

USPS Calendar Year-end Review

Calendar Year 2019



FILING DEADLINE

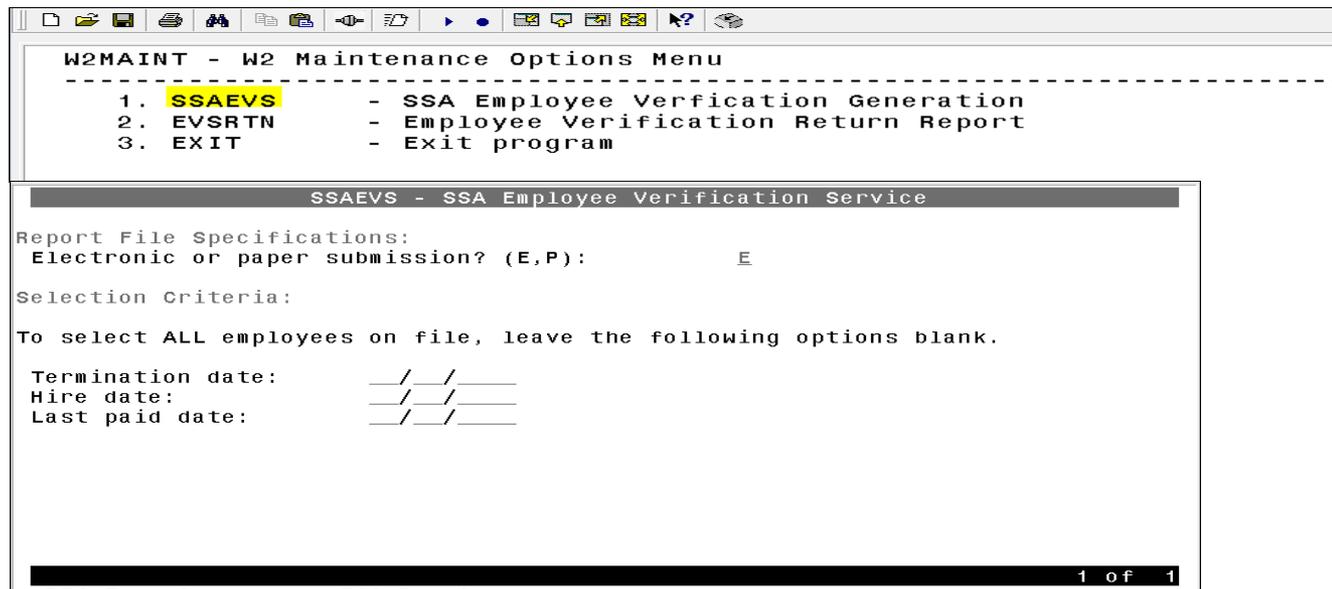
- ACCESS USPS Due Date = January 10th
 - ACCESS USAS Due Date = January 16th
- **Reason = Processing time.
- The Protecting Americans from Tax Hikes (PATH) Act requires that employers file their copies of Form W-2, W-3, to the Social Security Administration, by **Jan. 31**.

W2MAINT

TIN Verification (Optional)

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

The SSAEVS option in W2MAINT needs to be processed



The screenshot shows a terminal window with a menu and a service screen. The menu lists three options: 1. SSAEVS (highlighted in yellow), 2. EVSRTN, and 3. EXIT. The SSAEVS option is selected, leading to the SSAEVS - SSA Employee Verification Service screen. This screen displays report file specifications, selection criteria, and date fields for termination, hire, and last paid dates.

```
W2MAINT - W2 Maintenance Options Menu
-----
1. SSAEVS - SSA Employee Verification Generation
2. EVSRTN - Employee Verification Return Report
3. EXIT   - Exit program

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.

W2MAINT- TIN Verification

- The SSA will return a file to the user with any errors.
- This file needs to be renamed EVSVER2K.SEQ
- Then FTP to the user's directory
- The EVSRTN option in W2MAINT needs to be processed to create a printable report listing any errors.

