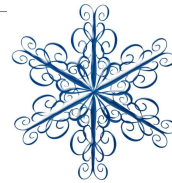


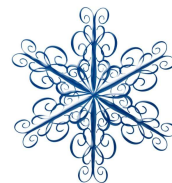
USPS Calendar Year~End Review

2019



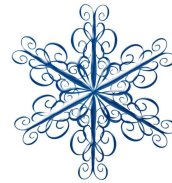
Agenda

- Pre-W2
- Before and After Final Pay
- W2Processing:
 - Processing W2's from a Backup
 - W2 Preparation
 - IRS W2 Instructions
 - W2 Submission File Creation
 - W2 Printing
 - W2 Corrections
- Calendar Yearend Closing
- Preparing for 2020



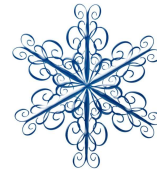
Please Use Checklist

- This is not the complete checklist - Use this presentation to supplement the actual Calendar yearend checklist
- Some commands have changed – do not use previous checklists



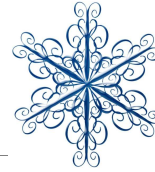
3

PRE-W2



PRE-W2

Confirm Name/SSN



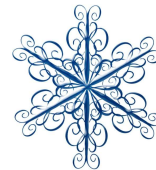
SSN/Name confirmation is available by sending a file to SSA

- Register with SSA/Business Services Online
 - <http://www.ssa.gov/bsowelcome.htm>
 - This takes a few weeks if not already registered
- Run W2MAINT to create a file to upload to the site

5

PRE-W2

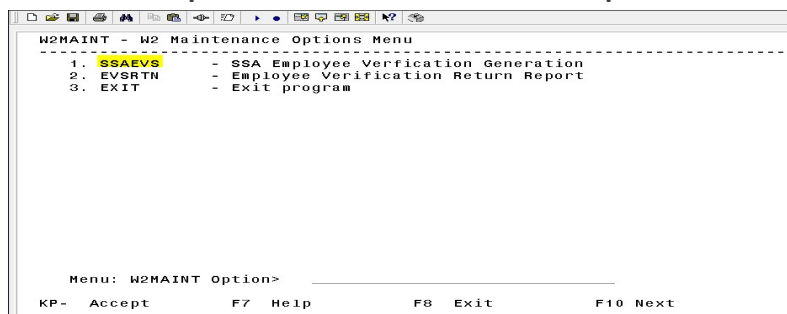
W2MAINT to confirm Name/SSN



SSN/Name confirmation is available by sending a file to SSA

<https://wiki.ssd-t-ohio.org/display/usps/W2MAINT+-+W2+Maintenance>

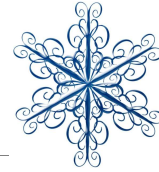
The SSAEVS option in W2MAINT needs to be processed



6

PRE-W2

W2MAINT to confirm Name/SSN



SSAEVS - SSA Employee Verification Service

Report File Specifications:
Electronic or paper submission? (E,P): E

Selection Criteria:
To select ALL employees on file, leave the following options blank.

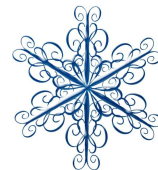
Termination date: / /
Hire date: / /
Last paid date: / /

1 of 1

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

7

Before Last Pay



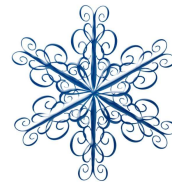
Before Last Pay Step 1

Employee Expense Reimbursement

Employee Expense Reimbursements:

Some fringe benefits are Federal, State, and/or Medicare/FICA taxable, please see:

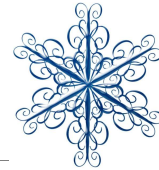
- IRS Pub. 15-B Employer's Tax Guide to Fringe Benefits
- [IRS Publication Taxable Fringe Benefit Guide \(p5137\)](#)



9

Before Last Pay

Employee Expense Reimbursement



Process Taxable Fringe Benefits in USPS:

- UPDCAL_CUR- NC3 pay type – to tax when entered into payroll:
 - Federal/Medicare
 - Ohio
 - City (if applicable)
 - OSDI

**not included in the payroll total gross*

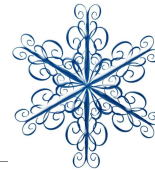
Included in the Adjusted Gross amount on PAYRPT

- adds NC3 amounts to the "Tax. Ben" field on the 001 deduction
- Increases the total and taxable gross amounts on the Federal, Ohio, Medicare, OSDI and **Municipality (if flagged "Y" to non-cash earnings)**
- Non-cash amount increased on job record.

10

- Will increase the **total and taxable gross amounts** on the Deductions Screen by the amount of the NC3 payment on the Federal, Ohio, OSDI, Medicare and Municipality if “Y” to non-cash earnings.

Before Last Pay Employee Expense Reimbursement



NC3 Pay Type:

W2PROC

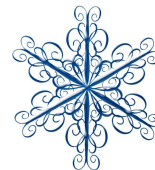
- The taxable benefit amount will be listed on W2REPT under the employees federal information

0000024 222-22-2204 SHERRY M SEEARS

001 FED TAX	1,651.53	10,877.00	12,185.53	1,308.53
TAXABLE BENEFIT	100.00			
002 OH TAX	164.27	10,877.00	12,185.53	1,308.53
003 CITY1	182.77	12,185.53	12,185.53	0.00
MEDICARE	176.63	12,185.53	12,185.53	
Retire Plan Box Checked				

13

Before Last Pay Group Term Life Insurance



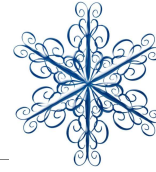
Group Term Life Insurance coverage over the limit- IRS Publication 15-B pages 12-14 (<http://www.irs.gov/pub/irs-pdf/p15b.pdf>) contains the calculation table to figure the cost:

Table 2-2. Cost Per \$1,000 of Protection For 1 Month

Age	Cost
Under 25	\$.05
25 through 29	.06
30 through 34	.08
35 through 39	.09
40 through 44	.10
45 through 49	.15
50 through 54	.23
55 through 59	.43
60 through 64	.66
65 through 69	1.27
70 and older	2.06

14

Before Last Pay Group Term Life Insurance



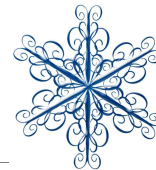
NC1 Calculator for Group Term Life Insurance over 50K

<http://www.mveca.org/FiscalMainPage/CalendarYearendDocumentation>

NC1 Calculator			
Total Insurance Provided	100,000.00	Insurance Total Cost	\$ 60.00
AGE	44	Total Premium Paid by Employee	\$ -
Cost Per Thousand	0.10	Total Premium Taxable to Employee	\$ 60.00
Number of Months Enrolled	12.00		

15

Before Last Pay Group Term Life Insurance



Add NC1 pay types to UPDCAL_CUR to avoid INICAL balancing issues
(add the NC1's after the final run of INICAL):

- No Federal, Ohio, or OSDI tax amounts will be withheld
- Medicare or Social Security employee and board amounts calculated and withheld
- City tax withholding on non-cash earnings if "Tax non-cash earnings" flag is Y (yes)

The amount of the NC1 payment:

- will be added to the 001 federal tax deduction In the "Life Ins. Cost" field
- Increases the total and taxable gross amounts on the Federal, Ohio, Medicare, and Municipality (if flagged "Y" to non-cash earnings)
- Non-cash amount increased on job record.

16

**If you forget to enter NC1 pay type before the last pay, see documentation on MVECA/Fiscal Main Page/Calendar Yearend Documentation/ NC1 Payroll Processing Instructions.*

- Check W2ERR.TXT to determine if adjustments are needed on the next payroll
- Review and correct warnings and errors, if needed

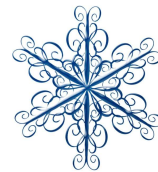
Before Last Pay – Check W2REPT

Verify that all employees have a Medicare deduction, except for those who were hired before April 1, 1986.

- The non-Medicare employees are listed in the top section of the W2REPT, along with those employees that have a FICA (no Retirement) deduction.
- If a past non-Medicare employee is rehired, they will now need a Medicare deduction.
- If a Medicare deduction error has been made and is caught before the last pay, the employee and board deduction can be caught-up in time for the 2019 W2.

19

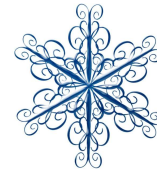
After Final Pay



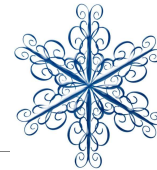
After Final Pay for 2019

- Complete **Month End Closing** for December (**Step 4-6**)
- Start the **Quarter End Closing** for the 4th quarter (**Step 7-17**)

Look for the new Quarter-End Documentation on our website:



After Final Pay for 2019



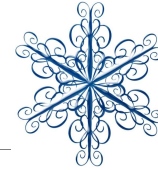
New Reports to help with Quarter End Balancing of ODJFS:

USPS_LCL Nov 07 17	Locally Defined Programs and Utilities Local Menu
31. LASTPY	Last Pay of Contract
32. NOODJFS	ODJFS Report - ODJFS=N
33. OAPSE	EMPLOYEE LISTING FOR OAPSE DEDUCTION WITH YTD GROSS AND DOB
34. ODJFSOTHER	ODJFS Report - 002 with Stop Date and ODJFS=Y

Helpful balancing hints for the ODJFS Report:

- Board Member (elected officials) and student workers should be excluded from the report
- NC1 and NC3 pay types not included in the totals on the ODJFS Report

Processing W2s from backup



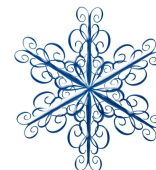
Pressed for time to process the first pay in January or waiting on Third Party Sick Pay from a vendor?

.....you can do all W2 Processing from a backup data set.

To accomplish this you will need to:

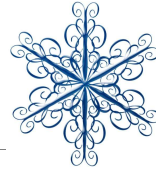
- Run the backup, **USPSBACKUP (Step 40)**
- Finish the Quarter End Closing process **(Step 41-42)**
- Send email to helpfiscal@mveca.org to request a demo with your yearend backup
- Process first pay in January, 2020
- Complete W2 PROCESSING from demo account (Step **18-35**)

W2 Prep



W2-Prep Step 18

Employer Sponsored Health Care Cost



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.

A flag was added to REG and ANN deduction screens in DEDNAM:

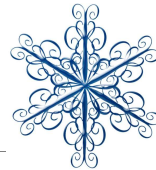
“Include as employer-sponsored health coverage?”

If answered “Y” the YTD deduction totals will be included in the total moved to the employees W2 – Box 12 with code DD

If both employee **and board deductions** are processed in USPS, the total amount of all deductions flagged will be calculated

W2-Prep Step 18

Employer Sponsored Health Care Cost



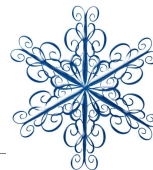
Run Report YTDESHC

- Life, Dental and Vision are not required to be included if they are separate plans and not included as part of the medical plan
- **Employer-sponsored Health coverage is required for employers who filed 250 or more W2's for the preceding calendar year**
- This is reported in Box 12 Code W * EMPLR HTH total includes both employee and employer contributions. (HSA is not included)

<http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>

W2-Prep Step 18

Employer Sponsored Health Care Cost



Find: 501 Add Type: _____

Code: 503 Type: ANN Name: HEALTH INSURANCE
 Required: 1 Abbrev: HEALTH W2 Abbrev: HEALTH

PAY TO INFORMATION

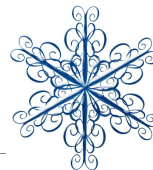
Vendor: 910273 Name: REMIT VIA VENDOR PAYMENT Phone: (____) ____ - ____
US BANK SINGLEPOINT FAX : (____) ____ - ____
 Address: EMAIL REPORTS TO Payment cycle : M
CONNIE.WRIGHT@EPCSCHOOLS Electronic Pmt: Y
.ORG, OH ____ - ____ Suppress SSN/ID: I

Print Board Amts: N Annuity type: D ACH Transfer Type/Id: _____
 Certified Obj : _____ Include as employer-sponsored health coverage?: Y
 Classified Obj: 251
 Other Object : 251



W2-Prep Step 18

Employer Sponsored Health Care Cost

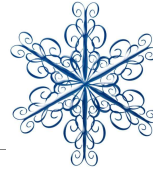


If the employee and/or board premiums are not processed through payroll, complete these manual entries:

- The amount paid by the employee for insurance along with the board share paid should be entered in the "Emplr Hth" field on the employee's 001 Deduction record.
 - Any manual entry or upload will not be overwritten when W2 Tape file is generated..
- Use USPLOAD to upload the employee and board share totals:
 - If the district only tracks the employee portion of health care costs in USPS, the district will need to create a spreadsheet with a total of employee and board share YTD amounts. Load the total into the 001 Ded field EMPLR HTH.
 - USPSLoad headers: EMPLOYEE_ID, DED_CODE (001) and EMPLR_HEALTH_COV

W2-Prep Step 18

Employer Sponsored Health Care Cost



Deduction type - Federal Tax		Name: INTERNAL REVENUE SERVICE/FEDTX	
Calculate option: E	# exemptions: _	Fringe benefits:	_____
Tax percent : _____	Pension plan: A	Life Ins. cost :	_____
Add'l withhold : _____	Hth Reimb: _____	Adopt. assist. :	_____
Error adjustment: _____	Emplr Hth: _____	Dependent care :	_____
Marital status : _	Move Exp : _____	Third party pay:	_____
	Tax. Ben : _____	Vehicle lease :	_____
	Accum	QTD Totals	FYTD Totals YTD Totals
Deduct total : _____	_____	_____	_____
Gross pay : _____	_____	_____	_____
Taxable gross : _____	_____	_____	_____
Add withhold : _____	_____	_____	_____

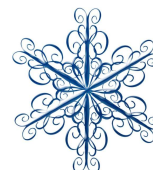
29

W2-Prep Step 18

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-

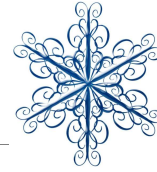
- If not wanting to use BRDDIS, leave
- OBJ code fields in DEDNAM record
- blank.



30

W2- Prep Step 19

HSA



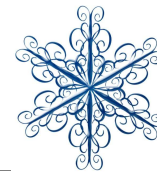
Health Savings Account (HSA)

- Annuity Type in DEDNAM must be set to "I" even if there are no employee amounts withheld.

31

W2-Prep Step 19

Deduction Annuity Type



```
Code: 510      Type: ANN      Name: HEALTH SAVINGS ACCOUNT
Required: 1    Annuity Type Options
Vendor: _____
*****
* For Section 125 annuities, please contact *
* legal or tax advisors for information on *
* processing.                               *
*****
A - 401 (k)
B - 401 (a), SERS and STRS
C - 403 (b)
D - Section 125, treated as nonwages
E - 457
F - 408 (k) (6)
G - 501 (c) (18) (d)
H - Section 125, treated as wages
I - Section 125, Health Savings Acct(HSA)
<CR> - Other

ne: ( ) -
: ( ) -
ment cycle : M
ctronic Pmt: N

Print Board
Certified 0
Classified
Other Objec

PFkey F6
DEDNAM - De
```



32

W2-Prep Step 20

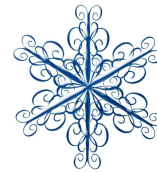
Pension Plan

Check the Pension Plan fields on federal tax (001) deduction record

A = automatically check the pension plan box if there is an active retirement record (This is the typical option)

Y = Yes, check the pension plan box regardless of the status or no retirement record

N = No, never check the pension plan box



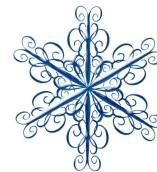
33

W2-Prep Step 20

Pension Plan

Deduction type - Federal Tax Name: INTERNAL REVENUE SERVICE/FEDTX
Calculate option: E # exemptions: Fringe benefits: _____
Tax percent : _____ Pension plan: A Life Ins. cost : _____
Add'l withhold : _____ ~~Hth Reimb~~ Adopt. assist. : _____
Error adjustment: _____ Emplr Hth: _____ Dependent care : _____
Marital status : - Move Exp : _____ Third party pay: _____
Tax. Ben : _____ Vehicle lease : _____

