

Human Resources

Year-End Update Guide

W-2/1099-R Processing

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Payroll Year-End 2008 Checklist

Daily Processing

1. Set up W-2 information on benefits and deductions.
2. Set up the Payroll System Control File.

W-2 Processing

1. Order W-2 forms.
2. Apply the 7.0.4 or 7.0.5 PTF if you have not done so already.
3. Apply the year-end update.
4. Create the 2008 W-2 Work File.
5. Print and review the W-2 registers.
6. Compare the W-2 registers to Payroll reports:
   - Quarterly Wages Report
   - Earnings History Register
7. Print the W-2 forms.
8. Download the Accuwage and test W-2 file for accuracy.
9. Transfer the W-2 information to magnetic media, diskette or electronically.
10. Distribute the W-2 forms to employees.
11. Submit the W-2 information to SSA.
12. Make a backup of the Payroll data and product libraries: NWSHRLIB, NWSHRFLS, NWSFXLIB, NWSFXFLS, NWSAULIB, NWSCHGS (Changes Library) and NWSPAPTF (PTF Library).

1099-R Processing

1. Order 1099-R forms.
2. Create the 2008 1099-R Work File.
3. Print and review the 1099-R registers.
4. Compare the 1099-R registers to the Payroll reports:
   - Quarterly Wages Report
   - Earnings History Register

5. Print the 1099-R forms.
6. Transfer the 1099-R information to magnetic media, diskette or electronically.
7. Distribute the 1099-R forms to employees.
8. Make a backup of the Payroll data and product libraries: NWSHRLIB, NWSHRFLS, NWSFXLIB, NWSFXFLS, NWSAULIB, NWSCHGS (Changes Library) and NWSPAPTF (PTF Library).

Other Payroll Year-End Procedures to be Done Before the First Payroll of 2008

1. Clear year-end benefit and deduction totals.

> **NOTE**
>
> *Unless you are rolling accruals manually using the **X** method, accruals will roll automatically during first payroll processing.*

2. If you are rolling accruals manually using the **X** method, set up the roll method on benefit groups.
3. Roll accrual hours.
4. Update the Tax Master File tables for the new year.

Important Notes

On page 53 through page 62 of this manual there is significant information with regard to clearing year-end benefit and deduction totals, rolling accrual hours and changing tax tables. Please read these pages carefully.

On page 53 you learn how to clear year-end benefit and deduction totals. **Run this option after the last payroll of the year but before the first payroll of the next year.** If you are running the Summary W-2/1099-R option, you must run the Create W-2/1099-R option **first**.

You must roll all accruals, regardless of whether employees are able to roll hours forward. **This must occur after the last check of the year but before the first check of the new year.** Even if part of the first pay of the year pays days from December, the roll must occur before the first check in January. The exception to this is if your organization rolls by anniversary date or by fiscal date. In that case the roll is based solely on check date.

Here is an overview of the accrual processing steps:

1. Set up the roll method on benefit groups (page 54). Roll methods include Payroll Fiscal Date, Calendar Date, Accrual Start Date and Manual.
2. Change the setup of accruals in benefit groups (page 57). **Note: If a carry over cap is left at 0, accrual hours will not be carried into the new year.**
3. From the **Period End Menu**, roll accrual hours for benefit groups that you have selected to be rolled manually (page 59). You must roll all accruals, regardless of whether you let employees roll hours forward. This must be done after the last check of the year but before the first check of the new year.

NOTE

New World cannot assume responsibility for accrual errors that occur due to PTF installation errors or failure to follow published instructions. Please read and adhere to the steps provided in the installation instructions. New World will provide assistance with accrual errors as a billable service only.

NOTE

Starting in tax year 2006, you must file W-2s electronically. Tax year 2005 was the last year the SSA accepted diskette submissions.

NOTE

IRS/ECC-MTB now offers an Internet connection at http://fire.irs.gov for electronic filing. The FIRE System will be down from 2 p.m. E.S.T. Dec. 20, 2008, through Jan. 2, 2009, for upgrading and will not be accepting submissions during that time. The FIRE System does not provide fill-in forms. Effective January 1, 2008, the IRS will no longer accept 3 1/2-inch diskettes for filing Information Returns.

NOTE

For tax year 2008 forms filed in calendar year 2009, IRS will no longer accept tape cartridges for the filing of Information Returns. Electronic filing will be the ONLY acceptable method to file Information Returns with the IRS.

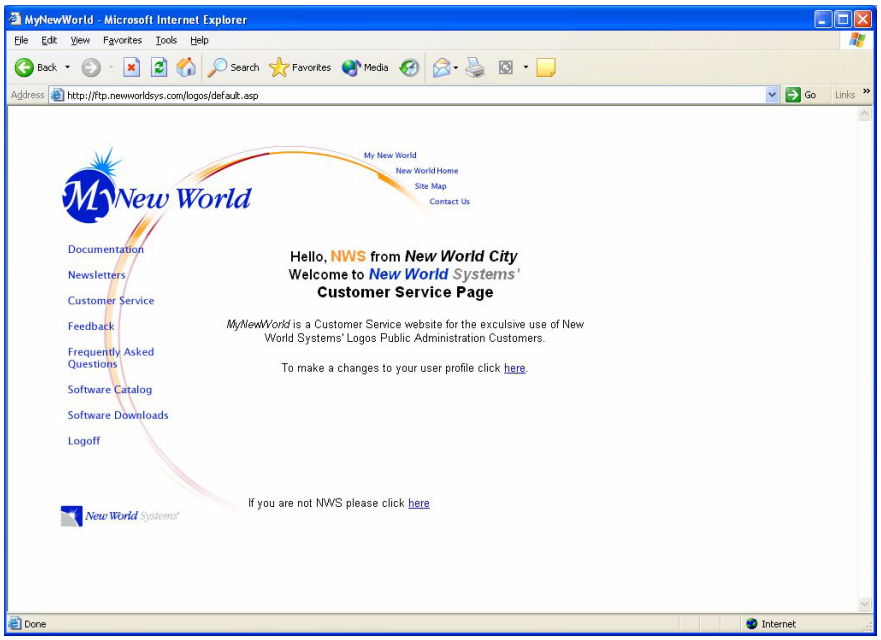
Download and FTP Instructions

The *Logos* Year-End PTF will be distributed using MyNewWorld; the PTF may also be shipped to your site if you prefer. The instructions below will apply to the download of any PTF from the Web site. It is not necessary for the PTF to be installed immediately after it is downloaded; these may be treated as separate events.

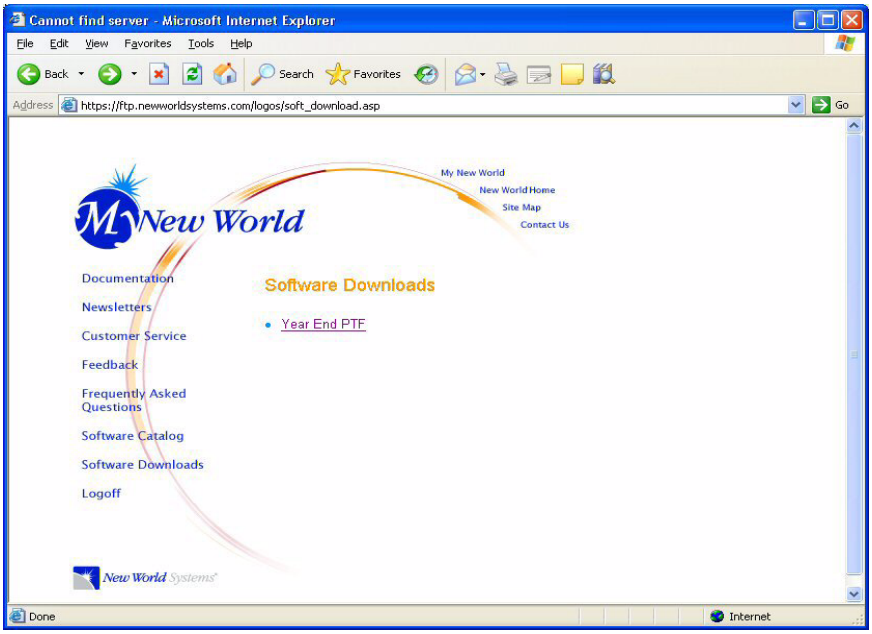
NOTE

To install the downloaded file, you will need a tool for unzipping files.

1. Log on to MyNewWorld. You will see a screen like the following once your login is complete:



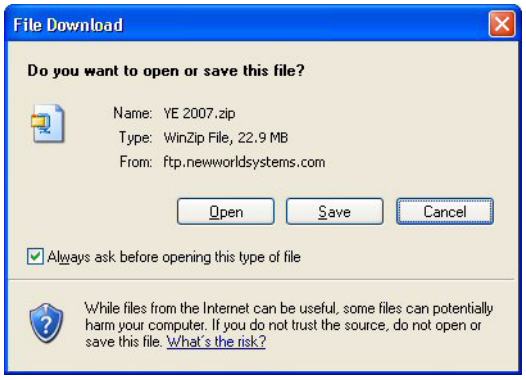
2. Click on the **Software Downloads** option in the list at the left. You will see the following screen:



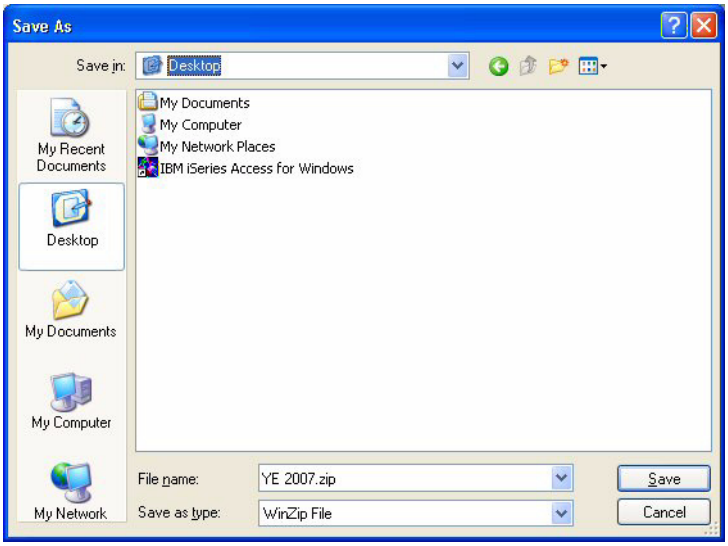
3. Click on the **Year End PTF** link. You will see a screen like the following:



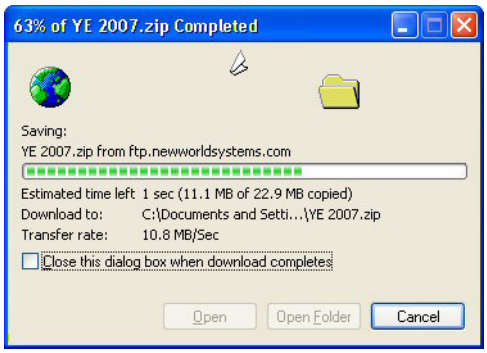
4. Click on the icon next to 2008 Logos Year End PTF. Then click on the **Download** link. You will see the following screen:



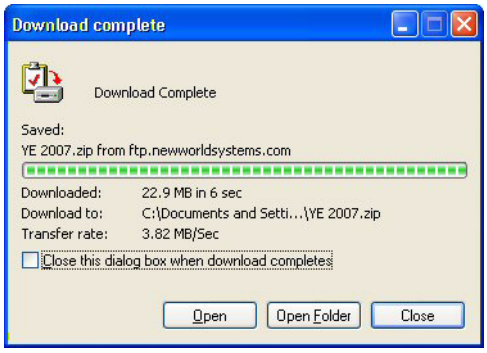
5. Click on **Save**. You will see the following screen:



6. Use the ***Save in*** field to navigate to the C:\ drive. Save the file to the C:\ drive; do not put the file in a sub-folder. Click the **Save** button. You will see a status screen as the PTF downloads to the C:\ drive:



7. When the download is complete, you will see the following screen:



8. Click **Open Folder** if you want to go immediately to the file, or **Close** if you plan to work with the file at a later date.
9. The PTF is packaged as a ZIP file, which compresses the data for faster transmission. Before the PTF can be installed, it must be unzipped and transferred to the iSeries using Bravo. Use your preferred extraction software to unzip the file. Then follow the steps in the section below. If you are using this document as part of a manual, then refer to the next chapter to install the PTF on your iSeries. Otherwise, see "Downloading the Documentation" on page 13 to download the documentation that accompanies the PTF.

Using Bravo to Transfer Files to the iSeries

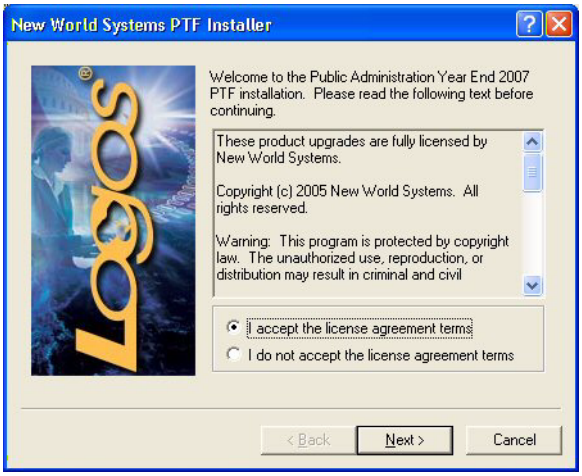
Use the steps below to transfer the unzipped files to your iSeries. Actual keystroke entries are in **bold**. Entries needing names unique to your system are in ***bold and italics***. Enter, Field Exit, and other keystrokes are in **<bold and brackets>**.

1. Use Windows Explorer to navigate to the folder where you unzipped the PTF.
2. Click on the 

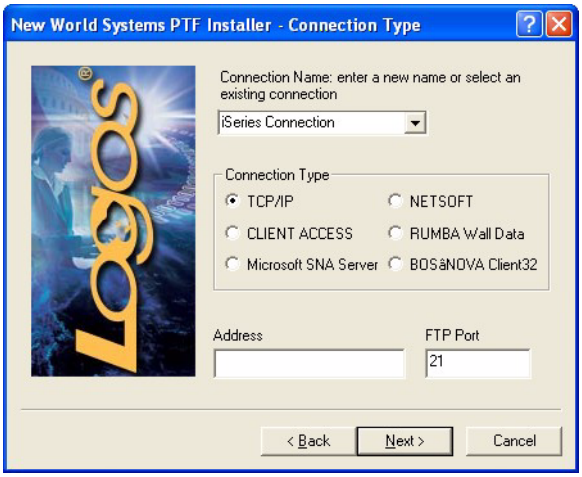
icon.
3. You will see the following screen:



4. Click on the **Start Installation** button. You will see the following screen:



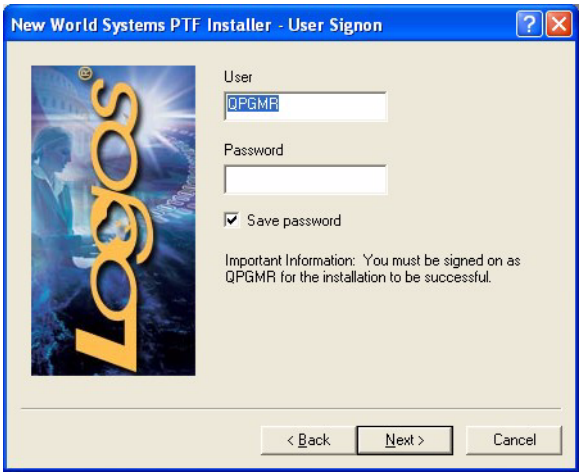
5. Select the "I accept the license agreement terms" option as shown above and click **Next**. If at any time you want to exit the installation, select **Cancel**. If you proceed with the installation, you will see the following screen:



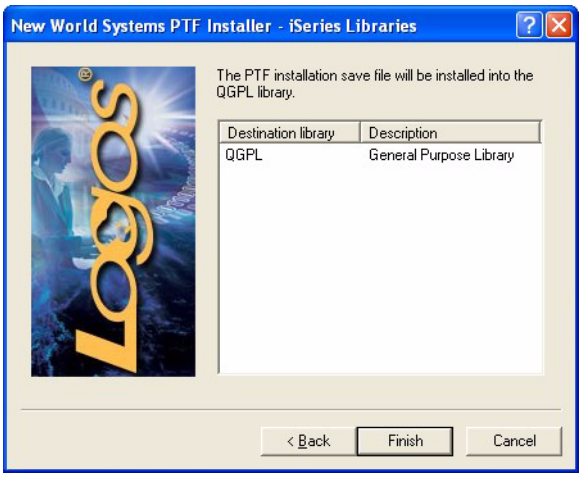
6. Fill in the fields on the screen above as follows. This information will need to be entered only once per PC; after that, the system will save the iSeries System Name and IP Address for you and allow you to select it from the drop-down box.

Field	Value
Connection Name	Enter the name of your iSeries box. To retrieve the System Name of your iSeries, type CFGTCP <Enter> on a command line, and then select Option 1, Work with TCP/IP Interfaces. The System Name can be found in the upper right-hand corner of the screen that displays "System." This screen also contains the IP Address needed below.
Connection Type	Select the way that you will connect to the iSeries. TCP/IP is the default value.
Address	Enter the IP address of your iSeries box. On the Work with TCP/IP Interfaces screen, the Internet address with the line description of ETHLINE is the IP Address (e.g., 123.45.678.9).
FTP Port	Enter the number of your FTP port. The default value is 21.

7. Click **Next** to continue. You will see the following screen:

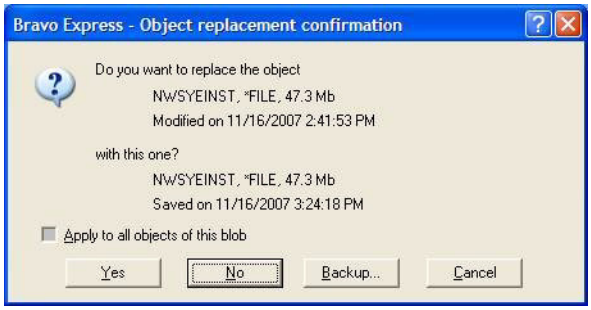


8. Enter the password for QPGMR on your iSeries. Click **Next**. You will see the following screen:

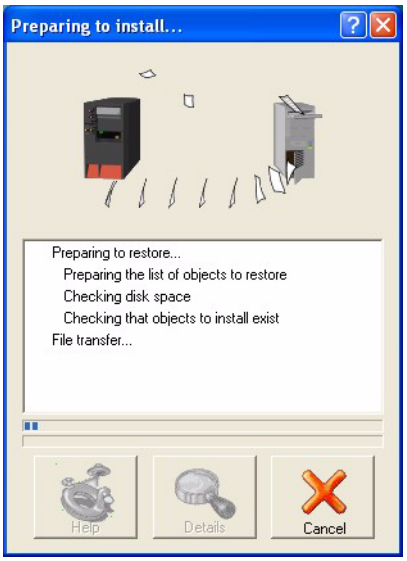


9. The QGPL library is displayed by default and cannot be changed. This is the library that must be used for the transfer. Click the **Finish** button to complete the installation of the objects into this library.

10. When applying a PTF to the QGPL library, if any objects already exist in that library, a screen will be displayed that asks the user if they would like to overwrite the existing objects with the new ones, as shown on the screen below. When this occurs, check the "Apply to all objects of this blob" flag at the bottom of the screen. Then click on the **Yes** button to continue.

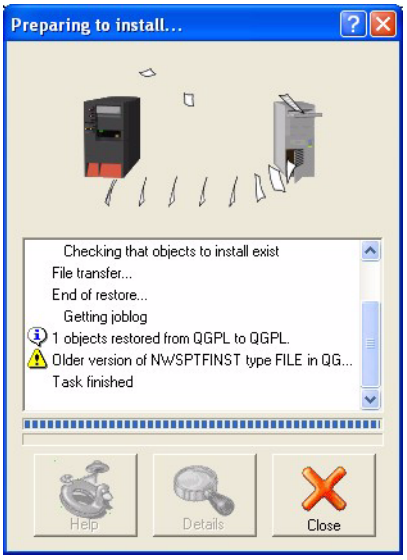


11. Once the installation is in progress, you will see the following screen:



Once the objects have been installed, you may scroll through the window of information to look for any errors that may have occurred. Also, a job log that details information is created under the QPGMR user profile on the iSeries box to which the solution was applied. You may see informative messages in this window as well.

12. Once the installation is complete, you will see the following screen:



Click on the **Close** button to exit the installation program. After the installation executable is no longer needed, it may be deleted from your desktop or other location. Please test the solution installed on your iSeries box. Please see Chapter 2 for instructions on installing the PTF.

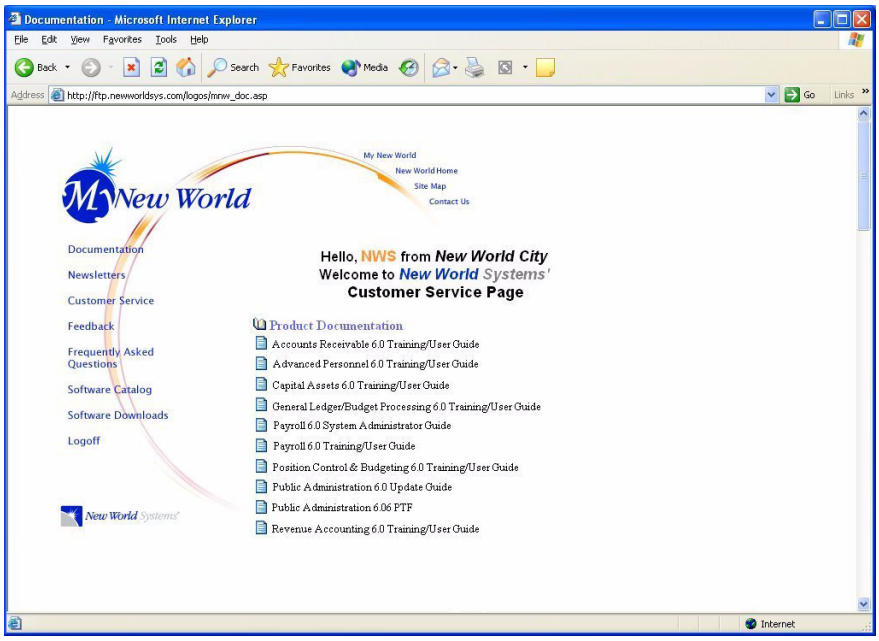
Downloading the Documentation

The update guide that accompanies this PTF is also available on MyNewWorld. If you have not already done so, we recommend downloading it at this time.

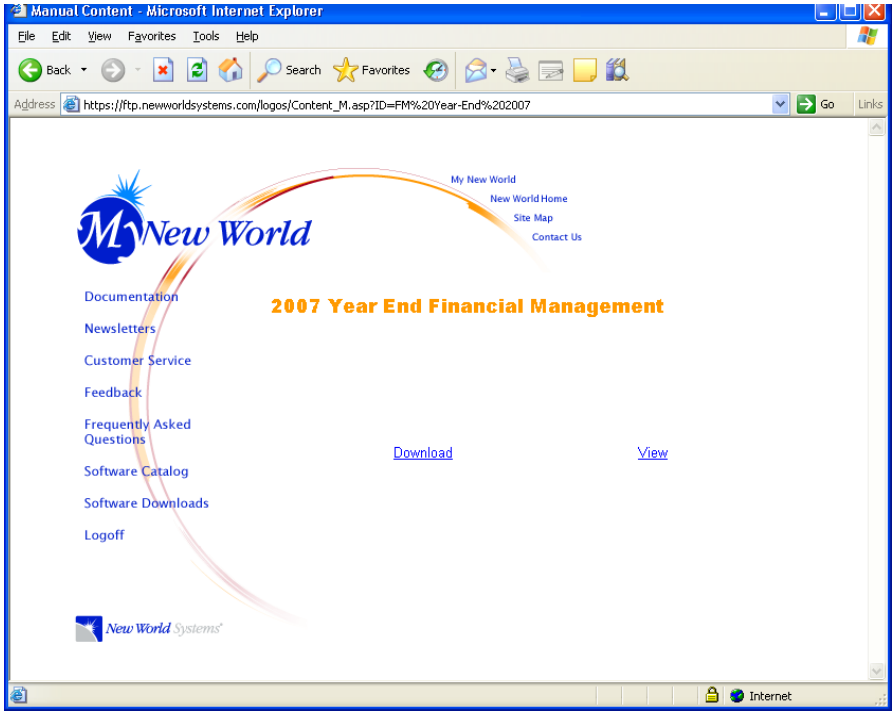
NOTE

Documentation is distributed in PDF file format, which requires Adobe Reader. If you do not already have Adobe Reader, it may be downloaded free by following this link: http://www.adobe.com/products/acrobat/readstep2.html

1. Log back on to MyNewWorld, if necessary. Select the **Documentation** link on the left-hand side of the page. You will see a list of manuals that you have a subscription to:



2. Click on the icon next to 2008 Year- End PTF Financial Management. You will see the following screen:



3. To save the document to your computer, click on the **Download** link. Select a location for the document the same way you did for the PTF. To view or print the document from MyNewWorld, click the **View** link, which opens the document. Follow the steps to install the PTF on your iSeries.

Installation Instructions

New World Systems strongly encourages every customer to run the PTF in a test environment first and thoroughly test the product. This enables you to modify and test any custom code before going live, review new software features, and get an estimate of how long the PTF will take to run in a live environment. All of these will help ensure a smooth run in the live environment.

When running the PTF in a test environment, use a current copy of your live environment. To test the PTF properly, the test environment needs to match the live as closely as possible. The older your test environment, the greater the differences between live and test.

NOTE

You must have installed the 7.0.4 or 7.0.5 PTF before installing the year-end update. If you have not yet installed the appropriate PTF, please do so before continuing with these instructions. The instructions apply to both release levels. This installation includes both Financial Management and Human Resources.

1. QPGMR must have several special authorities for the PTF to install successfully. Check for these settings before beginning the update:

1.1. Sign on to the system as QSECOFR.

1.2. Access a command line by typing **`CALL QCMD <Enter>`**.

1.3. Type the following on the command line: **`CHGUSRPRF QPGMR <F4>`**. You will see a screen like the following:

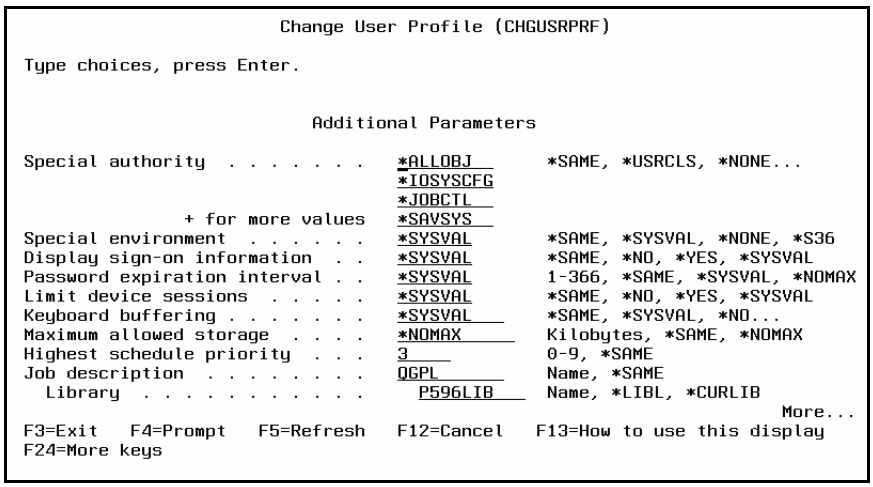
```
                    Change User Profile (CHGUSRPRF)

Type choices, press Enter.

User profile . . . . . > QPGMR        Name
User password  . . . . .   *SAME       Character value, *SAME, *NONE
Set password to expired  .   *NO        *SAME, *NO, *YES
Status . . . . . .   *ENABLED    *SAME, *ENABLED, *DISABLED
User class . . . . . .   *PGMR       *SAME, *USER, *SYSOPR...
Assistance level . . . . . .   *SYSVAL     *SAME, *SYSVAL, *BASIC...
Current library  . . . . . .   *CRTDFT     Name, *SAME, *CRTDFT
Initial program to call  .   *NONE       Name, *SAME, *NONE
  Library  . . . . . .                    Name, *LIBL, *CURLIB
Initial menu . . . . . .   MAIN         Name, *SAME, *SIGNOFF
  Library  . . . . . .     *LIBL       Name, *LIBL, *CURLIB
Limit capabilities . . . . . .   *NO         *SAME, *NO, *PARTIAL, *YES
Text 'description' . . . . . .   'Programmer and Batch User'
_____

                                                                    Bottom
F3=Exit   F4=Prompt   F5=Refresh   F10=Additional parameters   F12=Cancel
F13=How to use this display        F24=More keys
```

1.4. Press **`<F10>`** and then press **`<Page Down>`** once. You will see a screen like the following:



1.5. The values in the Special Authority field should look like the ones above; they can be in any order. Make any necessary additions and press **<Enter>**.

1.6. Sign off of the system.

2. Sign on to the system as QPGMR.

3. Access a command line by typing **CALL QCMD <Enter>**

4. Change your library list with the following command:

CHGLIBL (QTEMP NWSAULIBxx QGPL) <Enter>

NOTE

Certain instructions require library names that are specific to your system. These are designated by the standard library name followed by "xx," such as "NWSFXLIBxx." This should be replaced with the library name you are using. For example, if you are working with a test library called NWSHRLIBTT and the instruction calls for "NWSHRLIBxx," enter "NWSHRLIBTT." Similarly, if you are using "NWSFXLIB" and the instruction calls for "NWSFXLIBxx," enter "NWSFXLIB."

5. Start the installation program by placing the New World supplied CD labeled "Public Administration Year End 2008 PTF" into the system's CD drive. Then type the following command to start the installation:

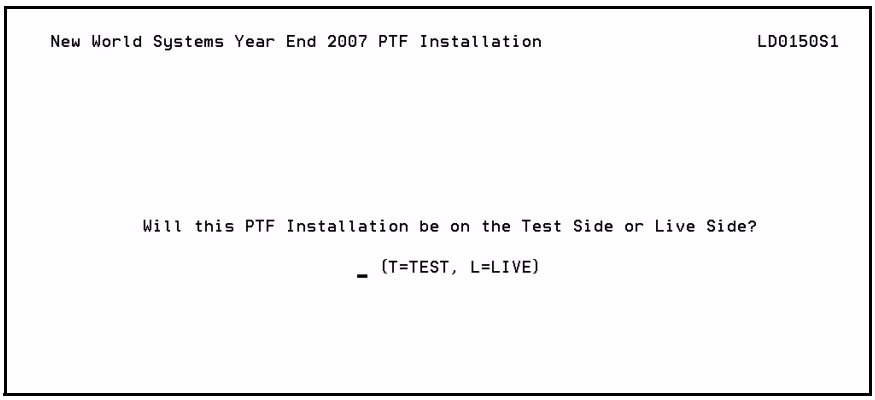
LODRUN *[name of your optical device]* <Enter>

The most common name for the optical device is OPT01. If you have only one optical drive, you can type **LODRUN *OPT** or **LODRUN OPT01**.

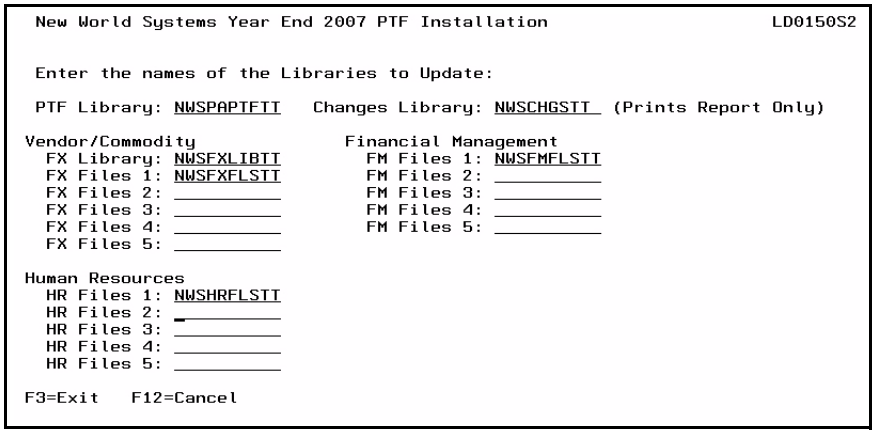
If you are running the install after the Bravo download, type the following command on command line:

Call YEINSTALL <Enter>

This command will run for a few minutes before bringing up the first window:



6. This window asks whether the PTF installation is over the live or test environment. Type **T** if the installation is over the test environment and **L** if it is over the live environment. Press **<Enter>**. You will see a screen like the following:



7. Fill in the name of your PTF library if it is not already populated.

NOTE

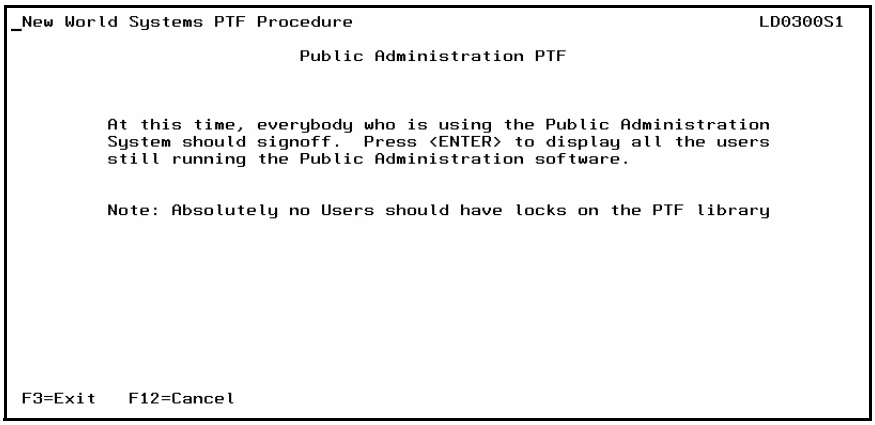
It is important to fill in the FM, FX, and HR file libraries. File changes will be installed into these files libraries for year-end processing.

