# USPS Calendar Year-End Closing Checklist

**\*\*\*ACCESS REQUIRES ALL SUBMISSION FILES MUST BE UPLOADED TO THE SECURE SITE BY FRIDAY, JANUARY 10, 2025!\*\*\***

Important Dates:

* Federal filing deadline to Business Services Online is January 31, 2025.
* Ohio State Tax filing deadline to Ohio Business Gateway is January 31, 2025.
* Pennsylvania State Tax filing deadline is January 31, 2025.
* West Virginia State Tax filing deadline is January 31, 2025.
* Regional Income Tax Agency (RITA) filing deadline is February 28, 2025.
* Central Collection Agency (CCA) filing deadline is February 28, 2025.
* City Tax filing deadlines may vary. Please check with each city.

# Preliminary Calendar Year-End Closing

**1. Create the W2 SSN Verification Submission File (OPTIONAL)**

* + Go to Reports > W2 SSN Verification > Create Submission File and click Generate Submission File
    - Send this file to SSA for Verification
  + Once file is received back from SSA and saved somewhere on your computer, go to Reports > W2 SSN Verification > Results Report
    - Report Title = W2 SSN Verification Results (can be changed if desired)
    - Report Format = PDF or CSV
    - Sort By = Employee SSN or Employee Name
    - Click on 'Choose File' and browse to locate your file
    - Click on ‘Generate W2 SSN Verification Results Report’
    - Review the report for errors

2. **Life Insurance**: Process any Life Insurance payments. Before your last pay of the calendar year, process Life Insurance Pay Types for any employee that is provided life insurance premiums over $50,000. See [Reporting Taxable Amounts - Life Insurance Premium (Known as NC1 Payments in Classic)](file:///C:\wiki\spaces\uspsrdoc\pages\2491219\Life+Insurance+Premium) for further details.

* + Go to Payroll > Payroll Payments - Future or Payroll Payments - Current
  + Click Create:
    - If using Payroll - Payroll Current, select the appropriate payroll
    - Employee = Select the appropriate employee
    - Compensation = Select the appropriate compensation
    - Description = Enter if desired
    - Pay Type = Life Insurance Premium
    - Units = 1
    - Rate = Amount of the calculated life insurance cost
    - Click Save

3. **Adoption Assistance**: Process any Adoption Assistance payments. Before your last pay of the calendar year, process Adoption Assistance Pay Types for any employees with adoption assistance. See [Reporting Taxable Amounts - Adoption Assistance (Known as NC2 Payments in Classic)](file:///C:\wiki\spaces\uspsrdoc\pages\2526005\Adoption+Assistance) for further details.

* + Go to Payroll > Payroll Payments - Future or Payroll Payments - Current
  + Click Create:
    - If using Payroll - Payroll Current, select the appropriate payroll
    - Employee = Select the appropriate employee
    - Compensation = Select the appropriate compensation
    - Description = Enter if desired
    - Pay Type = Adoption Assistance
    - Units = 1
    - Rate = Amount of adoption assistance needing to be reported on the employee's W2
    - Click Save

4. **Non-Cash Taxable Benefits:** Process any Non-Cash Taxable Benefits payments. Before your last pay of the calendar year, be sure to process Non-Cash Taxable Benefits Pay Types for any employees with reimbursable employee expenses. See [Reporting Taxable Amounts - Non-Cash Taxable Benefits (Known as NC3 Payments in Classic)](file:///C:\wiki\spaces\uspsrdoc\pages\2525984\Non-Cash+Taxable+Benefits+NC3) for further details.

* + Go to Payroll > Payroll Payments - Future or Payroll Payments - Current
  + Click Create:
    - If using Payroll - Payroll Current, select the appropriate payroll
    - Employee = Select the appropriate employee
    - Compensation = Select the appropriate compensation
    - Description = Enter if desired
    - Pay Type = Non-Cash Taxable Benefits
    - Units = 1
    - Rate = Amount of benefit needing to be reported on the employee's W2
    - Click Save

5. **OSDI W2 Abbreviations**: Verify the W2 abbreviation field on all OSDI records. The OSDI code needs to be listed first (required), followed by any description. Click [here](https://dam.assets.ohio.gov/image/upload/tax.ohio.gov/employer_withholding/schooldistricts2024.pdf) for a complete list of OSDI codes.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering OSDI in the Type field
    - Review the W2 abbreviation column and verify all records have an OSDI code listed, that the OSDI codes are listed first followed by any description, and that the OSDI codes are accurate

6. **City W2 Abbreviations**: Verify the W2 abbreviation field on all City records. The first six characters will be printed on the employee's W-2. If left blank, the value in the abbreviation field will print.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering City Tax in the Type field
    - Review the W2 abbreviation column to verify there is a value in the W2 abbreviation field.