	Accum	QTD Totals	FYTD Totals	YTD Totals
Deduct total :	_____	_____	_____	_____
Gross pay :	_____	_____	_____	_____
Taxable gross :	_____	_____	_____	_____
Add withhold :	_____	_____	_____	_____



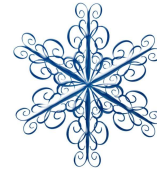
34

W2-Prep Step 21-22

City Tax Deductions

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

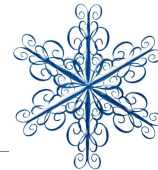
*Xenia City and WCH require an electronic file, so they **must have a tax entity code**.*



35

W2-Prep Step 21-22

City Tax Deductions

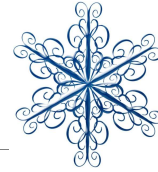


Find: _____	Add Type: _____	
Code: <u>023</u>	Type: <u>CITY</u>	Name: <u>ROSSFORD CITY</u>
Required: <u> </u>	Job Level: <u> </u>	Abbrev: <u>ROSSFORD</u> W2 Abbrev: <u>ROSSFORD</u>
PAY TO INFORMATION		
Vendor: _____	Name: <u>R.I.T.A</u>	Phone: <u>(800)860-7482</u>
		FAX : <u>() -</u>
	Address: <u>PO BOX 94736</u>	Payment cycle : <u>Q</u>
		Electronic Pmt: <u>N</u>
	<u>CLEVELAND</u> , OH <u>44101-4736</u>	Suppress SSN/ID: <u>S</u>
Tax Entity code: <u>ROSS</u>	RITA: <u>703</u> <u>Y</u>	Honor Annuities
Tax Med/FICA pickup: <u>N</u>	<u>ROSSFORD</u>	401a: <u>N</u> 401k: <u>N</u>
Tax Non-Cash Earn : <u>N</u>	CCA : <u> </u> <u>-</u>	403b: <u>N</u> 408k: <u>N</u>
Tax Board Amounts : <u>N</u>		457 : <u>N</u> 501c: <u>N</u>
		125 nonwages: <u>Y</u>
		125 as wages: <u>N</u>
		Other: <u>N</u>

36

W2-Prep Step 21-22

City Tax Deductions



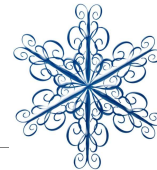
CCA/RITA Reporting

- 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

37

W2- Prep Step 21-22

City Tax Deductions

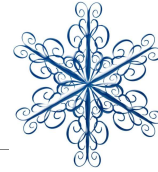


Find: _____ Add Type: _____		
Code: <u>023</u>	Type: <u>CITY</u>	Name: <u>ROSSFORD CITY</u>
Required: <u> </u>	Job Level: <u> </u>	Abbrev: <u>ROSSFORD</u> W2 Abbrev: <u>ROSSFORD</u>
P A Y T O I N F O R M A T I O N		
Vendor: _____	Name: <u>R.I.T.A</u>	Phone: <u>(800)860-7482</u>
Address: <u>PO BOX 94736</u>		FAX : <u>() -</u>
<u>CLEVELAND</u> , <u>OH 44101-4736</u>		Payment cycle : <u>Q</u>
		Electronic Pmt: <u>N</u>
		Suppress SSN/ID: <u>S</u>
Tax Entity code: <u>ROSS</u> RITA: <u>703</u> <u>Y</u>		Honor Annuities
Tax Med/FICA pickup: <u>N</u> <u>ROSSFORD</u>		401a: <u>N</u> 401k: <u>N</u>
Tax Non-Cash Earn : <u>N</u> CCA : <u> </u> <u>-</u>		403b: <u>N</u> 408k: <u>N</u>
Tax Board Amounts : <u>N</u>		457 : <u>N</u> 501c: <u>N</u>
		125 nonwages: <u>Y</u>
		125 as wages: <u>N</u>
		Other: <u>N</u>

38

W2-Prep Step 21-22

City Tax Deductions

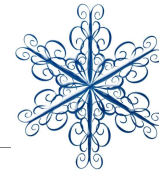


- **Verify DEDSCN "Employ/Residence" value must be on all city deductions that report to CCA or RITA**
 - Is this city tax record required because of the employees place of:
C = Employment R = Residence
- See the following web sites for complete details regarding
C-Employment
R- Residence reporting for RITA and CCA:
- <https://www.ritaohio.com/Businesses>
 - <http://ccatax.ci.cleveland.oh.us/?p=rulesregs#Section301>

39

W2- Prep Step 21-22

City Tax Deductions



City DEDSCN

ID: 111111111 Code: 003 Name: DEFAULT
 Type: Municipality Tax Name: YELLOW SPRINGS
 Tax percentage : 1.500 Start: 00/00/0000 **Employ/Residence: C**
 Addt'l withhold : Stop : 00/00/0000
 Error adjustment: User Defined Fields:
 Percent of gross: Amount 1: Amount 2:

C=EMPLOYMENT; R=RESIDENCE

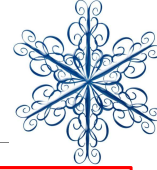
Verify this field is populated with the correct information

Employee Deduction Detail			
CITY - 003 - YELLOW SPRINGS			
Tax Percentage	1.50	Start Date	
Additional Withholding	0.00	Stop Date	
Error Adjustment	0.00	Employment/Residence	Employment ▼
Percentage of Gross	0.00		

40

W2- Prep Step 23

OSDI W2 Abbreviation



OSDI abbreviations

- ❖ Include OSDI code number in first part of description in USPSDAT/DEDNAM

Verify the
School District
Code is listed
first on the W2
Abbrev line

Find: 800 Add Type: _____

Code: 800 Type: OSDI Name: CLIFFORD SCHOOL DIST. INC. TAX

Required: 1 Abbrev: CLIFFORD W2 Abbrev: 1991CLIF

P A Y T O I N F O R M A T I O N

Vendor: 1271 Name: SCHOOL DISTRICT INCOME TAX Phone: (____) ____-____

Address: 66 SCHOOL HOUSE ROCK RD FAX : (____) ____-____

W H O V I L L E, OH 66890-____ Payment cycle : M

Electronic Pmt: N

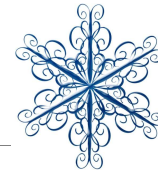
Suppress SSN/ID: _____

OSDI Code: 1991

41

W2- Prep Step 25

Fringe Benefits



- Contact legal advisor with questions
- *Enter taxable amount in fringe benefit field
- on the federal tax record
 - All tuition 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: MID AM

Calculate option: E # exemptions: _____ Fringe benefits: 150.00

Tax percent : _____ Pension plan: A Life Ins. cost : _____

Add'l withhold : _____ Hth Reimb: _____ Adopt. assist. : _____

Error adjustment: _____ Emplr Hth: _____ Dependent care : _____

Marital status : 2 Move Exp : _____ Third party pay: _____

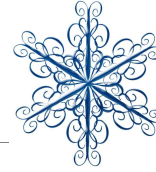
Tax. Ben : _____ Vehicle lease : _____

	Accum	QTD Totals	FYTD Totals	YTD Totals
Deduct total :	<u>255.82</u>	<u>1757.07</u>	<u>2118.39</u>	<u>2118.39</u>
Gross pay :	<u>3202.70</u>	<u>19291.20</u>		<u>22493.90</u>
Taxable gross :	<u>2825.40</u>	<u>17405.13</u>		<u>20309.97</u>
Add withhold :				

42

W2- Prep Step 26

Dependent Care



If using DPCARE type

- 001 Dependent Care field will be populated with amount deducted once W2 tape file has been generated.

If not using DPCARE type

If not using the DPCARE deduction type

***Manually enter dependent care amounts into the federal tax field for dependent care.**

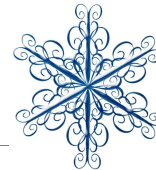
Max benefit-\$5000.00

**If 6,000 was contributed to the Dependent Day Care FSA,
then 1,000 becomes taxable.**

43

W2- Prep Step 26

Dependent Care

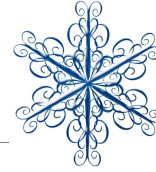


Deduction type - Federal Tax		Name: FEDERAL TAX	
Calculate option: <u>E</u>	# exemptions: <u> </u>	Fringe benefits: <u> </u>	
Tax percent : <u> </u>	Pension plan: <u>Y</u>	Life Ins. cost : <u> </u>	
Add'l withhold : <u> </u>	Hth Reimb: <u> </u>	Adopt. assist. : <u> </u>	
Error adjustment: <u> </u>	Emplr Hth: <u> </u>	Dependent care : <u>6000.00</u>	
Marital status : <u>1</u>	Move Exp : <u> </u>	Third party pay: <u> </u>	
	Tax. Ben : <u> </u>	Vehicle lease : <u> </u>	

44

W2- Prep Step 27

Vehicle Lease



Use of Company Vehicle

- Manually enter the leased vehicle value amount into the federal tax 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.

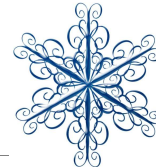
Deduction type - Federal Tax		Name: MID AM	
Calculate option: E	# exemptions: _____	Fringe benefits: _____	
Tax percent : _____	Pension plan: A	Life Ins. cost : _____	
Add'l withhold : _____	Hth Reimb: _____	Adopt. assist. : _____	
Error adjustment: _____	Emplr Hth: _____	Dependent care : _____	
Marital status : 2	Move Exp : _____	Third party pay: _____	
	Tax. Ben : _____	Vehicle lease : _____	

	Accum	QTD Totals	FYTD Totals	YTD Totals
Deduct total :	255.82	1757.07	2118.39	2118.39
Gross pay :	3202.70	19291.20		22493.90
Taxable gross :	2825.40	17405.13		20309.97
Add withhold :				

45

W2- Prep Step 27

Excludable Moving Expense



Excludable moving expenses ****Active Military Only****

Reimbursements, including payments made directly to a third party, for ACTIVE MILITARY 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.

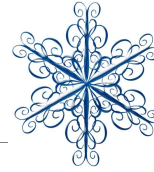
Deduction type - Federal Tax		Name: MID AM	
Calculate option: E	# exemptions: _____	Fringe benefits: _____	
Tax percent : _____	Pension plan: A	Life Ins. cost : _____	
Add'l withhold : _____	Hth Reimb: _____	Adopt. assist. : _____	
Error adjustment: _____	Emplr Hth: _____	Dependent care : _____	
Marital status : 2	Move Exp : 1600.00	Third party pay: _____	
	Tax. Ben : _____	Vehicle lease : _____	

	Accum	QTD Totals	FYTD Totals	YTD Totals
Deduct total :				
Gross pay :	62.00	928.00		990.00
Taxable gross :	55.80	921.80		983.80
Add withhold :				

46

W2- Prep Step 29

Third Party Pay



Did another entity report taxes withheld for third party sick payments?

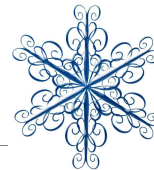
If disability pay **deduction** is taken **after tax**, third party disability payments are **NON-TAXABLE**

- Add the amount paid to the employee in the **Third Party Pay field on the 001** federal deduction
- Amounts from this field will appear in box 12 with a code of J on W2

47

W2- Prep Step 29

Third Party Pay



ID: 111111111 Code: 001 Name:

Deduction type - Federal Tax

Name: FEDERAL TAX

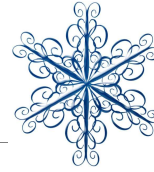
Calculate option: E	# exemptions: _	Fringe benefits: _____
Tax percent : _____	Pension plan: Y	Life Ins. cost : _____
Addtl withhold : _____	Hth Reimb: _____	Adopt. assist. : _____
Error adjustment: _____	Emplr Hth: _____	Dependent care : _____
Marital status : 1	Move Exp : 1600.00	Third party pay: _____
	Tax. Ben : _____	Vehicle lease : _____

	Accum	QTD Totals	FYTD Totals	YTD Totals
Deduct total :	_____	_____	_____	_____
Gross pay :	_____	_____	_____	_____
Taxable gross :	_____	_____	_____	_____
Add withhold :	_____	_____	_____	_____

48

W2- Prep Step 29

Third Party Pay



Taxable Third Party Sick Pay

- Users need to **manually add** the Third Party Sick pay amount to the **total and taxable gross** fields on the **federal, Ohio and OSDI** records as needed
- Medicare – increase the total Medicare tax by any amounts the company withheld from the benefit (See Third Party Sick Pay Instructions for more details)
- Will cause gross amount on W2REPT to be higher
 - See Third Party Sick Pay Instructions
 - See Third Party Sick Payment Notification example

See Publication 15a, Pages 15-21 and W2 Instructions page 11

49

EXAMPLE : Third Party Sick Payment Notification

IMPORTANT TAX INFORMATION
YEAR-TO-DATE THIRD PARTY SICK PAY DISABILITY REPORT PREPARED QUARTERLY
 PREPARED BY AMERICAN FIDELITY ASSURANCE COMPANY
 AMERICAN FIDELITY EDUCATION SERVICES

(A) EMPLOYEE SSN NAME & ADDRESS	(D) PLAN	(E) GROSS DISABILITY BENEFIT PAID	(F) FIT WITHHELD	(G) BENEFIT PAID DURING 1ST MOS OF DISABILITY OR FICA/MEDICARE WAGES (BASED UPON EMPLOYER %)	(H) FICA WITHHELD	(I) MEDICARE WITHHELD
	809	3,000.00	0.00	3,000.00	0.00	0.00
	809	1,400.00	84.00	1,400.00	0.00	20.30
TOTAL		4,400.00	84.00	4,400.00	0.00	20.30

REFER TO THE BACK OF THIS FORM FOR A DETAILED EXPLANATION OF EACH COLUMN.

IF TAXABLE, INCREASE GROSS & TAXABLE GROSS ON FED, OH & OSDI RECORDS BY THIS AMOUNT

AMOUNT SHOULD BE ENTERED IN W2PROC AS TAX WITHHELD BY 3RD PARTY

IF TAXABLE, INCREASE GROSS & TAXABLE GROSS ON MEDICARE & FICA RECORDS BY THIS AMOUNT

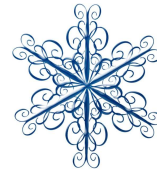
IF THERE IS AN AMOUNT HERE AND IT SHOULD BE THERE, INCREASE THE FICA WITHHELD FOR EMPLOYEE BY THIS AMOUNT. YOU WILL ALSO NEED TO ADJUST YOUR QUARTERLY 941 REPORT.

INCREASE MEDICARE WITHHELD FOR EMPLOYEE BY THIS AMOUNT. YOU WILL ALSO NEED TO ADJUST YOUR QUARTERLY 941 REPORT.

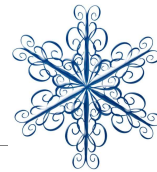
PLEASE REVIEW THIS REPORT IMMEDIATELY!!
 A REFUND MAY BE DUE TO YOUR EMPLOYEES WHO PAID THEIR DISABILITY PREMIUMS WITH AFTER TAX DOLLARS. ALL REQUESTS FOR REFUND OF FICA, MEDICARE AND/OR FIT TAXES WITHHELD IN ERROR MUST BE RECEIVED BEFORE THE W-2 DEADLINE. QUESTIONS? CALL VICKI WITT @ 1-800-462-1113 EXT. 5420

**** NOTE: THESE NOTIFICATIONS MAY VARY BY COMPANY BUT THE CONTENT WILL BE THE SAME REGARDLESS OF APPEARANCE ****

W2 PROC



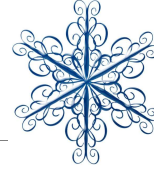
W2PROC Step 30-33



Program used to generate:

- Balancing reports
- W2 print forms
- W2.DAT files for laser printing
- W2CITY.DAT file used for special city submissions
- W2 tape submission file (W2TAPE.SEQ), used for:
 - Federal
 - State
 - Cities (RITA/CCA)
 - Other cities

W2PROC



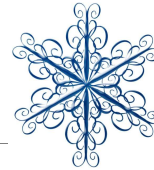
Sort Options:

- S - Sort by SSN
- 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 <S>:

53

W2PROC



If your employees have had Third Party Sick Pay (Disability Payments) paid to them and the Third Party withheld Federal Tax from these payments, the total amount of all Federal Tax withheld for all employees must be entered in this program to be included on the W2 tape file.

