a deduction code <999>: Enter 999 to exit. 591

Enter a deduction code <899>: Enter 999 to exit. 999

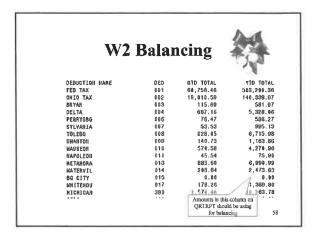


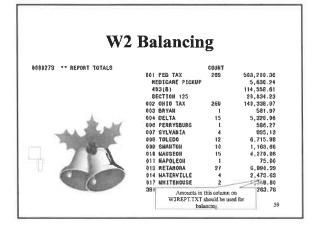
- Information on W2REPT.TXT should balance to:
 - 941 totals as reported
 - ERNREG/ERNSUM figures
 - Represents amounts as withheld from employees
 - QRTRPT figures
 - Represents amounts as current in the YTD figures
 - Balance Federal, Ohio, and City taxes and gross amounts



W2 Balancing						
GROSS	DOCK	NET	IBED.CODE	DED.ANT	BD . ANT	
TOTALS 2815228.17	2895.70	1616371.	931 001 1 002 1 301 1 302 1 303 1 304 1 306 1 307 1 308 1 308	248805.28 74945.46 3857.31 5454.74 3029.41 1398.89 229.42 920.93 1112.95 4859.91 28.95		
		ERNREG	this column on should be used balancing		57	

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 _





- Items that affect balancing between W2PROC and QRTRPT (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





- Dependent care benefits
 - Amounts over limit (\$5,000.00) added to total and taxable gross amounts on Federal, Ohio and City total and taxable gross fields on the W2REPT
 - Ex-If \$6000.00 is added to Dependent Care field on 001 record \$1000.00 will be added to total and taxable gross fields.
 - Will cause gross amounts on W2REPT to be higher.

61

Dependent Care | Sadd | Docode Lest now | First name Conceal | | Defection | Special Lest now | First name Conceal | | Defection | Special Lest now | First name Conceal | | Defection | Special Lest | Special Lest | | Defection | Special Lest | Special Lest | | Defection | Special Lest | Special Lest | | Defection | Special Lest | Special Lest | | Defection | Special Lest | Special Lest | | Defection | Special Lest | |



W2 Balancing

- Fringe Benefits
 - Adds all fringe benefit amounts to total and taxable gross amounts on Federal and Ohio records
 - Will cause gross amounts on W2REPT to be higher

Fringe Benefits	
Find: AllEnders 1 SSS/ID Code Lest name First name Cenced	1.
	64



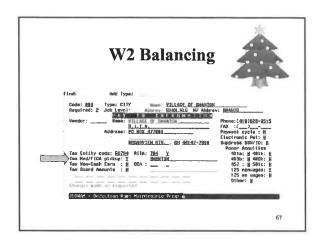
- · Medicare Pickup
 - Amount added to total and taxable gross amounts on Federal, Ohio and OSDI records
 - Will cause gross amounts on W2REPT to be higher.

6

W2 Balancing

- O If 'Tax Board Amounts' option is not used on the city tax record in DEDNAM -(Flag set to "N" on DEDNAM record.)
 - Tax Med/FICA Pickup should be "Y" if the city taxes the Medicare pickup
 - The Medicare pickup is added to the city total and taxable gross amounts on the W2REPT.
 - Employee pays tax after the fact





- If the 'Tax Board Amount' is used on the city tax record-(Flag set to "Y" on the DEDNAM record.)
 - The tax is withheld during the payroll
 - Just a note: The 'Tax Med/FICA pickup' flag field is not used and is replaced by the 'Tax Board Amount' field if this field is populated with Board Pickup deduction codes

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W2 Balancing Code: 6M4 Required: 1 ypp: CITS Repel TAM DIVISION STARS STARS Tax Entity code: SIAMS RITA: 135 Tax Hedflick pickup: 18 Tax Hedflick pickup: 18 Tax Board Amounts: 1 125 Tax Board



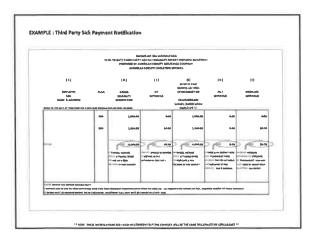
- Taxable Third Party Sick Pay
 - Users need to add the Third Party Sick pay amount to the total and taxable gross fields on the Federal, Ohio, OSDI and Medicare records as needed
 - Will cause gross amount on W2REPT to be higher
 - See Third Party Sick Pay Instructions
 - See Third Party Sick Payment Notification example

7

Third Party Séck, Pay

If more data she

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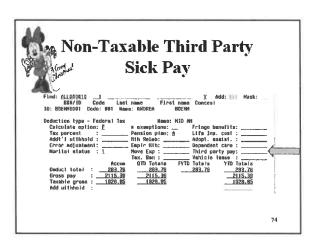


Non-Taxable Third Party Sick Pay

- · Non-taxable third party sick pay
 - Does not affect balancing
 - Does not affect taxes
 - Entered on Federal record by the user
 - District is notified how much to enter
 - This amount will print in Box 12 with a code 'J'