Next, fill in all of the *Logos* file libraries this PTF is being installed over. These are indicated on the screen above. If you are installing in a test environment, this should be all of the test libraries. If you are installing in the live environment, then it should be all of the live libraries. This window will validate that all of the libraries entered exist on the system and are at the correct release level. Plus, each library is checked to verify it is valid for the application it is entered under (i.e., that the library entered for "HR Files" is a Human Resources files library, and so on).

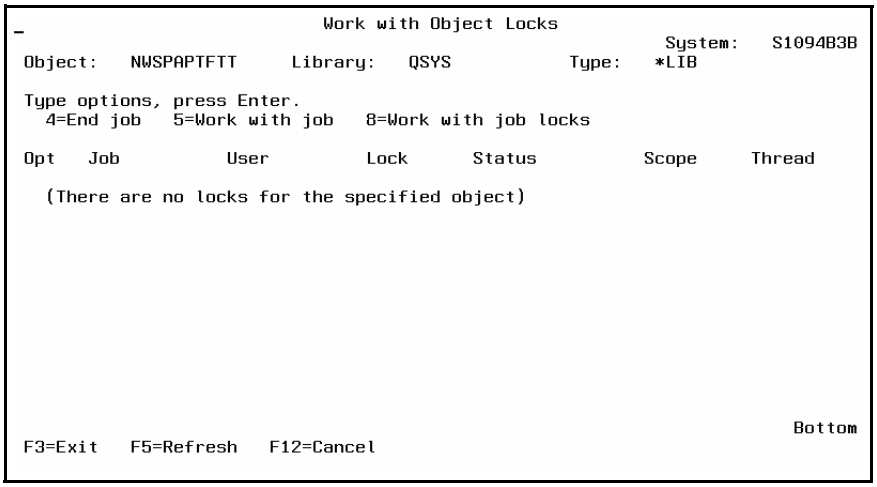
When you are satisfied with all the entries, press **<Enter>**.

Pressing the **<F3>** or **<F12>** key from any of these library entry windows will sign you off and cancel the PTF installation. To restart, go to Step 1 in this section.

8. The Display Users with Library Locks will appear. Press **<Enter>** to continue.



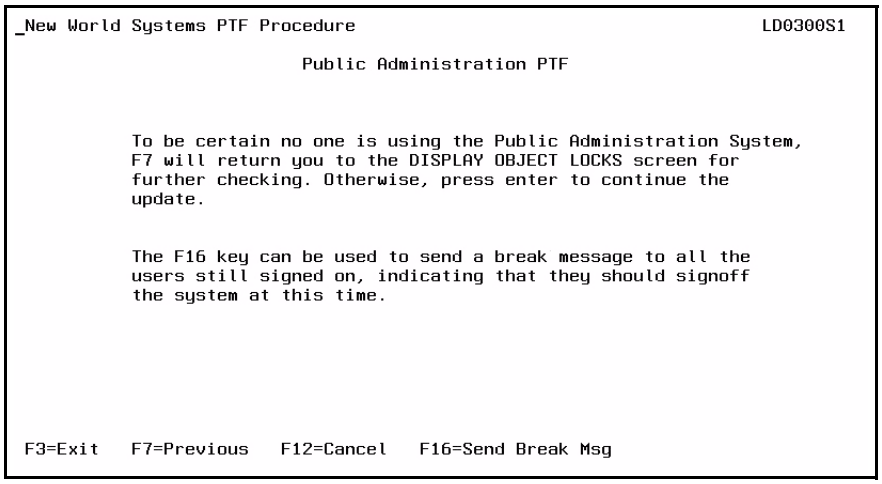
9. The Work with Object Locks screen will then appear. It guarantees that no users are logged on to the software or have the libraries on their library list:



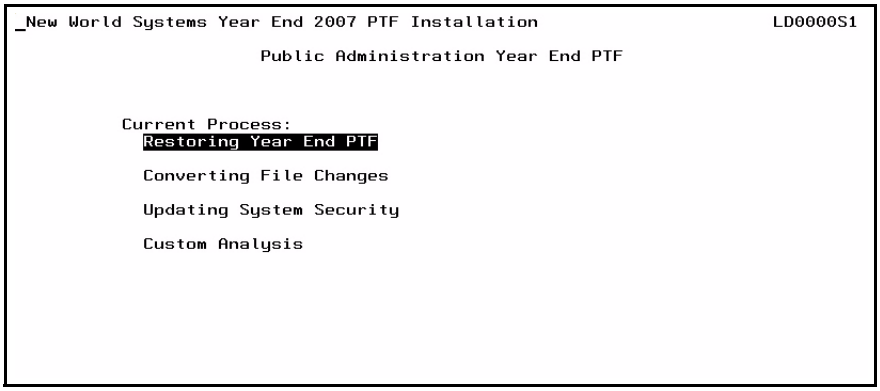
10. On the screen above, there are no locks for the NWSPAPTFTT library. Continue to press **<Enter>**, checking each library object to make sure there are no locks. The process will show one screen for each library being updated. If users do show on any of the screens, either

tell them to sign off or type a **4** to end their job. Press **<F5>** to monitor the locks until all have signed off. The process cannot continue if any processes are locked (users are logged on or have the applicable libraries on their library list).

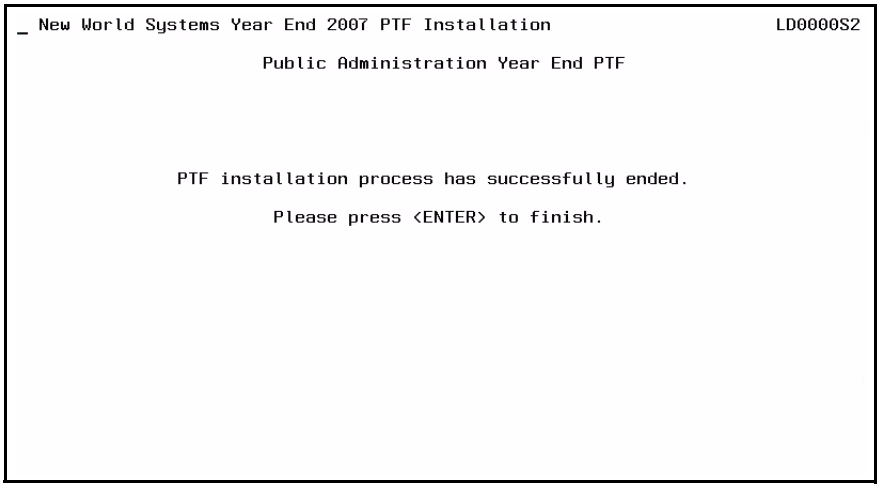
11. When the check of the libraries is complete, you will see the following screen:



12. If you are sure all users are signed off the system, press **<Enter>** to continue the update. The Current Process window appears. This window highlights the step the installation program is currently running.



13. Once the installation is complete, a window appears indicating successful completion. Pressing the **<Enter>** key ends the install program and signs you off.



14. After the PTF finishes, the customer will have to sign back on as QPGMR to view the spooled files.

15. The "Custom Library Analysis Report" (LD8200) will print out a listing of your changes library. Your custom library may contain year-end programs for alignment and printer issues. You will want to test your W2 and 1099 forms to verify the alignment is correct. Contact your NWS Support Representative if you discover alignment issues.

16. The "Year End File Creation Report" (LD0500) displays all files that were changed. Any files that have errors will be indicated as errors. If it is successful the Error Description column will show “File Created Successfully.” Unless information is printed in the detail portion of this report, please discard the output.

17. The PTF installation is now complete. Customers who use GUI now need to go through the GUI installation process.

W-2/1099-R Processing

This PTF contains year-end processing changes and tax-year changes. It must be applied **before the end of the year.** Make a backup of your *Human Resources* libraries before applying the PTF. Save these backups.

To increase accuracy, the **Create W-2** and **Create 1099-R** work files let you select your **Detail** or **Summary** files to fill in some fields. Most fields will be filled the same under either choice; however, there are a few important differences. **Please read the entire procedure before beginning.**

Use the following guidelines to help you select the most appropriate choice for your system.

1. If you have been "live" on New World's *Human Resources* software for all of 2007, choose the **Detail** option.
2. If you converted from a different payroll system to *Human Resources* during 2007, use the **Summary** option.
3. If you have employees in more than one state, local or school tax area, choose the **Detail** option.

When the **Summary** option is chosen, State, Local and School Gross and Tax information is taken from the Quarterly Earnings File. Since this file summarizes by quarter, if an employee moved to a different State, Local Tax or School Tax district in the middle of the year, this information will not be broken out correctly. Also, Benefit and Deduction information for Box 13 and Box 14 will be taken from the **Year-to-Date** field from the Employee's Benefit/Deduction file. This field is cleared during the year-end processing; **therefore, it is CRUCIAL that you make a backup of your *Human Resources* system after posting your last batch of the year and BEFORE running the Clear Year End Benefit And Deduction Totals program.** You must create your W-2 and 1099-R work files before running the year-end program.

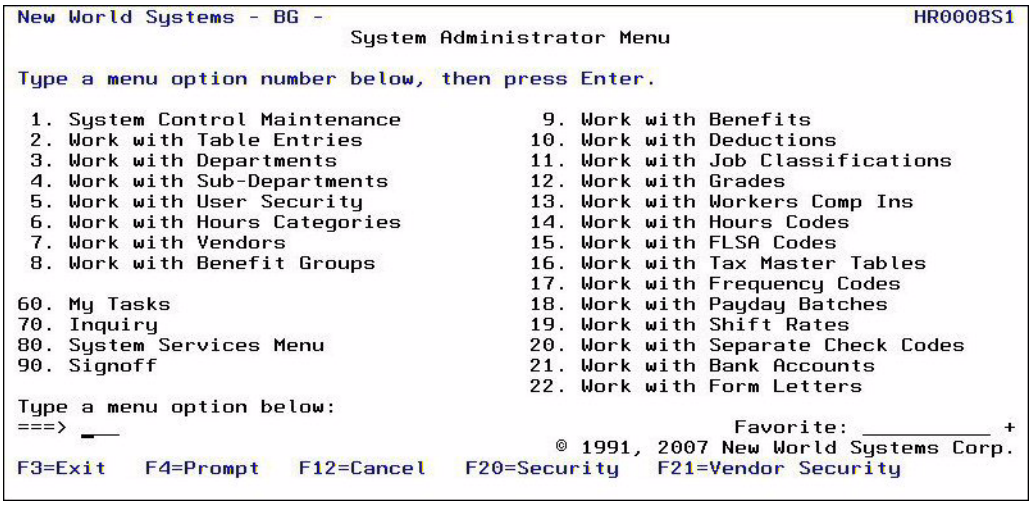
When the **Detail** option is chosen, State, Local and School Gross and Tax information is also taken from the Quarterly History File. Benefit and Deduction information for Box 13 and Box 14 will be taken from the Benefit History and the Deduction History files. This means that you may run the **Create W-2 Work File** or **Create 1099-R Work File** option at any time, without worrying about the **Clear Year-to-Date** values program; however, you should still make a backup of your *Human Resources* system after posting your last batch of the year!

Benefit and Deduction Setup

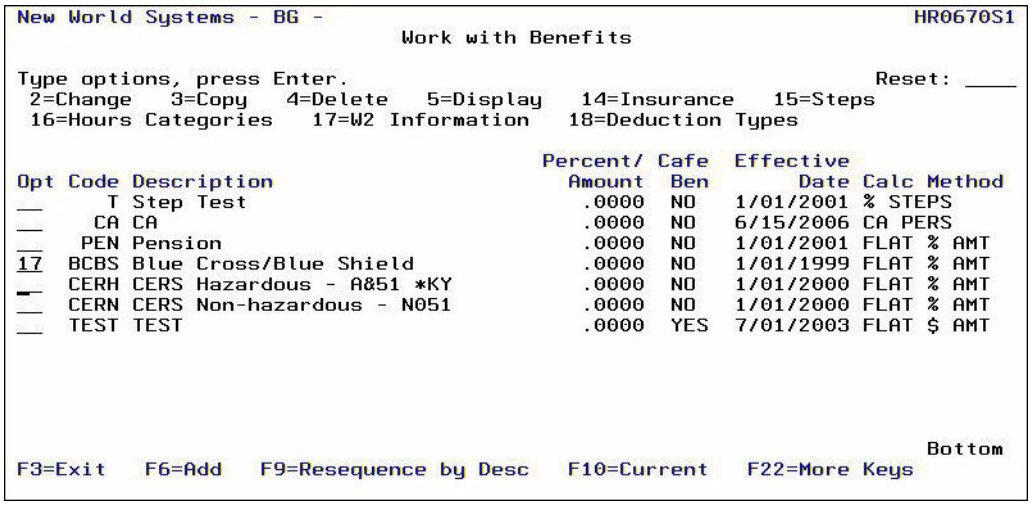
Some benefit and deduction information needs to appear on the W-2 forms. For the system to know where benefit and deduction information should show on the W-2, you must set up the benefits and deductions for W-2 Information.

Work with Benefits

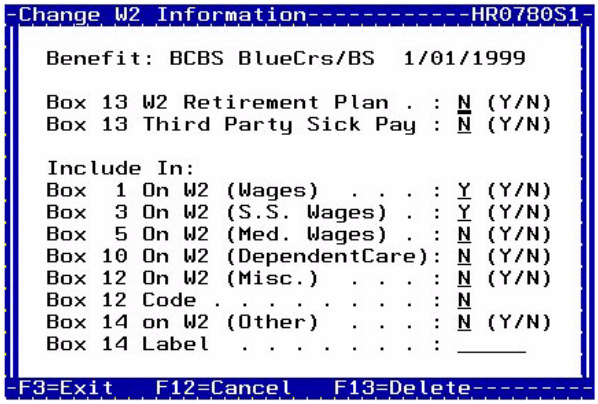
From the *Payroll System Main Menu*, select *System Administrator Menu*:



Select *Work with Benefits*:



Select the correct benefit with option **17** (*W2 Information*):



Placing a **Y** (Yes) in Boxes 1, 3 and/or 5 will add this Benefit or Deduction amount to the wage amount. Placing a **Y** in Boxes 12, 13 and/or 14 will input the amount into those boxes on the W-2 form. If applicable, enter a valid code in Box 12 or a label in Box 14. Valid codes for Box 12 are: A-H, J-N, P-T, Q, V, W, Y or Z.

NOTE

If you are unsure which codes to use, please contact your tax advisor.

Press **<Enter>**.

Work with Deductions

From the *Payroll System Main Menu*, select *System Administrator Menu*:

```
New World Systems - BG -                                          HR0008S1
                          System Administrator Menu

Type a menu option number below, then press Enter.

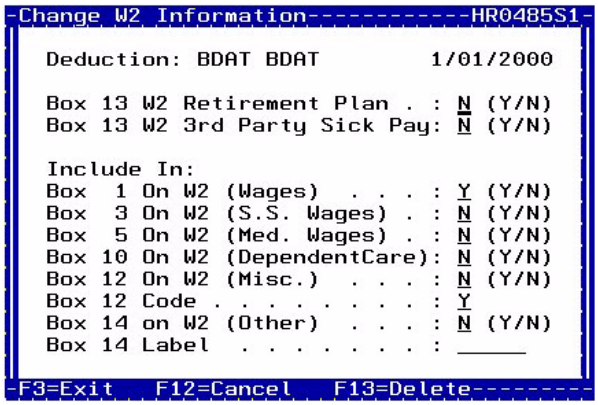
 1. System Control Maintenance          9. Work with Benefits
 2. Work with Table Entries            10. Work with Deductions
 3. Work with Departments              11. Work with Job Classifications
 4. Work with Sub-Departments          12. Work with Grades
 5. Work with User Security            13. Work with Workers Comp Ins
 6. Work with Hours Categories         14. Work with Hours Codes
 7. Work with Vendors                  15. Work with FLSA Codes
 8. Work with Benefit Groups           16. Work with Tax Master Tables
                                       17. Work with Frequency Codes
60. My Tasks                           18. Work with Payday Batches
70. Inquiry                            19. Work with Shift Rates
80. System Services Menu               20. Work with Separate Check Codes
90. Signoff                            21. Work with Bank Accounts
                                       22. Work with Form Letters
Type a menu option below:
===> ___                                              Favorite: __________ +
                                    © 1991, 2007 New World Systems Corp.
F3=Exit    F4=Prompt    F12=Cancel    F20=Security    F21=Vendor Security
```

Select *Work with Deductions*:

```
New World Systems - BG -                                          HR0475S1
                            Work with Deductions

Type options, press Enter.                  Reset: ____________________________
 2=Change    3=Copy    4=Delete    5=Display    15=Steps    16=Hours Categories
 17=W2 Information    18=Excluded Deductions
                                                                    More: +
                                          Percent/   Effective
Opt Code Deduction Description              Amount        Date   Calc Method
__   ADEF ADEF Deduction                   10.0000   1/01/2000   FLAT $ AMT
17   BDAT BDAT Deduction                   50.0000   1/01/2000   FLAT $ AMT
__   CERH CERS Hazardous - A&51     *KY*   40.0000   1/01/2000   FLAT $ AMT
__   CERN CERS Non-Hazardous - N051 *kY*   15.0000   1/01/2000   FLAT $ AMT
__   DED1 Deduction One                      .0000   1/01/1999   FLAT $ AMT
__    ONE GARNISHMENT                      .010000   1/01/2000   FLAT % AMT
__   THRE GARNISHMENT DEDUCTION THREE      25.0000   1/01/2000   FLAT $ AMT
__    TWO GARNISHMENT DEDUCTION TWO        10.0000   1/01/2000   FLAT $ AMT
__   HCAF Health-Cafeteria                 78.6300   1/01/2001   FLAT $ AMT
__     P1 IL Pension 1                     .010000   1/01/2000   FLAT % AMT
__     P2 IL Pension 2                     .020000   1/01/2000   FLAT % AMT
__     P3 IL Pension 3                     .030000   1/01/2000   FLAT % AMT
                                                                    More...
F3=Exit    F6=Add    F9=Resequence by Code    F10=Current    F22=More Keys
```

Select the correct deduction with option **17** (*W2 Information*):



Placing a **Y** (Yes) in Boxes 1, 3 and/or 5 will add this Benefit or Deduction amount to the wage amount. Placing a **Y** in Boxes 12, 13 and/or 14 will input the amount into those boxes on the W-2 form. If applicable, enter a valid code in Box 12 or a label in box 14. Valid codes for Box 12 are: A-H, J-N, P-T, Q, V, W, Y or Z.

NOTE

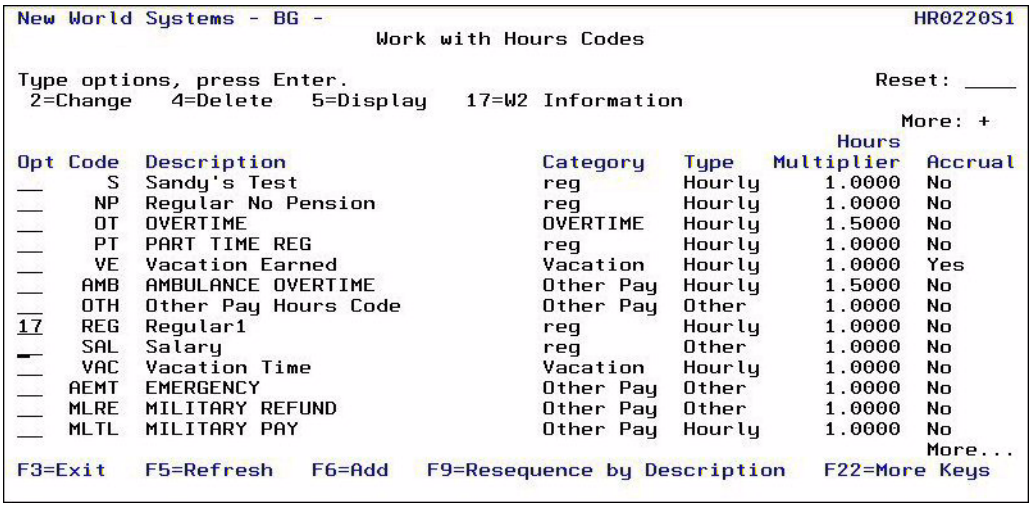
If you are unsure which codes to use, please contact your tax advisor.

Press **<Enter>**.

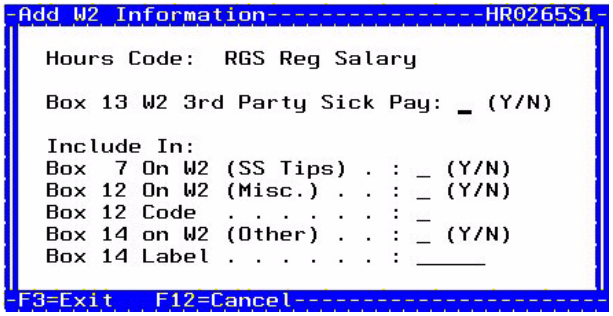
Hours Code Setup

There may be W-2 setup needed on Hours Codes. If information from these hours codes should be shown in a particular box on the W-2 form, you will need to complete this setup.

From the *System Administrator Menu*, select *Work with Hours Codes*:



With option **17** (*W2 Information*), select the hours code you want:



Indicate the W-2 boxes in which the information associated with this hours code should appear.

NOTE

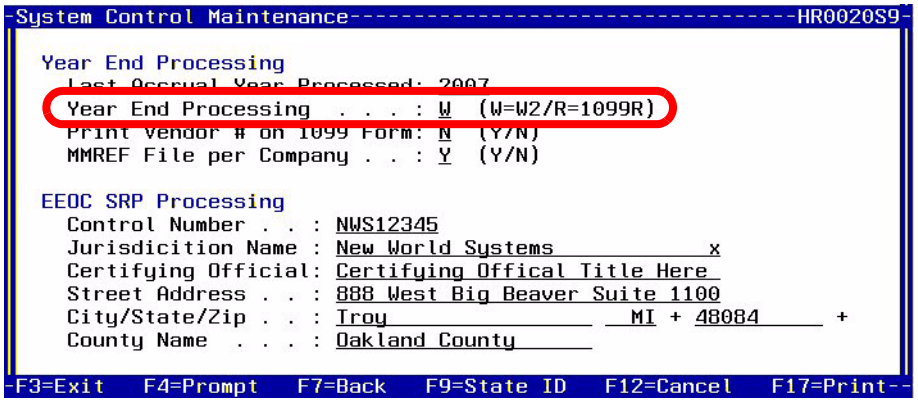
If you are unsure which boxes to use, please contact your tax advisor.

Press **<Enter>**.

System Control Setup

Prior to creating your 2007 W-2 Work File or 1099-R Work File, make sure the following information is set up properly in the *System Administrator Menu*.

From the *System Administrator Menu*, select *System Control Maintenance*. Press **<Enter>** until you reach the ninth screen:



Year End Processing: You must tell the system whether you want to process **W-2 forms** or **1099-R** forms. Make the appropriate selection (**W** or **R**).

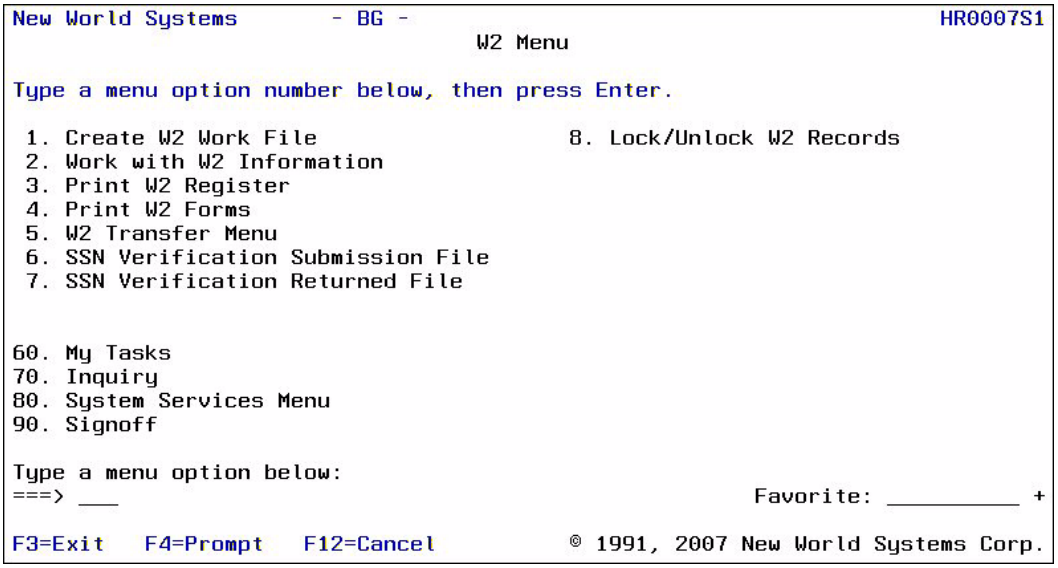
Press **<Enter>**.

To Verify Names/SSNs with the SSA

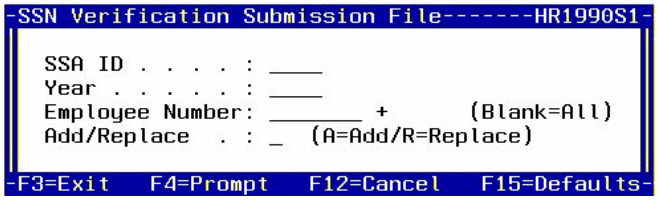
You can use Social Security's free service to match employees' names and SSNs with Social Security's records at the time of hire or before you prepare and submit Forms W-2. There are three verification options. If you have:

- Up to 5 Names/SSNs - They can be verified over the phone while you wait. Call 1-800-772-6270 and have available your Company Name and Employer Identification Number and the employee's full name, SSN, date of birth, and gender.
- Up to 50 Names/SSNs - Contact your Local Social Security Office.
- Over 50 Names/SSNs - They can be submitted on magnetic tape, cartridge, diskette, or paper. A simple registration process is required. See the SSA's Employee Verification Service Instructions for registration information, file format instructions, and more.

To build a file of names and social security numbers to submit to the SSA for verification, select *W2 Menu* from the *Payroll System Main Menu*:



Select *SSN Verification Submission File*:



SSA ID: This field contains the registration code supplied by the SSA during the registration process.

Year: The verification file will be built for the tax year entered in this field.

Employee Number: This field may contain the number of a particular employee for whom a social security number must be verified, or it may be left blank to verify social security numbers for all employees. This field lets you build the verification file with new employees, employees whose social security numbers were not verified, etc.

Add/Replace: If **A** (Add) is selected, information will be added to the verification file. If **R** (Replace) is selected, information will be replaced. If you want to build a file of newly hired employees, select **R** for the first employee and **A** for the rest.

After making your entries, press **<Enter>** to build the file and generate a listing that may be printed. The file and listing will contain the following information: social security numbers, names, birth dates and genders.

NOTE

The Social Security Administration will accept paper listings of 50 to 300 names and social security numbers for verification.

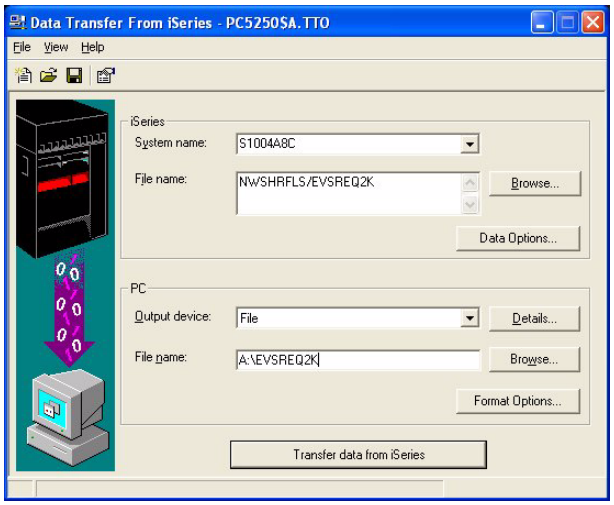
To file a hard copy of the verification file with the SSA, please refer to the instructions on page 116 in Appendix D, "Employee Verification Service (EVS)." To file a diskette with the SSA, please refer to the instructions on page 117 in Appendix D.

NOTE

New World supports filing only on disk or paper.

The following steps will show you how to transfer your verification file from the iSeries to diskette:

Open IBM iSeries Client Access, and select *Data Transfer from iSeries*. You will see a screen like the following:



Complete the fields as follows to transfer the file to disk:

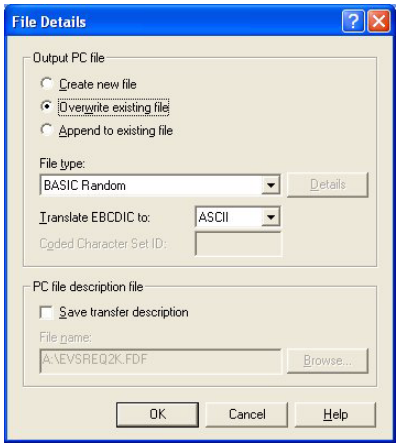
System Name: Enter the name of your iSeries.

File Name: Enter the name of your files library, followed by a forward slash and the file name, which must be named **EVSREQ2K**. For example, if your files library is named **NWSHRFLS**, you would enter **NWSHRFLS/EVSREQ2K** in this field.

Output Device: Select **File**.

File Name: Enter the letter assigned to your disk drive (e.g., **A:**) followed by **EVSREQ2K**. For example, if your A:\ drive is your disk drive, the value in this field would be **A:\EVSREQ2K**.

Click the **Details** button in the PC section of the screen above. You will see a screen like the following:

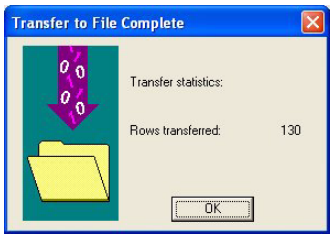


The **Overwrite existing file** option is selected by default; this value does not need to be changed. Select **BASIC Random** as the file type, and make sure the **ASCII** is selected as the translation option. Deselect the **Save transfer description** option. Click **OK**.

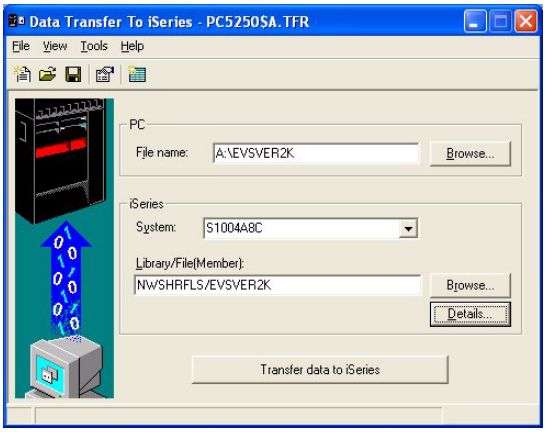
NOTE

If you want to save the transfer description, change the path on the first screen from the disk drive to your C:\ drive, run this process, then transfer the EVSREQ2K file to the diskette.

Click the **Transfer data from iSeries** button. An in-progress screen will come up while the data is transferred. Once the transfer is complete, you will see a screen like the following:



If you file a diskette (page 117, Appendix D), the SSA will return a file to you that will contain a record of each SSN that was submitted. To transfer this file to your iSeries, open IBM iSeries Client Access, and select *Data Transfer to iSeries*. You will see a screen like the following:



Complete the fields as follows to transfer the SSA file to the iSeries:

File Name: Enter the letter assigned to your disk drive (e.g., **`A:\`**) followed by **`EVSVER2K`**. For example, if your A:\ drive is your disk drive, the value in this field would be **`A:\EVSVER2K`**.