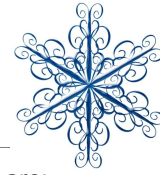
If you believe your employees may have received these types of payments and you have not been notified, you should not create the magnetic tape for submissions yet. These amounts are required for submission on the magnetic tape.

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

Enter Federal Tax amounts withheld by a Third Party Payer:
(Zero if none)

54

W2PROC Type of Employer



Your districts will need to specify what type of employer they are:

- 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

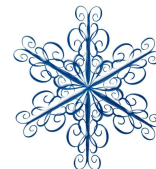
- S - If the school district is part of a local government and has NOT applied for 501C status.
- Y - If the school has applied for 501C status and was granted that non profit status.

55

W2PROC Fringe Benefits/Other Deductions

Do you want Box 14 to print Fringe Benefits if there are any (Y/N <N>)?

- The value in the fringe benefit field on the 001 deduction record is added to the total and taxable gross on the federal and state tax record and placed in box 1, 3 and 5, if applicable, on W2
- It's optional for you to report the fringe benefit amount in Box 14
 - This will take one of the 3 available lines in this box
- Additional deduction codes
 - Allows districts to print additional information in box 14, "Other"
 - Six can be entered
 - Leased vehicle value is always included
 - Fringe Benefit question in W2PROC if answered "Y"
 - Other user values are secondary
 - Prints the first 3 for each employee in the order entered



56

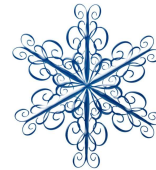
W2PROC

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 <999>:____
Enter 999 to exit. 590

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

Enter a deduction code <999>:____
Enter 999 to exit. 999■

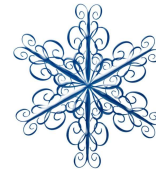


57

W2PROC Balancing

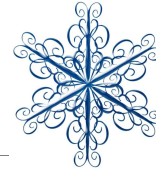
Information on W2REPT.TXT should balance to:

- 941 totals as reported for 4 quarters
- ERNREG/ERNSUM figures
 - Represents amounts as withheld from employees
- QTRRPT figures
 - Represents amounts as current in the YTD figures
- Federal, Ohio, and City taxes and gross amounts



58

W2REPT Balancing

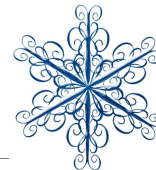


	GROSS	DOCK	NET	DED.CODE	DED.AMT	BD.AMT
TOTALS	2315223.17	2895.26	1616371.93	!		
				001	248885.28	
				! 002	74945.46	
				! 301	3657.31	
				! 302	5454.74	
				! 303	3029.41	
				! 304	1308.89	
				! 306	229.42	
				! 307	920.93	
				! 308	1112.95	
				! 309	4859.91	
				! 310	3528.05	

Amounts in this column on
ERNREG should be used
for balancing

59

W2REPT Balancing

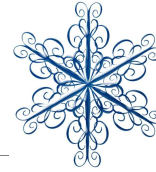


DEDUCTION NAME	DED	QTD TOTAL	YTD TOTAL
FED TAX	001	60,758.46	503,200.36
OHIO TAX	002	18,010.59	140,338.97
BRYAN	003	115.69	581.97
DELTA	004	687.16	5,328.06
PERRYSBG	006	76.47	586.27
SYLVANIA	007	53.53	995.13
TOLEDO	008	928.05	6,715.98
SWANTON	009	140.73	1,163.66
HAUSEON	010	574.58	4,270.96
NAPOLEON	011	45.54	75.90
METAMORA	013	883.60	6,990.99
WATERVIL	014	206.64	2,473.63
BG CITY	015	0.00	0.00
WHITEHO	017	178.26	1,369.80
MICHIGAN	390	1,574.46	10,263.78
---	---	---	---

Check amounts in this
column on QRTRPT should
be used for balancing

60

W2REPT Balancing



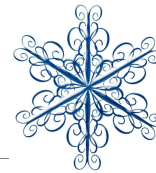
0000273 ** REPORT TOTALS

	COUNT	
001 FED TAX	269	503,200.36
MEDICARE PICKUP		5,636.24
403(B)		114,558.61
SECTION 125		20,034.23
002 OHIO TAX	269	140,338.97
003 BRYAN	1	581.97
004 DELTA	15	5,328.06
006 PERRYSBURG	1	586.27
007 SYLVANIA	4	995.13
008 TOLEDO	12	6,715.98
009 SWANTON	10	1,163.66
010 HAUSEON	15	4,270.96
011 NAPOLEON	1	75.90
013 METAMORA	27	6,990.99
014 WATERVILLE	4	2,473.63
017 WHITEHOUSE	2	1,369.80
390 MICHIGAN	9	10,263.78

Amounts in this column on
W2REPT.TXT should be used for
balancing

61

W2REPT Balancing



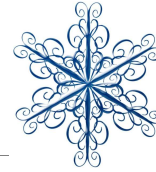
Items that affect balancing between W2PROC and QTRPT

Dependent care benefits over limit

- ❖ Fringe Benefits
- ❖ Medicare pickup amounts
- ❖ Taxable third party sick pay
- ❖ Use of company vehicle
- ❖ Any manual changes to total and taxable gross on federal, Ohio, OSDI and Medicare

62

W2REPT Balancing Problems



Voided checks from prior calendar year

- ❖ CHKSTS report

Refund of annuity withheld in prior calendar year

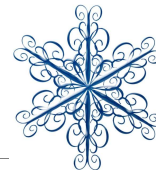
- ❖ AUDRPT

Manual Updates

- ❖ AUDRPT
 - Search for YTD changes

63

W2PROC - Errors



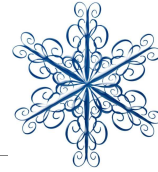
The following list describes errors and warnings that may appear when the W2PROC program is run. Each message is followed by an explanation of its meaning, a possible solution, along with the severity of each message.

The error messages are classified into three categories:

- ❖ Inform
- ❖ Warning
- ❖ Fatal - FataIs flagged with an '****' will cause the tape file to not be created. FataIs flagged without an '****' may cause an inquiry from the SSA/IRS. Messages must be researched thoroughly before adjustments are made.

64

W2PROC Common Messages

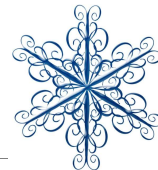


Calculated annuity amount exceeds the total annuities

- ❖ 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

65

W2PROC Common Messages

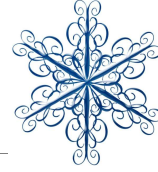


Negative annuity on file for this employee; assuming zero.

- ❖ Usually from refund of a prior year's annuity amount
 - If the desire is 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

66

W2PROC Common Messages

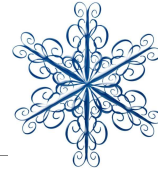


Possible error in OSDI gross or tax

- ❖ 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

67

W2PROC Common Messages

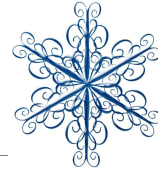


Total annuities \$\$\$, do not equal total gross less taxable gross

- ❖ 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

68

W2PROC Common Messages

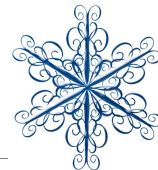


Total annuities \$\$\$, do not equal total gross less taxable gross (*continued*)

- ❖ 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

69

W2PROC Common Messages



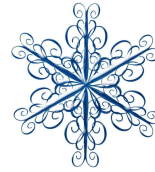
For more explanations on W2PROC Errors, please see

'W2PROC and W2PROC Errors:

www.mveca.org>Fiscal>Calendar Year End>USPS

70

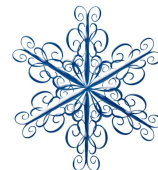
IRS W2 Instructions



IRS W2 Instructions Reviewed

Specific details on W2 form reporting requirements see
General Instructions for Forms W-2 and W-3

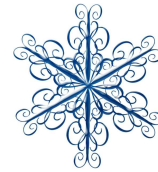
❖ <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>



IRS W2 Instructions Reviewed

Corrections (Page 24- 2018 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
- ❖ Register with SSA/BSO to do online.