```
W2MAINT - W2 Maintenance Options Menu
-----
1. SSAEVS      - SSA Employee Verification Generation
2. EVSRTN     - Employee Verification Return Report
3. EXIT       - Exit program

Menu: W2MAINT Option>

KP-  Accept      F7  Help      F8  Exit      F10 Next
```

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

Find: 800 Add Type: _____

Code: 800 Type: OSDI Name: CLIFFORD SCHOOL DIST. IN. TAX
Required: 1 Abbrev: CLIFFORD W2 Abbrev: 1991CLIF

PAY TO INFORMATION

Vendor: 1271 Name: SCHOOL DISTRICT INCOME TAX Phone: (____)____-____
Address: 66 SCHOOL HOUSE ROCK RD FAX : (____)____-____
WHOVILLE, OH 66890-____ Payment cycle : M
Electronic Pmt: N
Suppress SSN/ID: _

OSDI Code: 1991

Pre-W2PROC

- Verify 'Entity code' in USPSDAT/DEDNAM is completed for any magnetic reporting to any city EAST, CANF

Find: ____	Add Type: ____	
Code: <u>023</u>	Type: CITY	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: <u> </u>	Name: <u>R.I.T.A</u>	Phone: <u>(800)860-7482</u>
		FAX : <u>(____)____-____</u>
Address: <u> </u>	<u>PO BOX 94736</u>	Payment cycle : <u>Q</u>
	<u> </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>	<u> </u>	457 : <u>N</u> 501c: <u>N</u>
<u> </u>	<u> </u>	125 nonwages: <u>Y</u>
<u> </u>	<u> </u>	125 as wages: <u>N</u>
<u> </u>	<u> </u>	Other: <u>N</u>

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

Find: _____ Add Type: _____

Code: 023 Type: CITY Name: ROSSFORD CITY
Required: _ Job Level: _ Abbrev: ROSSFORD W2 Abbrev: ROSSFORD

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

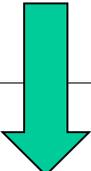
Vendor: _____ Name: R.I.T.A Phone: (800)860-7482
FAX : () -
Address: PO BOX 94736 Payment cycle : Q
CLEVELAND , OH 44101-4736 Electronic Pmt: N
Suppress SSN/ID: S
Honor Annuities

Tax Entity code: ROSS RITA: 703 Y ←
Tax Med/FICA pickup: N ROSSFORD
Tax Non-Cash Earn : N CCA : - - ←
Tax Board Amounts : N

401a: N 401k: N
403b: N 408k: N
457 : N 501c: N
125 nonwages: Y
125 as wages: N
Other: N

Pre-W2PROC

- Verify Employee's 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=rulesregs#Section301>



```
Deduction type - Municipality Tax      Name: VILLAGE OF HOLLYWOOD
Tax percentage : 1.000                 Start: 00/00/0000      Employ/Residence: _
Addt'l withhold :                     Stop : 00/00/0000
Error adjustment:                     User Defined Fields:
Percent of gross:                     Amount 1:             Amount 2:
Err adj paycode :                     Code 1:  __ Code 2:  __ Date: 00/00/0000
Text: _____
```

Pre-W2PROC



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

Print Board Amts: _ Annuity type: **I** ACH Transfer Type/Id: ___
Certified Obj : _ Include as employer-sponsored health coverage?: _

```
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.                               *
*****
ne: (___) ___ - ___
: (___) ___ - ___
ment cycle : M
ctronic Pmt: N