System: Enter the name of your iSeries.

Library/File (Member): Enter the name of your files library, followed by a forward slash and the file name, which must be named **`EVSVER2K`**. For example, if your files library is named **`NWSHRFLS`**, you would enter **`NWSHRFLS/EVSVER2K`** in this field.

A report is created when the SSN Verification Submission File is generated (see page 26) and indicates whether any records need to be corrected. The "Error" column on the far right indicates the type of error:

```
New World Systems      - SC -                P A Y R O L L   S Y S T E M                PAGE     1
DATE 10/30/07                          SSN VERIFICATION SUBMISSION FILE                  HR1990
TIME 11:11:26                                                                            WHITE

--EMPLOYEE--
NUMBER  NAME                          SSN         BIRTH DATE  GENDER  ERROR
=================================================================================================
    598 White,Ayden                   000-00-0000 10/16/2006  Male    Non-Verified Fields: Soc. Sec. #
TOTAL EMPLOYEES:          1
```

If you discover that an employee's SSN is incorrect, you should ask to see the employee's Social Security card to assure that the SSN and name are shown correctly in your payroll records. If the information matches, ask the employee to check with any Social Security Office to determine and correct the problem. Document the action you take to obtain the correct SSN and continue to report using the SSN given to you by the employee. If you get a corrected name and/or SSN from the employee after you have filed Form W-2, submit a Form W-2c to make the correction.

The SSA will tell you what is wrong with the submitted employee. Errors that may be returned by the SSA are as follows:

1=SSN not in file (never issued to anyone).

2=Name and DOB match; gender code does not.

3=Name and gender code match; DOB does not.

4=Name matches; DOB and gender code do not.

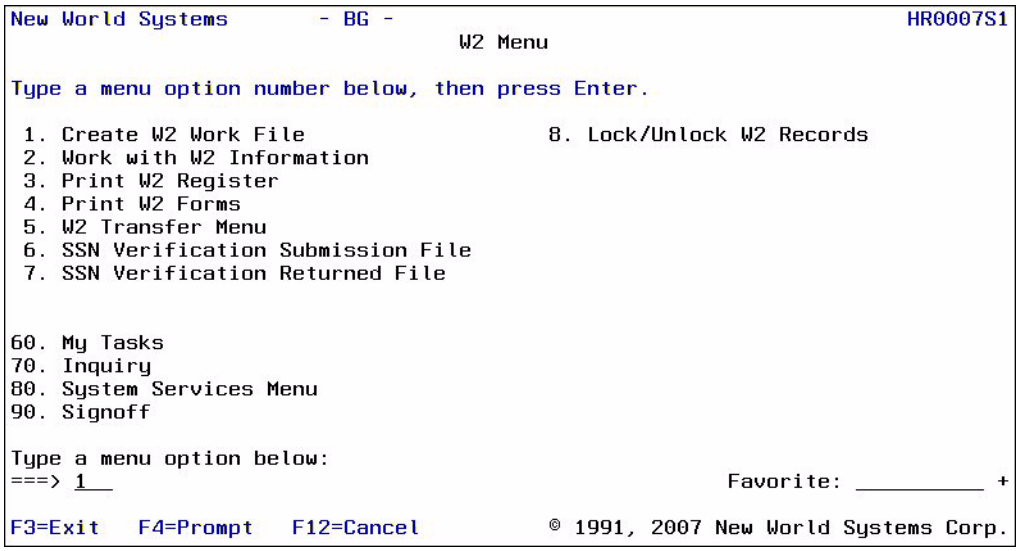
5=Name does not match; DOB and gender code not checked.

*=Input SSN did not verify. Social Security located and verified a different SSN shown in positions.

For more detailed information on the process of verifying names and social security numbers, please refer to Appendix D, "Employee Verification Service (EVS)," in this guide.

To Create the 2007 W-2 Work File

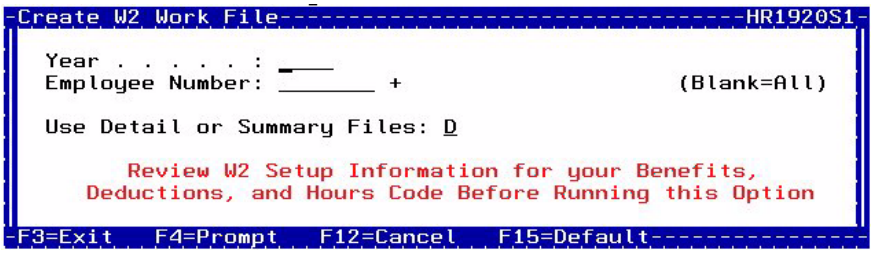
To create the file from which the W-2 tape and W-2 forms will be run, select *W2 Menu* from the *Payroll System Main Menu*:



NOTE

*If the company **State** on screen 1 of System Control Maintenance is **NY**, the W2 Menu will include an option called, **Flag Retirement Plan**. This option will mark anyone in the Retirement Work File as Retired on the W-2s.*

Select *Create W2 Work File*:

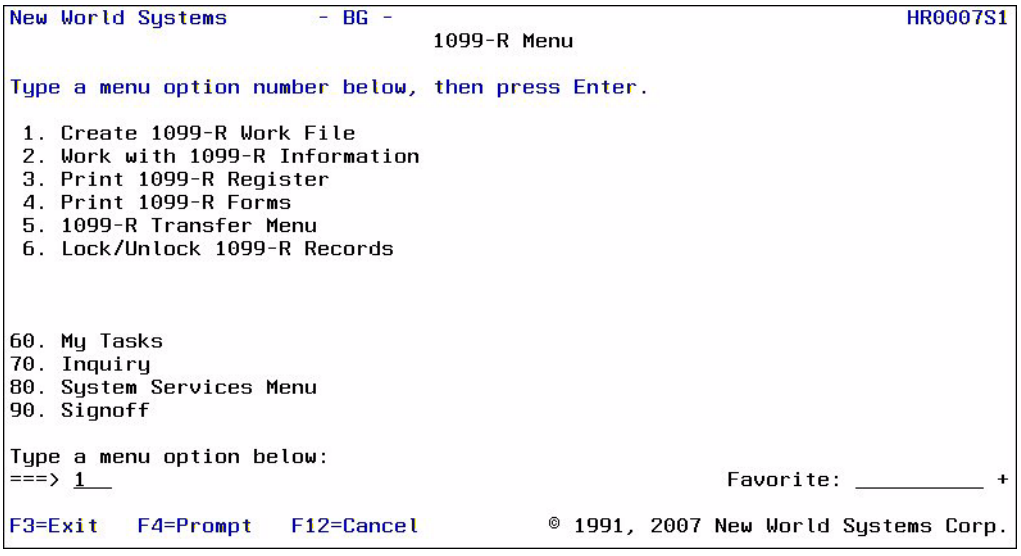


Select **D** (Detail) or **S** (Summary) as discussed on page 21. Press **<Enter>**.

The Create W2 Work File program may be run several times. If you are running in Summary, you cannot **Clear Year End Benefit and Deductions Totals** before re-running this option.

To Create the 2007 1099-R Work File

To create the file from which the 1099-R tape and 1099-R forms will be run, select *1099-R Menu* from the *Payroll System Main Menu*:



Select *Create 1099-R Work File*:



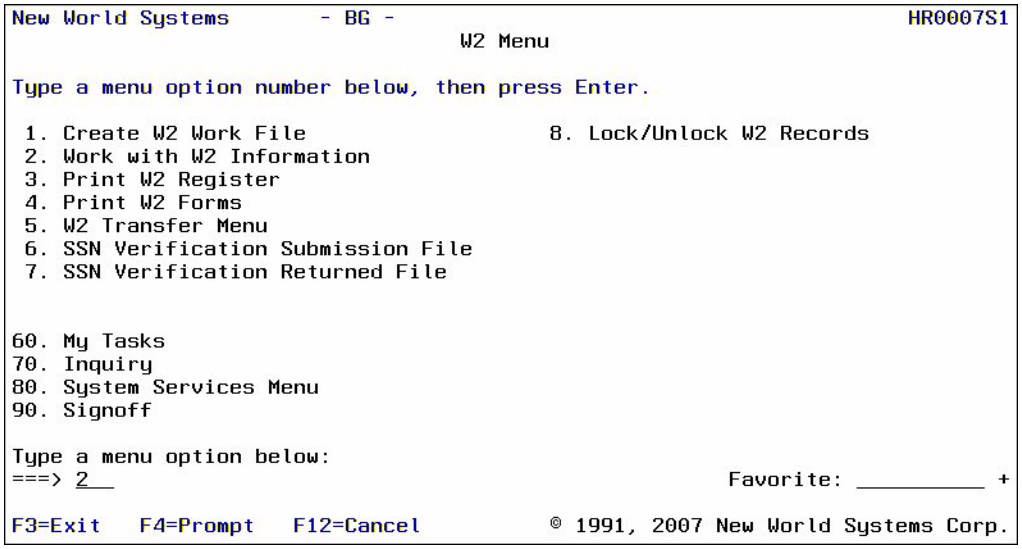
Select **D** (Detail) or **S** (Summary) as discussed on page 21. Press **<Enter>**.

The Create 1099-R Work File program may be run several times. If you are running in Summary, you cannot **Clear Year End Benefit and Deductions Totals** before re-running this option.

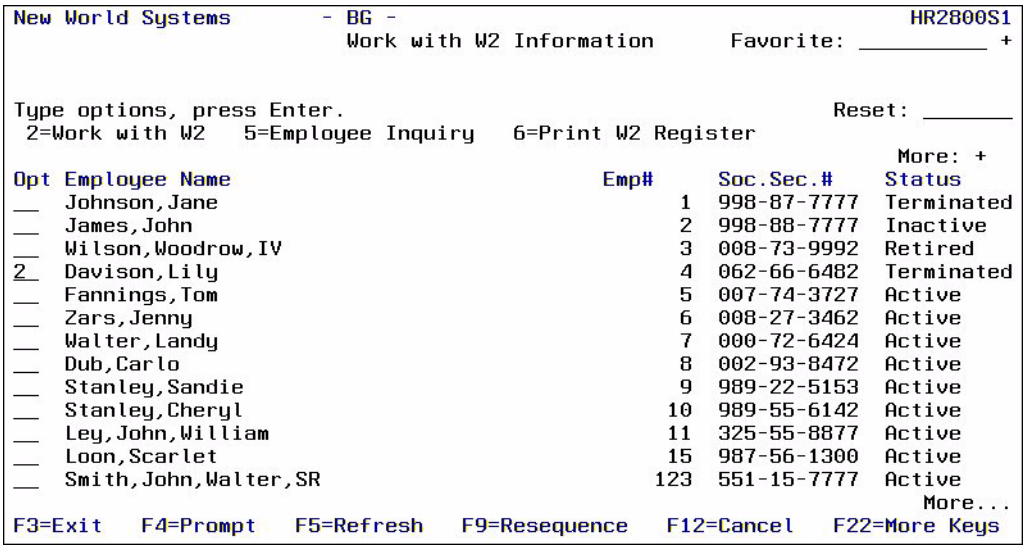
To Change Employee W-2 Information

After the W-2 Work File is created, the next step will be to Work with W-2 Information.

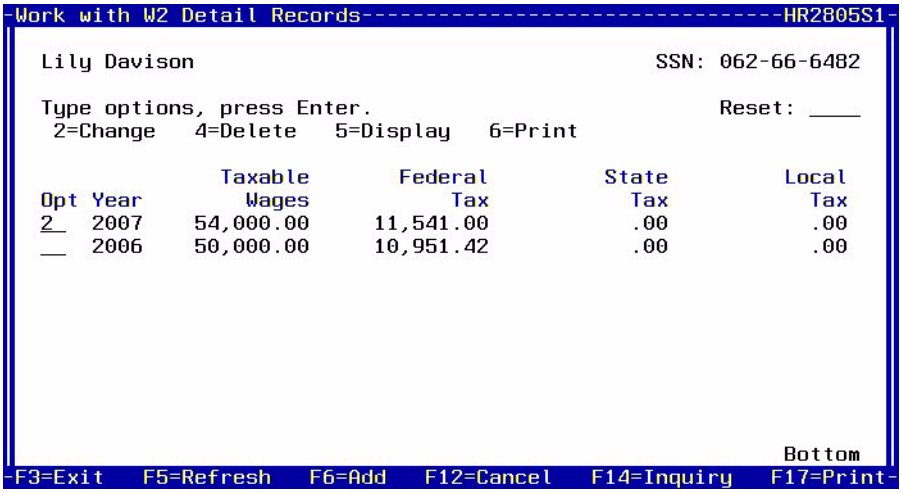
From the *Payroll System Main Menu*, select *W2 Menu*:



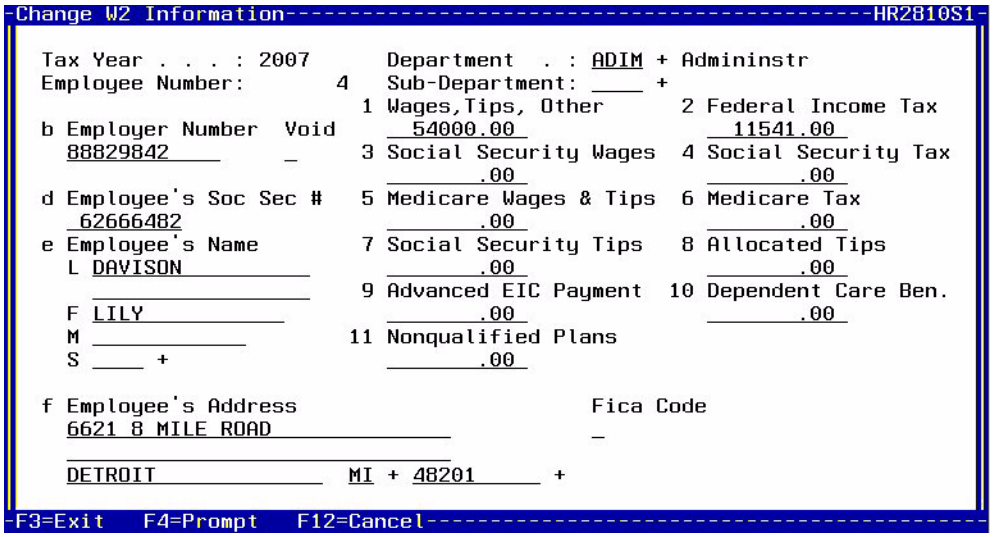
Select *Work with W2 Information*:



New with the 7.0.5 PTF is the ability to allow multiple tax years to be created and maintained simultaneously. To work with a specifc employee's W2s, use option **2** (*Work with W2*), to select the employee you want to change:

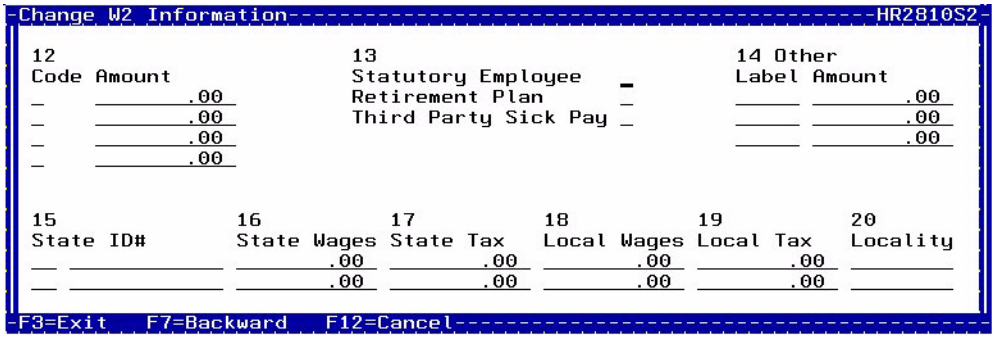


With option **2** (*Change*), select the employee you want to change:



You are able to change any of the information on this screen.

Press **<Enter>** to go to the second screen:



If you have employees who paid state tax in a state other than the state where your city is located, you will need to check the State ID Number in the W-2 Work file. You may need to change or add the State ID Number for those employees.

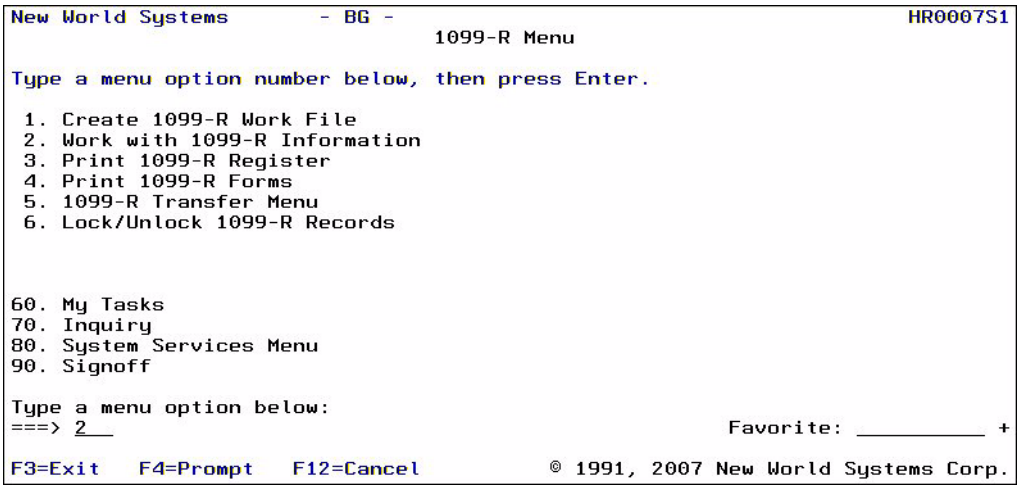
NOTE

The W-2 work file will display the amounts in situations where an employee has more than 2 state taxes or 2 local taxes. The file also balances with the Quarterly Wages Report and History. We recommend that you run these reports as part of your balancing procedures.

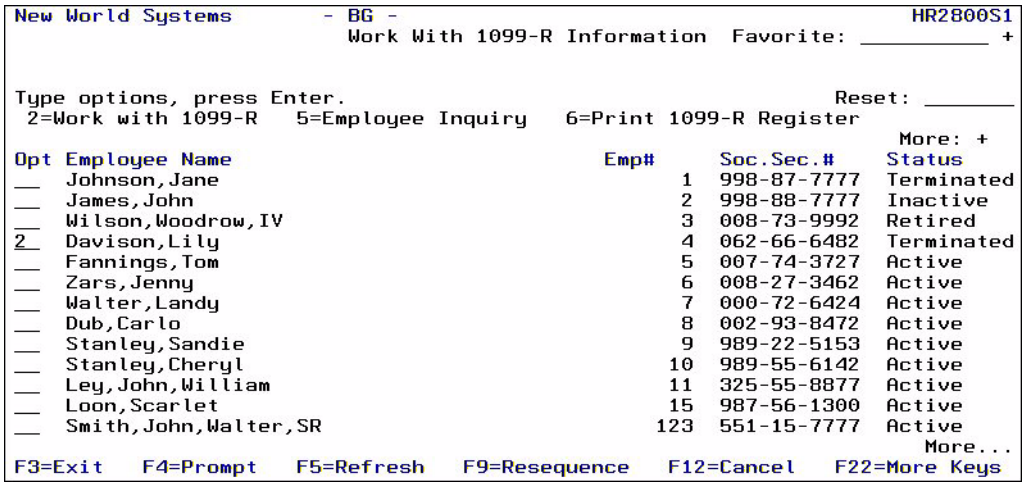
To Change Employee 1099-R Information

After the 1099-R Work File is created, the next step will be to Work with 1099-R Information.

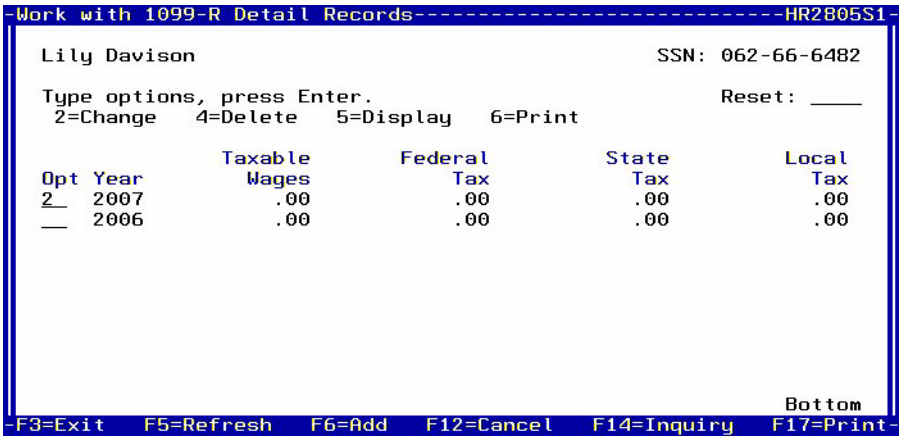
From the *Payroll System Main Menu*, select *1099-R Menu*:



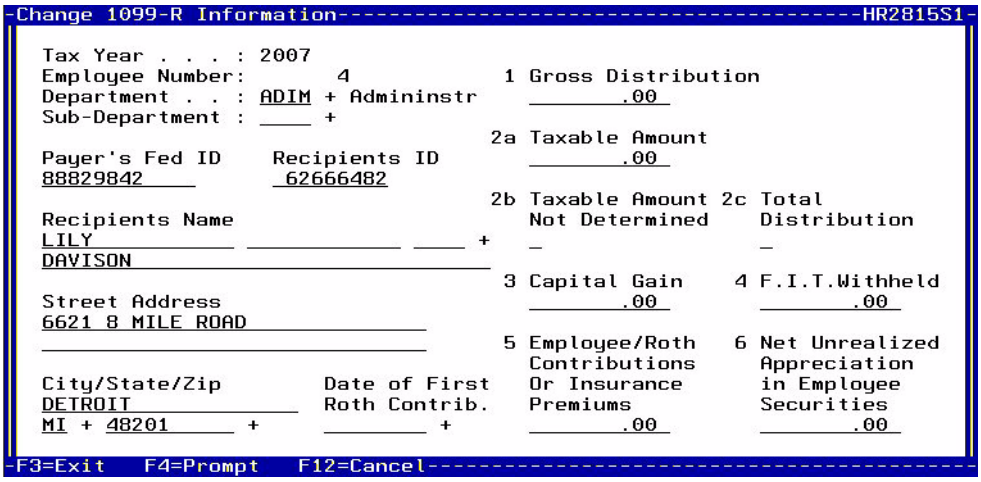
Select *Work with 1099-R Information*:



New with the 7.0.5 PTF is the ability to allow multiple tax years to be created and maintained simultaneously. To work with a specifc employee's 1099-Rs, use option **2** (*Work with 1099-R*), to select the employee you want to change:

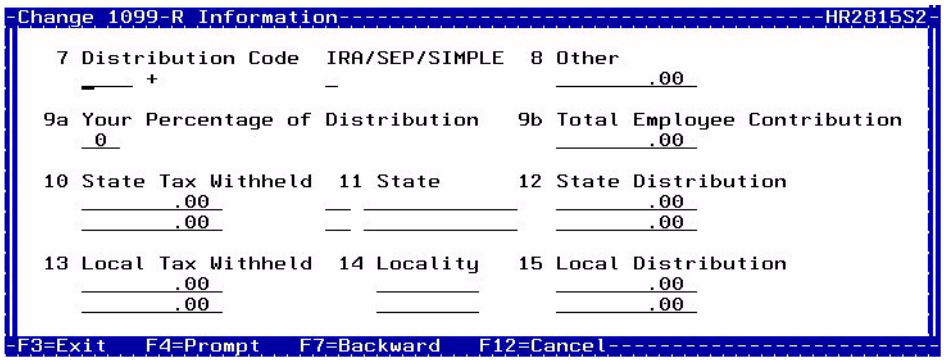


With option **2** (*Change*), select the 1099-R you want to change:



You are able to change any of the information on this screen.

Press **<Enter>** to go to the second screen:

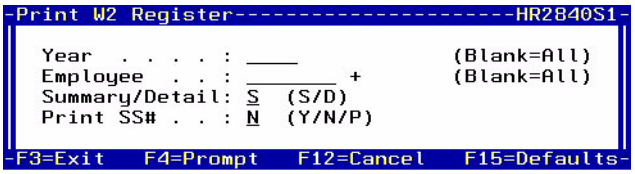


If you have employees who paid state tax in a state other than the state where your city is located, you will need to check the State ID Number in the 1099-R Work File. You may need to change or add the State ID Number for those employees.

Balancing W-2 Information

W-2 Register/1099-R Register

To print the W-2 Register, select *Print W2 Register* from the *W2 Menu*. To print the 1099-R Register, select *Print 1099-R Register* from the *1099-R Menu*. The fields on the screen are the same for both options:



You may select the Year or leave it blank for all. The report can also be ran for one employee or all. Either register may be run in Summary (**S**) or Detail (**D**). **S** will give you a list of each employee, employee number and department. **D** will give you all of the W-2 or 1099-R information. Select whether to print the entire Social Security Number (**Y**), not at all (**N**), or just the last four digits (**P**).

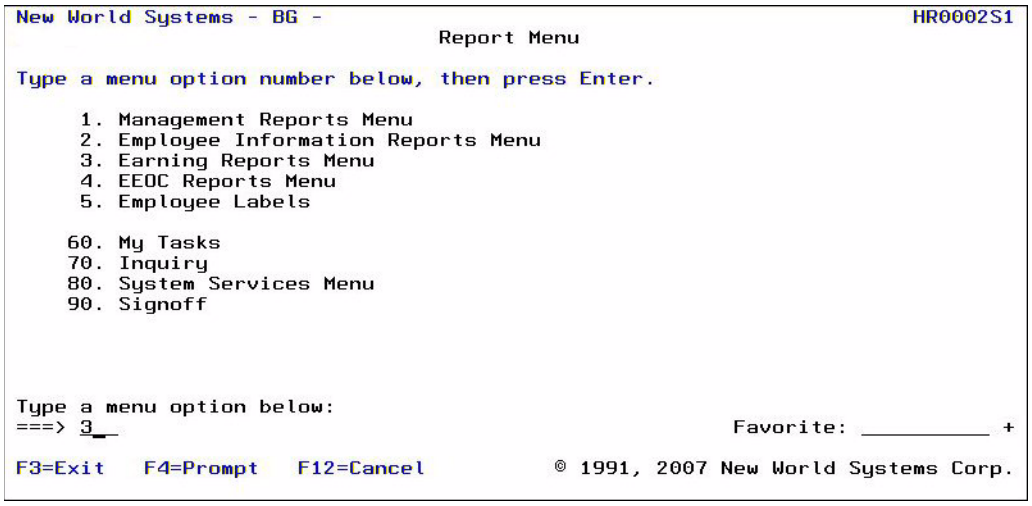
Press **<Enter>**.

Balancing Quarterly Wages Against Earnings History

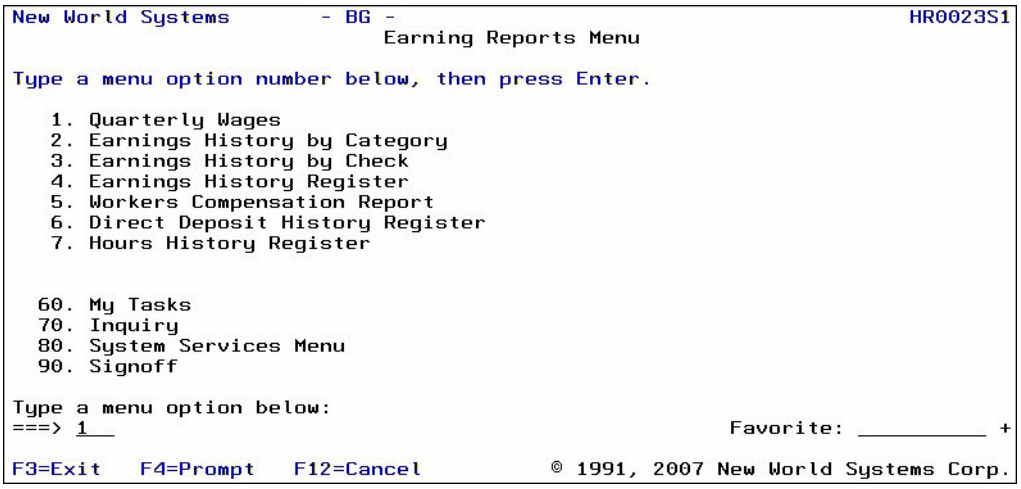
To ensure that customers are producing employee W-2s with the correct balances, you should always run the Quarterly Wages Report and the Earnings History Register to balance against the numbers in the W-2 work file after it has been built.

Quarterly Wages Report

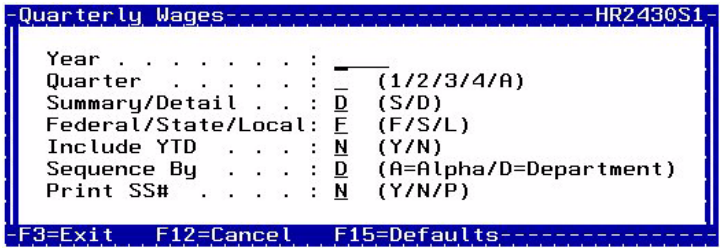
From the *Payroll System Main Menu*, select *Report Menu*:



From the *Report Menu*, select *Earning Reports Menu*:



Select *Quarterly Wages*:



Year: Enter the Year for which to run the report.

Quarter: Enter **A** (All) to run the report for the entire year.

Summary/Detail: Summary (**S**) will show one line for each state, or local government, with the total Gross Wages, F.I.T. Taxable Wages and State Taxable Wages or Local Wages, depending on what was chosen.

If Federal is chosen, Detail (**D**) will show, by department or alphabetically by Name, each employee's Social Security number, Name, Gross Wages, F.I.T. Taxable Wages, F.I.T. Withheld, FICA Wages, FICA Withheld, Medicare Wages, Medicare Withheld and Advanced E.I.C. If Federal Wages are chosen, Detail must be used.

If State or Local is chosen, Detail will show Gross Wages, F.I.T. Taxable Wages and the State Taxable Wages or the Local Taxable Wages.

Federal/State/Local: Choose whether to run this report for Federal (**F**), State (**S**) or Local (**L**) taxable wages. If you choose Federal, the report must be run in Detail.

Include YTD: If this field is **Y** (Yes), an additional line will be added for each employee, showing the employee's Year-to-Date information under each column.

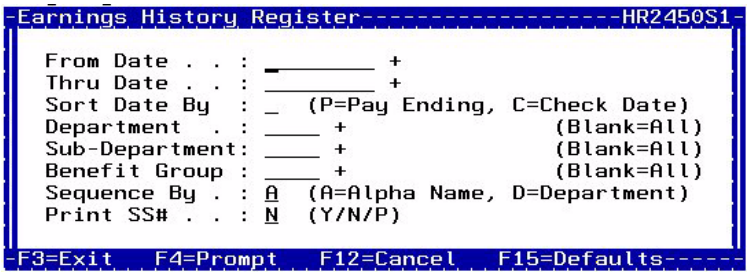
Sequence By: Choose whether to sort the report alphabetically by name (**A**) or by Department (**D**).

Print SS#: Select **Y** to print full social security numbers on the report, **N** not to print them or **P** to print partial social security numbers (xxx-xx-6789).

Press **<Enter>**. When "Job Submitted" is displayed at the bottom of the screen, you may press **<F3>** or **<F12>** to return to the *Earning Reports Menu*.

Earnings History Register

From the *Earning Reports Menu*, select *Earnings History Register*:

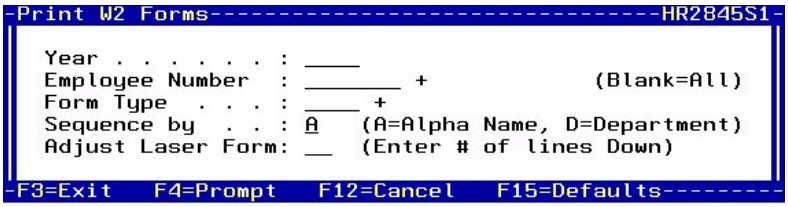


Enter the beginning and ending dates of the year in the ***From Date*** and ***Thru Date*** fields. Leave the ***Department*** and ***Sub-Department*** fields blank to run the register for all departments. Choose whether to ***Sequence*** the report alphabetically by name (**A**) or by department **(D)**.