7. **City Tax Entity Codes**: For all cities verify the Payroll Item Configuration > Entity Code. The Tax Entity Code allows a submission file (electronic or paper copy) for each city to be created. For those filing electronically, verify the Tax Entity Code for that city is entered. It is suggested to reach out to the city tax department regarding their tax entity code requirements. If filing by paper, enter the first 5 letters of the city name. ***City information cannot be filed (either electronically or by paper copies) unless the Tax Entity Code is present!***

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering City in the Type field
    - View each City record that will be filed electronically and verify the appropriate code is entered in the Tax Entity Code field

8. **RITA City Taxes:** For any City reporting to RITA, verify the following: [*https://www.ritaohio.com/TaxRatesTable*](https://www.ritaohio.com/TaxRatesTable)

* + Verify the RITA Code and Description are entered.
    - Go to Core > Payroll Item Configuration
    - Filter the grid by entering City in the Type field
    - Verify the appropriate RITA assigned code is entered in the RITA field and the appropriate RITA assigned description is entered in the RITA Description field
  + For the employees having the City tax withheld, verify their Payroll Item Deduction Type field is marked as Employment or Residence.
    - Go to Core > Payroll Item
    - Select City under the Select Payroll Item dropdown
    - Verify the Deduction Type is set to Employment or Residence (REQUIRED)

9. **CCA City Taxes:** For any City reporting to CCA, verify the following: [*http://ccatax.ci.cleveland.oh.us/?p=mmspec*](http://ccatax.ci.cleveland.oh.us/?p=mmspec)

* + Verify the CCA assigned code, CCA Description, and Report to CCA checkbox.
    - Go to Core > Payroll Item Configuration
    - Filter the grid by entering City in the Type field
    - Verify the CCA assigned code is entered in the CCA field, the CCA assigned description is entered in the CCA Description, and the Report To CCA check box is checked
  + Any district that reports to CCA must also make sure that they review the Appendices that the CCA has published. City codes MUST be entered for cities on these lists, regardless if they are a CCA city or not. These cities get reported in the file that is sent to CCA and must also be coded.
    - Go to Appendix A, B, or C to check for the correct CCA assigned code - [*http://ccatax.ci.cleveland.oh.us/forms/dataformat2023.pdf*](http://ccatax.ci.cleveland.oh.us/forms/dataformat2023.pdf)
      * If CCA city is in Appendix A, they need the following in Payroll Item Configuration for CCA: Valid CCA code, valid CCA city name, and box checked on "Report to CCA".
      * If any city is not in Appendix A but in Appendix B, Payroll Item Configuration should be: Valid CCA code, valid CCA city name, and box Unchecked on "Report to CCA".
      * If any city is not in Appendix A, B, or C, Payroll Item Configuration should be: Valid CCA code left blank, valid CCA city name\*, and box Unchecked on "Report to CCA".
        + *The valid CCA city name should be entered based on the name found in the Ohio Municipal Income Tax Rate Table found at (aka The Finder):* [*https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Download/MuniRateTableInstructions.aspx*](https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Download/MuniRateTableInstructions.aspx)
  + For the employees having the CCA City tax or any other City tax withheld, verify their Payroll Item Deduction Type field is marked as Employment or Residence.
    - Go to Core > Payroll Item.
    - Select City under the Select Payroll Item dropdown
    - Verify the Deduction Type is set to Employment or Residence (REQUIRED)
  + Verify employee's addresses to make sure you are following the guidelines per by the US Postal Service in Publication 28 - <https://pe.usps.com/cpim/ftp/pubs/pub28/pub28.pdf>

10. **Other State:**Verify Other State information is complete and accurate

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering State Tax in the Type field
    - View each State Payroll Item
    - Verify the appropriate value has been entered in the State Id field

11. **HSA:** Verify any Payroll Items being used for HSA purposes have the Annuity Type field set to Other.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering Health in the Type field
    - View the HSA record
    - Verify the Annuity Type is set to Other

12. **OAPSE Report: (if applicable) REQUIRED**

* + Select Generate icon
  + Go to Report Options tab
    - Format = Excel-Data
    - Leave all other options as is
  + Go to the Query Options tab
    - Deduction Code (s) = Enter your OAPSE Payroll Item code(s)
  + Click Generate Report
  + Save the report for reporting of annual wages to OAPSE at a later time

# Month End Closing

13. Complete Month End Closing. A complete Month-End Checklist can be found by clicking [here](https://mcoecn.atlassian.net/wiki/x/dgEm).

# Quarter End Closing

14. Complete Quarter End Closing. A complete Quarter-End Checklist can be found by clicking [here](https://mcoecn.atlassian.net/wiki/x/twQm).



If you need to begin January payroll processing **BEFORE** completing W2 processing, do the following:

* Leave the December posting period **OPEN** (December does not have to be Current for W2 processing).
* Go to Core > Posting Period, click Create.
  + Calendar Month = January
  + Calendar Year = YYYY
  + Current = Mark the checkbox to make the January posting period **CURRENT**
* Process your first January payroll.

***When you are ready to process your W2s, you may do so at any time beginning with Step 15.***

# W2 Processing

Steps 15 - 21 in the W2 Processing section are a repeat of Steps 5 - 11 in the Preliminary Calendar Year End Closing section of the checklist. If Steps 5 - 11 were not already completed, please assure Steps 15 - 21 are completed now.

15. **OSDI W2 Abbreviations**: Verify the W2 abbreviation field on all OSDI records. The OSDI code needs to be listed first (required), followed by any description. Click [here](https://dam.assets.ohio.gov/image/upload/tax.ohio.gov/employer_withholding/schooldistricts2024.pdf) for a complete list of OSDI codes.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering OSDI in the Type field
    - Review the W2 abbreviation column and verify all records have an OSDI code listed, that the OSDI codes are listed first followed by any description, and that the OSDI codes are accurate

 16. **City W2 Abbreviations**: Verify the W2 abbreviation field on all City records. The first six characters will be printed on the employee's W-2. If left blank, the value in the abbreviation field will print.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering City Tax in the Type field
    - Review the W2 abbreviation column to verify there is a value in the W2 abbreviation field

17. **City Tax Entity Codes:** For all cities verify the Payroll Item Configuration > Entity Code. The Tax Entity Code allows a submission file (electronic or paper copy) for each city to be created. For those filing electronically, verify the Tax Entity Code for that city is entered. It is suggested to reach out to the city tax department regarding their tax entity code requirements. If filing by paper, enter the first 5 letters of the city name. City information can not be filed (either electronically or by paper copies) unless the Tax Entity Code is present.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering City in the Type field
    - View each City record that will be filed electronically and verify the appropriate code is entered in the Tax Entity Code field

18. **RITA City Taxes**: For any City reporting to RITA, verify the following:

[*https://www.ritaohio.com/TaxRatesTabl*](https://www.ritaohio.com/TaxRatesTable)

* + Verify the RITA Code and Description are entered.
    - Go to Core > Payroll Item Configuration
      * Filter the grid by entering City in the Type field
      * Verify the appropriate RITA assigned code is entered in the RITA field and the appropriate RITA assigned description is entered in the RITA Description field
    - For the employees having the City tax withheld, verify their Payroll Item Deduction Deduction Type field is marked as Employment or Residence.
      * Go to Core > Payroll Item.
      * Select City under the Select Payroll Item dropdown
      * Verify the Deduction Type is set to Employment or Residence REQUIRED

19. **CCA City Taxes**: For any City reporting to CCA, verify the following:

[*http://ccatax.ci.cleveland.oh.us/?p=mmspec*](http://ccatax.ci.cleveland.oh.us/?p=mmspec)

* + Verify the CCA assigned code, CCA Description, and Report to CCA checkbox.
    - Go to Core > Payroll Item Configuration
    - Filter the grid by entering City in the Type field
    - Verify the CCA assigned code is entered in the CCA field, the CCA assigned description is entered in the CCA Description, and the Report To CCA check box is checked
  + Any district that reports to CCA must also make sure that they review the Appendices that the CCA has published. City codes MUST be entered for cities on these lists, regardless if they are a CCA city or not. These cities get reported in the file that is sent to CCA and must also be coded.
    - Go to Appendix A, B, or C to check for the correct CCA assigned code - [*http://ccatax.ci.cleveland.oh.us/forms/dataformat2023.pdf*](http://ccatax.ci.cleveland.oh.us/forms/dataformat2023.pdf)
      * If CCA city is in Appendix A, they need the following in Payroll Item Configuration for CCA: Valid CCA code, valid CCA city name, and box checked on "Report to CCA".
      * If any city is not in Appendix A but in Appendix B, Payroll Item Configuration should be: Valid CCA code, valid CCA city name, and box Unchecked on "Report to CCA".
      * If any city is not in Appendix A, B, or C, Payroll Item Configuration should be: Valid CCA code left blank, valid CCA city name\*, and box Unchecked on "Report to CCA".
        + *The valid CCA city name should be entered based on the name found in the Ohio Municipal Income Tax Rate Table found at (aka The Finder):* [*https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Download/MuniRateTableInstructions.aspx*](https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Download/MuniRateTableInstructions.aspx)
  + For the employees having the CCA City tax or any other City tax withheld, verify their Payroll Item Deduction Type field is marked as Employment or Residence.
    - Go to Core > Payroll Item.
    - Select City under the Select Payroll Item dropdown
    - Verify the Deduction Type is set to Employment or Residence REQUIRED
    - Verify employee's addresses to make sure you are following the guidelines per by the US Postal Service in Publication 28 - <https://pe.usps.com/cpim/ftp/pubs/pub28/pub28.pdf>

20. **Other State:**Verify Other State information is complete and accurate

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering State Tax in the Type field
    - View each State Payroll Item
    - Verify the appropriate value has been entered in the State Id field

21. **HSA:** Verify any Payroll Items being used for HSA purposes have the Annuity Type field set to Other.

* + Go to Core > Payroll Item Configuration
    - Filter the grid by entering Health in the Type field
    - View the HSA record
    - Verify the Annuity Type is set to Other

This amount will be placed in Box 12 with code W.

22. **Dependent Care:** Process any Dependent Care Benefits that were not processed as part of any payroll using the Dependent Care Payroll Item Type during the calendar year.

A Core > Adjustment to the Federal Tax Payroll Item is the only requirement. The amount entered exceeding the maximum ($5,000.00) will be added to the Total Gross and Applicable Gross fields on Federal Tax, Ohio State Tax, and City (if applicable) Payroll Items.

* + - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Dependent Care
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of dependent care
      * Description = Can be added if desired
      * Click Save

These amounts will appear on the W2 in Box 10.

23. **Third Party Sick Pay:** Process any Third Party Sick Pay payments. See [Third Party Sick Pay](https://mcoecn.atlassian.net/wiki/x/bg9K)for further details.