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Unglida



W2 Balancing

- Use of Company Vehicle Field
 - Adds the Vehicle Lease amount from the 001
 Federal record to the total and taxable gross fields on the Federal, and Ohio total and taxable gross fields on the W2 report.
 - Will cause the gross amounts on W2REPT to be higher

Use of Company Vehicle

	name First name n: AMDREA BOEHM	Conceal
Deduction type - Federal Tax Entruteta option: E Tax percent : addit's withhold : Error adjustment; Revital status : I	Hth Reimb:	Fringe benefits: Life Ins. cest : Adopt, essist. : Dependent care :
Deduct total : _201.76 Bross pay : _2115.29 Taxable gross : _1828.85 Add withheld :		Totals VIII Totals 283,76 2815,39 1928,85



76

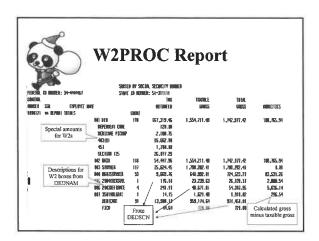
Employee Expense Reimbursements

- If district wants employee reimbursements originally paid through warrant to appear on the W2 as wages and manual changes are made, this will create a balancing difference between QRTRPT and W2PROC
- May cause W2PROC to show higher gross amounts than actually paid through USPS
- See 'Expense Reimburse' for more details

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Balancing Problems

- Voided checks from prior calendar year
 CHKSTS report
- Refund of annuity withheld in prior calendar year AUDRPT
- Manual Updates
 - AUDRPT
 - · Search for YTD changes
 - When VIEWING the AUDRPT.TXT, select 'F' and enter in 'YTD'. Then from here, you can click on 'N' for Next to go to next line with 'YTD' in it.



- 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 updates
 - · Verify error adjustments



Common W2PROC Messages

- Invalid SSN
 - SSA defines series of SSNs as invalid
 - Verify SSN with employee's SS card
 - Use MASCHG/CHGSSN to update



- 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
 - Medicare taxable gross may be incorrect
 - · Verify amounts
 - SSA/IRS may not accept with incorrect amounts

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Common W2PROC Messages

- Verify manual updates
- Check Medicare pickup records
 - Must have 692 and 694 *or*
 - Must have 693 and 695

The 694/695 records trigger system to calculate Medicare tax on the Medicare paid by the district on the employee's behalf

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Common W2PROC Messages

- Negative annuity on file for this employee
 - Usually from refund of a prior year's annuity amount
 - If desire to report it as if withheld and refunded in current calendar year
 - Use DEDSCN and zero annuity amount
 - Use DEDSCN and increase total gross amounts on Federal, Ohio, OSDI and city, if the city honored the annuity initially

Increase the YTD Gross Amount on JOBSCN 3 to balance the QRTRPT.

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- Retire plan box flag on Federal record is overriding W2PROC calculations
 - If Federal has flag marked "N", but finds an active retirement record
 - If Federal has flag marked "Y" but does not find an active retirement record
 - Common to receive this informational message for students who do not participate in SERS
 - No action is needed



8.5

Common W2PROC Messages

- 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



Common W2PROC Messages

- Total annuities \$\$\$, do not equal total gross less taxable gross
 - Calculated annuity amount (total gross less taxable) does not match the YTD annuity amounts from DEDSCN
 - Program compares total annuities from deductions 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



- Total annuities \$\$\$, do not equal total gross less taxable gross (continued)
 - Verify manual 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

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Common W2PROC Messages

- FATAL: 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 in DEDSCN that has the incorrect amount. This error should be corrected before creating a tape. The Social Security Administration will contact the district if this error is not fixed.



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W2PROC Errors

 For more explanations on W2PROC Errors, please see the 'W2PROC and W2PROC Errors' list





Printing W2

- When your information is correct, give the command: W2_PRINT
- Wait for a mail message and follow the instructions
- All W2's will be printed at the NOACSC.
 We will contact your office before the printed forms are shipped.

91



• Send an email to fiscal.support@noacsc.org when your W2 report is ready to be sent on tape. Do not submit form W3 for Federal withholding.

92

BWC



- Can be done now or during USAS year-end closing.
- · Run BWC.
- Will run twice, once for sort option FUND, SCC, FUNC, and OBJ, and again for sort option FUNC, OBJ—PRINT OR SAVE THE REPORTS!
- Send an email to you and Fiscal.Support@noacsc.org when complete. We will copy these reports to the web.

Closing the Calendar Year

- Make sure all December late distributions have been posted.
- Do not post anything for January.
- Have you posted all BRDDIS batch files, all December payrolls, etc. Check with your treasurer.



94

Closing the Calendar Year

- Run the procedure CALENDARCD
- Select to process <u>NOW</u>. This is the default. (Do not run for later.)
- You will not receive an email message after running CALENDARCD.