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

Print Board
Certified 0
Classified
Other Objec

PFkey F6
DEDNAM - De
```

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

Pre-W2PROC



- 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: <u>E</u>	# exemptions: <u> </u>	Fringe benefits: <u> </u>		
Tax percent : <u> </u>	Pension plan: <u>A</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> </u>		
Marital status : <u>2</u>	Move Exp : <u>1600.00</u>	Third party pay: <u> </u>		
	Tax. Ben : <u> </u>	Vehicle lease : <u> </u>		
	Accum	QTD Totals	YTD Totals	YTD Totals
Deduct total :	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Gross pay :	<u>62.00</u>	<u>928.00</u>		<u>990.00</u>
Taxable gross :	<u>55.80</u>	<u>921.80</u>		<u>983.80</u>
Add withhold :	<u> </u>	<u> </u>		<u> </u>

Pre-W2PROC



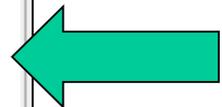
- Fringe benefit amounts

- 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:	<u>E</u>	# exemptions:	<u> </u>	Fringe benefits:	<u>150.00</u>
Tax percent :	<u> </u>	Pension plan:	<u>A</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> </u>
Marital status :	<u>2</u>	Move Exp :	<u> </u>	Third party pay:	<u> </u>
		Tax. Ben :	<u> </u>	Vehicle lease :	<u> </u>
	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 :				<u> </u>	



Pre-W2PROC

NC1 Payments

- **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.
- **USPSCN/UPDCAL_CUR or USPSCN/UPDCAL_FUT program, the amount should be entered using a pay type of NC1. 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 (Manual Correction)

- **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 insure 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 not⁴

Life Insurance (Manual Correction)

- **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 insure that the QRTRPT non-cash earnings will balance.

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 - Federal Tax           Name: MID AM
Calculate option: E                   # exemptions:       Fringe benefits:           
Tax percent      :                    Pension plan: A     Life Ins. cost :           
Addt'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  :                                                  
    
```



Pre-W2PROC



- Use of Company Vehicle
 - Calculate leased vehicle value
 - Manually enter leased vehicle value amount 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 :           
Addt'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 :				<u> </u>





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 'Emplr 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 'Emplr 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 'Emplr Hth' field on the 001 Federal deduction record.

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
- 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



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).
- Leave the line blank or “N” on the HSA DEDNAM Screen

Print Board Amts: _ Annuity type: **I** ACH Transfer Type/Id: _____

Certified Obj : _ **Include as employer-sponsored health coverage?:** _

Y - Include employee and employer amounts in Box 12, Code DD

N or space - Do NOT include employee and employer amounts in Box 12, Code DD

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

Code: 551 Type: **ANN** Name: _____ /EMP
Required: 1 **REG** Abbrev: EMP MED W2 Abbrev: MEDICAL INS

PAY TO INFORMATION

Vendor: 1091 Name: STARK COUNTY COG Phone: (330)492-8136
FAX : () -
Address: 6057 STRIP AVENUE NW Payment cycle : M
CANTON , OH 44720- Electronic Pmt: N
Suppress SSN/ID: N

Print Board Amts: Y Annuity type: D ACH Transfer Type/Id: _____
Certified Obj : 241 **Include as employer-sponsored health coverage?: Y**
Classified Obj: 251
Other Object : 250

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

Deduction type - Federal Tax		Name: MID AM		
Calculate option: <u>E</u>	# exemptions: <u> </u>	Fringe benefits: <u> </u>		
Tax percent : <u> </u>	Pension plan: <u>A</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> </u>		
Marital status : <u>2</u>	Move Exp : <u> </u>	Third party pay: <u> </u>		
	Tax. Ben : <u> </u>	Vehicle lease : <u> </u>		
	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 :				<u> </u>

Merry Christmas



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 instead
- 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.



NEW-HEALTH REIMBURSEMENT ARRANGEMENT – for Small Business Employer

- The IRS has added a new Code FF for Box 12. It will report the total amount of permitted benefits under a qualified small employer health reimbursement arrangement. This will allow eligible employers to pay or reimburse medical care expenses of eligible employees after the employees provide proof of coverage. Use this code to report the total amount of permitted benefits under a QSEHRA. The maximum reimbursement for an eligible employee under a QSEHRA for 2019 is \$5,150 (\$10,450 if it also provides reimbursements for family members), before indexing for inflation.
- Eligible employers are those small employers with less than 50 Full-Time Equivalent employees (those who work 130 hours a month or 30 or more hours a week for 120 consecutive days). Another eligibility is that the employer does NOT offer a group health plan to any of their employees.
- If a user enters a value in USPSCN/DEDSCN for Hth Reimburse on the Federal record, then this value will appear on the W2Tape file and W2FORM.DAT as a code FF with the amount in Box 12. The Health Reimbursement amount will also appear on the W2CITY.DAT file. The Health Reimbursement amount (HLTH REIMBURSE) will appear on the W2REPT.TXT 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.