Press **<Enter>**. When "Job Submitted" is displayed at the bottom of the screen, you may press **<F3>** or **<F12>** to return to the *Earning Reports Menu*. Compare this information with the information on the Quarterly Wages Report and W-2 Register.

Printing W-2 or 1099-R Forms

After the W-2 Summary Work File or 1099-R Work File is created, the next step is to print the W-2 or 1099-R forms. From the *Payroll System Main Menu*, select *W2 Menu* or *1099-R Menu*. Select *Print W2 Forms*:



Prompt the ***Form Type*** to select from a list of valid entries. Form types are provided as part of a New World Systems table. These entries must not be changed.

Valid form types are as follows:

W-2 Paper Return 1-Wide (Continuous)
W-2 Paper Return 2-Wide (Continuous)
W-2 Magnetic Media Self Mailer (Continuous)
W-2 Magnetic Media (Continuous)
W-2 4-UP Laser
W-2 4-UP Laser Employer
1099-R Paper, 1-Wide (Continuous)
1099-R Magnetic Media Mailer (Continuous)
1099-R Laser

Press **<Enter>**.

Transfer W-2 Information to Magnetic Media

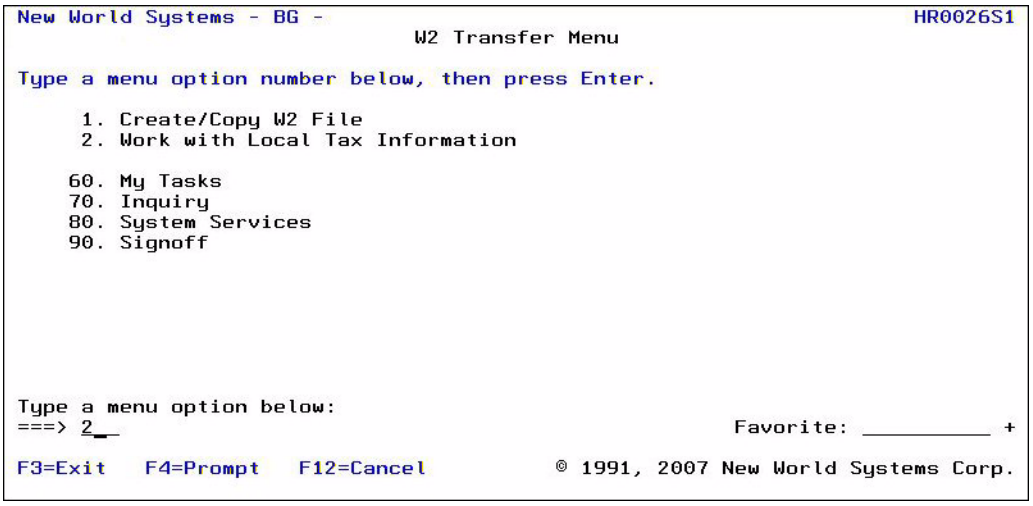
After printing the W-2 forms, you are ready to transfer the information to tape.

NOTE

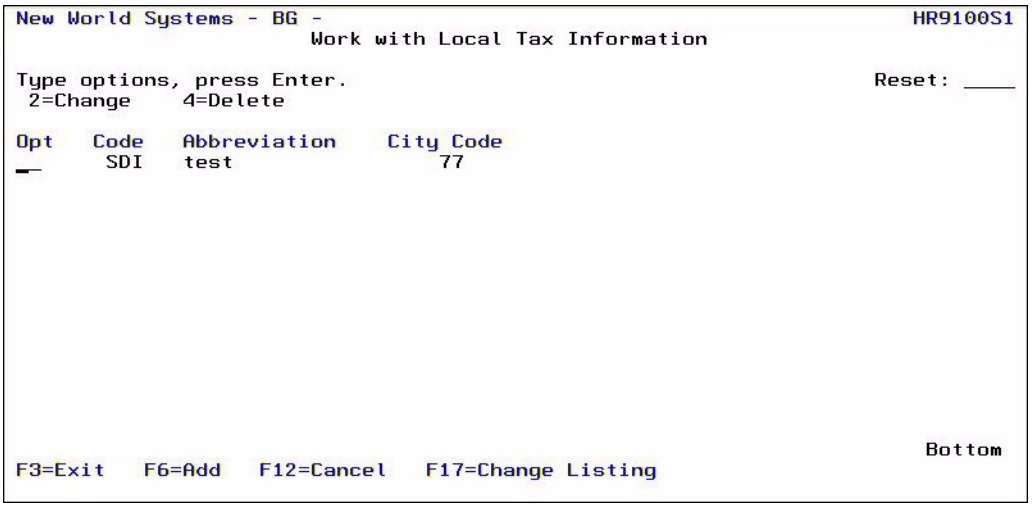
If you transfer to a diskette, please see those instructions on page 44.

Create the W-2 File

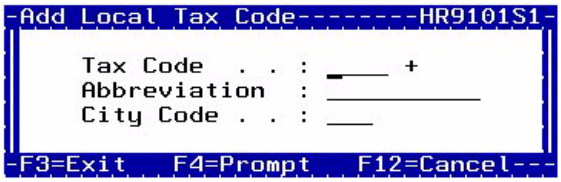
From the *W2 Menu*, select *W2 Transfer Menu*:



If you process Local Taxes and file them with your state, select the *Work with Local Tax Information* option to set up the state-defined code associated with your Local Tax code. You must perform this action before you create/copy the W-2 File:



The screen above will not be populated when the user first sees it. The local codes will need to be added before processing continues. Your state will provide this information. To begin adding the codes, press **<F6>**. You will see a screen like the following:

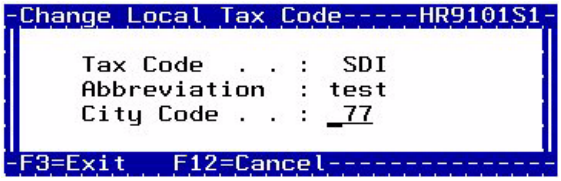


All the fields on this screen are mandatory. Complete them with the information the State has provided, and press **<Enter>** to add the code. Continue as needed until all the codes have been added.

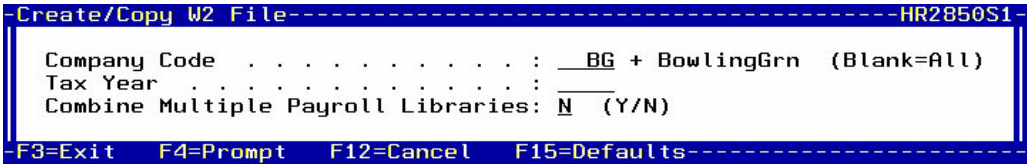
NOTE

The listed localities may not necessarily need to file with their state.

With option **2** (*Change*), select the Local Tax code you want to change. The following screen will appear:



In the field provided, enter the state-defined ***City Code*** and press **<Enter>**. To create/copy the W-2 File, return to the *W2 Transfer Menu* and select *Create/Copy W2 File*:

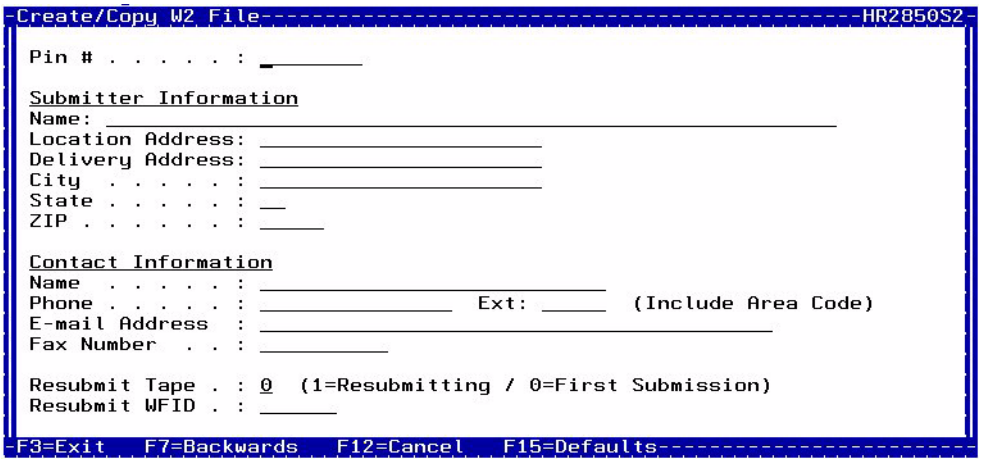


Company Code: Select the company you wish to work with.

Tax Year: Enter the 4-digit year for which to create the W-2 file.

Combine Multiple Payroll Libraries: If **Y** (Yes) is entered, the system will create a tape using all of the payroll libraries, not just the one listed on your current payroll library. An additional screen will come up, where you can enter up to five payroll file libraries to combine. If you are unsure of the payroll file library names, please contact your system administrator before continuing. If **N** (No) is entered, the system will create only the file for the current payroll library.

Press **<Enter>**. A second screen will appear:



Pin #: Enter the PIN assigned to the employee who is authorized to submit this file. This PIN number should have been provided to you by the federal government.

Submitter Information

Name: Enter the name of your organization. The IRS will use this information to notify you in the event of unprocessable data.

Location Address: Enter the address where you are located.

Delivery Address: Enter your mailing address. (Street or PO Box).

City, ***State***, and ***Zip Code***: Enter this information, using the two digit state abbreviation.

Contact Information

Name: Enter the name of your contact person. The Social Security Administration will use this information to notify you in the event of processing problems.

Phone: Enter the contact person's phone number, including area code.

Ext: Enter the contact person's telephone extension.

E-mail Address: Enter the contact person's email address. This field is not mandatory.

Fax Number: Enter the contact's fax number, including area code. This field is not mandatory.

Resubmit WFID: If you are resubmitting the Wage File Identifier (WFID) for this year, select **1** (Resubmitting). If you are submitting the WFID for the first time, select **0** (First Submission).

Resubmit WFID: If this is the first time you are submitting the WFID, leave this field blank. If you are resubmitting the WFID for this year, enter the WFID displayed on the notice sent to you by the Social Security Administration.

Press **<Enter>**. When "Job Submitted" is displayed at the bottom of the screen, you may press **<F3>** or **<F12>** to return to the Earning Reports Menu.

NOTE

For the state of Maryland only, a third Create/Copy W2 File screen will be displayed when you press ***<Enter>*** *on the second screen. The third screen is shown below.*

```
-Create/Copy W2 File-----------------------------------HR2850S3-

   Submit Form MW508: _  (Y/N)    Complete Filing: _  (Y/N)

   Line 1.  Total Number of W2s  . . . . . : _____
   Line 2.  Withholding Tax Reported . . . : _____________.00
   Line 3.  State/Local Tax As Shown on W2s: _____________.00
   Line 3a. Credit Amount  . . . . . : _____________.00
   Line 4.  Withholding Tax Due  . . . . . :             .00
   Line 5.  Balance Due  . . . . . :             .00
   Line 6.  Overpayment  . . . . . :             .00
   Line 7.  Overpayment Applied as Credit  : _____________.00
   Line 8.  Overpayment to be Refunded . . : _____________.00
   Line 9.  Total Gross Reported . . . . . : _____________.00

 Submitter Information
   Name : ROGERS_____________________
   Title: _______________
   Phone: 2223334444  (Include Area Code)
   Date : ________ +

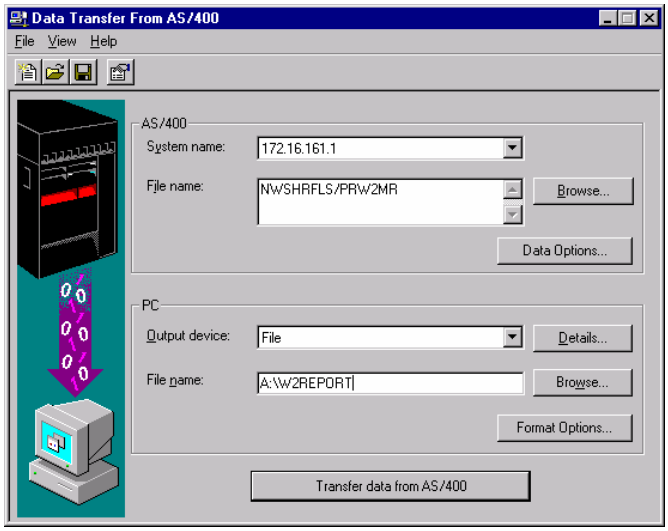
-F3=Exit   F4=Prompt   F7=Backwards   F12=Cancel   F15=Defaults-
```

Make the appropriate entries on this screen. ***Submit Form MW508*** is a required entry. If you select **Y** (Yes) in this field, the following entries also are required: ***Complete Filing***, ***Title*** and ***Date***.

After completing your entries, press **<Enter>** to save them.

Transfer the W-2 File to Diskette or Electronically

To transfer the W-2 file to diskette, open IBM iSeries Client Access. Select *Data Transfer from iSeries*. You will see a screen like the following:



Complete the fields as follows to transfer the file to disk:

System Name: Enter the name of your iSeries.

File Name: Enter the name of your files library, followed by a slash and the file name, which must be named **PRW2MR**. For example, if your files library is named **NWSHRFLS**, you would enter **NWSHRFLS/PRW2MR** in this field.

Output Device: Select **File**.

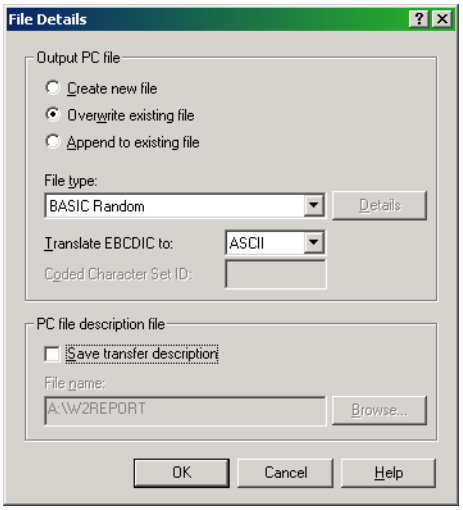
File Name: Enter the letter assigned to your disk drive (e.g., **A:**) followed by **W2REPORT**. For example, if your A:\ drive is your disk drive, the value in this field would be **A:\W2REPORT**.

If you are transferring the file electronically, start with the letter name of the drive to which you are transferring (e.g., **C:\W2REPORT**).

NOTE

Regardless of the transfer method chosen, the file name W2REPORT is mandatory for the IRS to accept the file. If you have to include multiple disks, name the first disk W2REPORT.001, the second disk W2REPORT.002, etc.

Click the **Details** button in the PC section of the screen above. You will see a screen like the following:

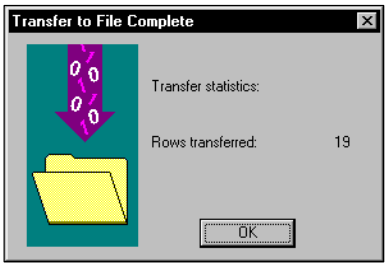


The **Overwrite existing file** option is selected by default; this value does not need to be changed. Select **Basic Random** as the file type, and make sure the ASCII is selected as the translation option. Deselect the **Save transfer description** option. Click **OK**.

NOTE

If you do want to save the transfer description, change the path on the first screen from the disk drive to your C:\ drive, run this process, then transfer the W2REPORT file to the diskette.

Click the **Transfer data from iSeries** button. An in-progress screen will come up while the data is transferred. Once the transfer is complete, you will see a screen like the following:



Electronic Filing with the SSA

You may upload your W-2 file electronically through the Social Security Administration's Employer Services Online website. For complete information, go to the SSA's Employer Services Online website at **www.ssa.gov/employer**.

AccuWage

AccuWage is free software from the Social Security Administration (SSA) for use with Magnetic Media Reporting and Electronic Filing-MMREF-1. The software lets you test your W-2 (Wage and Tax Statement) for accuracy before sending them to SSA.

How AccuWage Works

First, you will need to download and install the AccuWage software on your PC. Then, tell AccuWage the directory where your W2REPORT file is located. AccuWage will read the file and inform you of any errors it was able to detect.

The Format Needed to use AccuWage

AccuWage works with magnetic media and electronic W-2 files. If your software creates a W2REPORT file in the Magnetic Media Reporting and Electronic Filing-MMREF-1 format, you may use AccuWage.

NOTE

The software does not work with formats other than MMREF.

How to Download AccuWage Software

Go to the SSA's Employer Services Online website at http://www.ssa.gov/employer/accuwage/download2006AW.html for more information on how to download AccuWage. Follow the instructions provided there.

Transfer 1099-R Information to Magnetic Media

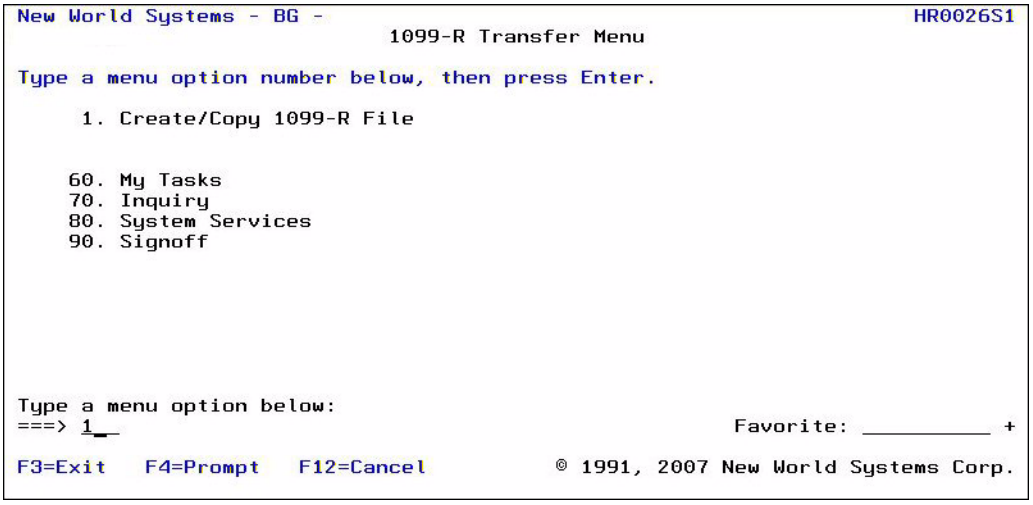
After printing the 1099-R forms, you are ready to transfer the information to tape.

NOTE

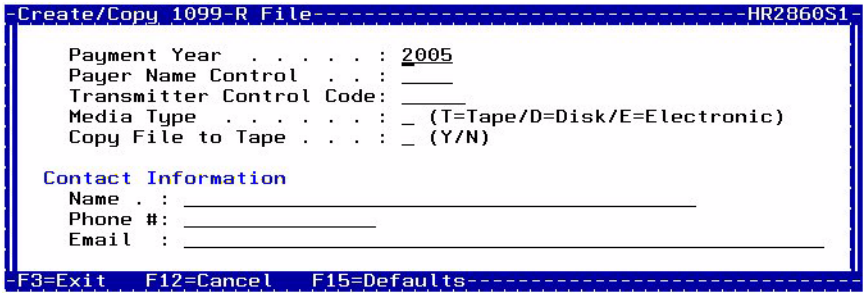
IRS/ECC-MTB now offers an Internet connection at http://fire.irs.gov for electronic filing. The FIRE System will be down from 2 p.m. E.S.T. Dec. 20, 2007, through Jan. 2, 2008, for upgrading and will not be accepting submissions during that time. The FIRE System does not provide fill-in forms.

Create the 1099-R File

From the *1099-R Menu*, select *1099-R Transfer Menu*:



Select *Create/Copy 1099-R File*:



Payment Year: Enter the year that you want to create from the work file. This field is mandatory.

Payer Name Control: Enter the payer code of your organization as designated by the IRS. See the attached IRS 1099 documentation on use. An entry in this field is not required to create the 1099s.

Transmitter Control Code: Enter the transmitter control code of your organization as designated by the IRS. See the attached IRS 1099 documentation on use. An entry in this field is required to create the 1099s.

Media Type: This field is mandatory. Enter the type of media to which the work file will be copied. Enter a **T** for tape, a **D** for diskette or an **E** for electronic.

> **NOTE**
>
> *If you choose **Tape**, you also must choose **Copy to Tape** when creating the actual tape. If you choose **Disk** or **Electronic**, do not choose **Copy to Tape**, and follow the instructions for Electronic File Transfer.*

Copy File to Tape: (Only valid for **Tape** ***Media Type***) Enter **Y** (Yes) to create the file and copy it to tape. Enter **N** (No) to create the file and not copy it to tape.

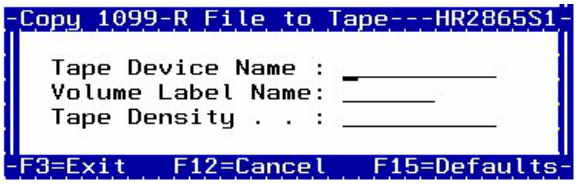
Contact Information

Name: Enter the name of your contact person. The IRS will contact this person if there are problems with the tape file.

Phone #: Enter the phone number where the contact person may be reached.

Email: Enter the contact person's email address.

Press **<Enter>**. If ***Media Type*** is **T** and ***Copy File to Tape*** is **Y**, a second screen will appear:



Tape Device Name: **This field is mandatory if a tape is used**. This is the name of the drive you are using for the 1099-R tape.

Volume Label Name: If you label your tape, type that label here.

Tape Density: **This field is mandatory**. Enter the density of the tape you are using. The system will use this information to initialize the tape.

Press **<Enter>**. When "Job Submitted" is displayed at the bottom of the screen, you may press **<F3>** or **<F12>** to return to the *1099-R Transfer Menu*.

This batch job will have a message waiting on it. From the *1099-R Menu*, select *System Services Menu*. Select *Work with Submitted Jobs*. Select the job and then the **Display Message** option. The message is there to confirm that the tape in the drive is the one you want to use for the transfer. If the tape is correct, type **i <Enter>** to initialize and continue. If the tape is incorrect, type **c <Enter>** to cancel.

If there is a problem with the tape, another message will appear on the batch. When you display it, it will read, "A problem has occurred with your tape or device. Enter 'C' to cancel, check your tape or device, and try again." Type **c <Enter>**, and you will see the following message:

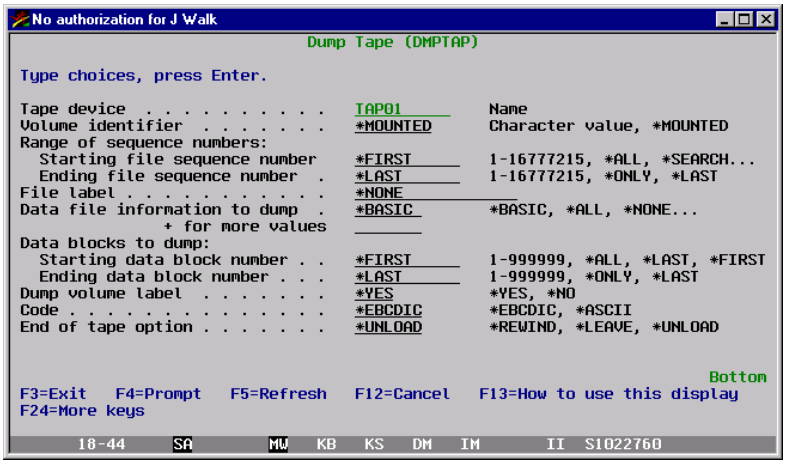
"1099-R Transfer to Tape Program Terminated by Operator Request. Enter 'C' to Cancel." Type **c <Enter>** again to end the job. New World recommends that you verify the following conditions before trying the transfer again:

- Your tape drive supports the tape density you are using.
- You have entered the correct density on the *Copy 1099-R File to Tape* screen.
- You ran the option to create the tape file before running the copy option.
- Write protection on the tape is OFF.
- The tape drive is varied ON.
- The tape drive is clean.

If all of these conditions are met, contact the Logos Call Center at 1-800-333-9673 before continuing.

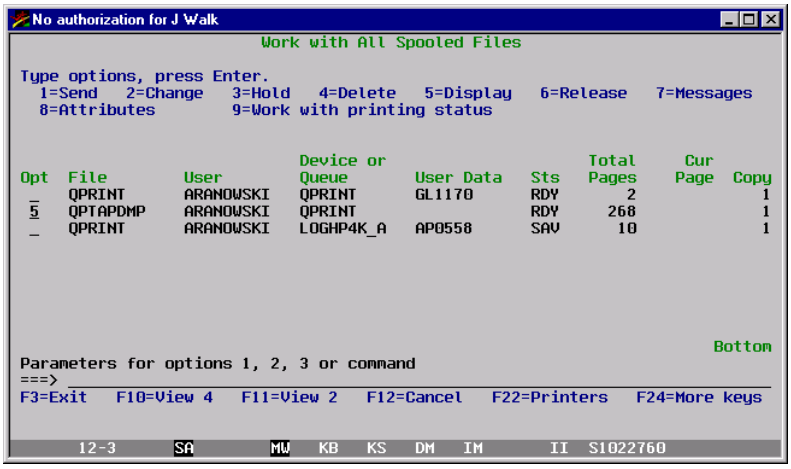
To verify that your information has been copied to tape, follow these steps:

1. From a command line, type the following command: **DMPTAP**
2. Press **<Enter>**. The *Dump Tape* screen will appear:



3. Type the name of your ***Tape Device***; most likely, it will be **TAP01**. For ***Ending file sequence number***, type ***LAST**. For ***Ending data block number***, type ***LAST**. For ***End of tape option***, type ***UNLOAD**.
4. Press **<Enter>**. A spooled file will be created.

5. From a command line, type the following command: **WRKSPLF**
6. Press **<Enter>**. The *Work with All Spooled Files* screen will appear:



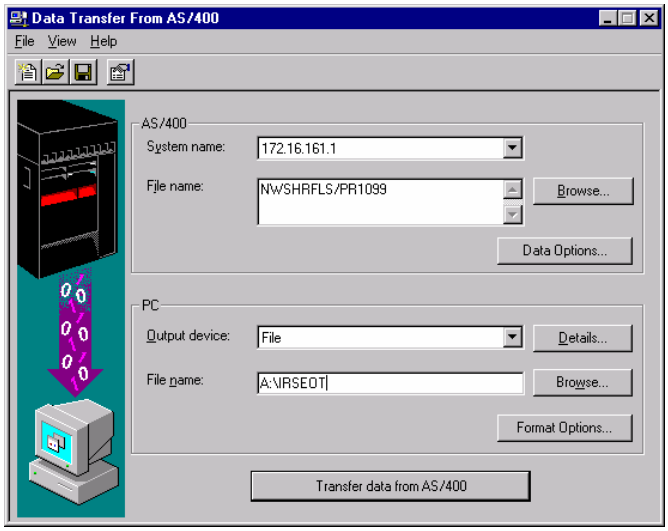
7. Look for the spooled file **QPTAPDMP**.

Hint: If the file is more than 2 pages long, as indicated in the Total Pages column, the tape likely contains the required file.

To verify that the tape contains what it should, type a 5 in the field next to QPTAPDMP and press **<Enter>**.

Transfer the 1099-R File to Diskette or Electronically

To transfer the 1099-R file to diskette, open IBM iSeries Client Access. Select *Transfer Data from iSeries*. You will see a screen like the following:



Complete the fields as follows to transfer the file to disk:

System Name: Enter the name of your iSeries.

File Name: Enter the name of your files library, followed by a slash and the file name, which must be named **`PR1099`**. For example, if your files library is named **`NWSHRFLS`**, you would enter **`NWSHRFLS/PR1099`** in this field.

Output Device: Select **File**.

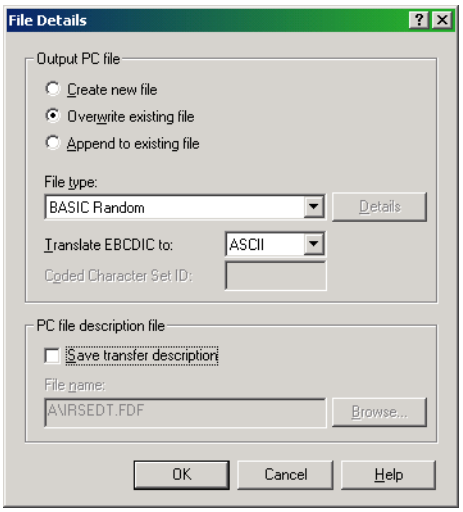
File Name: Enter the letter assigned to your disk drive (e.g., **`A:\`**) followed by **`IRSTAX`**. For example, if your A:\ drive is your disk drive, the value in this field would be **`A:\ IRSTAX`**.

If you are transferring the file electronically, start with the letter name of the drive to which you are transferring (e.g., **`C:\IRSTAX`**).

NOTE

Regardless of the transfer method chosen, the file name IRSTAX is mandatory for the IRS to accept the file. If you have to include multiple disks, name the first disk IRSTAX.001, the second disk IRSTAX.002, etc.

Click the **Details** button in the PC section of the screen above. You will see a screen like the following:

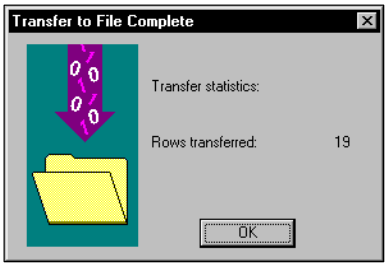


The **Overwrite existing file** option is selected by default; this value does not need to be changed. Select **Basic Random** as the file type, and make sure the ASCII is selected as the translation option. Deselect the **Save transfer description** option. Click **OK**.

NOTE

*If you do want to save the transfer description, change the path on the first screen from the disk drive to your C:\ drive, run this process, then transfer the **IRSTAX** file to the diskette.*

Click the **Transfer data from iSeries** button. An in-progress screen will come up while the data is transferred. Once the transfer is complete, you will see a screen like the following:



NOTE

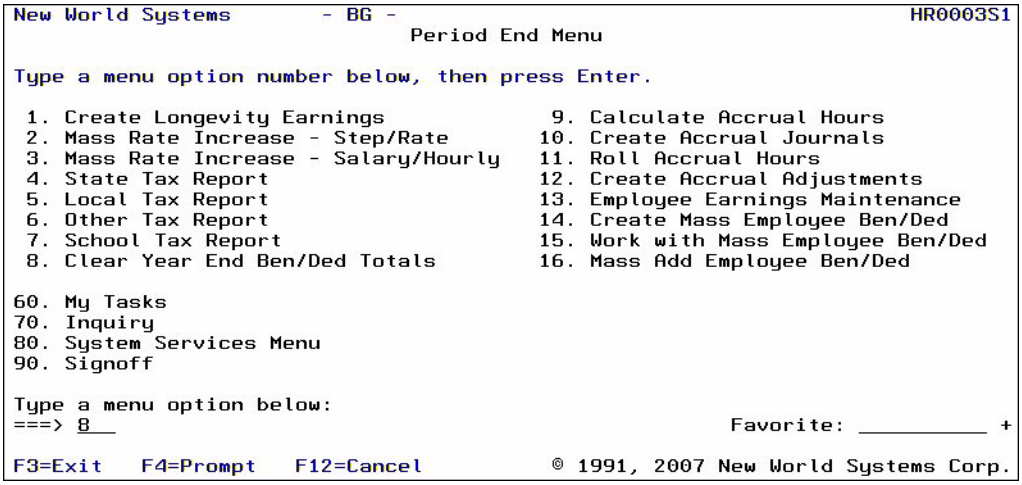
*Make sure that you transfer the IRSTAX file, **not** the IRSTAX.fdf file.*

For electronic filing instructions, please refer to Appendix A of this document.

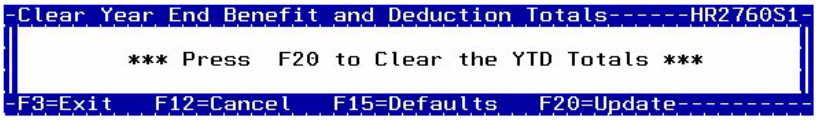
Other Year-End Procedures

Clear Year-End Benefit and Deduction Totals

From the *Payroll System Main Menu*, select *Period End Menu*:



Select *Clear Year End Benefit and Deduction Totals*:



Press **<F20>** to clear the year-end benefit and deduction totals. When "Job Submitted" is displayed at the bottom of the screen, you may press **<F3>** or **<F12>** to return to the *Earning Reports Menu*.

NOTE

*This option must be run after the last payroll of the year but before the first pay of the next year. If you are running the Summary W-2/1099-R option (page 21), the Create W-2/1099-R **must** be done first. This option will clear all Benefit, Deduction, Direct Deposit and Savings Bonds Year-to-Date.*

Rolling Accrual Hours

Here is an overview of the accrual processing steps detailed in this section:

1. Set up the roll method on benefit groups. Roll methods include Payroll Fiscal Date, Calendar Date, Accrual Start Date and Manual.
2. Change the setup of accruals in benefit groups. *Note: If a carry over cap is left at 0, accrual hours will not be carried into the new year.*
3. From the *Period End Menu*, roll accrual hours for benefit groups that you have selected to be rolled manually. You must roll all accruals, regardless of whether you allow employees to roll hours forward. This must be done after the last check of the year but before the first check of the new year.