There are two types of Third Party Sick Pay - Taxable and Non-Taxable. Based on the type of Third Party Sick Pay paid, enter the following Adjustments:

* + Taxable Third Party Sick Pay:
    - Go to Core > Adjustments
      * Click Create
        + Employee = Locate the employee by name or id
        + Payroll Item = Federal Tax, Ohio State Tax, City and OSDI (if applicable), and Medicare
        + Type = Total Gross
        + Transaction Date = Enter a date within the current posting period
        + Amount = Enter the amount of third party payment
        + Description = Can be added if desired
        + Click Save
    - Go to Core > Adjustments
      * Click Create
        + Employee = Locate the employee by name or id
        + Payroll Item = Federal Tax, Ohio State Tax, City and OSDI (if applicable), and Medicare
        + Type = Applicable Gross
        + Transaction Date = Enter a date within the current posting period
        + Amount = Enter the amount of third party payment
        + Description = Can be added if desired
        + Click Save
    - Go to Core > Adjustments
      * Click Create
        + Employee = Locate the employee by name or id
        + Payroll Item = Medicare
        + Type = Amount Withheld
        + Transaction Date = Enter a date within the current posting period
        + Amount = Enter the Medicare amount withheld
        + Description = Can be added if desired
        + Click Save
    - Go to Core > Adjustments
      * Click Create
        + Employee = Locate the employee by name or id
        + Payroll Item = Medicare
        + Type = Board's Amount of payroll item
        + Transaction Date = Enter a date within the current posting period
        + Amount = Enter the Medicare amount withheld
        + Description = Can be added if desired
        + Click Save
  + Non-Taxable Third Party Sick Pay:
    - Go to Core > Adjustments
      * Click Create
        + Employee = Locate the employee by name or id
        + Payroll Item = Federal Tax
        + Type = Third Party Pay
        + Transaction Date = Enter a date within the current posting period
        + Amount = Enter the amount of non taxable third party payment
        + Description = Can be added if desired
        + Click Save

If Medicare Tax was not withheld by the third party vendor, the Board will need to pay for **both** Employee and Employer portion of Medicare. The employee can then reimburse the district - if desired.

This information will be placed on the W2 in Box 12 as a Code J.

24. **Life Insurance:** Process any Life Insurance (NC1 payments in Classic) payments. See [Reporting Taxable Amounts - Life Insurance Premium (Known as NC1 Payments in Classic)](file:///C:\wiki\spaces\uspsrdoc\pages\2491219\Life+Insurance+Premium) for further details.

If the Life Insurance Premium Pay Type was included prior to the last pay of the calendar year (refer to Step 2 of the checklist), then no further steps are necessary.

If the Life Insurance Premium Pay Type was not used prior to the last pay of the calendar year, a Core > Adjustments using the Type of Life Insurance Premium for the calculated cost must be created. The Life Insurance Premium Adjustment will automatically update the Total Gross and Applicable Gross on the Federal Tax, Ohio State Tax, City (if applicable), Medicare Payroll Items. No further adjustments are necessary for Total Gross and Applicable Gross.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Life Insurance Premium
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of life insurance
      * Description = Can be added if desired
      * Click Save

The Medicare withholding must be paid. The Board will need to pay for **both** the Employee and Employer portion of Medicare. The employee can then reimburse the district - if desired.  Create a Core > Adjustments for the Medicare Payroll Item using the Type of Amount Withheld and/or Board's Amount of payroll item. If Medicare is fully board paid, create a Core > Adjustments for the Medicare Payroll Item using the Type of Board Pickup Amount of Payroll Item. This adjustment will update both the Medicare pickup and Medicare on the W2. Another adjustment will need to be made to balance the 941 QTD Employer's Medicare Contribution using Type of Board's Amount of payroll item for this amount.

* + Use Core > Adjustments to manually add the employee Medicare amount withheld
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Medicare Tax
      * Type = Amount Withheld
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of owed for the employee withholding
      * Description = Can be added if desired
      * Click Save
  + Use Core > Adjustments to manually add the employer Medicare amount withheld
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Medicare Tax
      * Type = Board Amount of Payroll Item
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of owed for the employer withholding
      * Description = Can be added if desired
      * Click Save

The software provides the ability to withhold city tax on non-cash earnings. City tax withholding is based on whether the Core > Payroll Item Configuration > Tax Non Cash Earn checkbox is marked or not marked. Keep in mind, city taxes may also need to be paid if the employee is not a resident of the city where the tax is deducted.

25. **Fringe Benefits:** Process any Fringe Benefits payments. See [Fringe Benefits for Reimbursable Employee Expenses](file:///C:\wiki\spaces\uspsrdoc\pages\84738189\Fringe+Benefits+for+Reimbursable+Employee+Expenses) for further details.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Fringe Benefits
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the fringe benefit
      * Description = Can be added if desired
      * Click Save

This information will be placed on the W2 in Box 14 as a Code Fringe.

26. **Moving Expenses** : Process any Moving Expense payments.

Reimbursements for moving expenses paid to active military employees, including payments made directly to a third party, should be reported. The moving expense amount is treated as an excludable fringe benefit.

A Core > Adjustments to the Federal Tax Payroll Item is the only requirement.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Moving Expenses
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the moving expense
      * Description = Can be added if desired
      * Click Save

This information will be placed on the W2 in Box 12 with a code P.

27. **Company Vehicle:** Process any Company Vehicle payments.

A Core > Adjustment to the Federal Tax Payroll Item is the only requirement. The Vehicle Lease Adjustment will automatically update the Total Gross and Applicable Gross on the Federal Tax and Ohio State Tax Payroll Items.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Vehicle Lease
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the company vehicle
      * Description = Can be added if desired
      * Click Save

This information will be placed on the W2 in Box 14.

28. **Adoption Assistance:** Process any Adoption Assistance (NC2 payments in Classic) payments. See [Reporting Taxable Amounts - Adoption Assistance](file:///C:\wiki\spaces\uspsrdoc\pages\2526005\Adoption+Assistance) [( Known as NC2 Payments in Classic)](file:///C:\wiki\spaces\uspsrdoc\pages\2491715\Reporting+Taxable+Amounts) for further details.

If the Adoption Assistance payment (refer to Step 3, using the Adoption Assistance Pay Type) was processed as part of a payroll prior to calendar year end, no further processing is required.

If the Adoption Assistance Pay Type was not used prior to the last pay of the calendar year, a Core > Adjustments using the Type of Adoption Assistance for the payment must be created. The only Adjustment needed is the Type > Federal Tax Payroll Item. The Adoption Assistance Adjustment will automatically update the Total Gross and Applicable Gross on the Federal Tax, City (if applicable), Medicare Payroll Items. No further adjustments for Total Gross and Applicable Gross are necessary.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Adoption Assistance
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the adoption assistance
      * Description = Can be added if desired
      * Click Save

The software provides the ability to withhold city tax on non-cash earnings. City tax withholding is based on whether the Core > Payroll Item Configuration > Tax Non Cash Earn checkbox is marked or not marked. Keep in mind, city taxes may also need to be paid if the employee is not a resident of the city where the tax is deducted.

This information will be placed on the W2 in Box 12 as a Code T.

29. **Non-Cash Taxable Benefits:** Process any Non-Cash Taxable Benefits (NC3 payments in Classic). See [Reporting Taxable Benefits - Non-Cash Taxable Benefits (Known as NC3 Payments in Classic)](file:///C:\wiki\spaces\uspsrdoc\pages\2525984\Non-Cash+Taxable+Benefits+NC3) for further details.

If the Non-cash Taxable Benefit payment (Step 4, using the Non-cash Taxable Benefit Pay Type) was processed as part of a payroll prior to calendar year end, no further processing is required.

If the Non-cash Taxable Benefit Pay Typewas not used prior to the last pay of the calendar year, a Core > Adjustment to the Federal Tax Payroll Item is required. The Taxable Benefits Adjustment will automatically update the Total and Applicable Gross amounts on the Federal Tax, Ohio State Tax, City and OSDI (if applicable), and Medicare Payroll Items. No further adjustments for Total Gross and Applicable Gross are necessary.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Federal Tax
      * Type = Taxable Benefits
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the taxable benefit
      * Description = Can be added if desired
      * Click Save

The Medicare withholding must be paid. The Board will need to pay for **both** the Employee and Employer portion of Medicare. The employee can then reimburse the district - if desired.  Create a Core > Adjustments for the Medicare Payroll Item using the Type of Amount Withheld and/or Board's Amount of payroll item. If Medicare is fully board paid, create a Core > Adjustments for the Medicare Payroll Item using the Type of Board Pickup Amount of Payroll Item. This adjustment will update both the Medicare pickup and Medicare on the W2. Another adjustment will need to be made to balance the 941 QTD Employer's Medicare Contribution using Type of Board's Amount of payroll item for this amount.

* + Go to Core > Adjustments
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Medicare
      * Type = Amount Withheld
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the calculated employee Medicare owed
      * Description = Can be added if desired
      * Click Save
    - Click Create
      * Employee = Locate the employee by name or id
      * Payroll Item = Medicare
      * Type = Board's Amount of payroll item
      * Transaction Date = Enter a date within the current posting period
      * Amount = Enter the amount of the calculated employer Medicare owed
      * Description = Can be added if desired
      * Click Save

30. **Employer Health Coverage Costs.** If all of the appropriate health insurance Core > Payroll Item Configuration records have had the Employer Health Coverage checkbox(s) marked the entire calendar year and both employee and/or employer amount(s) are tracked on the system, and the totals being reported are accurate, nothing further is required.

If the Employer Health Coverage Costs needs updated, create a Core > Adjustments for the Federal Tax Payroll Item using the Type of Health Insurance. Keep in mind, the amount entered on the Health Insurance Adjustment does not overridethe existing amount. The Adjustment amount is added or subtracted to the existing total.

* + If individuals need updated:
    - Go to Core > Adjustments
      * Click Create
        + Employee = Locate the employee by name or id
        + Payroll Item = Federal Tax
        + Type = Health Insurance
        + Transaction Date = Enter a date within the current posting period
        + Amount = Enter the amount needing to be added to the current amount being reported
        + Description = Can be added if desired
        + Click Save
  + If multiple employees need updated, Utilities > Mass Load can be used.
    - Create a .CSV file. Click [here](https://mcoecn.atlassian.net/wiki/x/FQQm) for the CSV file requirements.
    - Go to Utilities > Mass Load to upload the CSV file
    - Browse to file .CSV file
    - Importable Entities= AdjustmentJournal
    - Click Load

This information is placed in Box 12 with code DD.

31. **Health Reimbursement Arrangement Information:** This only applies to those 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) and the employer does not offer a group health plan to any of their employees.

The only Adjustment needed is the Type > Federal Tax Payroll Item.

* + Go to Core > Adjustments
    - Click Create
    - Employee = Locate the employee by name or id
    - Payroll Item = Federal Tax
    - Type = Health Reimbursement
    - Transaction Date = Enter a date within the current posting period
    - Amount = Enter the amount needing to be reported
    - Description = Can be added if desired
    - Click Save

This information is placed in Box 12 with code FF.