Health Reimbursement Arrangement on W2



Deduction type - Federal Tax		Name: MID AM		
Calculate option: <u>E</u>	# exemptions: <u> </u>	Fringe benefits: <u> </u>		
Tax percent : <u> </u>	Pension plan: <u>A</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> </u>		
Marital status : <u>2</u>	Move Exp : <u> </u>	Third party pay: <u> </u>		
	Tax. Ben : <u> </u>	Vehicle lease : <u> </u>		
	Accum	QTD Totals	YTD Totals	YTD Totals
Deduct total :	<u>255.82</u>	<u>1757.07</u>	<u>2118.39</u>	<u>2118.39</u>
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Taxable gross :	<u>2825.40</u>	<u>17405.13</u>		<u>20309.97</u>
Add withhold :				<u> </u>

Pre-W2PROC

- Run W2PROC before last pay of 2019 has been completed
 - Balance to-date data
 - Review and correct warnings and errors



W2PROC

- 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
 - Federal
 - States
 - Cities (RITA/CCA)



W2PROC

- User must enter district data – can accept defaults
 - Name
 - Address
 - Identification numbers
 - Federal
 - Ohio
 - Verify values on W2REPT.TXT
- User must decide
 - Sorting
 - Any sort is acceptable for electronic filing
 - Paper filing must be sorted by name



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>:

W2PROC- Third Party Sick Pay

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.

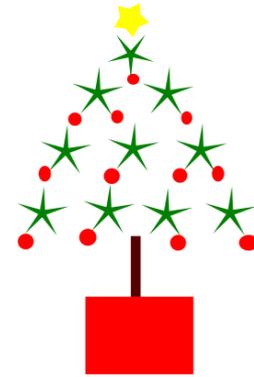
If you believe your employees may have received these types of payments and you have not been notified, you should not create the magnetic tape for submissions yet. These amounts are required for submission on the magnetic tape.



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)

Kind of Employer



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

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

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

Contact Information & Deduction Codes

- 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: _____
 - 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? = **Answer “N”**



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■
```

Output files are generated after all prompts are answered.

Without tape

W2REPT.txt

W2FORM.dat

W2CITY.dat

W2FORM.txt

With tape creation

W2TAPE.SEQ

W2RITA.SEQ

W2CCA.SEQ

W2PA.SEQ***



W2 Balancing

- 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

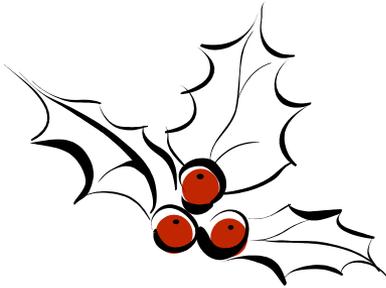
W2 Balancing



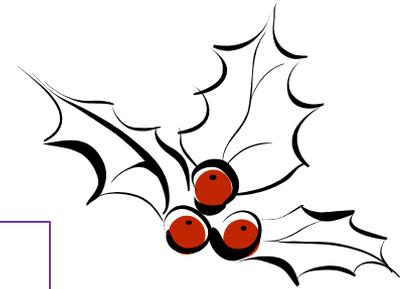
0000273 ** REPORT TOTALS

	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 WAUSEON	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
39		,263.78

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



W2 Balancing



941 data

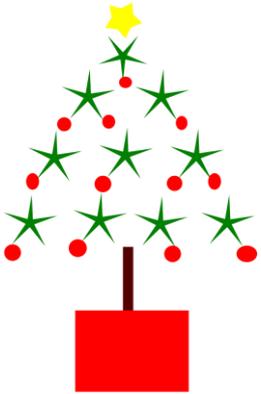
.....

Balance 941 data
to W2REPT.txt

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

These 2 totals
should equal except
for special payments





W2 Balancing

	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	

Balance
W2REPT.txt to
ERNREG

Amounts in this column on
ERNREG should be used
for balancing

Balance
W2REPT.txt to
QRTRPT

W2 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
WAUSEON	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
WHITEHOU	017	178.26	1,369.80
MICHIGAN	390	1,574.46	10,263.78
----	----	----	----

Amounts in this column on
QRTRPT should be using
for balancing



W2 Balancing

- 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



W2 Balancing

- 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.