NOTE

New World cannot assume responsibility for accrual errors that occur due to PTF installation errors or failure to follow published instructions. Please read and adhere to the steps provided in the installation instructions. New World will provide assistance with accrual errors as a billable service only.

1. Set up the Roll Method on Benefit Groups

Accrual Processing has been written so that accumulated benefit time may be rolled, or carried over, from one year to the next by **Payroll Fiscal Date**, **Calendar Date** or **Accrual Start Date**. Except for benefit groups set up to use the **Manual** method, the rolling of accruals is no longer necessary at year-end. Each time Payroll Processing is run, the system determines whether an employee's accrued benefit time needs to be rolled to the next year.

During the payroll calculation, a **Roll Accrual Listing (HR4015)** will be generated. For most payrolls, this report will say "0 Employees." When it is time to roll any employees, the report will list by employee the details of the roll that is occurring for that employee. This report replaces the Roll Accrual Listing (HR2770) report you received when you manually rolled the accounts in previous years.

If you use the automated roll accrual process, the system will roll the accruals based on the work date. For example, an employee takes a vacation day on December 30, 2007. This vacation day will be included in the 2007 Current Taken balance. Any days earned with a work date in 2007 will go in that year's Current Earned balance.

If you use the manual roll accrual process, it still uses the check date to determine the year that will be used.

Roll Accrual Report-Mock Version

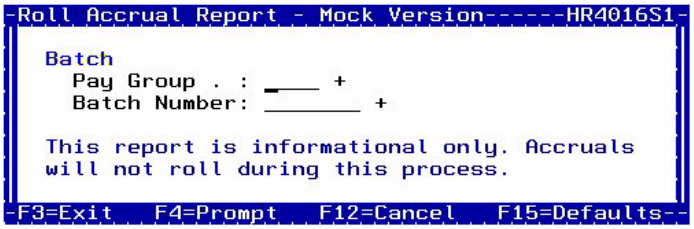
New World's *Human Resources* system provides a *Roll Accrual Report-Mock Version* option that lets you generate an accrual report before processing your payroll. All of your payroll hours must first be entered in centralized hours (not departmental hours). You may then run this report to review your rolled hours. This option will **not** actually roll the hours; it will produce a report only.

You may access the *Roll Accrual Report-Mock Version* as follows:

From the *Payroll System Main Menu*, select *Pay Day Menu*.

Select *Hours Listing Menu*.

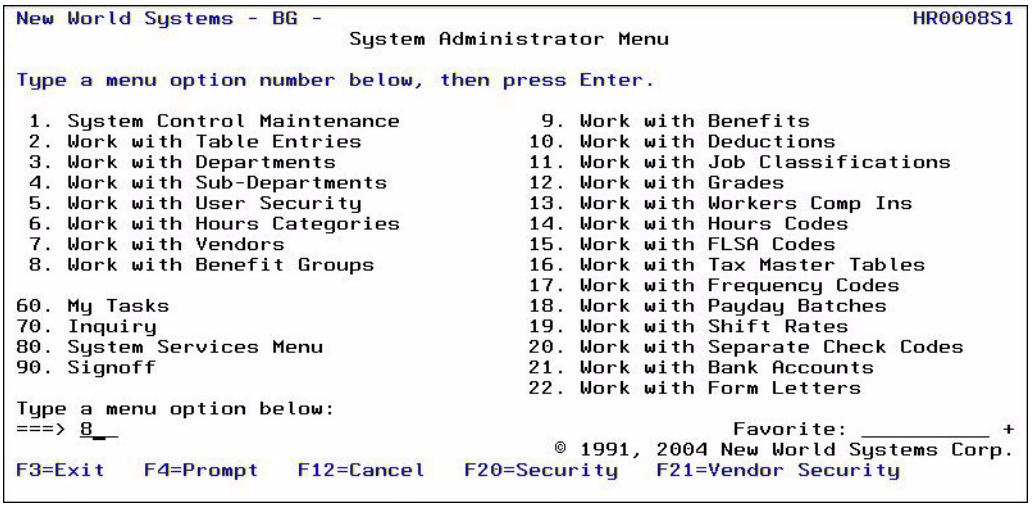
Select *Roll Accrual Report-Mock Version*:



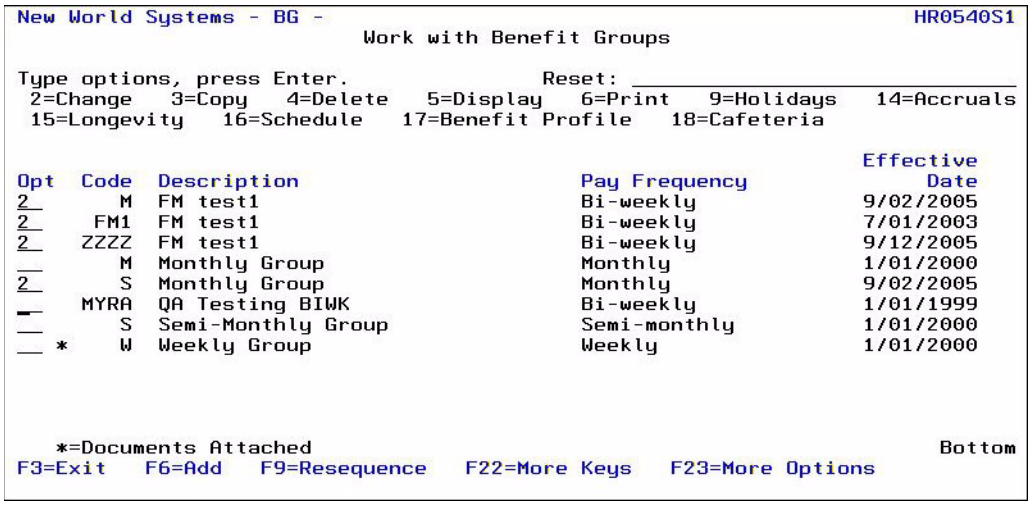
NOTE

Accruals for benefit groups set up to use the ***Manual*** *method must be rolled from the* ***Period End Menu****. You must roll all accruals, regardless of whether you allow employees to roll hours forward.* ***This must be done after the last check of the year but before the first check of the new year.*** *Even if part of the first pay of the year is paying days from December, the roll must still be done before that first January check. The exception to this is if your organization rolls by anniversary date. The system is based solely on check date.*

From the *Payroll System Main Menu*, select *System Administrator Menu*:

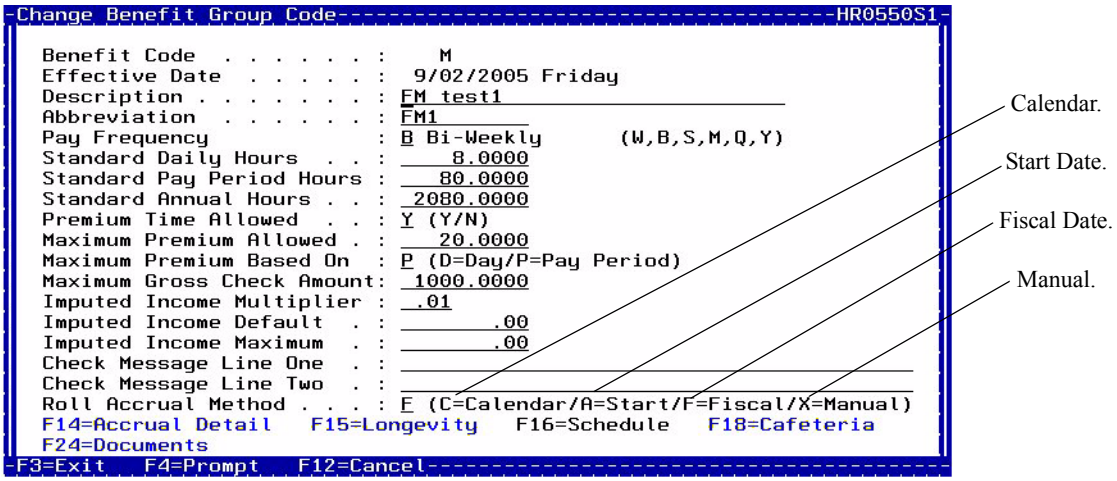


Select *Work with Benefit Groups*:



Enter a **2** (*Change*) in the ***Opt*** field next to each benefit group where the accrual year does not begin with January 1.

Press **<Enter>**. The *Change Benefit Group Code* screen will appear:



Calendar

The current-year accruals begin January 1 and end December 31.

Start Date

The current accrual year begins on the employee's "Accrual Start Date" (shown on screen 7 of *Human Resources System Control Maintenance*).

Fiscal Date

The current-year accruals begin on the first day of the "Fiscal Start Month" (shown on screen 5 of *Human Resources System Control Maintenance*).

Manual

You control the rolling of accruals from the *Period End Menu*.

Press **<Enter>** to save your changes and step to the next selected record.

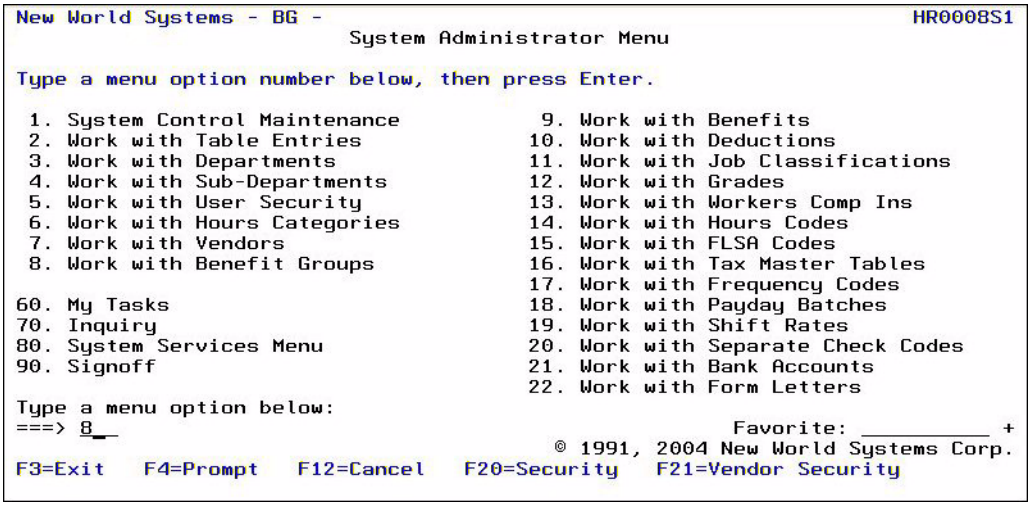
2. Change Setup of Accruals in Benefit Groups

Due to a programming change, it is necessary to change the setup of accruals on the Benefit Groups.

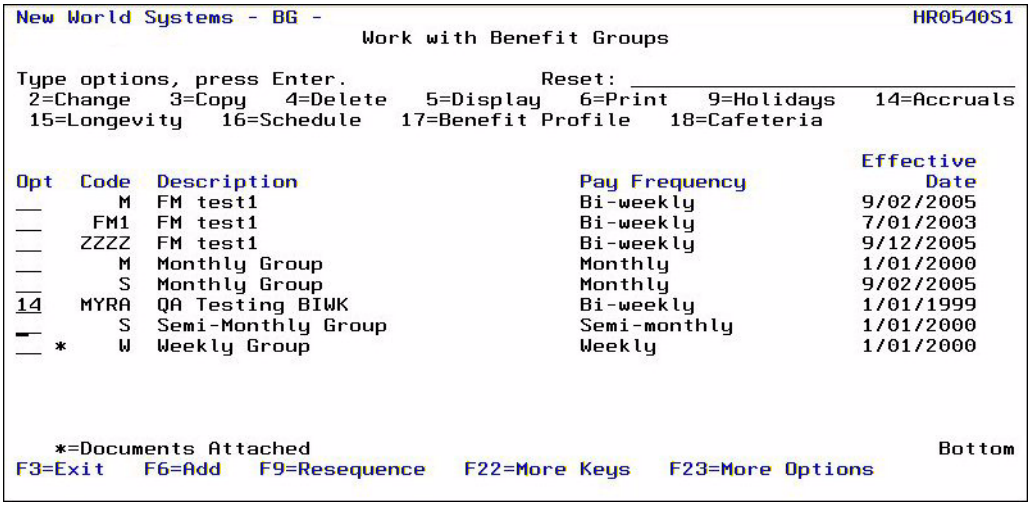
NOTE

Previously, if accrual hours were to be rolled into the next year, you were able to have the Maximum Carry Over field set to 0. Now, for hours to be carried forward, a value greater than 0 must be entered in the Benefit Group. ***If a 0 is left in that field, no accrual hours will be brought into the new year.***

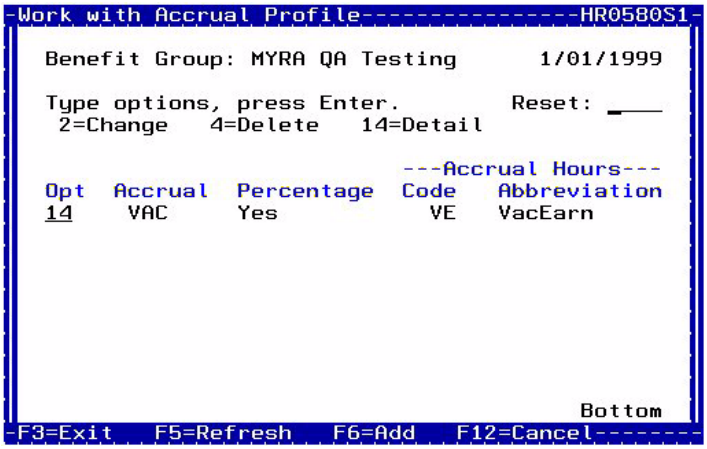
From the *Payroll System Main Menu*, select *System Administrator Menu*:



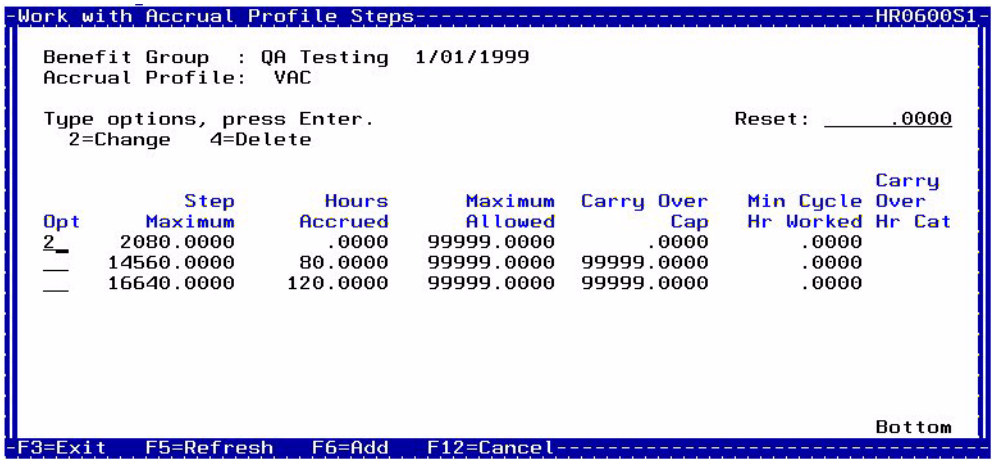
Select *Work with Benefit Groups*:



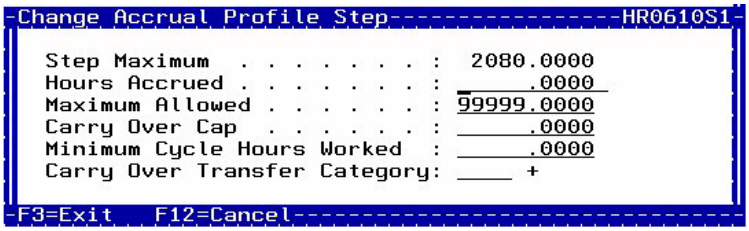
Select the benefit group with option **14** (*Accruals*):



Select the accrual with option **14** (*Detail*):



Select the accrual profile step with option **2** (*Change*):



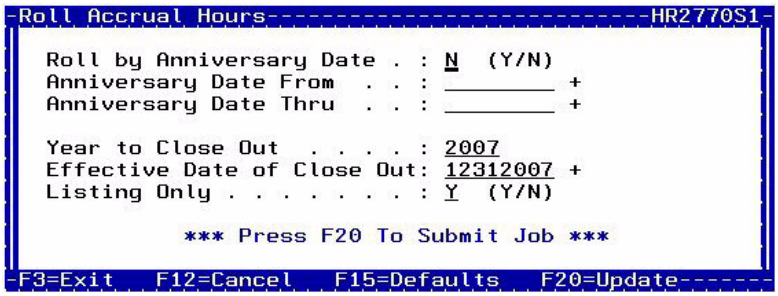
Review the ***Carry Over Cap***. **If it is left at 0, accrual hours will not be carried into the new year**. For accrual hours to be carried into the new year, enter the maximum hours that may be brought over. If you want all hours to be brought over, enter **`99999.9999`**.

Press **`<Enter>`**.

You will need to do this for each step, each accrual, each benefit group. Do this before the accruals hours are designated to roll.

3. Roll Accrual Hours

Run this process for benefit groups you have selected to be rolled manually. From the *Period End Menu*, select *Roll Accrual Hours*:

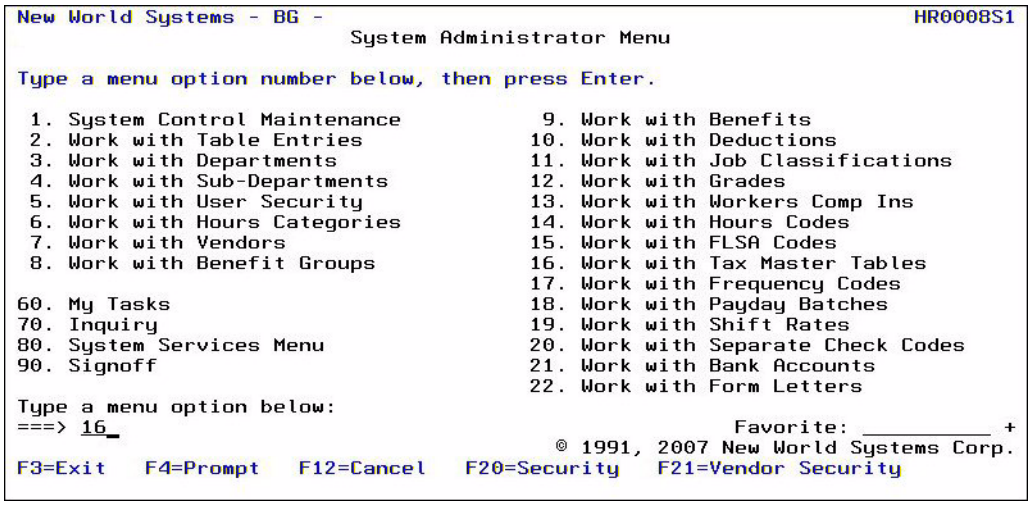


Leave the the selection in the ***Roll by Anniversary Date*** field **N** (No) and the ***Anniversary Date From/Thru*** fields blank. This is only used for employers who roll their accrual hours each pay instead of once at the end of the year. Enter the ***Year to Close Out*** and the ***Effective Date of Close Out***.

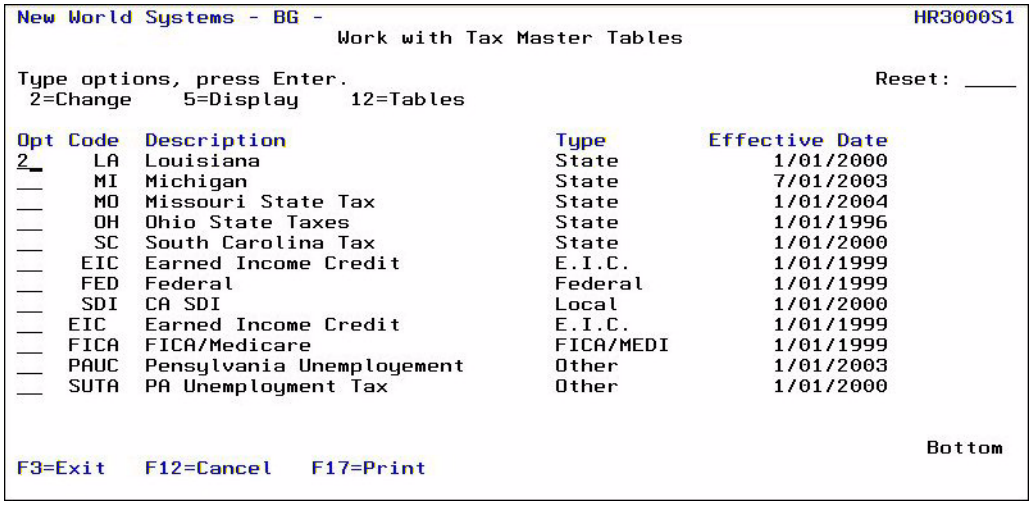
By leaving **Y** (Yes) in the ***Listing Only*** field, the system will only print a listing to show what will be rolled. If Listing Only is not **Y**, the accruals will actually roll, and you will get a listing. All balances will roll over according to the setup on the benefit group. We recommend that you run this procedure first with **Y** in the Listing Only field; this enables you to verify that your balances are correct.

Changing Tax Tables

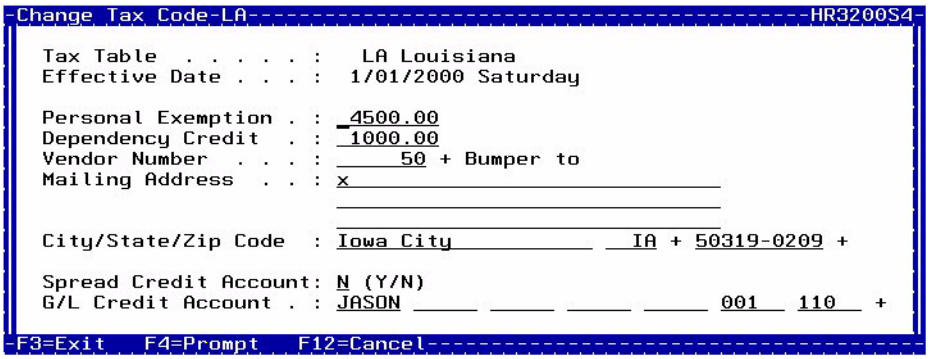
From the *Payroll System Main Menu*, select *System Administrator Menu*:



Select *Work with Tax Master Tables*:



With option **2** (*Change*), select the tax table you want to update:



This screen will look different, depending on which tax table was chosen. Verify this information is correct for the 2007 payroll.

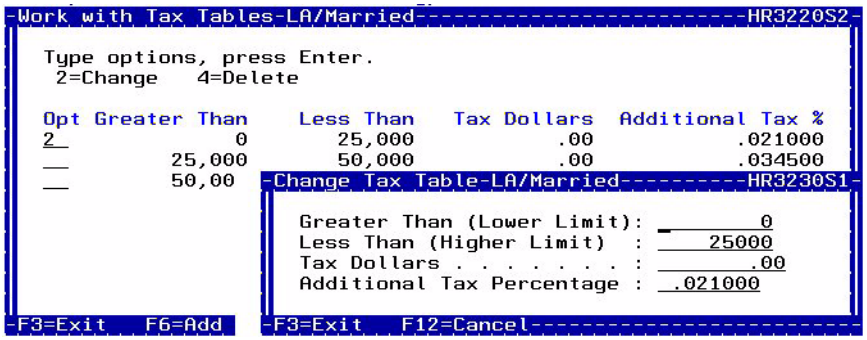
Press **<Enter>**.

On *Work with Tax Master Tables*, select the same tax table with option **12** (*Tables*):



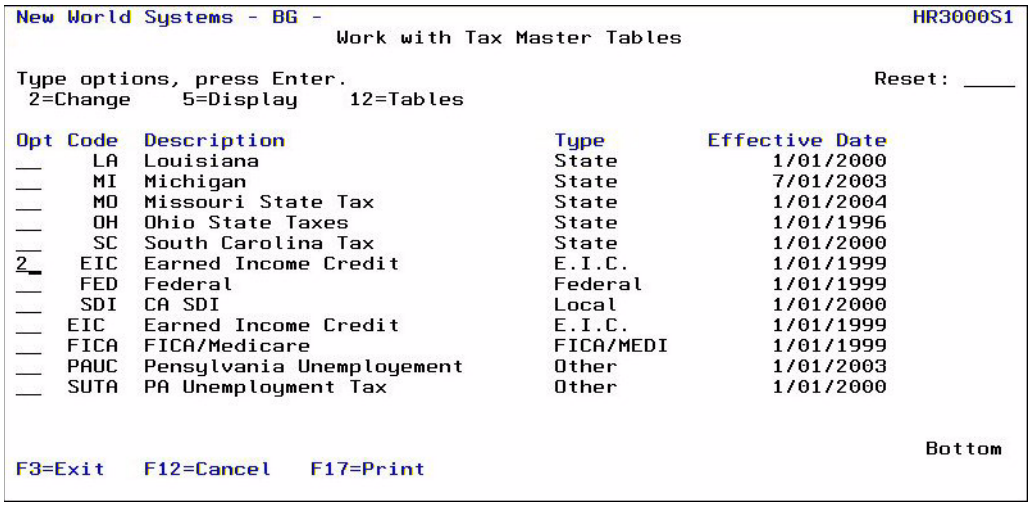
Select **S** (Single) or **M** (Married) for this type of tax.

Press **<Enter>**:



Use option **2** (*Change*) to change the information necessary to bring the tables up to the new year figures.

Press **<Enter>** twice to return to the *Work with Tax Master Tables* screen:



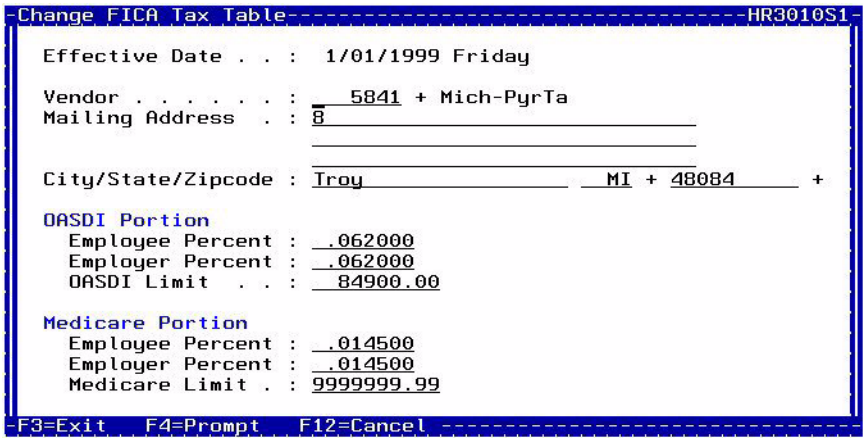
Continue changing the various ranges until the table is correct for the new year.

Press **<Enter>**.

FICA Tax Change

Each year the limit on the taxable income changes for FICA taxes. This will have to be updated in the system.

From the *Work with Tax Master Tables* screen, select the FICA tax with option **2** (*Change*):



Under the **OASDI Portion** section of the screen, you will have to change the ***OASDI Limit*** to reflect the figure for the new year.

Press **<Enter>** until you return to the *Work with Tax Master Tables* screen.

Software Adjustments

The following adjustments have been made to the *Human Resources* software for the 2007 year-end update:

Case Number	SCR Number	Description
185327	37189	HR1095 Employee Prompt HR1920 Create W2 Work File HR1923 Create W2 Work File HR1924 W2 Tips Calculation HR1925 Clear W2 Work Files HR2800 Work with W2/1099-R Information HR2805 Work with W2/1099-R Detail Records HR2810 Add/Change W2 Information HR2811 W2/1099 Get Next Sequence Number HR2815 Add/Change 1099-R Information HR2820 Display W2 Information HR2825 Display 1099-R Information HR2830 Delete W2/1099-R Information HR2840S W2/1099-R Register HR2841 W2 Register - Detail HR2842 W2 Register - Summary HR2843 1099-R Register - Detail HR2844 1099-R Register - Summary HR2845 Print W2s Forms (2 Wide) (Reg&MagMedia) HR2846 Print 1099R Form (1 Wide) HR2847 Print Mailer form Mag Media Forms (d Wide) HR2848 Print W2 Forms (1 Wide) HR2849 Print W2 Forms (Laser) HR2850C2 Create/Copy W2 File HR2853 Create W2 MMREF-1 File HR2860C2 Create/Copy 1099-R File HR2880 Flag Retirement Plan - NY Only for W2 The W2/1099-R process has been enhanced to allow multiple years to be created and maintained simultaneously.

Case Number	SCR Number	Description
204895	38001	HR0007 W2 Menu HR1990 SSN Verification Submission File HR1990S SSN Verification Submission File HR1994 SSN Verification Returned File - Sequence file HR1995 SSN Verification Returned File The Submission File report has been modified to provide an error message for records that are non-verified, as well as a form output that meets the SSNVS specs to be submitted on paper. The Return File process that had existed was inefficient and did not meet the SSNVS guidelines so it has been modified to allow customers to upload that file from the SSNVS on their PC and to the iSeries to be printed in a report.
205364	38247	HR2853 Create W2 EFW2 File HR2898 Process State Total Record (RV) HR2899 Process State MMREF Records (RS) Changes made to W2 file.
205367	38248	HR2845 Print W2 Forms (2 Wide) (Reg&MagMedia) HR2847 Print Mailer form Mag Media Forms (d Wide) HR2848 Print W2 Forms (1 Wide) HR2849 Print W2 Forms (Laser) HR2849E Print W2 Forms (Employer Laser) The only forms to change for tax year 2007 are the W-2 forms specifically: box (a) has been changed from the control number to the employee's social security number box (d) has been changed from employee's social security number to the control number the void box (on forms that have it) has been moved to the left of box (a)
205575	38325	HR0007 W2/1099-R Menu HR1920 Create W2 Work File HR1923 Create W2 Work File HR1924 W2 Tips Calculation HR1925 Clear W2 Work Files HR2805 Work with W2/1099-R Detail Records HR2810 Add/Change W2 Information HR2815 Add/Change 1099-R Information HR2827 Lock/Unlock W2/1099-R Records HR2830 Delete W2/1099-R Information HR2840S W2/1099-R Register HR2841 W2 Register - Detail HR2842 W2 Register - Summary HR2843 1099-R Register - Detail HR2844 1099-R Register - Summary The W2/1099 process has been enhanced so that users are now able to lock and unlock records to prevent changes while still being able to display, print, and file electronically. This is a further enhancement to the solution SCR 37189.

Appendix A
Electronic Filing Specifications

Specifications for Filing Forms 1098, 1099, 5498 and W-2G

Electronically or Magnetically

(Reprinted from the Internal Revenue Bulletin Publication 1220 No. 2007-51, dated July 23, 2007)

For a complete copy of this publication, click the following link:

http://www.irs.gov/pub/irs-pdf/p1220.pdf

NOTE

Information that appears with a double underline in this appendix is new for the current year.

Electronic Filing Specifications

This section excerpts the most important sections (pages 159- 164) of the *Internal Revenue Bulletin No. 2007-51*. Users should have received the *Payroll Administration Guide* special supplement that contains these directions; the most key steps are repeated here.

NOTE

The specifications for magnetic or electronic filing of Forms 1098, 1099, 5498, and W-2G are updated for tax year 2007, according to the Internal Revenue Bulletin No. 2007-51. This revenue procedure updates the specifications for filing with these forms electronically through the IRS Filing Information Returns Electronically (FIRE) System or magnetically, using IBM 3480, 3490, 3490E, 3590, or 3590E tape cartridges.

This revenue procedure must be used for the preparation of tax year 2007 information returns and information returns for tax years prior to 2007 filed beginning January 1, 2008, and postmarked by December 1, 2008.

IRS/ECC-MTB now offers an Internet connection at http://fire.irs.gov for electronic filing. The FIRE System will be down from 2 p.m. E.S.T. Dec. 20, 2007, through Jan. 2, 2008, for upgrading and will not be accepting submissions during that time. The FIRE System does not provide fill-in forms.

IRS/ECC-MTB no longer accepts 3 1/2-inch diskettes for filing information returns.

Tax year 2007 is the last year IRS/ECC-MTB will accept tape cartridges for the filing of information returns. Tape cartridges must be received by DECEMBER 1, 2008 in order to be processed for the current year. After December 1, 2008, electronic filing will be the ONLY acceptable method to file information returns at ECC-MTB.