# W2 Report and Submission

32. **Run W2 Report and Submission - Error Report**

* + Go to Reports > W2 Reports > W2 Report and Submission > W2 Report Options tab.
    - Output Type = Report
    - Format = PDF
    - Report Title = Defaults to W2 Report. This can be changed if desired.
    - Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
    - State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
    - Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option.
    - Sort Options = Choose from the drop down option how the report should be sorted.
    - Report for Year = XXXX
    - Include Fringe Benefits in Box 14? = Uncheck the box
    - Report Employees with errors only? = Check the box
    - Select Payroll Items to print in box 14 = Leave blank
    - Click Generate Report
    - Print the W2 Report and verify the data.

33. **Run W2 Report and Submission Balance and Verify W2 Report:**

* + Go to Reports > W2 Reports > W2 Report and Submission > W2 Report Options tab.
    - Output Type = Report
    - Format = PDF
    - Report Title = Defaults to W2 Report. This can be changed if desired.
    - Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
    - State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
    - Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option.
    - Sort Options = Choose from the drop down option how the report should be sorted.
    - Report for Year = XXXX
    - Include Fringe Benefits in Box 14? = Check the box so these are included on W2
    - Report Employee with errors only? = Uncheck the box
    - Select Payroll Items to print in box 14 = Click Add to select payroll item(s) to print on W2
    - Click Generate Report
    - Print the W2 Report and verify the data.

W2 Report and Submission/Generate Report can be run as many times as necessary until all data on report is correct. Please see document called [Affects of Special Situations on W2 Processing](https://mcoecn.atlassian.net/wiki/x/5oZJ) for additional assistance with balancing.

34. **Create and Submit Federal Submission File:**

* + Generate the TXT file:
    - Go to Reports > W2 Reports > W2 Report and Submission > W2 Report options tab.
    - Output Type = Submission
    - Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
    - Additional Federal ID Number = If additional Federal ID number is available enter here.
    - State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
    - Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option
    - Sort Options = Choose from the drop down option how the report should be sorted.
    - Report for Year = 20XX
    - Employer Name = Defaults to Name in Core > Organization. Check for accuracy.
    - Employer Address first line = Defaults to Street 1 in Core > Organization. Check for accuracy.
    - Employer Address second line = Defaults to Street 2 in Core > Organization. Check for accuracy.
    - Employer City = Defaults to City in Core > Organization. Check for accuracy.
    - Employer State = Defaults to State in Core > Organization. Check for accuracy.
    - Employer Zip Code = Defaults to Postal Code in Core > Organization. Check for accuracy.
    - Contact Name = Enter name of employee creating the tape file (required).
    - Contact Phone Number = Enter phone number of person creating tape file (required).
    - Contact Phone Extension = Enter extension of person creating tape file (optional).
    - Contact Fax Number = Enter fax number for person creating tape file (optional).
    - Contact Email Address = Enter email address of person creating tape file (required).
    - Select Generate SSA W2 Submission File Summary Report. Print and save.
    - Click Generate SSA W2 Submission File
    - Save the W2TAPE.TXT file to your desk top or somewhere on your computer
  + Generate the XML file:
    - Go to Reports>W2 Report and Submission>W2 Report Options tab.
    - Output Type = XML.
    - XML Title = Defaults to W2 Form Data. Can be changed if desired.
    - Federal ID Number = Defaults to Federal EIN number in Core>Organization. Check for accuracy.
    - State ID Number = Defaults to State EIN number in Core>Organization. Check for accuracy.
    - Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option.
    - Sort Options = Choose from the drop down option how the report should be sorted. Select the sort option that matches how you wish to have your employee copies of your W2's printed.
    - Report for Year = YYYY
    - Employer Name = Defaults to Name in Core>Organization. Check for accuracy.
    - Employer Address first line = Defaults to Street 1 in Core/Organization. Check for accuracy.
    - Employer Address second line = Defaults to Street 2 in Core/Organization. Check for accuracy.
    - Employer City = Defaults to City in Core>Organization. Check for accuracy.
    - Employer State = Defaults to State in Core>Organization. Check for accuracy.
    - Employer Zip Code = Defaults to Postal Code in Core>Organization. Check for accuracy.
    - Include Fringe Benefits in Box 14? = Check the box so these are included on W2.
    - Select Payroll Items to print in box 14 = Click Add to select payroll item(s) to print on W2.
    - Select Individual Employees? = Leave empty to print all employees.
    - Select Pay Groups = Leave empty to print all employees.
    - Select Generate XML Output
    - Save the W2 Form Data.XML to your desktop or a place on your computer
    - Send the W2Form Data.XML file securely to your ITC per their instructions to be printed.
  + Verify reports have been copied to the File Archive > Calendar Year End bundle
    - * Go to Utilities > File Archive
        + Filter Year by entering YYYY
        + Singe click YYYY - Calendar Year Reports line. You should see the following reports and files:

W2 Report.PDF

W2TAPE.TXT

W2 Form Data.XML

* + Upload the file to the secure transfer site: [ACCESS Secure File Transfer Web Client](https://secure.access-k12.org/login)

35. **Create and Submit Ohio Submission File.**

* + Generate the Ohio submission file.
    - Go to Reports > W2 Reports > W2 Report and Submission > W2 State Options tab.
    - State = Ohio
    - Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
    - Additional Federal ID Number = If additional Federal ID number is available enter here.
    - State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
    - Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option
    - Report for Year = 20XX
    - Employer Name = Defaults to Name in Core > Organization. Check for accuracy.
    - Employer Address first line = Defaults to Street 1 in Core > Organization. Check for accuracy.
    - Employer Address second line = Defaults to Street 2 in Core > Organization. Check for accuracy.
    - Employer City = Defaults to City in Core > Organization. Check for accuracy.
    - Employer State = Defaults to State in Core > Organization. Check for accuracy.
    - Employer Zip Code = Defaults to Postal Code in Core > Organization. Check for accuracy.
    - Contact Name = Enter name of employee creating the tape file (required).
    - Contact Phone Number = Enter phone number of person creating tape file (required).
    - Contact Phone Extension = Enter extension of person creating tape file (optional).
    - Contact Fax Number = Enter fax number for person creating tape file (optional).
    - Contact Email Address = Enter email address of person creating tape file (required).
    - Select Generate Ohio W2 Submission File Summary Report. Print and save.
    - Click Generate Ohio W2 Submission File
    - Save the W2OH.TXT file to your desk top or somewhere on your computer
    - Verify reports have been copied to the File Archive > Calendar Year End bundle.
      * Go to Utilities > File Archive
        + Filter Year by entering YYYY
        + Singe click YYYY - Calendar Year Reports line. You should see the following reports and files:

W2OH.TXT

* + Upload the file to the secure transfer site: [ACCESS Secure File Transfer Web Client](https://secure.access-k12.org/login)

36. **Create and Submit Other State Submission File(s) - if applicable:**

The following is the criteria each state requires for filing on paper or electronically:

|  |  |
| --- | --- |
| **State** | **Filing Requirements** |
| Pennsylvania | Requires electronic filing if 10 or more W2's. |
| West Virginia | Requires electronic filing if 25 or more W2's. |

* + Generate any other State submission files.
    - Go to Reports > W2 Reports > W2 Report and Submission > W2 State Options tab.
      * State = Select the appropriation state.
      * Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
      * Additional Federal ID Number = If additional Federal ID number is available enter here.
      * State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
      * Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option
      * Report for Year = 20XX
      * Employer Name = Defaults to Name in Core > Organization. Check for accuracy.
      * Employer Address first line = Defaults to Street 1 in Core > Organization. Check for accuracy.
      * Employer Address second line = Defaults to Street 2 in Core > Organization. Check for accuracy.
      * Employer City = Defaults to City in Core > Organization. Check for accuracy.
      * Employer State = Defaults to State in Core > Organization. Check for accuracy.
      * Employer Zip Code = Defaults to Postal Code in Core > Organization. Check for accuracy.
      * Submitter EIN: (Will only appear if System > Configuration > W2 Configuration > District Will Submit Own W2 Files checkbox is marked) Will populate from Core > Organization > Submitter Ein. Check for accuracy.
      * Submitter User ID: (Will only appear if System > Configuration > W2 Configuration > District Will Submit Own W2 Files checkbox is marked) Will populate from Core > Organization > Submitter User Id. Check for accuracy.
      * First Quarter Tax Due (rounded to whole dollar) = Only applies to West Virginia
      * Second Quarter Tax Due (rounded to whole dollar) = Only applies to West Virginia
      * Third Quarter Tax Due (rounded to whole dollar) = Only applies to West Virginia
      * Fourth Quarter Tax Due (rounded to whole dollar) = Only applies to West Virginia
      * Total Tax Due for the Year (rounded to the whole dollar) = Only applies to West Virginia
      * Generate the XX W2 Submission File Summary Report. Print and save.
      * Click Generate XX W2 Submission File
      * Save the W2XX.TXT or W2MAST\_XX.TXT file to your desk top or somewhere on your computer
      * Verify reports have been copied to the File Archive > Calendar Year End bundle.
        + Go to Utilities > File Archive

Filter Year by entering YYYY

Singe click YYYY - Calendar Year Reports line. You should see the following reports and files:

W2PA.TXT

 W2PA\_TRANS.CSV (For those districts creating and submitting own files.)

W2MAST\_PA.TXT(For those districts creating and submitting own files.)

W2WV.TXT

W2MAST\_WV.TXT (For those districts creating and submitting own files.)

* + Upload the W2MAST\_XX.TXT file to the appropriate state website.

37. **Create and Submit City Submission File(s) (if applicable):** This will need be run for each City being submitted electronically.

* + Generate submission file
    - Go to Reports > W2 Reports > W2 Report and Submission > W2 City Options tab.
      * Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
      * Additional Federal ID Number = If additional Federal ID number is available enter here.
      * State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
      * Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option.
      * Sort Options = Choose from the drop down option how the report should be sorted.
      * Report for Year = 20XX
      * Employer Name = Defaults to Name in Core > Organization. Check for accuracy.
      * Employer Address first line = Defaults to Street 1 in Core > Organization. Check for accuracy.
      * Employer Address second line = Defaults to Street 2 in Core > Organization. Check for accuracy.
      * Employer City = Defaults to City in Core > Organization. Check for accuracy.
      * Employer State = Defaults to State in Core > Organization. Check for accuracy.
      * Employer Zip Code = Defaults to Postal Code in Core > Organization. Check for accuracy.
      * Tax Entity Code = Code entered on the Payroll Item Configuration record in the Tax Entity code field.
      * Include Amounts For All Cities? = Check or Uncheck the box based on the city requirements. For most cities this checkbox should be checked.
      * Include City Name For the Processing City? = Check the box
      * Click Generate City W2 Submission File Summary Report. Print and save the report.
      * Click Generate City W2 Submission File
    - Save the W2CITY\_XXXXX.TXT file to your desktop or somewhere on your computer.
    - Verify reports have been copied to the File Archive > Calendar Year End bundle.
      * Go to Utilities > File Archive
        + Filter Year by entering YYYY
        + Singe click YYYY - Calendar Year Reports line. You should see the following reports and files:

W2CITY\_XXXX.TXT

* + Upload the file to the secure transfer site: [ACCESS Secure File Transfer Web Client](https://secure.access-k12.org/login)

38. **Create and Submit CCA Submission File (if applicable)**:

* + Generate submission file
    - Go to Reports > W2 Reports > W2 Report and Submission > W2 Report Options tab.
      * Output Type = Submission.
      * Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
      * Additional Federal ID Number = If additional Federal ID number is available enter here.
      * State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
      * Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option.
      * Sort Options = Choose from the drop down option how the report should be sorted.
      * Report for Year = 20XX
      * Employer Name = Defaults to Name in Core > Organization. Check for accuracy.
      * Employer Address first line = Defaults to Street 1 in Core > Organization. Check for accuracy.
      * Employer Address second line = Defaults to Street 2 in Core > Organization. Check for accuracy.
      * Employer City = Defaults to City in Core > Organization. Check for accuracy.
      * Employer State = Defaults to State in Core > Organization. Check for accuracy.
      * Employer Zip Code = Defaults to Postal Code in Core > Organization. Check for accuracy.
      * Contact Name = Enter name of employee creating the tape file (required).
      * Contact Phone Number = Enter phone number of person creating tape file (required).
      * Contact Phone Extension = Enter extension of person creating tape file (optional).
      * Contact Fax Number = Enter fax number for person creating tape file (optional).
      * Contact Email Address = Enter email address of person creating tape file (required).
      * Select Generate CCA W2 Submission File Summary Report. Print and save.
      * Click Generate CCA W2 Submission File
      * Save the W2CCA.TXT or W2MSTCCA.TXT file to your desktop or somewhere on your computer
      * Verify reports have been copied to the File Archive > Calendar Year End bundle.
        + Go to Utilities > File Archive

Filter Year by entering YYYY

Singe click YYYY - Calendar Year Reports line. You should see the following files:

W2CCA.TXT

W2MSTCCA.TXT (For those districts creating and submitting own files.)

* + Upload the file to CCA.
    - [http://ccatax.ci.cleveland.oh.us/?p=mmspe](http://ccatax.ci.cleveland.oh.us/?p=mmspec)
  + Mail the W-3 Annual Reconciliation Form.

39. **Create and Submit RITA Submission File (if applicable)**

* + Generate submission file
    - Go to Reports > W2 Reports > W2 Report and Submission > W2 Report Options tab.
    - Output Type = Submission.
    - Federal ID Number = Defaults to Federal EIN number in Core > Organization. Check for accuracy.
    - Additional Federal ID Number = If additional Federal ID number is available enter here.
    - State ID Number = Defaults to State EIN number in Core > Organization. Check for accuracy.
    - Kind of Employer = Defaults to S, State and Local Government Employer. Can be changed through drop down option.
    - Sort Options = Choose from the drop-down option how the report should be sorted.
    - Report for Year = 20XX
    - Employer Name = Defaults to Name in Core > Organization. Check for accuracy.
    - Employer Address first line = Defaults to Street 1 in Core > Organization. Check for accuracy.
    - Employer Address second line = Defaults to Street 2 in Core > Organization. Check for accuracy.
    - Employer City = Defaults to City in Core > Organization. Check for accuracy.
    - Employer State = Defaults to State in Core > Organization. Check for accuracy.
    - Employer Zip Code = Defaults to Postal Code in Core > Organization. Check for accuracy.
    - Contact Name = Enter name of employee creating the tape file (required).
    - Contact Phone Number = Enter phone number of person creating tape file (required).
    - Contact Phone Extension = Enter extension of person creating tape file (optional).
    - Contact Fax Number = Enter fax number for person creating tape file (optional).
    - Contact Email Address = Enter email address of person creating tape file (required).
    - Select Generate RITA W2 Submission File Summary Report. Print and save.
    - Click Generate RITA W2 Submission File
    - Save the W2RITA.TXT file to your desktop or somewhere on your computer
    - Verify reports have been copied to the File Archive > Calendar Year End bundle.
      * Go to Utilities > File Archive
        + Filter Year by entering YYYY
        + Singe click YYYY - Calendar Year Reports line. You should see the following reports and files:

W2RITA.TXT

* + Upload the file to the secure transfer site: [ACCESS Secure File Transfer Web Client](https://secure.access-k12.org/login)

40. **Run the YTD Report (Optional).**

* + Go to Reports > YTD Report.
    - Report Title = Defaults to YTD Report. Can be changed if desired
    - Sort Option = Choose appropriate Sort option
    - Year = Enter appropriate calendar year
    - Include Compensation Information on Report? = Defaults to include Compensation information
    - Include Archived Employees? = Check the checkbox is wanting to include Archived employees
    - Specific Employees = Leave blank
    - Specific Pay Groups = Leave blank
    - Specific Job Statuses = Defaults to Inactive and Active selected
    - Generate Report

41. **Close the December Posting Period.**

* + Go to Core > Posting Period.
    - Click on the  opt option. The Open field should say False.

42. **Verify Calendar Year End Report Bundles.**

* + Go to Utilities > File Archive > Payroll Archive
    - Filter Year by entering YYY YYYY
    - Single click YYYY - Calendar Year Reports line. You should see the following reports:
      * Attendance Journal Report
      * Leave Balance Report
      * Payment Transaction Status Report
      * Employee Master Report
      * Earnings Register
      * YTD Report