```
Find: ALL000010 1 _____ Y Add: 000 Mask: _____
      SSN/ID Code Last name First name Conceal
ID: ALL000010 Code: 001 Name: TIMOTHY ALLEN

Deduction type - Federal Tax Name: MID AM
Calculate option: E # exemptions:     Fringe benefits: _____
Tax percent : _____ Pension plan: A Life Ins. cost : _____
Addt'l withhold : _____ Hth Reimb: _____ Adopt. assist. : _____
Error adjustment: _____ Emplr Hth: _____ Dependent care : 6000.00
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 : _____
```

Changes made as requested



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

Find: ALL000010 1 _____ Y Add: 000 Mask: _____
 SSN/ID Code Last name First name Conceal
 ID: ALL000010 Code: 001 Name: TIMOTHY ALLEN

Deduction type - Federal Tax Name: MID AM
 Calculate option: E # exemptions: _____ Fringe benefits: _____
 Tax percent : _____ Pension plan: A Life Ins. cost : _____
 Addt'l withhold : _____ Hth Reimb: _____ Adopt. assist. : _____
 Error adjustment: _____ Emplr Hth: _____ Dependent care : 6000.00
 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 :				

Changes made as requested



W2 Balancing



- 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.

W2 Balancing

- 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



Find: ____ Add Type: _____

Code: 003 Type: CITY Name: VILLAGE OF SWANTON
 Required: 2 Job Level: ____ Abbrev: SWAN_VLG W2 Abbrev: SWANTO

PAY TO INFORMATION

Vendor: _____ Name: VILLAGE OF SWANTON Phone: (419)826-9515
R.I.T.A. FAX : (____)____-____
 Address: PO BOX 477900 Payment cycle : M
BROADVIEW HTS., OH 44147-7900 Electronic Pmt : N
 Suppress SSN/ID: S
 Honor Annuities

Tax Entity code: R0784 RITA: 784 Y 401a: N 401k: N
 Tax Med/FICA pickup: Y SWANTON 403b: N 408k: N
 Tax Non-Cash Earn : N CCA : ____ - 457 : N 501c: N
 Tax Board Amounts : N 125 nonwages: Y
 125 as wages: N
 Other: N

Changes made as requested

DEDNAM - Deduction Name Maintenance Program

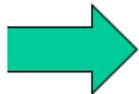




W2 Balancing

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.



Code: <u>004</u>	Type: CITY	Name: <u>CITY OF STARS INC TAX</u>
Required: <u>1</u>	Job Level: <u>Y</u>	Abbrev: <u>STARS</u> W2 Abbrev: <u>STARS</u>
PAY TO INFORMATION		
Vendor: _____	Name: _____	Phone: (____) ____ - ____
	Address: <u>INCOME TAX DIVISION</u>	FAX : (____) ____ - ____
	<u>STARS</u> , OH <u>33333</u> - ____	Payment cycle : <u>Q</u>
		Electronic Pmt: <u>N</u>
		Suppress SSN/ID: <u>_</u>
		Honor Annuities
Tax Entity code: <u>STARS</u>	RITA: <u>133</u>	401a: <u>N</u> 401k: <u>N</u>
Tax Med/FICA pickup: <u>N</u>	<u>STARS</u>	403b: <u>N</u> 408k: <u>N</u>
Tax Non-Cash Earn : <u>N</u>	CCA : <u>___</u>	457 : <u>N</u> 501c: <u>N</u>
Tax Board Amounts : <u>Y</u>	_____	125 nonwages: <u>Y</u>
<u>691</u> <u>694</u> _____	_____	125 as wages: <u>N</u>
_____	_____	Other: <u>N</u>

W2 Balancing



- 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 and OSDI 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

Third Party Sick Pay

If non-taxable

- Enter the amount of non-taxable in the third party sick pay field on the federal record. This will cause the amount to print in box 12 with code 'J'.

If taxable

- Increase the total and taxable gross amounts on the following deductions by the taxable amount of the benefit received by the employee
 - Federal