Part B. Electronic Filing Specifications

Sec. 3. Electronic Filing Approval Procedure

.01 Filers must obtain a Transmitter Control Code (TCC) prior to submitting files electronically. Filers who currently have a TCC for magnetic media filing may use their assigned TCC for electronic filing. Refer to Part A, Sec. 6, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own user ID, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part B, Sec. 6, for more information on the PIN.

.03 If a filer is submitting files for more than one TCC, it is not necessary to create a separate logon and password for each TCC.

.04 For all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and must be 8 alpha/numerics containing at least 1 uppercase, 1 lowercase, and 1 numeric. However, filers who forget their password or PIN, can call **toll-free 1-866-455-7438 extension 3** for assistance. The FIRE System may require users to change their passwords on a yearly basis.

Sec. 5. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/ECC-MTB 24 hours a day, 7 days a week. Technical assistance is available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern time by calling **toll-free at 1-866-455-7438 extension 3**.

.02 The FIRE System will be down from 2 p.m. EST December 20, 2007, through January 2, 2008. This allows IRS/ECC-MTB to update its system to reflect current year changes.

.03 If you are sending files larger than 10,000 records electronically, data compression is encouraged. If you are considering sending files larger than 5 million records, please contact IRS/ECC-MTB for specifics. WinZip and PKZip are the only acceptable compression packages. IRS/ECC-MTB cannot accept self-extracting zip files or compressed files containing multiple files. The time required to transmit information returns electronically will vary depending upon the type of connection to the internet and if data compression is used. **The time required to transmit a file can be reduced by as much as 95 percent by using compression.**

.04 *The Fire System can accept multiple files for the same type of return providing duplicate data is not transmitted. For example, if your company has several branches issuing 1099-INT forms; it is not necessary to consolidate all the forms into one transmission. Each file may be sent separately,* ***providing duplicate data is not transmitted***.

.05 Transmitters may create files using self assigned files name(s). Files submitted electronically will be assigned a new unique filename by the FIRE System. The filename assigned by the FIRE System will consist of submission type (TEST, ORIG [original], CORR [correction], and REPL [replacement]), the filer's TCC and a four-digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your first original file for the calendar year and your TCC is 44444, the IRS assigned filename would be ORIG.44444.0001. **Record the filename.** This information will be needed by ECC-MTB to identify the file, if assistance is required.

.06 If a file was submitted timely and is bad, the filer will have up to 60 days from the day the file was transmitted to transmit an acceptable file. If an acceptable file is not received within 60 days, the payer could be subject to late filing penalties. This only applies to files originally submitted electronically.

.07 The following definitions have been provided to help distinguish between a correction and a replacement:

- A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/ECC-MTB, but contained erroneous information. **(See Note.)**

NOTE

Corrections should only be made to records that have been submitted incorrectly, not the entire file.

- A **replacement** is an information return file sent by the filer because the CHECK FILE STATUS option on the FIRE System indicated the original/correction file was bad. After the necessary changes have been made, the file must be transmitted through the FIRE System. **(See Note.)**

NOTE

Filers should never transmit anything to IRS/ECC-MTB as a "Replacement" file unless the CHECK FILE STATUS option on the FIRE System indicates the file is bad.

.08 The TCC in the Transmitter "T" Record must be the TCC used to transmit the file; otherwise, the file will be considered an error.

Sec. 6. PIN Requirements

.01 Form 4804 is not required for electronic files. Instead, the user will be prompted to create a PIN consisting of 10 numerics when establishing their initial logon name and password.

.02 The PIN is required each time an ORIGINAL, CORRECTION, or REPLACEMENT file is sent electronically and is permission to release the file. It is not needed for a TEST file. An authorized agent may enter their PIN, however, the payer is responsible for the accuracy of the returns. The payer will be liable for penalties for failure to comply with filing requirements. If you forget your PIN, please call **toll-free at 1-866-455-7438 extension 3** for assistance.

.03 If the file is good, it is released for mainline processing after 10 calendar days from receipt. Contact us **toll-free at 1-866-455-7438 extension 3** within this 10-day period if there is a reason the file should not be released for further processing. If the file is bad, follow normal replacement procedures.

Sec. 7. Electronic Filing Specifications

.01 The FIRE System is designed exclusively for the filing of Forms 1042-S, 1098, 1099, 5498, 8027, and W-2G.

.02 A transmitter must have a TCC (See Part A, Sec. 6) before a file can be transmitted. A TCC assigned for magnetic media filing should also be used for electronic filing.

.03 After 1-2 business days, the results of the electronic transmission will be emailed to you providing you provide an accurate email address on the 'Verify Your Filing Information' screen. If you are using email filtering software, configure your software to accept emails from fire@irs.gov. If after receiving the email it indicates that your file is bad, you must log into the FIRE System and go to the CHECK FILE STATUS area of the FIRE System to determine what the errors are in your file. Forms 1042-S and 8027 require a longer processing time and emails are not sent for these forms.

Sec. 8. Connecting to the FIRE System

.01 Point your browser to http://fire.irs.gov to connect to the FIRE System.

.02 Filers should turn off their pop-up blocking software before transmitting their files.

.03 Before connecting, have your TCC and EIN available.

.04 Your browser must support SSL 128-bit encryption.

.05 Your browser must be set to receive "cookies." Cookies are used to preserve your User ID status.

First time connection to The FIRE System (If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

1. Click **"*Create New Account.*"**
2. Fill out the registration form and click **"*Submit.*"**
3. Enter your ***User ID*** (most users logon with their first and last name).
4. Enter and verify your ***password*** (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase, and 1 numeric). FIRE may require you to change the password once a year.
5. Click **"*Create*."**
5. If you receive the message **"Account Created,"** click **"*OK*."**
6. Enter and verify your 10-digit self-assigned PIN (Personal Identification Number).
7. Click **"*Submit*."**
8. If you receive the message, **"Your PIN has been successfully created!"**, click **"*OK*."**
9. Read the bulletin(s) and/or **"Click here to continue."**

Subsequent connections to the FIRE System

1. Click **"*Log On*."**
2. Enter your **User ID** (most users logon with their first and last name).
3. Enter your ***password*** (the password is user assigned and is case sensitive).
4. Read the bulletin(s) and/or "**Click here to continue**".

Uploading your file to the FIRE System

At Menu Options:

1. Click **"*Send Information Returns*"**
2. Enter your ***TCC***:
3. Enter your ***EIN***:
4. Click **"*Submit*."**

The system will then display the company name, address, city, state, ZIP code, phone number, contact and email address. This information will be used to email the transmitter regarding their transmission.

5. Update as appropriate and/or click **"*Accept.*"**

NOTE

Please ensure that the email is accurate so that the correct person receives the email and it does not return to us undeliverable. If you are using SPAM filtering software, please configure it to allow an email from fire@irs.gov.

6. Click one of the following:

   Original File

   Correction File

   Test File (*This option will only be available 11/1/2007 - 02/15/2008.*)

   Replacement File (if you select this option, select one of the following):

      Electronic Replacement (file was originally transmitted on this system)

      Click the file to be replaced.

      Magnetic Media Replacement

      Enter the alpha character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file.

7. Click **"*Submit.*"**
8. Enter your 10-digit PIN.
9. Click **"Submit."**
10. Click **"*Browse*"** to locate the file and open it.
11. Click **"*Upload.*"**

When the upload is complete, the screen will display the total bytes received and tell you the name of the file you just uploaded.

12. If you have more files to upload for that TCC:

    Click **"*File Another?*"**; otherwise,

    Click **"*Main Menu.*"**

It is your responsibility to check the acceptability of your file; therefore, be sure to check back into the system in 1-2 business days using the CHECK FILE STATUS option.

Checking your FILE STATUS

If the correct email address was provided on the "Verify Your Filing Information" screen when the file was sent, an email will be sent regarding your FILE STATUS. If the results in the email indicate "Good, not Released" and you agree with the "Count of Payees", then you are finished with this file. If you have any other results, please follow the instructions below.

At the Main Menu:

1. Click **"*Check File Status*."**
2. Enter your ***TCC***:
3. Enter your ***EIN***:
4. Click "***Search***."

If "Results" indicate:

- **"*Good, Not Released*"** and you agree with the "Count of Payees," you are finished with this file. This file will automatically be released after 10 calendar days unless you contact us within this timeframe.
- **"*Good, Released*"** – File has been released to our mainline processing.
- **"*Bad*"** - Correct the errors and timely resubmit the file as a "replacement."
- **"*Not Yet Processed*"** - File has been received, but we do not have results available yet. Please check back in a few days.

5. Click on the desired file for a detailed report of your transmission.
6. When you are finished, click on **Main Menu.**
7. Click "***Log Out***."
8. Close your Web Browser.

Sec. 9. Common Problems and Questions Associated with Electronic Filing

.01 Refer to Part A, Section 15, for common format errors associated with electronic/ magnetic files.

.02 The following are the major errors associated with electronic filing:

NON-FORMAT ERRORS

1. Transmitter does not check the FIRE System to determine file acceptability.

The results of your file transfer are posted to the FIRE System within two business days. If the correct email address was provided on the "Verify Your Filing Information" screen when the file was sent, an email will be sent regarding your FILE STATUS. If the results in the email indicate "Good, not Released" and you agree with the "Count of Payees", then you are finished with this file. If you have any otherresults, please follow the instructions in the Check File Status option.if the file contains errors, you can get an online listing of the errors. Date received and number of payee records are also displayed. If the file is good, but you do not want the file processed, you must contact IRS/ECC-MTB within 10 calendar days from the transmission of your file.

2. Incorrect file is not replaced timely.

If your file is bad, correct the file and timely resubmit as a replacement.

3. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.

4. Transmitter sends a file and CHECK FILE STATUS indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/ replacement file.

Once a file has been transmitted, you cannot send a replacement file unless CHECK FILE STATUS indicates the file is bad (1-2 business days after file was transmitted). If you do not want us to process the file, you must first contact us **toll-free at 1-866-455-7438 extension 3** to see if this is a possibility.

5. Transmitter sends an original file that is good, then sends a correction file for the entire file even though there are only a few changes.

The correction file, containing the proper coding, should only contain the records needing correction, not the entire file.

6. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

7. Transmitter has one TCC number, but is filing for multiple companies, which EIN should be used when logging into the system to send the file?

When sending the file electronically, you will need to enter the EIN of the company assigned to the TCC. When you upload the file, it will contain the EINs of the other companies for which you are filing. This is the information that will be passed forward.

8. Transmitter sent the wrong file, what should be done?

Call us as soon as possible **toll-free at 1-866-455-7438 extension 3**. We may be able to stop the file before it has been processed. **Please do not send a replacement for a file that is marked as a good file.**

Part C. Tape Cartridge Specifications

.01 Transmitters should be consistent in the use of recording codes and density on files. If the tape cartridge does not meet these specifications, IRS/ECC-MTB will request a replacement file. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/ECC-MTB **toll-free 1-866-455-7438 extension 5** for further information. Transmitters should also check media for viruses before submitting to IRS/ECC-MTB.

.02 In most instances, IRS/ECC-MTB can process tape cartridges that meet the following specifications:

a. Must be IBM 3480, 3490, 3490E, 3590, or 3590E.

b. Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:

(1) Tape cartridges must be 1/2-inch tape contained in plastic cartridges that are approximately 4-inches by 5-inches by 1-inch in dimension.

(2) Magnetic tape must be chromium dioxide particle based 1/2-inch tape.

(3) Cartridges must be 18-track, 36-track, 128-track or 256-track parallel **(See Note.)**.

(4) Cartridges will contain 37,871 CPI, 75,742 CPI, or 3590 CPI (characters per inch).

(5) Mode will be full function.

(6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.

(7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.

.03 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:

a. A block **must not** exceed 32,250 tape positions.

b. If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks**.

c. All records, except header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields, which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block, which may be shorter (see item b. above). The block length must be evenly divisible by 750.

d. Records may not span blocks.

.04 Tape cartridges may be labeled or unlabeled.

.05 Do **not** send encrypted data.

.06 For the purposes of this Revenue Procedure, the following must be used:

Tape Mark:

a. Signifies the physical end of the recording on tape.

b. For even parity, use BCD configuration 001111 (8421).

c. May follow the header label and precede and/or follow the trailer label.

Note: Filers should indicate on the external medial label whether the cartridge is 18-track, 36-track, 128-track or 256-track.

Appendix B
Registration Information

From the Social Security publication

Specifications for Filing Forms W2 Electronically (EFW2)

For Tax Year 2007

NOTE

This replaces the Magnetic Media Reporting And Electronic Filing (MMREF-1) document.

For a complete copy of this publication, click the following link:

http://www.ssa.gov/employer/R07efw2.pdf

NOTE

Information that appears with a double underline in this appendix is new for the current year.

Appendix B: Registration Information

This section extracts sections 5.0-8.3 of Social Security publication Filing Forms W2 Electronically (EFW2) For Tax Year 2007. Users should have received the *Payroll Administration Guide* special supplement that contains these directions.

What's New

Record Changes

- A new **optional** Code RV State Total Record has been added. The Code RV Record is free-form space to be defined by the State unemployment agencies or territorial jurisdictions.
- A new field, Software Vendor Code, has been added to the Code RA Record (positions 20-23). This field is a numeric four-position code that is assigned by the National Association of Computerized Tax Processors (NACTP) and is used to identify the vendor of the software that was used to generate the EFW2 wage file.
- The Civil Status field has been removed in the Code RO Record (position 265) and has been replaced with a blank field.

Other Changes

- Effective tax year 2007, the Magnetic Media Reporting and Electronic Filing (MMREF) publications have been renamed to Specifications for Filing Forms W-2 Electronically (EFW2), formerly MMREF-1, and Specifications for Filing Forms W-2c Electronically (EFW2C), formerly MMREF-2. All references to MMREF-1 and MMREF-2 have been replaced with the new acronyms EFW2 and EFW2C, respectively.
- The Social Security Wage Base for tax year 2007 is $97,500. Social Security taxes will be withheld at 6.2 percent (up to $97,500 of employee wages). Medicare taxes continue to be withheld at 1.45 percent on all wages.
- The 2007 Social Security coverage threshold for Household wages is $1,500.00.
- **Section 1.5: Receiving Specifications Update** and **Section 1.6: Assistance** have been deleted.
- EFW2 and EFW2C Specifications are available online only.
- A new section**, Section 2.1.1, Special Instructions for 2678 Agents**, has been added to Section 2.0, Special Situations. The information is intended to highlight the Internal Revenue Service (IRS) filing requirements for 2678 agent reporting.
- A new section, **Section 2.9, Third-Party Sick Pay Recap Filing**, has been added to indicate that third-party sick pay recap Forms W-2 and W-3 must not be filed electronically.
- A new section, **Section 3.2.6, State Total Record (RV),** has been added.
- **Section 4.6, Code RE – Employer Wage Record**: An ***"Important Note"*** has been added to the RE Record for employer name and address reporting.
- **Section 4.7, Code RW – Employee Wage Record**: The Social Security Wages, Social Security Tips and Medicare Wages and Tips fields in the RW Record have been reworded to improve clarity.
- A new section, **Section 4.12, Code RV – State Total Record**, has been added.

- **Section 9.0 Appendix A: Contacts for Questions About This Publication:** Updates have been made to the list of contacts.
- **Section 13.0 Appendix E: W-3/W-2 Boxes and EFW2 Fields Cross Reference,** has been modified to include paper Form W-3/W-2 field changes to corresponding EFW2 fields. The Form W-2 "Employee's social security number" box has been moved from box **d** to box **a**. The "Control number" box has been moved from box **a** to box **d**.
- **Section 15.0 Appendix G: Country Codes:**
  The following country code has been deleted: Serbia and Montenegro (YI)
  The following country codes have been added: Congo, Republic of (CF); Montenegro (MJ); No Man's Land (NM); and Serbia (RB)
- **Section 16.0 Appendix H: Maximum Wage and Tax Table** has been modified to include tax year
- 2007 Social Security and Household wage amount changes.
- Some editorial changes and corrections for clarification have also been made.
- Social Security Administration Publication No. 42-007

Filing Reminders

Electronic Filing

- For tax year 2007, Business Services Online (BSO) filers may upload their files beginning on **December 17, 2007.**
- For tax year 2007, Electronic Data Transfer (EDT) filers may transmit their files beginning on **January 23, 2008**.

Filing Deadlines

- The deadline for electronic filing is **March 31, 2008.**

Note: You may owe a penalty for each Form W-2 that you file late. (Refer to IRS 2007 Instructions for Forms W-2 and W-3 regarding Penalties and Terminating a Business.)

Other Filing Reminders

- If you are running anti-spam software, be sure to configure it so that Social Security Administration (SSA) correspondence is not identified as spam.
- All submitters must obtain a Personal Identification Number (PIN) through our registration process (see Section 5) and must enter that PIN in the RA Submitter Record.
- Make sure the PIN assigned to the employee who is attesting to the accuracy of the W-2 data is included in the RA Submitter Record. See Section 5 (PIN/Password Registration Information) for additional information.
- If your organization files on behalf of multiple employers, include no more than 1 million RW Records or 50,000 RE Records per submission. Following these guidelines will help to ensure that your wage data is processed in a timely manner.

- RA Submitter Record Information: It is imperative that the submitter's telephone number and E-mail address be entered in the appropriate positions. Failure to include correct and complete submitter contact information may, in some cases, make it necessary for SSA to reject your submission.
- Make sure each data file submitted is complete (RA through RF Records).
- RE Employer Record Information: Following the last RW/RO/RS Record for the employee, create an RT/RU Record, then create either:
  −The RE Record for the next employer in the submission; or
  −An RF Record if this is the last report in the submission.
- Do NOT create a file that contains any data after the Final Record (RF Record).
- Be sure to enter the correct tax year in the Employer Record (RE Record).
- The Tax Jurisdiction Code (position 220 on the RE Record) relates to the employees' location, not the employer's location. For example, Puerto Rico employees have a Tax Jurisdiction Code of "P".
- Third-party sick pay recap reports must not be filed electronically. Submit these reports on a paper Form W-2 and W-3.

5.1 Obtaining a PIN/Password

Must I get a PIN before I submit my file?

Yes.

Where can I find information about the PIN/Password?

- Access the Internet at http://www.socialsecurity.gov/employer
- Under "Electronic W-2 Filers," select *Business Services Online*.

When is the BSO available?

The BSO is available, including holidays:

- Monday through Friday, 5:00 a.m. to 1:00 a.m., Eastern Time
- Saturday, 5:00 a.m. to 11:00 p.m., Eastern Time
- Sunday, 8:00 a.m. to 11:30 p.m., Eastern Time

How do I get a PIN/PASSWORD?

Visit http://www.socialsecurity.gov/bso/bsowelcome.htm

- Under "Wage Reporting and Social Security Number Verification," select *Registration*

How do I get a PIN/PASSWORD if I am unable to register using the BSO?

- Call **1-800-772-6270** Monday through Friday, 7 a.m. to 7 p.m. Eastern Time to complete the registration..

What information do I have to provide to get a PIN?

1. The EIN of the company you work for. If you are a third-party submitter, you need the EIN of your own company, not the EIN of the company(s) for which the wage report(s) is/are being submitted. *Note: If you are self-employed, you do not need to provide an EIN.*
2. Your Social Security Number (SSN).
3. Your name (first name, middle initial or name and last name) as shown on your Social Security Card.
4. Your date of birth.
5. Your work telephone number, e-mail address and (optional) fax number to contact you.
6. Your preferred mailing address.
7. Company or business name.
8. Company phone number.

How do you approve my request?

- We match your name, date of birth, SSN and EIN against SSA records and verify that you work for the company that will submit the file. If the information is verified, we issue a PIN immediately.
- You will create your own password as part of the registration process.
- Your employer will be notified of your registration.

5.2 Using a PIN/Password

How do I use the PIN I receive?

A PIN can be used as an electronic signature and to use the BSO.

- As an Electronic Signature

Employer Submitter: You will use the PIN as your signature for the file in the EFW2 format. Insert your PIN into the file in the Personal Identification Number (PIN) field in the RA Record position 12-19. This should be the PIN of the person responsible for the file and attesting to its accuracy. It would generally be the same individual who would be signing the attestation statement on the Form W-3. You will be attesting to that "under penalties of perjury, you declare that you have examined this file's data and that to the best of your knowledge and belief, it is true, correct, and complete."

Third-Party or Payroll Practitioner Submitter: You will use the PIN as your signature for the file in the Personal Identification Number (PIN) field in the RA Record positions 12-19. This should be the PIN of the person responsible for the file and attesting to its accuracy. This attestation is based on the information available and assurances provided by the client. You should include as part of your standard business practices a provision in your contractual agreement that requires your client to give assurances that the file you are attesting to is to the best of their knowledge true, correct and complete.

- To use the BSO

As a designated individual authorized by your company, you will use your PIN to use the BSO to access various online services. You'll need your PIN (and password) to upload files and to check the status of your file. The person uploading the file or checking the status of the file will use his or her own PIN and Password. This does not have to be the same person whose PIN is inserted in the file as explained above.

How do I use the password I receive?

- You must use the password with the PIN to use the BSO (see Section 7). You must change your password at least once every 365 days to keep your PIN from expiring.
- If you do not use the services on BSO, you still need to change your password yearly to retain your PIN.
- If you do not use the services on BSO, you still need to change your password yearly to retain your PIN.

When may I start using my PIN and password?

Immediately.

How long may I use the PIN?

Indefinitely, as long as you change your password once a year before it expires.

5.3 Assistance

Who should I call if I have problems with registration?

Call 1-800-772-6270 Monday through Friday, 7:00 a.m. to 7:00 p.m. Eastern Time.

6.0 ACCUWAGE SOFTWARE

General

What is AccuWage 2007?

A self-extracting compressed file you can download from the Internet to your IBM compatible personal computer to verify that your file complies with the EFW2 format for Tax Year 2007.

When and where can I find AccuWage 2007?

In August 2007, visit www.socialsecurity.gov/employer

- Under "Employer Information Directory," select *Information for Software Developers*;
- Under "SSA Software," select *AccuWage/AccuW2C*

Will the AccuWage software identify all errors in the file?

- This software identifies many, but not all, wage submission format errors.
- AccuWage does not verify names and SSNs.
- The likelihood that SSA will reject the file is greatly reduced, if you correct the errors found by AccuWage.

Assistance

Who should I call if I have a problem with the AccuWage software?

Call 1-888-772-2970 Monday through Friday, 8:30 a.m. to 4:00 p.m. Eastern Time.

7.2 ACCESSING THE BSO

Who can use BSO?

Anyone with access to the Internet.

Do I have to register to use BSO?

Yes. See Section 5 for registration information.

Is there a charge to use BSO?

No, except for the charges from your Internet service provider.

How do I connect to the BSO?

Visit www.socialsecurity.gov/employer

- Under "Electronic W2 Filers," select *Business Services Online*.

How do I log on to BSO?

You will be prompted to enter your PIN and password.

7.3 Data Requirements

What are the data requirements for uploaded files?

- Data must be recorded in the American Standard Code for Information Interchange-1 (ASCII-1) character set. (See Appendix D).
- Any file name may be used. However, please ensure that the file name has a valid extension (for example, ".txt").
- Scan the file for viruses before submitting it to SSA..

- We encourage you to file combined reports to avoid creating a separate file for each employer. Review Appendix C, examples 2, 4, 6, 8, 10 and 12 to see how multiple employers can be combined into one file.
- We prefer files without record delimiters. If record delimiters are used (CR - Carriage Return followed by LF - Line Feed), they must follow character position 512 of each record. This requirement is optional for the RF Record..
- If you use record delimiters in your file, the following requirements apply:
  - Each record must be followed immediately by a single record delimiter.
  - Each record delimiter must consist of a carriage-return/line feed (CR/LF) and placed immediately following position 512. Typically, this is accomplished by pressing the "Enter" key at the end of each record (i.e., after position 512).
  - The ASCII-1 hexadecimal value for the carriage return character is 0D (zero and letter D); the ASCII-1 hexadecimal value for the line feed is 0A (zero and letter A). The ASCII-1 decimal values for the two characters are 13 and 10, respectively.
  - DO NOT place a record delimiter before the first record of the file.
  - DO NOT place record delimiters after a field within a record.
- The file should contain only one submission, beginning with an RA Record and ending with an RF Record.
- The record length *must* be exactly 512 bytes.

May I compress the file?

Yes. We recommend this. It will reduce your transmission time.

Do NOT compress more than one data file together.

What compression software may I use?

You may use any compression software that will compress your files in .ZIP format.

When may I upload my files using BSO?

You may submit files all year. However, **initial** files received after March 31, 2008 are considered "late" by IRS.

7.4 Additional Information

How can I receive additional information on BSO?

To view or print the handbook:

- Visit: www.socialsecurity.gov/employer
- Under "Electronic W-2 Filers," select *Business Services Online Handbook*.

- To receive a Business Services Online Handbook, call 1-800-772-6270 Monday through Friday, 7:00 a.m. to 7:00 p.m. Eastern Time.
- Refer to the *Employer Information Directory* for links such as *Frequently Asked Questions*.

7.5 Assistance

Who should I contact if I have problems using BSO?

- Call 1-888-772-2970 Monday through Friday, 8:30 a.m. to 4:00 p.m., Eastern Time, or
- Send an e-mail message to bso.support@ssa.gov.

8.0 ELECTRONIC DATA TRANSFER (EDT) FILING

8.1 General

What is EDT?

An Electronic Data Transfer (EDT) system that connects SSA's National Computer Center with various States, Federal agencies and SSA sites via a dedicated telecommunication line. This system uses Sterling Commerce's Connect: Direct (formerly Network Data Mover - NDM) software.

Who can use EDT filing?

Federal and state agencies.

8.2 Data Requirements

What are the data requirements for EDT files?

Files must be named in accordance with the specifications provided in the EDT Guide, which is available at www.ssa.gov/employer.

- Under "Employer Information Directory," select "*Forms & Publications*."
- Under "Business Services Online," select "Electronic Data Transfer (EDT) Guide."

NOTE

Failure to comply with these naming conventions could result in a serious processing error or delay.

- Data must be in the unpacked mode.
- We prefer data recorded in EBCDIC, but will accept ASCII.

- Each physical record (a block of logical records) must be a uniform length of 512 characters.
- Physical records MUST NOT be prefixed by block descriptor words.
- The blocking factor must not exceed 45. We prefer 45 logical records per block.
- The block size must be a multiple of 512 characters and must not exceed 23,040 characters.
- Choose the option in your system which permits you to designate record length and block size.
- Be sure to remove line feeds, carriage returns and all other record delimiters from your records.
- Do NOT use any internal labels.

May I compress the file I send you through EDT?

No.

8.3 Assistance

Who should I call if I have questions about EDT?

- Call 1-888-772-2970 Monday through Friday, 8:30 a.m. to 4:00 p.m. Eastern Time, or send an e-mail to edt@ssa.gov.
- Call your local contact shown in Appendix A.

Appendix C

Employer's Guide To Filing Timely And Accurate W-2 Wage Reports

SOCIAL SECURITY ADMINISTRATION

Office of Income Security Programs

SSA Pub. No. 16-004

ICN 361752

May 2007

NOTE

Information that appears with a double underline in this appendix is new for the current year.

YOUR RESPONSIBILITIES

Employers are required to:

- Report wages by filing Form W-2 (Wage and Tax Statement) for each employee from whom income, Social Security or Medicare taxes are withheld, or would have been withheld if exemption had not been claimed on Form W-4 (Employee's Withholding Allowance Certificate).
- File a Form W-3 (Transmittal of Wage and Tax Statements).
- File electronically if 250 or more W-2s are filed.
- File accurate reports:
  - Make sure the name and Social Security number on each employee's Form W-2 is shown exactly the way it appears on the employee's Social Security card.
  - You can verify the name and Social Security number by contacting Social Security (see page 8 for more information).

NOTE

These W-2/W-3 reports are filed with the Social Security Administration (SSA), not the Internal Revenue Service (IRS).

HOW TO FILE

This is an overview of each filing method available to meet your wage reporting responsibilities.

Electronic Filing

Paper Forms W-2

NOTE

You or your tax preparer may submit your wage reports by one of the methods described below. Tax preparation service providers can be located in the yellow pages of your telephone directory under headings such as: accountants, bookkeeping service, tax return preparation, or return preparation. Service providers are also identified on a vendor list maintained by SSA. This can be found at www.socialsecurity.gov/employer/vendor.htm*, search under Vendor List. However, the use of a service provider to file wage reports with SSA does not exempt the employer from responsibility for the accuracy of the reports or for any penalties assessed by the Internal Revenue Service (IRS).*

ELECTRONIC FILING

Electronic filing is considered the "best practice" when it comes to submitting Form W-2 data to SSA. It's ideal for all submitters (i.e. employers, certified public accountants, payroll service providers, etc.) because:

- It is **free, fast and secure.**
- It saves time and **reduces filing burden.**
- It offers a **later filing deadline** (the due date for electronically filed W-2s is March 31 versus February 28 for all other filing methods).
- It provides an **electronic receipt for proof of filing.**
- It is a **paperless** process.
- You can track the status of your W-2 report as it is processed within SSA.

Two electronic filing methods are available through **SSA's** Services for Businesses online website at **www.socialsecurity.gov/bso/bsowelcome.htm.**

1. **Upload a Wage Report-** You can upload a wage report file formatted according to the specifications in SSA's EFW2 publication, *Specifications for Filing Forms W-2 Electronically*. This is available on SSA's employer reporting instructions and information website at www.socialsecurity.gov/employer/pub.htm. This filing method is ideal for any size filer.
2. **W-2 Online**- You can complete up to 20 Forms W-2 right on your computer, submit them to SSA and print copies for your records and to give your employees. You will need Acrobat Reader 5.0, or a higher version of this software, to print employee copies. This option is ideal for businesses who submit 20 or fewer W-2s or for individuals with household employees.

Registration is required for both options. Third-party preparers need only register once in their own firm's name. A PIN will be issued immediately. SSA will verify your registration information and mail you a password within 10 to 14 days.

Have questions? You will find the answers, including systems requirements, in the Business Services Online Handbook available on SSA's website at www.socialsecurity.gov/employer/bsohbnew.htm or contact:

BSO TECHNICAL ASSISTANCE

Mon-Fri, 7:00 a.m. to 7:00 p.m. Eastern Time

Voice: 1-800-772-6270 Toll-free call

Fax: 1-410-597-0237 Toll call

E-mail: bso.support@ssa.gov

Electronic Data Transfer (EDT) - SSA has a third electronic filing option **suitable for some State and Federal agencies**. It involves connecting directly with SSA via a dedicated telecommunications line. For more information about this filing option see our *Electronic Data Transfer (EDT) Procedural Guide* under "How to File" on SSA's employer website www.socialsecurity.gov/employer/how.htm.

You may file wage reports (Forms W-2) electronically regardless of the number of employees. However, employers who file 250 or more Forms W-2 or W-2Cs MUST file their reports electronically. This requirement may be waived by IRS for one year. Waiver requests should be filed with IRS on Form 8508 (Request for Waiver from Filing Information Returns on Magnetic Media).

If you file electronically, do not send paper copies of Form

W-2 (Copy A) and Form W-3, or W-2C (Copy A) or Form W-3C to SSA. However, you must still provide paper copies of Forms W-2 and W-2C to your employees.

If you choose to have someone else prepare your electronic reports, you may wish to consult a list of registered vendors, which is accessible on SSA's website at www.socialsecurity.gov/employer/vendor.htm .

PAPER W-2 FILING

Employers filing fewer than 250 Copy A forms can file either electronically or using paper Forms W-2 and W-3. This is what you need to prepare a paper wage report submission:

- IRS's website at www.irs.gov allows you to download instructions for preparing Forms W-2 and Forms W-3. Printed instructions and Forms W-2/W-3, W2C/W3C can be obtained for free from the IRS by calling 1-800-829-FORM (1-800-829-3676).

- **Laser Printed Forms**- SSA accepts laser printed Forms W-2/W-3 as well as the standard red drop-out ink accepted in prior years. Both the laser printed and the red drop-out ink forms must comply with IRS' Publication 1141, *General Rules and Specifications for Private Printing of Forms W-2/W3*.

  VERY IMPORTANT: Laser printed forms require approval from SSA. Approval is based on conformance with Publication 1141. If you use a software package to prepare your Forms W-2/W-3, make sure it is compliant with Publication 1141. If you are a software vendor desiring to have your forms approved, follow the instructions in Publication 1141. For a printed copy of the publication, call IRS at 1-800-829-3676 or print a copy from the IRS website.

