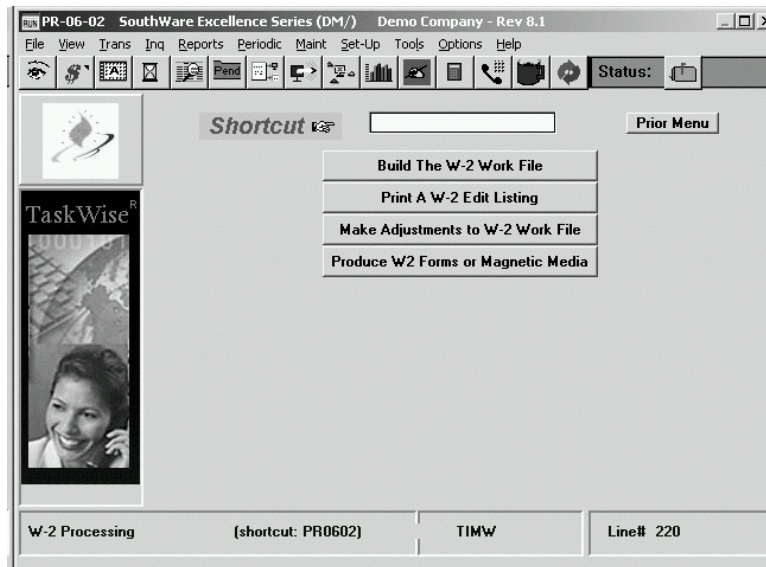## PR-06-02 W-2 Processing

PR-06-02 Menu

The options in this menu provide the functions to report W-2 information to federal and state reporting authorities. This menu serves as a checklist and you should typically follow these steps in sequence.

PR-06-02-01 Build the W-2 Workfile

Sample W-2 Build Screen

This program creates a workfile that contains the employee wage and tax information necessary for W-2 reporting. After you build this workfile all subsequent W-2 processing is done from information in the workfile.

Warning: You must not have duplicate social security numbers for employees since the key to reporting is the social security number.

When you select this option the program will display a screen with the following fields:

1. Reporting Year:
Enter the four-digit reporting year (e.g. 2001).

2. Company Info:
This field displays a plus box with the following company information fields (the name and address fields default to the company info defined in SwiftMate XX-03-01):

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Employer Name
> Enter the full employer name.

Address Attention Line
> Enter the attention line for the address (first line of street address).

Address Street
> Enter the normal address line.

City
> Enter the city.

State
> Enter the two-character state abbreviation.

Zip Code
> Enter the zip code.

Type Employment
> Enter the type of employment as detailed in the W-2 Magnetic Media reporting instructions. This defaults to "R" for Regular.

ERP Number
> Enter your four-digit Establishment Reporting Plan number or leave blank if this does not apply.

Other EIN
> Enter any other Employer Federal ID number (without dashes) used in previous 941 reporting or leave blank if not applicable.

3. **MMREF Contact Info:**
    This field contains information about your company contact person as required for MMREF reporting:

Contact Name
> Enter the name of the contact person.

Authorized PIN
> Enter the Personal Identification Number assigned to the employee who is authorized to submit this file.

Contact Phone
> Enter the contact person's phone number.

Phone Extension
> Enter the contact person's extension.

E-Mail Address
> Enter the contact person's e-mail address.

Contact Fax
> Enter the contact person's fax number.

Preferred Method
> Specify the preferred contact method for the contact:
> 1   E-Mail/Internet

2   FAX
3   Postal Service

4. Employer EIN:
Enter your Employer Identification Number.

5. Tips Parameters:
If you specify in your control record that you have tips you must enter a beginning and ending check date to use for tip calculations and allocations.

Enter "H" for Hours, "S" for Sales, or press <Enter> to specify no tips allocation.

Please refer to the instructions for Form 8027 to review Tips Allocation Calculations. At the time of this writing tips are allocated based on 8% of gross sales.

6. Box 9 Earned Income Credit:
Enter the earnings code (up to five codes) which is used for Earned Income Credit.

7. Box 10 Dependent Care:
Enter the earnings code (up to five codes) which is used for employer-paid dependent care.

8. Non-qualified 457:
Enter the earnings code (up to five codes) which is used for earnings from a non-qualified "457" deferred compensation plan. This amount should also be included in the federal taxable wages.