 - Ohio
 - OSDI
 - Medicare
- On the medicare record, increase the total medicare tax by any amounts the company withheld from the benefit
 - If the district wants the corresponding board amount for this payment to show on the BRDDIS for the month
 - Enter a board error adjustment equal to the employee share withheld by the third party in the medicare record
 - If the district does not want the corresponding board amount for this payment to show on the BRDDIS
 - The amount can be included as a payment due on the 941 for that tax year
- Contact any city involved for the employee, ask if the amount is city taxable
 - If yes
 - Increase the total and taxable gross amounts on the corresponding city records
 - If desired, calculate the tax amount due on the payment and enter that figure as an error adjustment for a remaining payroll; otherwise the employee will have to pay the tax later

Note: There is a special field on the 941 for adjustments needed due to Third Party sick payments and how they relate to medicare withholdings. The district should reference the 941 instructions as well as the information in IRS Publication 15-A on these payments as needed

Note: If the notice from the company indicates FICA tax was withheld, the district will need to contact the agency as it is our understanding most school district employees should not have FICA tax withheld from this payment. The agency will need to correct this and issue a new statement as the employee cannot recover the incorrect withholding on a tax return, tax returns are for federal income tax, not federal FICA or medicare.

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)	(D)	(E)	(G)	(H)	(I)	
EMPLOYEE SSN NAME & ADDRESS	PLAN	GROSS DISABILITY BENEFIT PAID	FIT WITHHELD	BENEFIT PAID DURING 1ST MOS OF DISABILITY OR FICA/MEDICARE WAGES (BASED UPON EMPLOYER %)	FICA WITHHELD	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
		 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. THIS IS UNUSUAL.	 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 @ 1-800-662-1113 EXT. 5420						

Non-Taxable Third Party Sick Pay

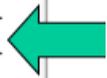
- Non-taxable third party sick pay
 - Does not affect balancing
 - Does not affect taxes
 - Entered on federal record by the user
 - District is notified how much to enter
 - This amount will print in Box 12 with a code ‘J’



Find: ALL000010 1 _____ Y Add: 000 Mask: _____
 SSN/ID Code Last name First name Conceal
 ID: BOEHM0001 Code: 001 Name: ANDREA BOEHM

Deduction type - Federal Tax Name: MID AM
 Calculate option: E # exemptions: _____ Fringe benefits: _____
 Tax percent : _____ Pension plan: A Life Ins. cost : _____
 Addt'l withhold : _____ Hth Reimb: _____ Adopt. assist. : _____
 Error adjustment: _____ Emplr Hth: _____ Dependent care : _____
 Marital status : 1 Move Exp : _____ Third party pay: _____
 Tax. Ben : _____ Vehicle lease : _____

	Accum	QTD Totals	FYTD Totals	YTD Totals
Deduct total :	<u>283.76</u>	<u>283.76</u>	<u>283.76</u>	<u>283.76</u>
Gross pay :	<u>2115.39</u>	<u>2115.39</u>		<u>2115.39</u>
Taxable gross :	<u>1928.85</u>	<u>1928.85</u>		<u>1928.85</u>
Add withhold :				



W2 Balancing



- Use of Company Vehicle Field
 - Adds the Vehicle Lease amount from the 001 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