- If you use in-house software to produce your W-2 forms, you must follow the standards, specifications and edits in SSA's Software Specifications and Edits for Annual Wage Reporting publication No. 31-011. It provides employers guidance on compiling payroll data used to produce Forms W-2/W-3 and furnishes programmers with requirements for properly producing the forms. You can obtain the booklet by calling 1-800-772-6270 or your local ESLO (see page 30-33). It can be downloaded at our website www.socialsecurity.gov/employer .

- In-house software used to prepare Forms W-2c (Statement of Corrected Income and Tax Amounts) should follow the prescribed standards, specifications and edits in SSA's *Software Specifications and Edit Criteria for Correcting Annual Wage Reports* publication No. 31-031.

- Helpful information for preparing Forms W-2 for Puerto Rico-sited employers can be found in SSA's *Employer's Guide to Filing Timely and Accurate Form 499R-2/W-2PR Wage Reports on Puerto Rico Sited Employees* publication No. 16-011, in Spanish and English.

- Employers with 20 or fewer employees, should consider W-2 online (see page 4).

WHERE TO FILE

If you report on paper, select the appropriate mailing address depending on the carrier you choose (U.S. Postal Service or a private carrier such as FedEx or UPS).

Paper Forms W-2/W-3

Delivered by the U. S. Postal Service
Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001
(for Certified Mail Use ZIP code 18769-0002)

Paper Forms W-2/W-3

Delivered by the Private Delivery Service (FedEx, UPS, etc.)
Social Security Administration
Data Operations Center
Attn: W-2 Process
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Paper Correction Forms (USPS) W-2c/W-3c

Social Security Administration
Data Operations Center
P.O. Box 3333
Wilkes-Barre, PA 18767-3333

Paper Correction Forms (Non-USPS & Certified) W2c/W3c

Social Security Administration
Data Operations Center
Attn: W-2c Process
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

HOW TO AVOID ERRORS WITH NEW HIRES

SOCIAL SECURITY NUMBERS (SSNs)

The IRS requires taxpayers to provide the SSNs for the dependent children listed on their tax returns, it should be infrequent that you will have a new employee who does not have an SSN. However, if that happens, or, if you have an employee whose name has changed, via marriage, court order, etc., you should advise the employee to contact any SSA office. For either an SSN or a card showing the new name, the employee will need to complete an application and provide the necessary evidence. If the employee has changed his or her name, the card showing the new name will usually be received in about 2 weeks. If the employee has never had a number and is now applying for one, there may be a delay in processing the application. SSA verifies the birth records of people born in the United States applying for SSNs and verifies the immigration documents of all non-citizen applicants for SSNs and SSN cards. This takes from two to eight weeks, depending on the individual situation. If the new employee has applied for an SSN but not received the card before you must file your W-2 reports:

- Enter all zeros in the SSN block if filing electronically and
- Enter "Applied for" in box (d) on paper forms W-2

When the SSN is received, file Form W-2c with SSA showing the SSN assigned.

Though not required as a condition of employment, each **new employee hired** should show his or her Social Security card to you, if it is available so that:

- You can check the SSN for accuracy. Valid SSNs must have nine digits in this format: XXX-XX-XXXX. A listing of all SSN ranges issued to date is available on SSA's web page at www.socialsecurity.gov/employer/ssnu.htm

- You can accurately transcribe the name and SSN to the employee's payroll records.

If you report an employee's name and/or SSN that do not match SSA's records:

The employee's wages may not be credited to his or her Social Security record, which could result in potential loss of benefits

VERIFYING SOCIAL SECURITY NUMBERS (SSNS)-SOCIAL SECURITY EMPLOYEE VERIFICATION SERVICE (EVS)

In many cases, name and SSN mismatches prevent wages from being posted to individual earnings records. This can mean additional processing costs for you. Using Social Security's verification service will help you correct name and SSN errors before submitting your reports to SSA. Using this service is easy.

To verify 1 to 5 names/SSNs: Call our toll-free number for **employers**, 1-800-772-6270, Monday to Friday 7 a.m. to 7 p.m. Eastern Time or SSA's general toll-free number, 1-800-772-1213, Monday-Friday 7 a.m. to 7 p.m. local time. Verification will be given over the telephone.

To verify up to 10 names/SSN: The SSN verification web page enables you to submit up to 10 names and SSN's for verification and obtain immediate results. See www.socialsecurity.gov/employer/ssnv.htm

To verify up to 50 names/SSNs: Up to 50 names/SSNs can be submitted on paper lists and submitted to your local Social Security office. Some offices accept faxed listings. To find the office nearest you, check your local phone book or visit SSA's Internet Home Page at www.socialsecurity.gov/employer/ssnv.htm. You may call or visit the office.

To verify over 50 names/SSNs: A simple registration process is required for a verification request of more than 50 names/SSNs **or requests submitted on magnetic media** (regardless of how many items you want verified). Just complete a registration form. To obtain more information or to register, call the EVS hotline at 410-965-7140. At the prompt, leave your name and telephone number and a verification specialist will return your call. Publication 20-004, *Employee Verification Services*, which provides detailed information and instructions, is available online at www.socialsecurity.gov/employer/ssnu.htm.

INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER (ITIN)

An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the IRS to individuals who are resident or nonresident aliens, who are NOT eligible for a Social Security Number because they do NOT have work eligibility granted by the U.S. Bureau of Citizenship and Immigration Services (BCIS). ITINs are also issued to their spouses and dependents. ITINs are a nine digit number formatted like a SSN but with the first digit of "9" in this format: 9NN-NN-NNNN.

ITINs are only used for Federal income tax purposes. The issuance of an ITIN does not:

- Entitle the recipient to Social Security benefits or the Earned Income Tax Credit (EITC);
- Create an inference regarding the individuals' immigration status; or
- Give the individual the right to work in the U.S.

Therefore, employers should not use the ITIN (a nine digit number beginning with the number nine) for reporting earnings on the Form W-2.

However, if you discover someone was hired in error and/or worked in error with an ITIN, you must still report the wages and request the employee provide a valid Social Security number. If the employee does not provide you with one before wages must be reported, you should complete the Social Security number field of the W-2 using all information, including the ITIN, as the employee stated on the W-4.

Exception: If the employee has applied for a Social Security number, but has not yet received it, print " Applied For" in the Social Security number block on W-2's. (Electronic W-2 filers should enter zeroes in the Social Security number field of the file.) Make sure you prepare and submit a W-2c later to change the zeroes to the correct number when the employee receives the Social Security number.

VERIFYING EMPLOYMENT ELIGIBILITY

Under the Immigration and Nationality Act, you must verify the identity and employment eligibility of anyone you hire for employment in the United States. This includes citizens and noncitizens. By making a good faith effort to comply, you help to preserve jobs for those who are legally entitled to them.

Form I-9 (The Employment Eligibility Verification Form), was developed by the Bureau of Citizenship and Immigration Services, now part of the Department of Homeland Security (DHS) for verifying that persons are eligible to work in the United States. Completing this form is required for every employee hired after November 6, 1986.

The employee completes and signs Section 1 of Form I-9 at the time of hire. You must:

- Examine the documents establishing the employee's identity and work eligibility (acceptable documents are described on the back of the Form I-9);
- Determine if the documents reasonably appear to be genuine and relate to the person presenting them;
- Record the information (as required in Section 2 of Form I-9) within 3 business days of the date the employee began work. (If you are hiring the worker for less than 3 business days, Sections 1 and 2 of the Form I-9 must be completed at the time of hire.); and
- Sign the Form I-9 and retain the completed form in your files.

The law prohibits discrimination on the basis of citizenship and national origin. You must not discriminate against any person in hiring, discharging, recruiting, referring for a fee, based on national origin, or citizenship status.

In the event of an DHS, Department of Labor or Office of Special Counsel inspection, you will generally be given three days notice.

A FREE on-line computer verification service is available to employers in the states of California, Florida, Illinois, Nebraska, New York, and Texas, and later this year to employers in all states. This service is available to employers doing business in other States in addition to the States above. This allows instant verification of name, SSN, and work eligibility. Contact the BCIS' Business Liaison Office at 1-800-357-2099 for information.

BCIS's Publication M-274, *Handbook for Employers*, complete with Form I-9 and answers to questions, is available to you at BCIS regional and district offices, as well as local government printing office bookstores. It is also available on BCIS's web site at www.uscis.gov.

If you have questions not addressed in the handbook, you should call 1-800-357-2099 or mail them to:

U.S. Bureau of Citizenship and Immigration Services
Office of Employer and Labor Relations
425 I St. N.W.
Washington, D.C. 20536

EMPLOYEE TAX WITHHOLDING

New employees should complete Form W-4 (Employee's Withholding Allowance Certificate) to establish the amount of Federal income tax to be withheld from their wages. The employee can fill in the blocks on the form but may NOT make any changes in the form's wording; changing the forms wording makes the form invalid. This form also tells the employee to call SSA (at 1-800-772-1213) if his/her name has changed since the last Social Security card was issued and request a Form SS-5 (Application for a Social Security Card.) The application is also used to apply for a corrected card. This is important because SSA will compare the Form W-2 reports filed for your employees to SSA's record of names and corresponding Social Security numbers.

HOW TO AVOID ERRORS ON FORMS W-2 AND W-3

GENERAL

- Carefully **review** the **new filing instructions** in IRS Pub. No. 393, *Federal Employment Tax Forms*, issued each year by the IRS.
- Advise employees to **notify SSA of any name change** to ensure wages are properly credited to their records. Do NOT update your payroll records for a name change until the employee has obtained a new Social Security card. You can help employees by reminding them to promptly report a name change to Social Security by calling 1-800-772-1213 and requesting a Form SS-5, (Application for Social Security Card), which is also used for name changes. Tell employees that just notifying their payroll office will not change SSA's records and their wages may not be properly credited to their records.
- Be careful preparing **Forms W-2** when your return includes reports **exempt from Social Security taxes**. If you prepare Forms W-2 for individuals who are exempt from Social Security taxes as well as individuals covered by Social Security, special care should be taken. It is important to ensure no Social Security wage or tax entry is made on Forms W-2 for exempt individuals. For a listing of the types of employees exempt from Social Security taxes, see "Special Rules for Various Types of Services and Payments" in IRS Pub. No. 15, *Employer's Tax Guide*, also known as *Circular E*.
- Refer to material entitled "**Where to Find Help on Wage Reporting Questions**" on page 28.

PAPER FILERS

- Attend the Small Business Seminar in your area hosted by IRS and SSA to obtain the latest instructions for reporting wages and taxes. Call IRS (1-800-829-1040) or the Employer Service Liaison Officer (ESLO) (pg. 34-37) in your area for the date, place and time of the next seminar.
- Employers should request SSA Pub. No. 31-011, *Software Standards and Edits for Annual Wage Reporting*. This publication covers software standards and edit criteria. To request this publication, call the Employer Service Liaison Officer (ESLO) serving your area (pg. 30-33), or write to:

  Social Security Administration
  Office of Financial Policy and Operations
  Attention: AWR Software Standards Project
  P.O. Box 17195
  Baltimore, MD 21235
- Paper filers should refer to the Form W-3 and Form W-2 "Reminder" pages provided later in this publication.

ELECTRONIC FILERS

- For time, date and place of the next yearly Seminar contact the Employer Service Liaison Officer (ESLO) serving your area (see pg. 30-33) or see our website at www.socialsecurity.gov/employer/sem.htm. Plan to attend the free seminar for the latest filing instructions.
- Request the renamed Specifications for Filing Forms W-2 Electronically (EFW2) publication for tax year 2007 downloading via your computer at www.socialsecurity.gov/employer/pub.htm or call the employer services number at 1-800-772-6270 Monday to Friday, 7 a.m. to 7 p.m. Eastern Time. SSA revises and issues this publication yearly. To avoid errors, magnetic media filers should **strictly follow these guidelines**.

BALANCING FORMS 941 TO FORM W-3 INFORMATION

Before filing your wage reports with SSA, you should balance or reconcile your Form 941 reports to your Form W-3 for the year. This will help you identify and resolve errors in your records, which could lead to the filing of erroneous reports. You should balance the cumulative quarterly Forms 941 for the tax year to the Form W-2/W-3 information in your records at the end of the tax year. Also, we prepared for your assistance, the following two worksheets.

- Use the first worksheet when preparing your summary income and wage reports for the year to be filed with SSA - using Form W-3 for paper report filers or RT Record for magnetic media filers.
- Use the second worksheet in preparing your fourth quarter Form 941, due to the IRS at the end of January of the next year or, if all required deposits were timely, due 10 working days from the end of January.
- At this time, review your copies of previously filed Forms 941 for the year (the first three calendar quarters) along with the payroll records for the year. Identify any over or under reporting of income or wages and, adjust any overpayment or underpayment of taxes on the Form 941 for the erroneous quarter. For example, a 2001 reporting error discovered during January, 2002 would be an adjustment on the first quarter 2002 Form 941. Remember a 941c is not a stand-alone form; it must be filed with the next quarter's 941.

WORKSHEET FOR FORM W-3

In order to comply with the provision of the Americans with Disabilities Act (ADA), Section 508, we are unable to have the worksheets appear on this website. If you require the worksheets, you can request a paper copy of the "Employer's Guide" from SSA. You can fax your request to SSA at 410-965-2037, attention: Helen Davis and ask for Pub. No. 16-004, ICN 361752 or you can write to SSA at 6301 Security Blvd., Supply Building, Baltimore, MD 21235, Attention: Helen Davis.

Annual amounts from payroll records should match the total amounts reported on all Forms 941 for the year; the total amounts reported on all Forms 941 for the year should match the sum of the same data fields which is shown in the W-3 totals. If these amounts do not match, recheck records and identify necessary adjustments. (Note: Errors identified on prior Form 941 returns for total wages, tips and other compensation cannot be adjusted and need not match the Form W-3.)

Make necessary adjustments to balance totals and account for:

- Correcting fourth quarter Form 941 after filing.
- End-of-year bonuses, awards, etc., not included in the previous Form 941.
- Adjusted amounts for a prior year reported on current year Forms 941 and in error included in current year totals.
- Taxable fringe benefits for November and December that will be treated as received in the following year but were shown as current year payments in error.
- Amounts reported on previous Forms 941 as wages which are, in fact, payments to an independent contractor.

WORKSHEET FOR FOURTH QUARTER FORM 941

In order to comply with the provision of the Americans with Disabilities Act (ADA), Section 508, we are unable to have the worksheets appear on this website. If you require the worksheets, you can request a copy of the "Employer Guide" from SSA. You can fax your request to SSA at 410-965-2037, attention: Helen Davis and ask for Pub. No. 16-004, ICN 361752 or you can write to SSA at 6301 Security Blvd., Supply Building, Baltimore, MD 21235, Attention: Helen Davis.

EXAMPLES OF ADJUSTMENTS

- **Total wages, tips, other compensation**

  Exclude: Deferred compensation, 401(k) plans, nontaxable fringe benefits, payments of deceased worker's pay to beneficiaries

- **Social Security wages and Medicare wages**

  Include: Deferred compensation, costs of group term life insurance for employee over $50,000, payments of deceased worker's pay to beneficiaries in current year, and taxable employer funded, sick pay/disability pay for up to the 6 month periods of coverage and taxable payments (See IRS Publication 15-A)

  Exclude: Wages over yearly maximum amount for employee, payments to deceased worker's beneficiaries after year of death, wages of child under 18 from parent

- **Social Security tips/Medicare tips**

  Exclude: Tips less than $20 per month for the employee, amounts which together with wages exceed the yearly maximum amounts for the employee

REMINDERS FOR FORMS W-2

- **Box b** - Show the 9-digit employer's identification number (EIN) as shown on Form 941 in this format: XX-XXXXXXX.
- **Box d** - Show the 9-digit employee's Social Security number as shown on the employee's Social Security card and withholding Form W-4 in this format: XXX-XX-XXXX.

- **Box e** - Show the employee's name as shown on his or her Social Security card.
- **Box 1** - Include: regular wages, tips, and other compensation including: taxable fringe and other non-cash benefits, bonuses, commissions, taxable sick/disability pay; **Exclude**: Deferred compensation
- **Box 3** - Do not show wages beyond the Social Security maximum for the year. Do not include Social Security tips and allocated tips. Show decimal point and cents (.05, .00, etc.)
- **Box 5** - There is no Medicare wage maximum. Box 5 **must never be** less than the sum of boxes 3 and 7.
- **Box 7** - Include only tips paid. Do not include tips under $20 per month and "allocated" tip amounts.
- **Box 11** - Show in this box distributions from non-qualified deferred compensation plans. Also show any amounts that are reported in box 3 and 5 because substantial risk of forfeiture has lapsed. For some employees, amounts may actually be shown in this box twice - once when the Social Security tax is due and again when the money is distributed. (SSA uses the information in this box to make sure that beneficiaries were paid the right amount of benefits during the year.)
- **Other Reminders**
  Keep entries inside boxes;
  Use only dark ink; 12 pt. Courier font;
  No erasures, white-out, etc.; and
  No dollar signs

REMINDERS FOR FORMS W-3

- **Box b** - Always complete this box.
- **Box c** - Show the number of Forms W-2 accompanying the Form W-3 to help identify any missing Forms W-2. Do not include voided or blank W-2 Forms.
- **Boxes e, f, g** - Position the gummed employer identifying label provided at the end of the year by IRS in Pub. No. 393 within the heavy lines. If the label is missing or unusable, enter the EIN in Box e, the employer's name in Box f, and the employer's address in Box g.
- **Box h** - It is important to show any other EIN used during the tax year in this box to ensure proper matching of IRS and SSA records. Show the EIN in this format: XX-XXXXXXX.

MOST FREQUENT REPORTING ERRORS

GENERAL

Incorrect or Missing Employer Identification Number (EIN)
SSA and IRS maintain employer records by EIN. Reports received with erroneous EINs may be credited to the wrong record. To avoid these errors, be sure:

- Your reported EIN has nine digits displayed in this format: XX-XXXXXXX.

- The EIN on your Form W-3 is the same as the EIN reported on your Form 941.

Incorrect Employee Names and Social Security Numbers (SSNs)
In order to credit earnings to an employee record, the employee name and SSN must match the name and SSN in SSA's files. (See page 8 for ways you can ensure that accurate SSNs are recorded.)

Wage Reports for the Year after an Employee's Death
For SSA purposes, payments made after the year an employee dies on behalf of that deceased employee, cannot be credited as wages. Report such payments for the beneficiary or estate of the deceased employee on Form 1099-MISC (Miscellaneous Income) in box 3, "Other Income."

Use of Titles and Abbreviations in Name Fields
The name fields of wage reports should not include any titles (Mr., Mrs., Dr., etc.), designation suffixes such as Jr., Sr., Rn., Esq. or abbreviations to designate the employee's position, title, company/division, etc. Titles in the employee name fields could prevent SSA from electronically identifying the employee for whom the wages are reported.

Errors Resulting in Out-of-Balance Reports

- Using the maximum Social Security wage amount for a prior year instead of the amount for tax year reported.
- Limiting the taxation of Medicare wages by the maximum Social Security wage amount. All Medicare wages are taxable.
- Decimal mistakes in money fields (e.g., "4800" may be credited as "48.00" instead of "4800.00"). Always show both dollars and cents, even if cents are ".00."
- Tips included in the Social Security wage field as well as in the Social Security tip field. (These fields are added together by SSA to determine the total Social Security earnings.)
- Omitted wage or tax fields on wage reports.

PAPER FORM W-2 REPORTS

Failure to File Forms with SSA -See "Where to File" page 7
W-2 Forms should be filed with the Social Security Administration, NOT the IRS. Do NOT file W-2s with the IRS; send them to SSA.

Paper Forms W-2 (Copy A) and W-3 are processed by SSA on optical scanning and imaging equipment. Complete these forms using black (non-script) type font with 12 characters per inch. If the forms do not meet specifications, incorrect and costly processing will occur.

Prior Tax Year Form W-2 Used
SSA optical scanning and imaging systems are modified annually to meet year-to-year changes in Form W-2 formats. Use only the Form W-2 for the proper tax year.

Failure to Use Forms That Meet IRS Specifications
If IRS forms are not used, the submitter must use forms printed in OCR red drop-out ink on paper of the proper weight, margins and format. Failure to file properly can subject the filer to IRS penalties. IRS Pub. No. 1141, *Specifications for Private Printing of Substitute Forms W-2 and W-3*, provides specifications and rules for private printing of substitute Forms W-2 and W-3. Additionally, employers may submit laser-printed forms which meet the requirements specified in IRS Pub. No. 1141 and which have been approved by SSA.

Void Indicator on Form W-2 Checked in Error
SSA will not credit wages shown on any Form W-2 that is void. In addition to checking the "void" box, it is helpful to "X" the entire voided Form W-2.

Failure to Complete the "Retirement Plan" Block of Form W-2
On Form W-2, the Retirement Plan block of Box 13 must be checked when the worker is an active participant in a retirement plan or a simplified employee pension plan the employer maintains. Failure to make an entry when required can lead to income tax problems with IRS for the worker.

Incorrect or Omitted Medicare Wages/Tips
Report Medicare wages/tips separately from any Social Security wages and tips. There is no limit to the wages/tips subject to Medicare tax, so all such earnings must be shown on Forms W-2 and W-3 wage reports.

FORM 941 AND 943 REPORTS

Incorrect or Omitted Medicare Wage/Tip Amounts
Show Medicare wages/tips separately from Social Security wages and tips on Forms 941 filed with IRS.

Incorrect or Omitted Third Party Sick Pay
See the discussion on third party sick pay on page 35.

Showing Non-Covered Amounts as Social Security/Medicare Wages
Examples of non-covered amounts are:

- Employee earnings exceeding the yearly taxable amount for Social Security wages.
- Payments to an independent contractor shown as wages.

See IRS Pub. No. 15, *Employer's Tax Guide*, for other non-covered wages under the heading "Special Rules for Various Types of Services and Payments."

Failure to File Forms W-3c and W-2c With SSA When Adjusting Prior Year Earnings on Form 941 or Form 943
Adjustments of tax liability filed with IRS which are based upon changes in Social Security/Medicare wages should be matched by the filing of wage adjustment Form W-3c (Transmittal of Corrected Wage and Tax Statements) and Form W-2c with SSA to enter wage changes on the employee's records. See page 22 for more information about correcting reporting errors.

Filing of Duplicate or Partially Duplicate Forms 941
Social Security/Medicare wages shown on duplicate or partially duplicate Forms 941 (e.g., one month's wages are reported on two different quarterly reports), may lead to unnecessary and costly reconciliation activity between SSA, IRS and the employer.

Note: Form 944 - Annual Employment Tax Filing for Small Employers

To reduce burdens on small employers, the IRS has simplified the rules for filing employment tax returns to report Social Security, Medicare, and withheld Federal Income Taxes. Starting with calendar year 2006 certain employers must file new form 944 - Employers Annual Federal Tax Return if they expect to have $1000.00 or less in employment tax liability for the calendar year. Generally, if you pay $4000.00 or less in wages subject to Social Security and Medicare taxes and Federal Income Tax Withholding, you are likely to pay $1000.00 or less in employment taxes. You must file Annual Form 944 instead of filing quarterly Form 941 only if the IRS notified you in writing.

WAGE REPORTING SOFTWARE

AccuWage & AccuW2c for Tax Year 200x
Test Software for Users of the MMREF Format

What is AccuWage/AccuW2c?

AccuWage/AccuW2c is free software from SSA for use with two publications: EFW2 Specifications for Filing Forms W-2 Electronically and EFW2C Specifications for Filing Forms W-2C electronically. It allows you to enter a limit on the number of errors that AccuWage can find before it stops testing.

How does AccuWage/AccuW2c work?
First, you'll need to download and install the AccuWage/AccuW2c software on your PC. Then, tell AccuWage/AccuW2c in which directory your W2 file is located. AccuWage/AccuW2c will read the file and inform you of any format errors it was able to detect. That's how easy it is to use!

What format is needed to use AccuWage/AccuW2c?
AccuWage/AccuW2c works with electronic W-2 files. If your software creates W2 file in the Specifications for Filing Forms W-2Electronically Filing (EFW2) format), then you should use AccuWage. For Specifications for Filing Forms W-2C Electronically (EFW2C format), use AccuW2c.

AccuWage/AccuW2C does not work with formats other than EFW2 as the EFW2 is now the required format for all W-2/W-3 wage reports.

How do you download AccuWage/AccuW2c software?
Go to AccuWage information and software on SSA's employer website at www.socialsecurity.gov/employer/accuwage .

IF YOU MAKE A MISTAKE

REPORTING FORM W-2 CORRECTIONS

CORRECTIONS BEFORE FILING W-2s WITH SSA

After providing an employee with his or her copies of the Form W-2, you may become aware of the need to make corrections prior to filing Form W-2 with SSA.

- **If the only correction needed is for State or local government information**, your State or local government regulations may require that you file correction returns with them. However, no change in form W-2 data is needed for SSA. Give the employee corrected Form W-2 copies with "Reissued Statement" shown at the top.

- **If other corrections are needed**, correct the Form W-2 data before filing with SSA. Give the employee a revised Form W-2.

CORRECTIONS AFTER FILING W-2s WITH SSA

Once Form W-2 information is filed with SSA, make any necessary corrections on prescribed Forms W-2c and W-3c. **You may obtain these forms from IRS by calling 1-800-829-3676**. The IRS website at www.irs.gov contains instructions for Forms W-2c and W-3c.

Furnish a copy of the Form W-2c to the employee. If you need information about filing Form W-2c reports on paper or magnetic media, contact SSA's Employer Reporting Branch at 1-800-772-6270 or the Employer Service Liaison Officer for your State (pgs. 34-37). If the employee changes his or her name, the employee should notify SSA and request a name change on his or her Social Security card.

Here are a few hints to remember when preparing correction forms:

- File Forms W-2c and W-3c as soon as possible after you discover an error. Also provide a copy of the Form W-2c to employees as soon as possible.

- The electronic reporting threshold (250 or more Forms W-2) does apply to Form W-2c reporting.

Forms W-2c submitted on magnetic media or electronic filing should follow the reporting specifications found in the EFW2C, *Specifications for Filing Forms W-2C Electronically*. Employers submitting Form W-2c Copy A information electronically must provide their employees with the required paper copies of Form W-2c information.

- If any item shows a dollar change and one of the amounts is zero, enter "0". Do not leave the box blank.

- Make sure your Employer Identification Number (EIN) reported on Forms W-2c and W-3c and, if applicable, Form 941c (Supporting Statement to Correct Information) is the same number issued by the IRS and used on all three types of forms.

- Corrections to amounts reported in a prior tax year should be shown on a Form 941c for the period when the error was discovered. Remember to file the Form 941c with your next Form 941 (Employer's Quarterly Federal Tax Return) as it cannot be filed alone.

- If you use your own software to prepare and submit paper Forms W-2c, follow the instructions in SSA's *Software Specifications and Edits for Correcting Annual Wage Reports*, Pub.No.31-031 Portable Document Format: (You must have Adobe Acrobat reader software to view this file.)

- Special rules apply to Medicare Qualified Government Employment (MQGE) employees. See the IRS Form W-2c/W-3c Instructions for details.
- See the "**Where to File**" information on page 7 for the Forms W-2c/W-3c mailing addresses.

REPORTING FORM 941 CORRECTIONS

To correct amounts reported to IRS on Form 941 (Employer's Quarterly Federal Tax Return) submit the following:

- Form 941 for current quarter reporting and show the adjusted amount(s) for the quarter you are correcting; and
- Form 941c (Supporting Statement to Correct Information). Remember, do not file the 941c by itself; send it with the next 941 you file.

CORRECTION REQUEST LETTER

SSA sends a letter to every employer who reports SSNs and/or employee names on Forms W-2 that do not match SSA records. Employers receive this letter if they reported more than 10 "no-match" SSNs and names and these represent more than 0.5% of the forms W-2 in the employer's report. The letter lists up to 500 specific SSNs for employees that do not match SSA records. If you have more than 500 errors or if you have additional questions, you may call the Employer Reporting Branch at 1-800-772-6270.

The purpose of the letter is to obtain corrected information to help SSA identify the individual to whom the earnings belong and to post those earnings to his/her earnings record. These earnings may be used later to determine if the individual can receive Social Security benefits and the amount of any payment. Also, the IRS uses the information for tax purposes. You are asked to prepare Forms W-2c for each of the SSNs listed in the notice that you are able to correct.

There are a number of reasons why a name and/or SSN might not match SSA's records. For example, name changes such as a married woman who did not change her name with SSA, transcription or typographical errors, blank name or SSN.

It is important to note that, as stated directly in the letter, it does not imply that you or the employee intentionally provided incorrect information. These letters do not make any statement about an employee's immigration status and are not a basis, in and of themselves, for taking any adverse action against an employee.

We also send a letter to each employee whose name and/or SSN shown on his W-2 and/ or W-2c failed to match SSA's records. This letter asks the employee to check the reported information and provide SSA and his/her employer with corrected information. The employee may need to call SSA at 1-800-772-1213 or visit a Social Security office to resolve any discrepancies. If SSA's records show a non-existent, unknown, or invalid address for your employee, SSA will, instead, send you a letter concerning that individual employee.

Both the employer and employee letters cite employment law principles in English and Spanish and provide instructions on how to receive a Spanish translation of the entire letter, or additional help, if needed.

WHERE TO FIND HELP ON WAGE REPORTING QUESTIONS

If you have questions about annual wage reporting, please refer to one of the publications or sources listed below. In addition, employers and tax preparers can access SSA and IRS web-sites. These sites contain information helpful to wage report filers, and will answer questions submitted via e-mail.

HELPFUL SSA PUBLICATIONS

- *TY07 renamed Specifications for Filing Forms W-2 Electronically (EFW2) contains specifications and edits for preparing wage reports electronically.*
- *Software Standards and Edit Criteria for Annual Wage Reporting*, Pub. No. 31-011, sets out standards and edits for software that produces paper W-2 wage reports.
- *Software Specifications and Edit Criteria for Correcting Annual Wage Reporting*, Pub. No. 31-031, sets out standards and edits for software that produces paper Forms W-2c and W-3c.
- *Employee Verification Service*, Pub. No. 20-004, provides instructions for verifying employee names and Social Security numbers.
- *TY07 renamed Specifications for Filing Forms W-2C Electronically (EFW2C)*, contains instructions for preparing W-2c corrections.

To request SSA publications, you can:

- **Telephone**, toll-free, the employer services number at 1-800-772-6270, Monday to Friday, 7 a.m. to 7 p.m. EST, or
- **Download** via your computer at www.socialsecurity.gov/employer.

PERSON-TO-PERSON HELP FROM SSA:

If you need to talk directly to SSA staff about a magnetic media filing or other wage report processing problem, you may contact SSA's employer services at 1-800-772-6270 or an Employer Service Liaison Officer (ESLO) (wage reporting specialists in the SSA regional office in your area.) A list of their telephone numbers is provided on pages 30-35.

For other Social Security information, call SSA's toll-free number, 1-800-772-1213, Monday to Friday, 7 a.m. to 7 p.m., local time.

HELPFUL IRS PUBLICATIONS

- *Employer's Tax Guide*, Pub. No. 15, (Circular E), explains employer requirements for withholding, depositing, reporting and paying employment taxes.
- *Employer's Supplemental Tax Guide*, Pub. No. 15-A, has information about reporting sick pay, religious exemptions, special rules for paying taxes and other specialized employment tax information.
- *Employer's Tax Guide to Fringe Benefits*, Pub. No. 15-B.

- *Agricultural Employer's Tax Guide*, Pub. No. 51 (Circular A)
- *Tax Guide for Small Business*, Pub. No. 334, contains an overview of how tax laws apply to sole proprietors.
- *Partnerships*, Pub. No. 541
- *Corporations*, Pub. No. 542
- *Federal Employment Tax Forms*, Pub. No. 393, provides instructions for preparing annual wage reporting Forms W-2 and Form W-3.
- *General Rules and Specifications for Substitute Forms W-2 and W-3*, Pub. No. 1141, explains requirements for privately printed Forms W-2 and W-3 that are used in lieu of IRS-provided forms.
- *Instructions for Forms W-2 and W-3*, provides guidance for completing Form W-2 and Form W-3 item-by-item.
- *Starting a Business and Keeping Records*, Pub. No. 583
- *Reporting Backpay and Special Wage Payments to the Social Security Administration*, Pub. No. 957
- *Federal-State Reference Guide*, Pub. No. 963, provides guidelines for Social Security and Medicare coverage and tax withholding requirements for State, local and Indian Tribal government employees and public employees.

To request IRS publications, you can:

- ***Telephone***, toll-free, 1-800-829-3676, or
- ***Download*** via your computer at www.irs.gov.

PERSON-TO-PERSON HELP FROM IRS:

If you need to talk directly to **IRS staff**, call: **1-866-455-7438** (or contact an IRS district office in your area) for specific employment tax problem(s). If you have contacted that office before about this problem and it has not been satisfactorily resolved, you may ask to speak to the Problem Resolution Officer in the district office. In addition, use this number for questions about Forms 941, 943 or Schedule H.