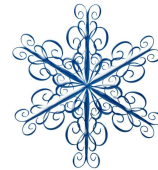


73

IRS W2 Instructions Reviewed

Deceased employee's wages (Page 8 -2018 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



74

IRS W2 Instructions Reviewed

Health Savings Account (HSA) (Page 11- 2018 Instructions for Forms W-2 and W-3)

Lost W2 form (Page 11)

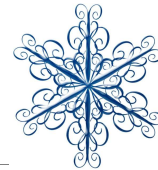
- ❖ You will have access to retrieve your W2s that can be printed on 8-1/2 X 11 copy paper through OnBase
- ❖ Point employee to the kiosk
- ❖ Hand type new form
 - Enter “*REISSUED STATEMENT*” on new copy



75

IRS W2 Instructions

Wages for Box 1, 5 and 16



Notice how you can compare the numbers from the Earnings Register report to the W2 report

	TAX WITHHELD	TAXABLE GROSS	TOTAL GROSS	ANNUITIES
001 FED	32056.19	103479.80	104496.50	1016.70
MEDICARE PICKUP	1501.30			
SECTION 125	956.70			
002 OHIO	5588.04	103479.80	104496.50	1016.70
801 1205SE	999.66	103479.80	104496.50	1016.70
003 SPFLD	84.75	4237.50	4268.75	31.25
MEDICARE	1501.30	103539.80	102995.20	
U.W.	130.00			
ERNREG 1/1/04-12/31/04				
GROSS WAGES PD		102995.20		
Medicare Pickup		1501.30		
Total Gross for Fed and State		104496.50		
-Annuities			1016.70	
TAXABLE GROSS FOR FED AND STATE		103479.80		
GROSS WAGES PD		102995.20		
Medicare Pickup		1501.30		
Total Gross		104496.50		
-Section 125		956.70		
TAXABLE GROSS FOR MEDICARE		103539.80		

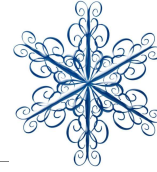
Placed in Boxes 1, 16 & 18 of W2

Placed in Box 5 of W2

76

IRS W2 Instructions

Wages for Box 1, 5, and 16



NC1 and NC3 pay types processed during payroll

- ❖ Federal, State, Medicare Total and Taxable gross is increased by the amount of the payment on each deduction record

Medical Savings Account deduction type

- ❖ Federal and Medicare Total and Taxable gross is increased by the board amount

Medicare/FICA Pickup

- ❖ Added to the Medicare deduction taxable gross during payroll
- ❖ Added to the federal and state taxable gross during W2PROC

Vehicle Lease, Fringe Benefits, Dependent Care over \$5,000

- ❖ Added to the federal and state taxable gross during W2PROC

Local wages are affected as defined by the deduction master

77

Box 1: Wages from federal taxable gross amount

22222		a Employee's social security number 123-45-6789		OMB No. 1545-0008	
b Employer identification number (EIN) 55-5765489		1 Wages, tips, other compensation 48,500.00		2 Federal income tax withheld 6,835.00	
c Employer's name, address, and ZIP code The Big Company 12 Main Street Anywhere, NC 28111		3 Social security wages 50,000.00		4 Social security tax withheld 3,100.00	
		5 Medicare wages and tips 50,000.00		6 Medicare tax withheld 725.00	
		7 Social security tips		8 Allocated tips	
d Control number A1B2		9 Identification code		10 Dependent care benefits	
e Employee's first name and initial Last name Jane A. Doe 123 Elm Street Anywhere Else, PA 17111		11 Unqualified plans		12a D 1,500.00	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b DD 1,000.00	
		14 Other		12c P 4,800.00	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number PA 124578		16 State wages, tips, etc. 50,000.00	
		17 State income tax 1,535.00		18 Local wages, tips, etc. 50,000.00	
				19 Local income tax 750.00	
				20 Locality name AW	

Box 10: Dependent care benefits as found on the federal tax record or on the dependent care annuity records

Form W-2 Wage and Tax Statement

Copy 1—For State, City, or Local Tax Department

2017

Department of the Treasury—Internal Revenue Service

78

22222		a Employee's social security number 123-45-678	
b Employer identification number (EIN) 55-57654		c Employer's name, address, and ZIP code The Big Company 12 Main Street Anywhere, NC 28111	
d Control number A1B2		e Employee's first name and initial Last name Jane A. Doe 123 Elm Street Anywhere Else, PA 17111	
f Employee's address and ZIP code		15 State PA 124578 16 State wage 50.00	

Box 12:

Code C: Cost of Group-term life over \$50,000

Code D: 401(k) amounts

Code E: 403(b)

Code F: 408(k)(6)

Code G: 457(b) 457(f)

Code H: 501c(18)(D)

Code J: Non taxable sick pay

Code P: Excludable moving expenses

Code T: Adoption benefits

Code W: Employer contributions to HSA (includes amounts the EE contributes)

Code AA: Designated Roth contributions under a section 401(k)

Code BB: Roth contributions under a 403(b)

Code DD: Cost of employer-sponsored health coverage

Code EE: Roth contributions under a 457(b)

1 Compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld
7 Social security tips	8 Allocated tips
9 Verification code	10 Dependent care benefits
11a Nonqualified plans	12a D 1,500.00
11b Statutory employee Retirement plan Third-party sick pay	12b DD 1,000.00
11c Other	12c P 4,800.00
11d	12d
18 Local wages, tips, etc. 50.00	19 Local income tax 750.00
20 Locality name AW	

Department of the Treasury—Internal Revenue Service

W-2 Wage and Tax Statement
Form Copy 1—For State, City, or Local Tax Department

79

22222		a Employee's social security number 123-45-6789		OMB No. 1545-0008	
b Employer identification number (EIN) 55		c Employer's name, address, and ZIP code The Big Company 12 Main Street Anywhere, NC 28111		d Control number A1B2	
e Employee's first name and initial Last name Jane A. Doe 123 Elm Street Anywhere Else, PA 17111		f Employee's address and ZIP code		15 State PA 124578 16 State wage 50.00	

Box 13: Retirement Plan check box:

- 401(a)
- 401(k)
- 403(b)
- 408(k)
- 501c(18)

Box 14: Other

- Value of vehicle lease from federal tax record
- Other deductions entered in during W2PROC:

Optional possibilities include:

- Union dues
- Retirement

1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld
7 Social security tips	8 Allocated tips
9 Verification code	10 Dependent care benefits
11a Nonqualified plans	12a D 1,500.00
11b Statutory employee Retirement plan Third-party sick pay	12b DD 1,000.00
11c Other	12c P 4,800.00
11d	12d
18 Local wages, tips, etc. 50.00	19 Local income tax 750.00
20 Locality name AW	

Department of the Treasury—Internal Revenue Service

W-2 Wage and Tax Statement
Form Copy 1—For State, City, or Local Tax Department

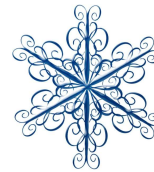
2017

80

IRS W3 Instructions Form W3

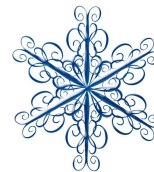
W3 form

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

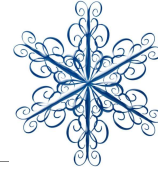


81

W2 Submission Deadline, Printing, and Corrections



W2 Submission Deadline



New Requirement – Electronic submission of Form W-2 to the Social Security Administration must be completed by Jan. 31st.

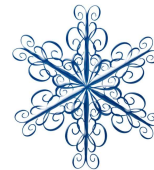


83

W2 Printing

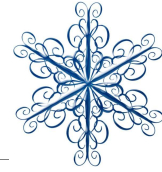
Email helpfiscal@mveca.org for printing

- ❖ Include instructions for sorting
- ❖ Include instructions for adding the W2s to the employee kiosk
- ❖ Include instructions for reporting electronically to cities
 - ❖ Include the city tax entity code for any electronic file needed (DEDNAM screen)
- ❖ Instructions for reporting to RITA



84

Managing W2's



OnBase www.hccitc.org

Go to Document Management > OnBase > OnBase login

- ❖ Printing employer copies for city reconciliations
- ❖ Duplicates for lost W2s
- ❖ Archives

85

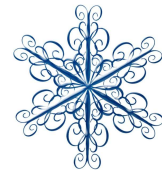
W2 Corrections

Corrections before files have been submitted to SSA

- ❖ If submission has not occurred, MVECA can copy yearend backup files to a demo and allow the district to rerun W2PROC

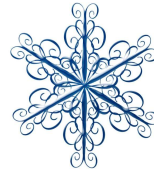
Corrections after submission of files by ITC

- ❖ W2C and W3C will have to be submitted
- ❖ This can be completed on the SSA/Business Services Online website

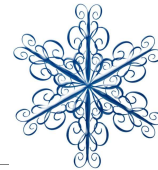


86

Calendar Year-End Closing and on to 2020....



Calendar Yearend Closing



Step 34 – email helpfiscal@mveca.org with the following information:

- ❖ Sort Order, city instructions (including the tax entity code), RITA instructions
- ❖ Complete the Annual Tax Reconciliation for all taxing entities. Most have online forms.

Step 35 – Create any report for archives

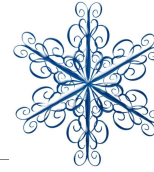
Step 36 – Run the backup: USPSBACKUP

- ❖ Creates new directory in HISTORY – CY19.
- ❖ Run reports from this directory if yearend reports are needed

Step 37 – Run CALENDARCD

Step 38 – Run QRTRPT to clear quarter and calendar year to date totals

Step 47 & 48 – email helpfiscal@mveca.org and attach the IT-3 for state reporting and Form 17 for RITA, if applicable



Preparing for 2020

Enter changes in tax withholding rates effective January 1, 2020

❖ City rates

- http://incometax.columbus.gov/search_taxmunicipalities.aspx?id=13116&menu_id=502

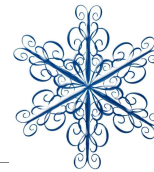
❖ OSDI rates

- http://tax.ohio.gov/divisions/tax_analysis/tax_data_series/school_district_data/documents/sdit_map_and_list.pdf

❖ Unsure if employee should be taxed, look up tax rate:

- <https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/defaultschooldistrict.aspx>
 - Information needed
 - * Address
 - * Zip Code 5 digit or 9 digit
 - * Latitude/Longitude

89



Preparing for 2020

Enter changes in tax withholding rates effective January 1, 2020

❖ **CCA City Rates-**

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

❖ **RITA City Rates-**

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

❖ Unsure if employee should be taxed, look up tax rate:

- <https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/defaultschooldistrict.aspx>
 - Information needed
 - * Address
 - * Zip Code 5 digit or 9 digit
 - * Latitude/Longitude

90

Use *CHGDED* For Updates To Deduction Screens

This program will change the deduction (can be used to change new city tax rates)

or board amount, or the stop and start dates

on all specified deduction records.

Do you wish to continue? (Y/N) <Y>: _

Change options:

C - Employee or board amounts

D - Stop and start dates based on old values

R - Set start dates on all records for deduction

P - Set stop dates on all records for deduction

G - Mass change the maximum amount of deduction

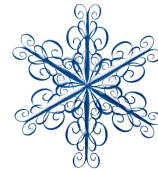
M - Mass change the cycle

A - Mass change employee amount error adjustment

B - Mass change board amount error adjustment

E - End program

Enter choice <C>: _



91

Updates for 2019



92

Federal Tax calculations changing for Jan. 1, 2020



93

W4

- ❖ IRS is releasing an updated version of the W4
- ❖ The new W4 does NOT have to be submitted by employees who already have a W4 on file
- ❖ All NEW employees as of 01/01/2020 will need to have the updated W4
- ❖ CALCPAY will now use the new tax tables starting in 01/01/2020
- ❖ New fields have been added to the 001 Federal record

94

001 Federal Tax New Fields Added

Deduction type - Federal Tax		Name: HENRY COUNTY BANK		
Calculate option: E	# exemptions: 1	Fringe benefits: _____		
Tax percent : _____	Pension plan: 0	Life Ins. cost : _____		
Add'l withhold : _____	Hth Reimb: _____	Adopt. assist. : _____		
Error adjustment: _____	Explr Hth: _____	Dependent care : _____		
	Move Exp : _____	Third party pay: _____		
Marital/filing stat: 2	Tax. Ben : _____	Vehicle lease : _____		
Use new W4 : N	-----Accum-----QTD Totals-FYTD Totals--YTD Totals			
2 like jobs: _	Deduct : _____	352.28	1429.16	3899.81
Depend: _____	Gross pay: _____	5682.92		61235.15
Income: _____	Tax gross: _____	4415.30		48034.78
Deduct: _____	Add withhold: _____			

DEDSGN - Deduction record data maintenance program

95

Normal status of Filing is 'N'

The 'Use new W4' field will be initialized to 'N' for all employees. If the employee is using a new W4 as of 01/01/2020, then this MUST be changed to 'Y'

Marital/filing stat: 2		T
Use new W4 : N	-----	

96

Employees NOT using W4 as of 01/01/2020

Employees who are NOT using the new W4 form as of 01/01/2020, the Marital Status and Number of Exemptions will be used to calculate the employee Federal withholding amount. They must also have "N" for the value of the USE NEW W4

Deduction type - Federal Tax		Name: HENRY COUNTY BANK	
Calculate option: E	# exemptions: 1	Fringe benefits:	
Tax percent :	Pension plan: 0	Life Ins. cost :	
Add'l withhold :	Hth Reimb:	Adopt. assist. :	
Error adjustment:	Emplr Hth:	Dependent care :	
	Move Exp :	Third party pay:	
Marital/filing stat: 2	Tax. Ben :	Vehicle lease :	
Use new W4 : N	-----Accum--QTD Totals--FYTD Totals--YTD Totals		
2 like jobs: -	Deduct :	352.28	1429.16 3899.81
Depend: -	Gross pay:	5682.92	61235.15
Income: -	Tax gross:	4415.30	48034.78
Deduct: -	Add whold:		

DEDCSN - Deduction record data maintenance program

97

Using New W4 as of 01/01/2020

- ❖ Employees using the new W4, must have the field 'Use new W4' marked as 'Y'

Deduction type - Federal Tax		Name: HENRY COUNTY BANK	
Calculate option: E	# exemptions: 1	Fringe benefits:	
Tax percent :	Pension plan: 0	Life Ins. cost :	
Add'l withhold :	Hth Reimb:	Adopt. assist. :	
Error adjustment:	Emplr Hth:	Dependent care :	
	Move Exp :	Third party pay:	
Marital/filing stat: 2	Tax. Ben :	Vehicle lease :	
Use new W4 : Y	-----Accum--QTD Totals--FYTD Totals--YTD Totals		
2 like jobs: -	Deduct :	352.28	1429.16 3899.81
Depend: -	Gross pay:	5682.92	61235.15
Income: -	Tax gross:	4415.30	48034.78
Deduct: -	Add whold:		

Did this employee fill out a new W4 as of 1/1/2020? If so, answer Y. If not, answer N.

98

Filing Status

❖ **Filing Status** is required only if the employee has a new W4 form as of 01/01/2020

- 1 - Single/Married Filing Separately
- 2 - Married Filing Jointly/Qualified Widow
- 3 - Head of Household

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		<p>► 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.</p>
	City or town, state, and ZIP code		
	<p>(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.)</p>		

99

'Filing Status' Field

Deduction type - Federal Tax		Name: HENRY COUNTY BANK	
Calculate option: E	# exemptions: 1	Fringe benefits:	
Tax percent :	Pension plan: 0	Life Ins. cost :	
Add'l withhold :	Hth Reimb:	Adopt. assist. :	
Error adjustment:	Empl'r Hth:	Dependent care :	
	Home Exp :	Third party pay:	
Marital/filing stat: 2	Tax. Ben :	Vehicle lease :	
Use new W4 : Y	-----Accum--QTD Totals--FYTD Totals--YTD Totals		
2 like jobs: 1	Deduct :	352.28	1429.16 3899.81
Depend: 1	Gross pay:	5682.92	61235.15
Income:	Tax gross:	4415.31	48034.78
Deduct:	Add withhold:		

Required if using new W4 form as of 1/1/20. This is the Federal filing status
1-Single/Married filing Sep 2-Married Joint/Qualified Widow 3-Head of Household

100

'Depend' Field

- ❖ **Depend** – this should only contain an amount (W4 line 3 value) if the employee has a new W4 as of 01/01/2020
 - This is an annual Dependent amount when claiming dependents

Marital/filing stat:	2	-
Use new W4 :	Y	-----
2 like jobs:	-	Deduct
Depend:		Gross pay
Income:		Tax gross
Deduct:		Add withhold

Step 3:	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):	
Claim Dependents	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 \$

101

'Income' Field

- Income** – should only contain an amount (W4 line 4a value) if the employee has a new W4 as of 01/01/2020
 - This is an annual Other Income Amount when adding in any other income the employee wants to include

Marital/filing stat:	2	-
Use new W4 :	Y	-----
2 like jobs:	-	Deduct
Depend:		Gross pay
Income:		Tax gross
Deduct:		Add withhold

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) \$

102

'Deduct' Field

- ❖ **Deduct** – should only contain an amount (W4 line 4b value) if the employee has a new W4 as of 01/01/2020
 - This is the annual deductions amount an employee wants to reduce their Federal withholding amount

Marital/filing stat:	2	Ta
Use new W4:	Y	
2 like jobs:		Deduct :
Depend:		Gross pay:
Income:		Tax gross:
Deduct:		Add withhold:

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) \$

103

'2 Like Jobs' Field

- ❖ This field should be a 'Y' or 'N' if the new W4 for 2020 is being used
- ❖ This is based on whether the (W4 Step 2c) has a check mark

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).	

- ❖ If it has a check mark, then answer it with 'Y'.
- ❖ If it does NOT have a check mark, then answer it with 'N'

104

'Addt'l Withhold' Field

Addt'l withhold – no changes

- Is for the older and newer W4 (Step 4C)
- Should contain an amount if the employee wants any additional Federal money withheld from their paycheck

Deduction type - Federal Tax		Name: HENRY COUNTY BANK	
Calculate option: <input type="checkbox"/>	# exemptions: <input type="text"/>	Fringe benefits: <input type="text"/>	
Tax percent: <input type="text"/>	Pension plan: <input type="text"/>	Life Ins. cost: <input type="text"/>	
Addt'l withhold: <input type="text"/>	Hth Reimb: <input type="text"/>	Adopt. assist.: <input type="text"/>	
Error adjustment: <input type="text"/>	Emplr Hth: <input type="text"/>	Dependent care: <input type="text"/>	
	Move Exp: <input type="text"/>	Third party pay: <input type="text"/>	
Marital/filing stat: <input type="text"/>	Tax. Ben: <input type="text"/>	Vehicle lease: <input type="text"/>	
Use new W4: <input type="text"/>	-----Accum--QTD Totals--FYTD Totals--YTD Totals		
2 like jobs: <input type="text"/>	Deduct: <input type="text"/>	352.28	1429.16
Deduct: <input type="text"/>	Gross pay: <input type="text"/>	5602.92	61235.15
Income: <input type="text"/>	Tax gross: <input type="text"/>	4415.30	48034.78
Deduct: <input type="text"/>	Add withhold: <input type="text"/>		

105

Additional Withholdings

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) \$

106

Federal Taxes updates

- ❖ Updates were made to the IRS Federal Tax tables for 01/01/2020. These new tables will be used for all payroll pay dates starting on 01/01/2020 and later.
- ❖ There are two different tables for 01/01/2020:
 - **Standard Withholding Rate Table** – this table is for the W4 form before 01/01/2020 or if the W4 is from 01/01/2020 or later and the box in Step 2 of the W4 is NOT checked

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. ☐

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).

Complete Steps 3 through 4(b) on Form W-4 for only one of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3 through 4(b) on the Form W-4 for the highest paying job.)

107

Federal Tax Updates

- **Non-standard Withholding Rate Table** – is for the W4 from 01/01/2020 or later AND the box in Step 2 of the W4 IS checked

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. ☒

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).

Complete Steps 3 through 4(b) on Form W-4 for only one of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3 through 4(b) on the Form W-4 for the highest paying job.)

108

Federal Tax Tables Updated

- ❖ Both tables have 3 types of filing status groups:
 - Married Filing jointly or Qualifying Widow(er)
 - Single or Married Filing Separately
 - Head of Household

109

Tax Tables Update TAXMNT/TAXSCN

- ❖ The ID is “FED” and the following is the TYPE for each filing status:
 - The Standard table for Married Filing Jointly is YM.
 - The Standard table for Single is YS.
 - The Standard table for Head of Household is YH.
 - The Non-Standard table for Married Filing Jointly is ZM.
 - The Non-Standard table for Single is ZS.
 - The Non-Standard table for Head of Household is ZH.

110

W-4 Draft for 2020

❖ Link below is a draft of the new W-4 for 2020

- As of 11/30/2019 still in draft mode.
- <https://www.irs.gov/pub/irs-dft/fw4--dft.pdf>

❖ Link for Publication 15-T – 2020 Federal Income Tax Withholding Methods

- <https://www.irs.gov/pub/irs-dft/p15t--dft.pdf>

❖ FAQs on the draft 2020 Form W-4

- <https://www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4>

111

Form W-4 Employee's Withholding Certificate OMB No. 1545-0044

Department of the Treasury
Internal Revenue Service

➤ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
➤ Give Form W-4 to your employer.
➤ Your withholding is subject to review by the IRS.

2020

Step 1: Personal Information

(a) First name and middle initial _____ Last name _____
(b) Social security number _____
(c) Address _____
(d) City or town, state, and ZIP code _____

☐ Marital filing separately
☐ Married filing jointly (qualifying widow(er))
☐ Head of household (check only if you are married and pay more than half the costs of keeping up a home for yourself and a qualifying individual)

Complete Steps 2 through 4 ONLY if they apply to you. To claim a refund from withholding, or if you have concerns about your privacy, see page 2. Everyone must complete Step 5. See instructions on page 2.

Step 2: Multiple Jobs or Spouse Also Works

Complete this step if you: (1) Work 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 Marital and Withholding Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding, or
(c) If there are any two jobs, you may check this box. Do not complete Form W-4 for the other job. This option is accurate for joint with regular pay, otherwise, more tax than necessary may be withheld. ☐ **CAUTION:** If you have primary concerns, choose (a) or (b). If you answer your spouse's income from self-employment, including as an independent contractor, choose (b).

Complete Steps 3 through 4(b) on Form W-4 for only one of these jobs. Leave boxes blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3 through 4(b) on this Form W-4 for the highest paying job.)

Step 3: Claim Dependents

If your income will be \$200,000 or less (or \$400,000 or less if married filing jointly):
Multiply the number of qualifying children under age 17 by \$2,000 ➤ **3**
Multiply the number of other dependents by \$500 ➤ **1**
Add the amounts above and enter the total here **3 500**

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 **400 0**

(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 **400 0**

(c) Extra withholding. Enter any additional tax you want withheld each pay period **400 0**

Step 5: Sign Here

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

➤ **Employee's signature** (This form is not valid unless you sign it.) _____ **Date** _____

Employers Only

Employer's name and address _____ First date of employment _____ Employer identification number (EIN) _____

For Privacy Act and Paperwork Reduction Act Notice, see page 3. Cat No. 1510900 Form W-4 6009

112

Tax Change For 2020

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

113



114

Questions?

