



Office of the State Comptroller

PAYROLL BULLETIN

Subject 1995 Tax Refunds for Education Assistance	Bulletin No. P-928
	Date December 12, 1996

Section 127 of the Internal Revenue Code, which excludes from income up to \$5,250 per year of employer-provided, non-job related educational assistance, had expired for taxable years beginning after December 31, 1994. The Small Business Job Protection Act retroactively reinstates the exclusion as of January 1, 1995.

OSC will automatically refund the 1995 Social Security and Medicare overpayments resulting from the reinstatement of this exclusion. Agencies must prepare the W-2C statements that will allow employees to file amended tax returns to obtain a refund of the overpaid withholding taxes.

A listing of employees who were reported with Education Assistance for 1995, a supply of W-2C's and an example of a completed form is being sent in a separate mailing. Use this listing to prepare the W-2C's. Please review this listing and report any discrepancies to Bob Phelan (518) 473-1989.

The State usually issues separate W-2's for payments made in each agency. The W-2C must include all income from the State. Therefore, the W-2C you are preparing is to correct and replace all the W-2's originally issued by the State of New York.

The Social Security and Medicare refund checks will be issued in December. Employees may file for refunds on income taxes they paid for 1995 on Form 1040X, Amended U.S. Individual Income Tax Return, and attach it to Form W-2C.

Please return the Employer's copy of the W-2C to the address listed below.

Office of the State Comptroller
A.E. Smith State Office Building
Payroll Deduction Section
Albany, New York 12236
Attention: Bob Phelan