9. Non-qualified non-457:
Enter the earnings code (up to five codes) which is used for earnings from a non-qualified "non-457" deferred compensation plan. This amount should also be included in the federal taxable wages.

10. Box 12 Amounts:
Select from the list of situations that need to be reported in box 12. For each item you select you may specify up to five codes that define the amount. See the SSA W-2 instructions for more details on each item.

11. Box 13 Retirement Indicator:
Enter the earnings code (up to five codes) which determines whether the employee's retirement box should be checked on the W-2.

12. Box 14 Amounts:
Here you may enter a five-character literal and description for up to 15 possible amounts that may need to be included in box 14. The literal will print on the form. For each literal you define you may specify up to five earnings codes which define the amount.

If your state requires that SUI withholding be reported you should enter the literal "SUI" and code 14 in box 14. If SDI is a percentage of SUI you should enter IDs for both SUI and SDI in box 14.

13. SUI/SDI Percents:
If you entered SUI and SDI as valid values for box 14 you will be asked to enter the % for SUI and SDI in this field.

14. File Totals:
This field displays totals after you build the workfile.

After you enter the workfile parameters above a question asks if you want to:
Combine multiple localities for the same state (if applicable)
Normally you should enter "Y" to combine all localities in a state on one W-2 form per employee. Enter "N" if you want a separate W-2 for each locality code for an employee.

Then the program will build the W-2 Workfile. A message will indicate if the workfile includes multiple states and suggest that you print W-2 forms per state.

PR-06-02-02 Print W-2 Edit Listing

W-2 Edit Listing Parameters

This selection allows you to print a listing of the W-2 workfile information. You may use this listing to verify the information and look for any corrections that need to be made before reporting.

Choose this option, select a print option, and enter the following parameters:

Sequence to Print
> Select the sequence of the report (same option as for printing):
> > S   Social Security Number sequence
> > W   Work location / employee name sequence

Range of Work Locations
> Enter a range of work locations to include or press <Enter> for ALL.

State Codes to Print
> Enter up to five state codes to print or press <Enter> for ALL.

Range of Social Security Numbers

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Enter a range of social security numbers or press <Enter> for ALL.

PR-06-02-03 Make Adjustments to W-2 Workfile

Sample W-2 WorkFile Record

This selection allows you to maintain the W-2 Control Record or the individual employee workfile records. When you access this program a question asks if you want to maintain the W-2 Control Record. Enter "Y" to access the control record or "N" to access the employee records.

This file will contain at least one record per employee. Multiple records are needed when:
- There are more than two taxing localities for an employee and you did not specify to combine localities when you build the workfile.
- There are more than two taxing states for an employee.
- There are more than three lines of information required for box 13 or box 14.

Here are the fields you may access per employee record:

1. Social Security Number:
> Enter the employee's nine-digit social security number.

2. Seq #:
> The sequence number is assigned during the W-2 build process as

needed for each employee. The sequence number "00" will contain
Federal copy "A" information with up to two states and locality
information. The sequence number will be incremented by one for
additional states or localities.

3. Employee Number:
This is the employee number.

> **Note:**   The name information below should match the employee's
> social security card.

4. First Name:
This is the employee's first name.

5. Middle Name:
This is the employee's middle name (if applicable).

6. Last Name:
This is the employee's last name.
Suffix
This field can contain a suffix for the employee's name such as
"JR".

7. Addr Attn:
This is an additional address or "attention" line allowed in W-2
reporting. There is not a related field in the SouthWare employee
file and this will be blank for all employees. You may enter an
attention line as needed.

8. Addr Street:
This is the street address for the employee which defaults from the
Street address field in the employee record.

9. (City, ST, Zip, Country):
This is the remaining address info for the employee.

10. Box 13 Statutory Employee?:
This should be "Y" if this is a statutory employee whose wages are
subject to the social security tax but not federal withholding, box
13 on the W-2.

11. Box 13 Retirement?:
This should be "Y" if the employee contributed to a qualifying

retirement plan.

12. **Box 13 3rd Party Sick?:**
    This should be "Y" if the employee received 3rd party sick pay.

13. **Box 1 Fed Wages:**
    This is the total wages, tips, and other compensation to be printed in box 1.

14. **Box 2 Fed Tax W/H:**
    This is the amount of federal income tax withheld to be printed in box 2.

15. **Box 3 Soc Sec Wages:**
    This is the amount of social security wages to be reported in box 3.