```

Find: ALL000010  1  Y  Add: 000  Mask:
      SSN/ID  Code  Last name  First name  Conceal
ID: BOEHM0001  Code: 001  Name: ANDREA  BOEHM

Deduction type - Federal Tax  Name: MID AM
Calculate option: E  # exemptions: 0  Fringe benefits:
Tax percent : 0  Pension plan: A  Life Ins. cost :
Addt'l withhold : 0  Hth Reimb: 0  Adopt. assist. :
Error adjustment: 0  Emplr Hth: 0  Dependent care :
Marital status : 1  Move Exp : 0  Third party pay:
Tax. Ben : 0  Vehicle lease : 283.76

          Accum  QTD Totals  FYTD Totals  YTD Totals
Deduct total : 283.76  283.76  283.76  283.76
Gross pay : 2115.39  2115.39  2115.39  2115.39
Taxable gross : 1928.85  1928.85  1928.85  1928.85
Add withhold : 0  0  0  0
    
```

Record not modified



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

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.

Santa Panda



W2PROC Report

SORTED BY SOCIAL SECURITY NUMBER

STATE ID NUMBER: 51-311111

FEDERAL ID NUMBER: 34-444467

CONTROL NUMBER	SSN	EMPLOYEE NAME	TAX WITHHELD	TAXABLE GROSS	TOTAL GROSS	ANNUITIES	
0000121	**	REPORT TOTALS					
		COUNT					
		001 FED	118	167,319.46	1,554,211.48	1,742,977.42	188,765.94
		DEPENDENT CARE		120.00			
		MEDICARE PICKUP		2,188.75			
		403(B)		16,662.00			
		457		1,700.00			
		SECTION 125		26,077.29			
		002 OHIO	118	54,447.96	1,554,211.48	1,742,977.42	188,765.94
		003 STRYKER	117	25,624.45	1,708,282.41	1,708,282.41	0.00
		800 8607STRYKER	59	9,669.76	640,992.01	724,523.27	83,531.26
		805 2004HICKSVIL	1	176.10	23,239.63	26,128.17	2,888.54
		806 2003DEFIANCE	4	241.10	48,671.81	54,307.95	5,636.14
		807 3501HOLGATE	1	14.15	1,621.48	1,918.02	296.54
		MEDICARE	91	13,908.10	959,174.64	971,450.01	
		FICA		44.64	720.00	720.00	

Special amounts for W2s

Descriptions for W2 boxes from DEDNAM

From DEDSCN

Calculated gross minus taxable gross

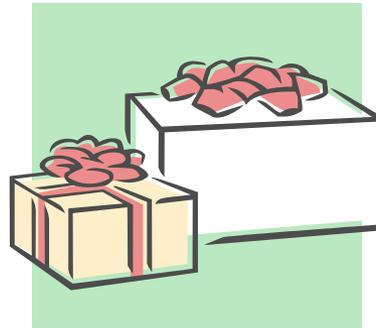
Common W2PROC Messages

- Please refer to the handout for all 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.
- **This will stop the tape from being created.**



W2 Instructions Reviewed

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





Post W2Proc Preparing for 2020

- Enter changes in tax withholding rates effective January 1, 2020
 - **City rates**
 - <https://www.columbus.gov/IncomeTaxDivision/TaxMunicipalities/>
 - **OSDI rates**
 - https://www.tax.ohio.gov/school_district_income.aspx
- CCA City Rates-**
 - <http://ccatax.ci.cleveland.oh.us/?p=taxrates>
- RITA City Rates-**
 - <https://www.ritaohio.com/TaxRatesTable>

Preparing for 2020 (continued)

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

Lookup Tax Rate

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



Use *CHGDED* for updates to deduction screens

- This program will change the deduction
- 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>: _



Updates for 2019



Pennsylvania Tax

- The state of Pennsylvania requires a W2 output file if a district has ten or more W2's for PA.
- On the district USPSDAT/DEDNAM record for Pennsylvania & employee BIOSCN, there are 4 areas that need to be setup correctly:
 1. Type must be "ST"
 2. The State in the address field must be PA
 3. The "State ID" must be correct on the DEDNAM record. Your district should have this number already. If not, they will have register with PA on the PA-100 form.
 4. The BIOSCN must have the state field = PA
- When running W2PROC, if it encounters PA employees, it will create an output file called W2PA.SEQ.
- If the district does not have any PA employees, then the W2PA.SEQ file will NOT be generated.

Pennsylvania State Tax

DEDNAM

Find:	Add Type:	
Code: 050	Type: ST	Name: Pennsylvania State Tax
Required: _	Abbrev: _____	H2 Abbrev: _____
P A Y T O I N F O R M A T I O N		
Vendor: _____	Name: _____	Phone: (____) ____ - _____
	Address: _____	FAX : (____) ____ - _____
	_____	Payment cycle : _
	_____	Electronic Pmt: _
	_____ PA _____	Suppress SSN/ID: _
State ID: _____		Honor Annuities
		401a: _ 401k: _
		403b: _ 408k: _
		457 : _ 501c: _
		125 nonwages: _
		125 as wages: _
		Other: _
DEDNAM - Deduction Name Maintenance Program		

BIOSCN

_____	_____	_____	_____
_____	_____	Dist Exten : _____	_____
City : SHARON	State: PA	Zip: 16146-_____	OSDI code: _____
Foreign Adrs: N	Ctry: _____	Prov: _____	Post: _____

Federal Tax calculations changing for Jan. 1, 2020



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

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

DEOSCM - Deduction record data maintenance program

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 .....
```

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: A      Life Ins. cost : _____
Addtl 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 withhold: _____
    
```

DEDSCN - Deduction record data maintenance program

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: <u>E</u>	# exemptions: <u>1</u>	Fringe benefits: _____		
Tax percent : _____	Pension plan: <u>A</u>	Life Ins. cost : _____		
Add'l withhold : _____	Hth Reimb: _____	Adopt. assist. : _____		
Error adjustment: _____	Emplr Hth: _____	Dependent care : _____		
	Move Exp : _____	Third party pay: _____		
Marital/filing stat: <u>2</u> _	Tax. Ben : _____	Vehicle lease : _____		
Use new W4 : <u>Y</u>	-----	Accum	--QTD Totals	--FYTD 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: _____			
Did this employee fill out a new W4 as of 1/1/2020? If so, answer Y. If not, answer N.				

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

Deduction type - Federal Tax Name: HENRY COUNTY BANK

Calculate option: E # exemptions: 1 Fringe benefits: _____

Tax percent : _____ Pension plan: A 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: <u>_</u>	Deduct : _____	352.28	1429.16	3899.81
Depend: _____	Gross pay: _____	5682.92		61235.15
Income: _____	Tax gross: _____	4415.30		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

‘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 whole

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

'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	_	T
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)	\$

'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	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) \$

'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: 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.

Multiple Jobs or Spouse Works 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).

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

Deduction type - Federal Tax Name: HENRY COUNTY BANK

Calculate option: E # exemptions: 1 Fringe benefits: _____

Tax percent : _____ Pension plan: A 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

<u>2 like jobs:</u> <u>Y</u>	Deduct :	_____	352.28	1429.16	3899.81
Depend: _____	Gross pay:	_____	5682.92		61235.15
Income: _____	Tax gross:	_____	4415.30		48034.78
Deduct: _____	Add whold:	_____			

Y = If new W4 as of 1/1/2020 AND Step 2c has a check mark
 N = If not a new W4 OR Step 2c on new W4 is NOT checked

'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: <u>E</u>	# exemptions: <u>1</u>	Fringe benefits: _____	
Tax percent : _____	Pension plan: <u>A</u>	Life Ins. cost : _____	
Addt'l withhold : _____	Hth Reimb: _____	Adopt. assist. : _____	
Error adjustment: _____	Explr Hth: _____	Dependent care : _____	
	Home Exp : _____	Third party pay: _____	
Marital/filing stat: <u>2</u> _	Tax. Ben : _____	Vehicle lease : _____	
Use new W4 : <u>Y</u>	-----Accum--QTD Totals-FYTD Totals--YTD Totals		
2 like jobs: _	Deduct : _____	352.28	1429.16
Depend: _____	Gross pay:	5682.92	61235.15

Inc	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)	\$	
Dec		(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)	\$	

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:	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.
Multiple Jobs or Spouse Works	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) .
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.)	

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: 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.

Multiple Jobs or Spouse Works 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.)

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

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.

W-4 Draft for 2020

- Link below is a draft of the new W-4 for 2020
 - <https://www.irs.gov/pub/irs-dft/fw4--dft.pdf>
- Link for Publication 15-T – 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>

Tax Change for 2020

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