95

Closing the Calendar Year

- Verify CALENDARCD has finished before continuing.
 - http://reports.noacsc.org
 - · Payroll Reports
 - District
 - » Calendar Year 2020 Reports
 - » 2020 Calendar Year End Reports
- Contact NOACSC 419-228-7417 Extension 3 to close any hung sessions.

3		

Closing the Calendar Year

- · All users must be logged off the system.
- Run the program: CALENDUSPS
- Wait for a mail message and follow the instructions.
- Run QRTRPT for Option N to verify all YTD and QTD totals are 0.00.

145 145

97

W2 Instructions Reviewed

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



9

W2 Instructions Reviewed

- Corrections (Page 24- 2020 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 NOACSC
 - Incorrect address
 - W2-C form not required



- Deceased employee's wages (Page 8 -2020 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

3

W2 Instructions Reviewed

- Designated Roth IRA amounts (Page 9 -2020 Instructions for Forms W-2 and W-3)
- Educational Assistance (pages 9)
 - Verify taxability with legal advisor
- Employee business expense reimbursements
- (Page 9)
 - Verify taxability with legal advisor



W2 Instructions Reviewed

- Employee taxes paid by employer (Page 9 -2020 Instructions for Forms W-2 and W-3)
- Medicare pickup
- Fringe benefits (Page 10)
- 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 12-14
 - NOTE: Print 15-B now IRS updates this early for new tax

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- Health Savings Account (HSA) (Page 11- 2020 Instructions for Forms W-2 and W-3)
- · Lost W2 form (Page 11)
 - Hand type new form
 - Enter "REISSUED STATEMENT" on new copy

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W2 Instructions Reviewed

- Moving Expenses (Page 11 -2020 Instructions for Forms W-2 and W-3)
 - Applies only to members of the Armed Forces of the United States
 - Verify taxability with legal advisor
- Third Party (Sick Pay) (Page 13)
 - 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



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W2 Instructions Reviewed

- Box a (Page 15 -2020 Instructions for Forms W-2 and W-3)
 - Employee SSN as entered in BIOSCN
- Box b (Page 15 -2020 Instructions for Forms W-2 and W-3)
 - Federal EIN
- Box c (Page 15 -2020 Instructions for Forms W-2 and W-3)
 - Employer information as entered in W2PROC

- Boxes e and f (Page 15 -2020 Instructions for Forms W-2 and W-3)
 - Employee's name and address
 - Data from BIOSCN
 - Uses legal name if non-blank
 - Uses name field if legal name is blank



- Wages from Federal taxable gross amount

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W2 Instructions Reviewed

- Box 2 (Page 16 2020 Instructions for Forms W-2 and W-3)
 - Tax withheld from YTD field on Federal tax record
- Box 3 (Page 17)
 - Social security wages from 692/693 records flagged with a deduction category of "F"

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W2 Instructions Reviewed

- Box 4 (Page 17 -2020 Instructions for Forms W-2 and W-3)
 - Social security taxes withheld from the 692/693 and 694/695 records flagged with a deduction category of "F"
- Box 5 (Page 17)
 - Medicare wages from 692/693 records flagged with a deduction category of "M"



- Box 6 (Page 17 2020 Instructions for Forms W-2 and W-3)
 - Medicare taxes withheld found on the 692/693 and 694/695 records flagged with a deduction category of "M"
- Box 10 (Page 17)
 - Dependent care benefits as found on the Federal tax record or on the dependent care annuity records

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W2 Instructions Reviewed

- Box 12-Codes (Pages 18-21 -2020 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)



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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



- Code F
 - 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)

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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 \$4950.00 and family \$10,000.00

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W2 Instructions Reviewed

- Box 13 (Page 21-2020 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"

4

- Box 14 Other (Page 22 2020 Instructions for Forms W-2 and W-3)
 - Value of vehicle lease from Federal tax record
 - Other deductions entered in W2PROC
 - Optional possibilities include
 - Union dues
 - Retirement



115

W3 Instructions Reviewed

- W3 form
 - Not required unless filing on paper
 - Totals on W2 submission file created by W2PROC is the substitute for the W3 form



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Post W2PROC

- Corrections before files have been submitted to SSA
 - If submission has not occurred NOACSC can restore copied files and allow the district to rerun W2PROC



Post W2PROC

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



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Post W2PROC

- District can run W2C to make process of creating text file output and forms easier
 - W2C does not create a correcting submission file for reporting entities
- W2C program only creates output in format to match pin fed forms



Preparing for 2021

- Enter changes in tax withholding rates effective January 1, 2021
 - City rates
 - http://incometax.columbus.gov/search_taxmunicipalities.aspx?id=13116&menu_id=502
 - OSDI rates
 - https://www.tax.ohio.gov/school_district_income.aspx



Preparing for 2021 (continued)

-CCA City Rates-

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

-RITA City Rates-

https://www.ritachio.com/TaxRatesTable

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Preparing for 2021 (continued)

- $-\mbox{ Unsure if employee}$ should be taxed
- $\bullet \ \ https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_sch$ ooldistrict.aspx

- Lookup Tax Rate

 Address
 Zip Code 5 digit or 9 digit
 Latitude/Longitude



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