16. **Box 4 Soc Sec Tax W/H:**
    This is the amount of social security tax withheld to be reported in box 4.

17. **Box 5 Medicare Wages:**
    This is the amount of Medicare wages to be reported in box 5.

18. **Box 6 Medicare W/H:**
    This is the amount of Medicare tax withheld to be reported in box 6.

19. **Box 7 Soc Sec Tips:**
    If applicable, this is the amount of tips subject to social security tax to be reported in box 7. This information is gathered from the tips history file.

20. **Box 8 Allocated Tips:**
    If applicable, this is the amount of allocated tips to be printed in box 8.

Fields 21 through 31 are gathered from the Recurring Deductions/Earnings file based on information entered in the W-2 Build process:

21. **Box 9 Advanced EIC:**
    (If applicable) Total amount of earned income credit to be reported in box 9.

22. Box 10 Depend Care:
(If applicable) Total amount of employer-paid dependent care to be printed in box 10.

23. Box 11 Nonqual 457:
(If applicable) Total amount of non-qualified (457) deferred compensation plan to be printed in box 11.

24. --Nonqual Non-457:
(If applicable) Total amount of non-qualified (non-457) deferred compensation to be printed in box 11.

25. Box 12 Line 1:
(If applicable) First federal reserved code and amount to print for box 12.

26. --Line 2:
(If applicable) Second federal reserved code and amount to print for box 12.

27. --Line 3:
(If applicable) Third federal reserved code and amount to print for box 12.

28. --Line 4:
(If applicable) Fourth federal reserved code and amount to print for box 12.

29. Box 14 Line 1:
(If applicable) First box 14 literal and amount from W-2 build process.

30. --Line 2:
(If applicable) Second box 14 literal and amount from W-2 build process.

31. --Line 3:
(If applicable) Third box 14 literal and amount from W-2 build process.

State 1 Info
32. (State 1 code):
State code where employee resided when earning the wages in field

33.

33. Taxable Wages:
Total taxable wages for above state.

34. Tax W/H:
Taxes withheld for above state.

35. Local code:
City or other locality for wages in field 36.

36. Local Taxable Wages:
Total taxable wages for above locality.

37. Local Tax W/H:
Taxes withheld for above locality.

State 2 Info
38 thru 43. Same as for State 1

PR-06-02-04 Produce W-2 Forms or Magnetic Media

This program allows you to output the information from the W-2 workfile for federal and state reporting.

When you access the program you must first select the type of output for this run:

P   Printed Forms - you want to print info on W-2 forms
M   MMREF-1 Media - you want to output data to magnetic media for federal reporting
S   State MMREF-1 Media - you want to output data to magnetic media for state reporting

The parameters for each type of output are similar and are outlined below. Special notes for each type of output follow the general discussion of parameters.

W-2 Output Options

Copy "A" Only
This will automatically default to "N" if no employees have multiple records in the workfile.

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How Many Copies per Employee?
> (For printing only.) If you are not printing Copy A (Federal copy)
> you may specify how many copies of the W-2 form to print for
> each employee. If you are printing on laser forms this allows you
> to print all of an employee's W-2s together.

State codes to process
> Enter up to five state codes to process per run or press <Enter> for
> ALL.

State FIPS code for magnetic media
> (For state magnetic media reporting only.) Enter the state FIPS
> code as required for magnetic media.

Sequence to print
> Select the sequence of the employee records for printing:
> > S   Social Security Number sequence
> > W   Work location / employee name sequence

Range of social security numbers
> Enter a range of social security numbers to print or press <Enter>
> for ALL.

Range of work locations
> Enter a range of work locations to print or press <Enter> for ALL.

Printed Forms
When you select Printed Forms you must first choose an output option
for the printer. After you enter the parameters a question asks if you
want to print an alignment. After you answer "N" to the alignment
question the forms print.

State Reporting
If you choose to create a magnetic media file with state information the
program will create special state records (ID of "RS") with state tax
information. Refer to www.ssa.gov/employer to view the current status
of which states access MMREF file formats.

Currently no special information is being output for state MMREF
reporting. The state records conform to the Federal guidelines.

<u>Combining Multiple W-2 Workfiles</u>
If you need to combine multiple W-2 workfiles into a single reporting
file you may run the program "PRW2MNT/X" from the menu. One
example would be if you run your executive payroll in another company
or on another machine but need to combine the executive payroll and
the normal payroll into one reporting file.

NOTES: