



# PAYROLL BULLETIN

Subject  1996 W-2 Year End Processing	Bulletin No.  P-931
	Date  December 20, 1996

## Year-End Processing Schedule

Employee copies of 1996 W-2 forms will be prepared by the Office of the State Comptroller (OSC) and mailed to the agency payroll units for distribution before January 31, 1997.

W-2's for the 1996 calendar year will include earnings paid on checks dated:

Administration	-	1/10/96 through 12/24/96
Institution	-	1/4/96 through 12/19/96

If OSC processed a typewritten payroll (AC-39) at anytime during 1996, these earnings are included in the W-2 form forwarded to the payroll agency.

An employee who has worked for more than one State agency during the year will receive a W-2 from each agency. Each W-2 will show the withholding and Social Security/Medicare deductions made during his or her employment in that agency. Workers' compensation supplemental payments will continue to be included in the W-2 from the employee's main agency.

In order that the refunds for the checks of 1996 be properly reflected in the W-2 issued to each employee, the following deadlines must be adhered to:

- (A) For Institution agencies, submit AC-230's so that they will be received in the Office of the State Comptroller no later than December 26, 1996.
- (B) For Administration agencies, submit AC-230's so that they will be received in the Office of the State Comptroller no later than December 31, 1996.

If AC-230's are not received by these deadlines, the agency payroll unit will be responsible for replacing the original W-2's with corrected W-2 forms. All AC-230's processed prior to the production of the 1996 W-2's will be reported on the PDL-27.

## 1996 W-2 Form

The OSC printed 1996 W-2 form has changes in accordance with IRS regulations. The form will remain an 8-1/2 X 12 single sheet.

The top left of the form is a reconciliation of the individual's gross pay to taxable wages. The Name/Address block will contain the agency code, item number and check sort code, as well as the employee's name, address and Social Security number.

The "Wages, Tips and Other Compensation" (Box 1) is the employee's gross pay minus any non-taxable amounts for tax deferred annuities, deferred compensation, non-taxable maintenance, 414(H) contributions, non-taxable health, dependent care and WC excluded amount.

The "Social Security/Medicare Wages" (Boxes 3 and 5) starts with the employee's gross pay and subtracts non-taxable maintenance, non-taxable health insurance, dependent care and WC excluded amount to arrive at taxable Social Security and/or Medicare wages.

Non-taxable health, non-taxable maintenance and non-taxable retirement (414H) are generally reductions to taxable wages. However, when the amount is preceded by the word "REFUND" and a plus (+) sign the amount is added to taxable wages. This condition occurs when the employee received a check this year for a refund of either non-taxable health, non-taxable maintenance or non-taxable retirement (414H) amounts reported as non-taxable last year. These amounts are now taxable wages in the current year.

The information which will appear on the W-2 is described below:

Box 1 **Wages, Tips and Other Compensation**

Taxable wages are reported in this box.

Box 2 **Federal Income Tax Withheld**

The total federal income tax withheld is in this box.

Box 3 **Social Security Wages**

The wages subject to Social Security taxes, not to exceed \$62,700.00

Box 4 **Social Security Tax Withheld**

The Social Security tax deducted, not to exceed \$3887.40

Box 5 **Medicare Wages**

All wages subject to Medicare taxes.

Box 6 **Medicare Tax Withheld**

The Medicare tax deducted.

**Box 9 Advance EIC Payments**

Total earned income credit paid to employee.

**Box 10 Dependent Care**

The total dependent care deductions.

**Box 12 Taxable Fringe Benefit**

The taxable fringe benefit amount. This amount is included in Box 1, and will be the sum of the value of personal use of a State vehicle, transportation fringe benefits (parking) in excess of IRS excludable amounts, and pre-paid legal expense.

**Box 13 See Employee Notice**

If there is an amount in Box 13, there will be a letter code next to it. The codes are as follows and are also explained on the reverse of the W-2.

E - Section 403 (b) contributions

G - Section 457 contributions

P - Excludable moving expense reimbursements

**Box 14 Other**

If there is an amount in Box 14, there will be a three letter code next to it. The codes are as described below and are also explained on the reverse of the W-2.

All amounts except 414(H) contributions and WC Excluded Amount are included in Box 1. The 414(H) contributions are not included in Box 1 but must be reported for State and local taxes.

UTA - Uniform Tool Allowance

EXP - Taxable Expense - This code is used for payments of "lieu of expenses", non overnight meal allowances excess, per diem reimbursements or personal car mileage.

EDA - Educational assistance

414(H) - All non-taxable Tier 3 and Tier 4 contributions made to New York State or City retirement systems or to TIAA/CREF. If there is a minus sign (-) with this amount, disregard for state and local taxes.

TXP - Taxable transportation fringe benefits (parking) in excess of IRS excludable amounts. This amount is included in Box 12 and Box 1.

PPL - Pre-Paid Legal expense. This amount is included in Box 12 and Box 1.

IMP - Imputed Income - The value of the employers' contribution for employees with Domestic Partner Health Insurance.

WCX - Workers compensation excluded amount. This is the amount that has been awarded by NYS WC Board, which is excluded from the gross pay.

(NOTE: Multiple W-2's will be issued for employees with more than 4 items in Box 14.)

**Box 15 - State**

A two letter code from the list below indicating which State income taxes were withheld.

NY - New York  
IL - Illinois  
DC - District of Columbia

**Box 18 - State Income Tax**

The total State tax withheld is reported in this box.

**Box 19 - Name of Locality**

Name of locality if local income tax was withheld for New York City and/or Yonkers.

**Box 21 - Local Income Tax**

Total local tax withheld. If both, New York City tax withheld is on top and Yonkers tax withheld directly below in the same box.

**Employer's Name and Address**

This information will be printed on all copies of the W-2 and include the State's Federal ID # (14-6013200) and Social Security Administration numbers (69-0210001). All City University W-2's will include their Federal ID# (13-3893536).

**Listings**

In addition to the employee W-2's, agencies will receive the following listings:

- POL-23 - An alphabetic listing of all employees provides agency code/line number, name, address, Social Security number and activity status (A-Active, I-Inactive).
- PRG-16 - W-2 Payroll Summary Listing provides wages and tax information as reported on the W-2's. The listing classifies employees first into active and inactive categories, and secondly into a missing address category. Agencies must add the address to the W-2 form if it is missing. Missing addresses for active employees should be reported through the Deduction Processing On-Line system or on an AC-1040 and submitted in the usual manner for the next payroll period.
- PDL-27 - W-2 Adjustment Listing reports all AC-230 Salary Refunds and miscellaneous adjustments processed after the last payrolls of the year are paid, but before the W-2's are printed. The W-2's produced by the Office of the State Comptroller are adjusted by the amounts shown on this W-2 Adjustment Listing. It is not necessary to prepare a corrected W-2 for AC-230's and other adjustments reported on this listing.
- PAL-15 - Computed Social Security/Medicare Wage Differences. When the Gross Wages minus Non-Taxable Health Insurance, Non-Taxable Maintenance and Dependent Care do not equal the actual Social Security/Medicare wages, the narrative "OTHER" will appear with the computed difference. This means that there is not sufficient information in the payroll record to balance the Social Security/Medicare wages.

**Distribution of W-2's**

W-2's must be issued to employees so they are received by January 31, 1997.

When mailing the W-2's to employees, use a standard size window envelope and fold in the following manner:

- A. Fold at the first perforated line near the middle of the sheet.
- B. Fold back at the dotted line which appears across the top of the employee's reconciliation statement.

Insert in the envelope so the name/address block on the reconciliation appears in the window.

### **Corrected and Reissued W-2's**

Occasionally, agencies must correct or reissue a W-2. A supply of 4-part W-2's will be sent to each agency for this purpose. The 1996 4-part W-2 is printed 3 forms per page.

The 4-part W-2's must be prepared in separate groups for corrected and reissued forms.

#### **1. Reissued W-2's**

When a W-2 Form is lost or destroyed a substitute 4-part W-2 Form must be prepared by the agency and issued to the employee. The original information should be taken from the PRG-16 (W-2 Payroll Summary Listing) which contains the information exactly as reported on the W-2. It must be clearly marked "**REISSUED STATEMENT**". Copies B, C and 2 are given to the employee.

Agencies can reissue W-2 forms for any year when requested by an employee.

Submit Copy D clearly marked **REISSUED** to the Deduction Section.

#### **2. Corrected W-2's**

Corrected W-2's must have "**CORRECTION**" entered at the top of the W-2. Corrected W-2 Forms copies B, C and 2 are given to the employee.

**DO NOT ISSUE** Corrected W-2's for Social Security deficiencies. The Office of the State Comptroller will handle deficiencies.

When you prepare corrected W-2 statements, a W-2 correction worksheet must also be completed and returned to OSC. A supply of W-2 Correction Worksheets will be included with your W-2's. If additional forms are necessary, photocopies should be used.

The W-2 Correction Worksheet for 1996 includes the following information:

1. Agency Code.
2. Employee's Name, Social Security Number and Line Number. (Use the line number that appears on the W-2 listing.)
3. The originally reported W-2 information.
4. The corrected W-2 amount(s).
5. The difference between the original W-2 and corrected W-2 amount(s).

6. Reason for the corrected W-2. The reason codes are found on the bottom of the W-2 Correction Worksheet.

Submit Copy D along with the W-2 Correction Worksheet(s) explaining the changes, and all copies of all original W-2's so that they are received in the O.C. Payroll Deduction Section as soon as possible.

**NOTE:** When replacing a W-2, do not increase the Social Security wage or tax beyond the maximum amount. In cases where an employee's deductions for Social Security exceeds the maximums (\$62,700 and \$3887.40 respectively) the Payroll Deduction Section of the Office of the State Comptroller should be contacted at (518)473-1989 so that a refund may be generated.

Mail all Copy D's with required attachments to:

Office of the State Comptroller  
Deduction Section-Bureau of Payroll Audit  
A.E. Smith State Office Building - 8th Floor  
Albany, New York 12236

### **Undeliverable and Unused W-2 Forms**

- (A) All copies of the Office of the State Comptroller issued W-2 forms that are undeliverable must be returned to the O.C. Payroll Deduction Section at the address shown above. The forms must be received in the Office of the State Comptroller by June 6, 1997.
- (B) All blank 4-part W-2's may be retained by the agency for future use. The forms should be stored in a secure location and should not be issued without the authorization of the agency payroll officer.

### **Questions**

Questions concerning W-2's should be directed to Robert Phelan at (518)473-1989.