Call:

- 1-304-263-8700 for questions about completing Forms W-2 and W-3.
- 1-866-455-7438 (toll free) for the IRS Employer Reporting Center.

OTHER HELPFUL INFORMATION SOURCES

- The **Small Business Administration (SBA)** has a variety of publications and technical assistance resources available for employers. For more information about their services, contact SBA at 1-800-827-5722 or, via the Internet at: http://www.sbaonline.sba.gov.
- The **U.S. Business Advisor** provides businesses with federal government information, services and transactions. Their Internet address is: http://www.business.gov.

OTHER EMPLOYER SERVICES PROVIDED BY SSA

FORM SS-4 (APPLICATION FOR EMPLOYER ID NUMBER)

Local SSA offices maintain supplies of Form SS-4 for the convenience of employers. IRS requires each new business to file this form in order to obtain a unique employer identification number (EIN). Once completed, the Form SS-4 is filed with IRS and an EIN is assigned. The EIN is used to identify the employer's tax returns, tax payments and wage reports.

INFORMATIONAL PAMPHLETS

SSA local offices stock a variety of general informational pamphlets that explain the annual wage reporting process and the Social Security benefit programs. Among these are:

For employers:

- *An Employer's Investment in Social Security*, Pub. No. 05-10059

For employees:

- *How You Earn Social Security Credits*, Pub. No. 05-10072
- *Your Social Security Earnings Record*, Pub. No. 05-10044
- *Your Social Security Taxes*, Pub. No. 05-10010

You can obtain these by contacting your local SSA office, calling SSA's toll-free number, 1-800-772-1213, or via the Internet at www.socialsecurity.gov.

SPEAKER'S BUREAUS

SSA provides speakers for wage reporting seminars, as well as for pre-retirement sessions for employer-sponsored onsite meetings with employees. For more information, contact your local SSA office or call, 1-800-772-1213.

EARNINGS INFORMATION FOR PRIVATE PENSION PLAN BENEFITS

Many private pension plans require that Social Security earnings be taken into account when computing their pension or, the SSA benefit amount may offset the amount paid under their plan. For a fee (and with the individual's consent), SSA may disclose the earnings recorded in its files to a pension plan. For more information about this service, write to:

Social Security Administration
Office of Earnings, Enumeration and Administration (OEEAS)
Division of Earnings Correction and Use
3-D-18 Operations Bldg.
6401 Security Blvd.
Baltimore, MD 21235

THE SOCIAL SECURITY STATEMENT

The Social Security Statement is a concise, easy-to-read personal record of the earnings on which employees have paid Social Security taxes during their working years and a summary of the estimated benefits they and their families may receive as a result of those earnings.

SSA provides the statements in two ways: First, in automatic annual mailings to workers and former workers aged 25 and older, not receiving benefits; and second, at any time to workers of any age who request them from SSA.

Employees should keep their statement with other important papers and use it in several ways:

- First, the benefit estimates in the statement can play an important role in financial planning. When combined with savings, investments and other pensions, Social Security benefits can help build a secure future for one's self and family.
- Second, the statement can help make sure that reported earnings and other important information such as name and date of birth are correct on the record. Mistakes could keep one from getting all the Social Security benefits they have earned. The sooner mistakes are identified, and SSA notified, the easier it will be to help SSA correct them.
- And finally, the general information on the statement tells about all the protection one earns under Social Security. Many people think of Social Security only as a retirement program. The statement shows how even young workers are building valuable protection in case they become disabled or die before they reach retirement age.

EMPLOYER SERVICE LIAISON OFFICERS (ESLO)

ATLANTA:

Patricia McCarron

Social Security Administration
61 Forsyth St. Suite 22T64
Atlanta, Ga. 30323
(404) 562-1314 (for Ers)
(404) 562-1315 (for SSA)
FAX (404) 562-1313
E-mail: Pat.McCarron@ssa.gov

Alabama
Florida
Georgia
Mississippi
North Carolina
South Carolina
Tennessee

Kentucky

BOSTON:

Regina Bachini
Social Security Administration
J.F. Kennedy Bldg., Rm. 1925
Cambridge Street
Boston, MA 02203
(617) 565-2895
FAX (617) 565-4814
E-mail: Regina.Bachini@ssa.gov

Maine
Massachusetts
New Hampshire
Rhode Island
Vermont
Connecticut

CHICAGO:

Paul Dieterle
Social Security Administration
600 West Madison, 10th Fl.
Chicago, IL 60661
(312) 575-4243
FAX (312) 575-4245
E-mail: Paul.Dieterle@ssa.gov

Illinois
Indiana
Michigan
Minnesota
Ohio
Wisconsin

DALLAS:

Debbie Forsythe
Social Security Administration
5414 Aldine Mail Road
Houston, Texas 77039
Attention, Debbie Forsythe
(281) 449-2955
FAX (303) 844-3281
E-mail: Debbie.Forsythe@ssa.gov

Arkansas
Louisiana
New Mexico
Oklahoma
Texas

DENVER:

Carolyn Sykes
Social Security Administration
Federal Office Bldg., Rm. 1244
1961 Stout St.
Denver, CO 80294-3538
(303) 844-2364
FAX (303) 844-3281
E-mail: Carolyn.Sykes@ssa.gov

Colorado
Montana
North Dakota
South Dakota
Utah
Wyoming

KANSAS CITY:

John Gezich
Social Security Administration
POC Federal Office Bldg., Rm 436
601 E. 12th St.

Kansas City, MO 64106
(816) 936-5649
FAX (816) 936-5951
E-mail: John.Gezich@ssa.gov

Iowa
Kansas
Missouri
Nebraska

NEW YORK:

Tyrone S. Benefield
Social Security Administration
26 Federal Plaza, Rm. 4060
New York, NY 10278
(212) 264-1117
FAX (212) 264-2071

E-mail: Tyrone.S.Benefield@ssa.gov

New Jersey
New York
Puerto Rico
Virgin Island

PHILADELPHIA:

Frank O'Brien
Social Security Administration
P.O. Box 8788
Philadelphia, PA 19101
(215) 597-4632
FAX (215) 597-2989
E-mail: Frank.OBrien@ssa.gov

Delaware
District of Columbia
Maryland
Pennsylvania
Virginia
West Virginia

SAN FRANCISCO:

Bill Brees
Social Security Administration
P.O. Box 4206
CP R6
Richmond, CA 94804
(510) 970-8247 (Ers)
(510) 970-8249 (SSA)
FAX (510) 970-8101
E-mail: Bill.Brees@ssa.gov

American Samoa
Arizona
California
Guam
Hawaii
Nevada
Northern Mariana Islands

SEATTLE:

Tim Beard
Social Security Administration
Suite 2900 M/S 303A

701 Fifth Ave.
Seattle, WA 98104-7075
(206) 615-2125
FAX (206) 615-2643
E-mail: Tim.Beard@ssa.gov

Alaska
Idaho
Oregon
Washington

SPECIAL REPORTING SITUATIONS

SPECIAL WAGE PAYMENTS

A special wage payment is an amount paid to an employee (or former employee) that was earned for services performed in a prior year. If the recipient is retired (or continues to work) and receives Social Security retirement benefits, a special wage payment may cause the benefits to be erroneously reduced if the payment is not reported to Social Security as a special wage payment. If not reported, the special wage payment will be considered as current year earnings and counted against the statutory earnings limit. The earnings limit sets the amount that a Social Security recipient can earn each year without a reduction in retirement benefits. When the earnings limit is reached, benefit payments are reduced.

The following examples of payment, if paid to a Social Security retirement beneficiary, may be special wage payments if the payment is for services performed in a prior year.

- Accumulated sick and vacation pay;
- Back pay;
- Bonuses;
- Deferred compensation;
- Payments because of retirement;
- Sales commissions;
- Severance pay;
- Stock options; and
- Payments from non qualified deferred compensation plans.

To avoid an erroneous reduction in the recipient's retirement benefits, report special wage payments to the Social Security Administration by April 1st. Employers may choose one of several methods.

- Form SSA-131;
- Magnetic media;
- Paper listings; and
- For non qualified deferred compensation plans only, Form W-2.

For detailed reporting instructions see IRS Publication 957 *Reporting Back Pay and Special Wage Payment to the Social Security Administration*, which is available free from the Internal Revenue Service. Call 1-800-829-3676. You may obtain Form SSA-131 from any Social Security office or from the SSA web page.

THIRD PARTY PAYERS OF SICK PAY

You may arrange to have sick pay for your employees paid by a third party. With a third party, the responsibility of filing Forms 941 and W-2 for sick pay may solely be the third party's or shared with you, the employer. When these responsibilities are shared, a clear understanding of each party's reporting obligations can avoid IRS assessment of employer penalties for failure to file required reports and/or for filing inaccurate reports. For more information about sick pay, see IRS Pub. No. 15-A, *Employer's Supplemental Tax Guide*.

BACK PAY AWARDS UNDER A STATUTE

Employers should use Form W-2, magnetic media or electronic wage reports to report back pay as wages in the year the amounts are actually paid to the employee. Back pay awards are considered wages by IRS and SSA. However, **special rules apply to back pay awarded under a statute**.

Back pay awarded under a statute is a payment by an employer pursuant to an award, determination or agreement approved or sanctioned by a court or government agency responsible for enforcing a Federal or State statute that protects an employee's right to employment or wages.

IRS: Treats all back pay as wages in the year the award is paid for **taxation** purposes.

SSA: Credits a back pay award, if:

- Not under a statute, as wages when paid; or
- Under a statute, as wages in the year(s) it should have been paid.

However, in order to credit wages paid under a statute correctly, the employee or the employer must notify SSA. For details on how to report, see IRS Pub. No. 957, *Reporting Back Pay and Special Wage Payments to the Social Security Administration*.

TERMINATING A BUSINESS

IRS regulations require that if you terminate your business, you must file Form W-2 information with SSA within one month after your final Form 941 return is due to IRS; and the employee copies of Form W-2 must be given to them by the due date of the final Form 941. For special reporting instructions, contact the ESLO or wage reporting specialist in your area or see IRS Rev. Proc. 96-57 released in Internal Revenue Bulletin 1996-53.

REPORTING HOUSEHOLD EMPLOYEE WAGES

Many people hire housekeepers, maids, baby sitters, gardeners, and others to work in and around their home. Although sometimes self-employed, generally, such workers are considered household employees.

If you pay cash wages of $1,400 or more in one year to a household employee or to:

- **Your child, age 18 or older, or**
- **A person under age 18**, who performs household work as his or her principal occupation, **you must withhold and pay Social Security and Medicare taxes**.

Note: For exceptions to the above, refer to IRS Publication 926, *Household Employers Tax Guide*.

Household employers must file Schedule H (Form 1040), along with the income tax returns they file with IRS to report their household employees. However, if you are a sole proprietor who files Forms 941 for your business employees, you may include your employment taxes for your household employees on that form. If you do this, include the Form(s) W-2 for your household employee(s) with the Forms W-2 for your sole proprietorship when you file with the SSA. You must file Form W-2 with SSA for household employees by the last day of February (electronic filers can file a month later) following the year wages were paid. You must submit a Form W-3 even when filing a single Form W-2.

REPORTING A MINISTER'S INCOME

A church must report the minister's compensation by filing a Form W-2 with SSA by the last day of February of the year following payment of the compensation. Remuneration paid to the minister by a church is considered self-employment income, rather than wages. Therefore, the church is not responsible for withholding Social Security, Medicare or income taxes. However, at the minister's request, a church may withhold income taxes from his or her compensation. This is done by having the:

- Minister complete Form W-4 (Employee's Withholding Allowance Certificate.),

  and

- Church include the withholdings on Forms 941 that are filed for its other employees. (However, for the minister, no amounts are to be shown in the Social Security or Medicare wage entries of Forms 941.)

The Form W-2 for the minister will show money amounts only in:

- **Box 1** (Wages, tips, other compensation),
- **Box 2** (Federal income tax withheld) if there is a voluntary agreement to withhold such taxes, and
- **Box 14** (Other) if a parsonage or other allowance is provided.

If the **church does not withhold income taxes** from the minister's compensation, the minister generally will need to use Form 1040-ES (Estimated Tax for Individuals) to make payments during the year to IRS if he or she will be responsible for $500 or more in taxes for the year.

For more information, see IRS Pub. No. 517, *Social Security and Other Information for Members of the Clergy and Religious Workers*.

REPORTING TIPS

If part of your employees income is derived from cash tips, Federal law requires you to deduct Social Security and Medicare taxes from these tips and wages. This includes tips from charge customers, and shares of any tip-splitting arrangement. The employer matches the amount deducted from the pay and sends both to the Internal Revenue Service. Wages and tips are then reported to the employee's Social Security earnings record.

Tips, as well as any other pay earned, are used to determine the amount of Social Security benefits received in the future. See IRS Publication 531, *Reporting Tip Income*, for further information on tip income as well as rules on allocated tips.

STATE AND LOCAL GOVERNMENT EMPLOYEES

General Coverage Rules

There are three ways of providing Social Security and/or Medicare coverage under the Federal Insurance Contributions Act (FICA) for State and local government employees:

- Employers may extend FICA coverage to their employees through voluntary agreements with SSA. These agreements are commonly referred to as "Section 218 agreements";
- Employees who are not covered for FICA under Section 218 and were hired after March 31, 1986, are subject to mandatory coverage of the Medicare-only portion of FICA; and

- Employees who are not covered under a Section 218 agreement or a public employer retirement system are mandatorily covered by FICA after July 1, 1991.

Reporting Rules

MEDICARE QUALIFIED GOVERNMENT EMPLOYEE (MQGE)
MQGE (also referred to as "Medicare-only") Forms W-2 are filed separately from Forms W-2 having full-FICA (Social Security and Medicare) wages. MQGE Forms W-2 must be transmitted with a covering Form W-3 with "Medicare Govt. Emp." checked in box b.

EMPLOYEES COVERED FOR MQGE AND FULL FICA
Some State and local employees may be subject to Medicare-only (MQGE) withholding **and** full-FICA coverage in the same reporting year. When the employee is in a continuous employment relationship with the same employer (same EIN) for the year, the employer has two reporting options. The employer may:

- Prepare a single Form W-2. For **both** employment positions show the total annual wages in box 1, the total Medicare wages in box 5, and the total Medicare taxes in box 6. For the **full-FICA** employment, the Social Security wages and taxes are entered in boxes 3 and 4, respectively; (SSA prefers using this method), or
- Prepare a separate Form W-2 for each withholding category, i.e., one Form W-2 includes wage data for just the MQGE employment; the second Form W-2 includes wage data for just the full-FICA employment.

Contact your State Social Security Administrator's office for more information concerning Social Security reporting and coverage. A list containing the State Social Security Administrator for your State is available on the website of the National Conference of State Social Security Administrators at: www.ncsssa.org. You may also order IRS Pub. No. 963, *Federal-State Reference Guide*, by calling IRS at 1-800-829-3676. This publication is also available from their website at: www.irs.gov/govts.

HOW SSA PROCESSES WAGE REPORTS

All **wage reports** (Form W-2 information) sent to SSA are subject to:

- Editing and balancing programs to determine if the reports are accurate and can be "read" by SSA systems.
- Employee name and Social Security number (SSN) verification.
- Return to the employer (or submitter) for correction and resubmission if unreadable and/or inaccurate or do not meet certain tolerances.

All **employers** are subject to IRS **late filing penalty** assessments.

Note: If your initial report was on time, but was returned to you for corrections, you will be subject to late filing penalties if the corrected report is not resubmitted on time to SSA.

After wage reports have been entered into SSA's system, each employee name and SSN are compared to SSA's records to verify that they are correct. Matched wage reports are updated to the individual employee's record. Reports that do not match are identified and the employee is notified and is asked to provide corrected name and number information to SSA. The employer is also contacted and requested to submit corrected information. Once resolved, SSA posts the reported earnings to the employee's record.

See page 8 for information on how to verify SSNs.

SSA AND IRS RECONCILIATION PROCESSES

As SSA processes employer wage reports, it maintains a record of total Social Security and Medicare wages and tips processed for each employer. These totals are then compared with the totals for IRS employment tax records filed by the employer with IRS on Forms 941, 943 and Schedule H (Form 1040) returns. Employers whose reports to IRS and SSA do not balance are contacted for an explanation of the discrepancy and asked for additional wage evidence.

- IRS contacts employers who reported more wages to SSA than to IRS.
- SSA contacts employers who reported more wages to IRS than to SSA.

Failure to resolve these discrepancies may result in IRS assessment of penalties for filing incorrect reports. See page 13 for ways to reduce reporting discrepancies.

MONTH-BY-MONTH EMPLOYER WAGE REPORTING RESPONSIBILITIES

JANUARY

- Determine new Social Security wage base to be used for the current year
- File Form 941 with IRS for last quarter of previous year
- File Form 943 with IRS for prior year
- Give employees their copies of Form W-2 for last year

FEBRUARY

- Match Form 941b and 943 totals with payroll records and Form W-3 totals
- File copy A of Form W-2 and Form W-3 information with SSA
- Food service employers with more than 10 employees must file Form 8027 for their employees who receive tips
- Withhold at single rate with no allowances if employees claiming exemption from withholding did not file a new Form W-4 as required

MARCH

- (Throughout year) respond timely to SSA request(s) for corrections to Form W-2 identity data

APRIL

- File Form 941 with IRS file Schedule H for last year with income tax return

MAY

JUNE

JULY

- File Form 941 with IRS

AUGUST

SEPTEMBER

OCTOBER

- File Form 941 with IRS
- Order Forms W-2 and W-3 (if needed) for next year

NOVEMBER

- Request MMREF instructions from SSA or IRS pub. No. 393 if not yet received
- Test magnetic media, electronic or paper form processes for next year
- Update your password so you can file W-2s using SSA's Business Service online

DECEMBER

- Ask employees to update Forms W-4 and W-5

END-OF-YEAR PREPARATION FOR WAGE REPORTING

The last quarter of the year begins the wage reporting "season" the time to prepare for filing end-of-year reports for the tax year.

By October, order from IRS or your forms supplier:

- Wage reporting forms W-3 and W-2

The IRS forms request telephone number is 1-800-829-3676.

By November, IRS will mail you:

- *Federal Employment Tax Forms*, IRS Pub. No. 393 .

This publication includes Form W-3, two Form W-2 sets, instructions for Form W-2 and an order blank for requesting additional forms and instructions. A gummed label for Form W-3 showing employer's name, address and employer identification number to identify the wage return is included in the envelope.

By November, if you file reports on magnetic media or electronically, SSA will mail you:

- The *Magnetic Media Reporting and Electronic Filing (MMREF-1)* booklet. This contains specifications and edits for filing wage reports on magnetic tape, cartridges, or diskettes. If you have not received your booklet by mid-November call the Employer Services Branch at 1-800-772-6270 or call your Employer Service Liaison Officer. For your area's ESLO (see pages 34-37) or go to SSA's website at www.socialsecurity.gov.

Before December, you should advise your **employees** to:

- Update their **withholding** form, if necessary. A new Form W-4 (Employee's Withholding Allowance Certificate) must be completed to change tax withholding.
- Report any **name change** to SSA and obtain a corrected Social Security card. Employee names and Social Security numbers that you submit on your annual wage report are matched against SSA records. An employee's wages may not be credited to his or her SSA record and the employer may be subject to **IRS penalties** if this information does not match; and/or
- File a new Form W-5 (Earned Income Credit Advance Payment Certificate) to continue receiving advance payments of **earned income credits**.

By February 18th, your employees:

- Who claimed exemption from any Federal income tax withholding for the past year should file a new Form W-4 to continue exemption into this year.

By February 19th, you should:

- Begin withholding at the single person rate with zero withholding allowances if employees, who previously claimed exemption from any withholding have not filed a new Form W-4.

SETTING UP FEDERAL TAX RECORDS FOR A BUSINESS

EMPLOYER IDENTIFICATION NUMBER (EIN)

As an employer, you are required to obtain a nine-digit EIN for employment and tax reporting purposes. You do this by:

- Obtaining a Form SS-4 (Application for Employer Identification Number) from either a local SSA office or IRS office, or the IRS Internet site at www.irs.gov, and
- Completing and filing the application form with IRS.

WHEN A NEW EIN IS NEEDED

If the way you organize your business changes, you may need to file a new SS-4 and obtain a new EIN. You should apply for a new EIN if:

- Your sole proprietorship incorporates.
- Your sole proprietorship takes in partners and operates as a partnership.
- Your partnership incorporates or your partnership is taken over by one of the partners and operated as a sole proprietorship.
- Your corporation changes to a partnership or sole proprietorship.

- You purchase or inherit an existing business that you will operate as a sole proprietorship. (You cannot use the EIN of the former owner, even if he or she is your spouse.)
- You represent an estate that operates a business after the owner's death.
- You terminate an old partnership and begin a new one.

EMPLOYERS MUST USE THEIR EIN ON ALL ANNUAL WAGE AND EMPLOYMENT TAX RETURNS AND ON ALL TAX DEPOSIT COUPONS.

BUSINESS RECORDKEEPING

Under IRS laws and regulations, employers must set up and maintain a system of business records that support wage and employment tax reports. Retain records, including your W-2s, yearly W-3, and quarterly 941s for 4 years after the due date for the related returns. However, some States may require a longer retention period; contact your State tax agency for more information.

COMMENTS

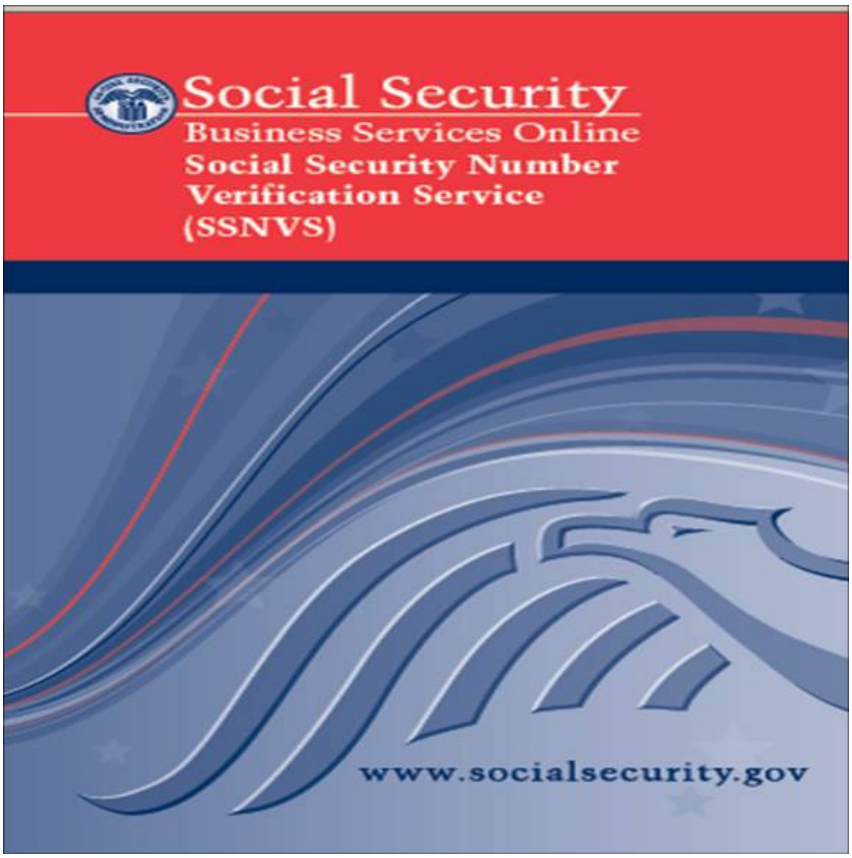
Comments or suggestions to improve this material may be sent to:

Social Security Administration
Office of Income Security Programs
Office of Earnings Information Exchange
ATTN: Employer Guide Editor
1910 RRCC
6401 Security Blvd.
Baltimore, MD 21235

Appendix D

Employee Verification Service (EVS)

Social Security Number Verification Service (SSNVS) Handbook



Social Security Administration
Office of Systems Electronic Services
6401 Security Boulevard
Baltimore, Maryland 21235

Revised September 2007

The followin two pages are from the SSVVA Fact Sheet, May 2007.

Changes to the Social Security Number Verification Service (SSNVS)

www.ssa.gov/employer

- Enhancements to the SSNVS Beginning August 25, 2007
- SSNVS Web Site Enhancements
- New SSNVS News Web Page
- Discontinuation of EVS Magnetic Tapes/Cartridges/Diskettes
- SSNVS Handbook
- Information for Software Developers

Enhancements to SSNVS Beginning August 25, 2007

- You will receive results on all SSNs submitted for verification whether verified or unverified. Prior to August 25, 2007, SSNVS only returns unverified SSNs to the requester. For security purposes, all records that verify plus all those records that are unverified due to a verification code of 2, 3, 4 and 6, will only return the last 4 digits of the SSN. The input SSN will be displayed if it was never issued, the name does not match or it belonged to a deceased individual.
- In addition to the current unverified codes, "1" through "5", SSA will begin to return a "6". When the "6" unverified code is received the requester will be instructed to have their employee contact their local security office for more information.
- The 8 position tracking number, which is currently assigned to each submission for purposes of viewing the results and requesting status, will be replaced by a 16 position confirmation number.

NOTE

***Note**: SSA expects a transition period when requesters receive a tracking number upon upload of their file but will be asked for the confirmation number to retrieve their results. In this instance the requester will be instructed to place the 8 position tracking number in the 16 position confirmation number field.*

SSNVS Web Site Enhancements

In May 2007 SSA enhanced the SSNVS web site. Enhancements include prominently displayed links and easier to find information on registration, how to access SSNVS, wage reporting and other BSO services.

www.ssa.gov/employer

New SSNVS News web page

In May 2007 SSA launched a separate web page devoted to www.ssa.gov/employer/ssnvs-News.htm. This new web page provides current SSNVS information on such things as legislative changes, planned outages of the SSNVS web site, future SSNVS enhancements, and so on. There is also a news page for other employer services.

Discontinuation of EVS Magnetic Tapes/Cartridges/Diskettes

Starting in October 2007 SSA will no longer process magnetic media (i.e. tapes, cartridges or diskettes) for SSN verification using SSA's Employee Verification Service (EVS). You can upload the file through SSNVS and usually receive results the next government business day.

SSNVS Handbook

The latest information on SSNVS is always in the SSNVS Online Handbook located at www.ssa.gov/employer/ssnvs_handbk.htm.

Information for Software Developers

More detailed instructions on these changes that affect specifications including field positions can be found at www.ssa.gov/employer/ssnv.htm. Also, the routines for positions 112-120 have been eliminated.

Social Security Number Verification Service (SSNVS)

www.ssa.gov/bso/bsowelcome.htm

Employer Reporting Assistance

For help with registering or annual wage reporting, call
1-800-772-6270 (toll free)
or 1-410-965-4241
Monday - Friday
7:00 a.m. to 7:00 p.m. Eastern Standard Time
Or e-mail Social Security at employerinfo@ssa.gov
TDD/TYY call 1-800-201-7165 (toll free)

BSO Technical Assistance

For technical help with using BSO, call
1-888-772-2970 (toll free)
Monday - Friday
8:30 a.m. to 4:00 p.m. Eastern Standard Time

Fax: 1-410-597-0237
E-mail: bso.support@ssa.gov
Caution: Social Security recommends that you not include private information, such as your Social Security Number, in Internet e-mail messages.

General Information

For information about Social Security programs and benefits, call
1-800-772-1213 (toll free)
Monday - Friday
7:00 a.m. to 7:00 p.m. Eastern Standard Time

For General Information TDD/TTY, call 1-800-325-0778 (toll free)

WHAT IS SSNVS AND BSO?

The Social Security Number Verification Service (SSNVS) is one of the services offered by Social Security Administration's (SSA) Business Services Online (BSO). It allows registered users (employers and certain third-party submitters) to verify the names and Social Security Numbers (SSNs) of employees against SSA records.

With SSNVS, you may:

- Verify up to 10 names and SSNs online and receive immediate results. There is no limit to the number of times the *SSN Verification* web page may be used within a session.
- Upload electronic files of up to 250,000 names and SSNs and usually receive results on the next government business day.

In addition to SSNVS, the BSO suite consists of Registration Services and Employer Services. Registration Services offer a User Identification Number (User ID) assignment, password selection and various registration maintenance functions. Employer Services offer W-2 file upload, W-2 and W-2c online key-in functions (no special software or forms required) and the ability to track files and view processing results and notices.

THE IMPORTANCE OF CORRECT SSNs

SSA can post employee wages correctly only when employers and submitters report employee wages under the correct name and SSN. Recording names and SSNs correctly is the key to successful processing of annual wage reports. It saves the employer and the administration processing costs and allows SSA to properly credit your employees' earnings record. Credits to your employees' earnings record are important in determining their future eligibility and payment of SSA's retirement, disability and survivor benefits.

PROPER USE OF SSNVS

SSNVS should only be used for the purpose for which it is intended.

- SSA will verify SSNs and names solely to ensure that the records of current or former employees are correct for the purpose of completing Internal Revenue Service (IRS) Form W-2 (Wage and Tax Statement).
- It is illegal to use the service to verify SSNs of potential new hires or contractors or in the preparation of tax returns.
- Company policy concerning the use of SSNVS should be applied consistently to all workers; for example:
  - If used for newly hired workers, verify information on all newly hired workers.
  - If used to verify information on other workers, verify the information for all other workers.
- Third-party use of SSNVS is strictly limited to organizations that contract with employers to either handle the wage reporting responsibilities or perform an administrative function directly related to annual wage reporting responsibilities of hired employees. It is suggested that contracts between the third-party and the employer stipulate that the functions being performed by the third-party contractor adhere to the proper use of SSNVS. It is not proper to use SSNVS for non-wage reporting purposes such as identity, credit checks, mortgage applications, etc.

- Anyone who knowingly and willfully uses SSNVS to request or obtain information from SSA under false pretenses violates Federal law and may be punished by a fine, imprisonment or both.
- SSA may ban you and/or the company you represent from the use of SSNVS if SSA determines there has been misuse of the service.
- SSA returns all names and SSNs submitted. If the name and SSN does not match our records, SSA advises the following:
  - This response does not imply that you or your employee intentionally provided incorrect information about the employee's name or SSN.
  - This response does not make any statement about your employee's immigration status.
  - This response is not a basis, in and of itself, to take any adverse action against the employee, such as laying off, suspending, firing or discriminating against the employee.

> ***NOTE:*** *If you rely only on the verification information SSA provides to justify adverse action against a worker, you may violate State or Federal law and be subject to legal consequences.*

THIRD-PARTY VERIFICATIONS

If an employer has hired you to handle his/her company's annual wage reporting responsibilities, a fee-based approach can be used when offering SSNVS to your clients. However, caution should be taken. SSA offers services such as SSNVS free of charge. Some companies in the private sector offer those same services for a fee and develop misleading brochures and advertisements. To discourage the use of misleading mailings about Social Security and Medicare, Congress enacted specific prohibitions in Section 312 of the Social Security Independence and Program Improvements Act of 1994 that broadened the existing deterrents. The prohibitions are listed in Title 42 of the U.S. Code, Section 1320b-10. To ensure that you conform to these legal requirements, be careful to adhere to the following:

- Be cautious not to suggest to your clients that this service is only available through you,
- Advise all customers that this service is available at no cost from SSA and that this service is not a unique or exclusive arrangement between SSA and your company, and
- Be sure not to give any impression when describing your SSN verification service to your clients that your company has an arrangement that allows direct access to SSA databases, program software, etc.

NEW USERS

If you are a new employee or newly self-employed, you will not be able to complete the online registration process if:

- Your current employer did not file a Form W-2 for you with SSA for Tax Year 2006, or
- You are currently self-employed but did not submit self-employment earnings to the IRS for Tax Year 2006.

If either of the above statements applies to you, begin the online registration process as described in the REGISTRATION section of this handbook. BSO will display a message asking you to call the Employer Reporting Assistance number at 1-800-772-6270. Call this number to complete the registration process and receive your User ID.

There are several steps that must be completed before you can use SSNVS. You must:

1. Register for BSO
2. Login to BSO
3. Request access to SSNVS
4. Receive an Activation Code (mailed to your employer)
5. Login to BSO
6. Activate access

Every BSO user must register separately. You may not register on behalf of another person.

SYSTEM REQUIREMENTS

To use SSNVS, you will need:

- Internet access
- A web browser, such as Internet Explorer, FireFox or Netscape Navigator. Your browser version must allow 'cookies' (files stored temporarily on your computer) and have 128-bit encryption.

> ***NOTE:*** *In order to use BSO, your browser version must be set to accept cookies and support 128-bit encryption. This is the default setting for most browsers. If you receive a request to store a file on your computer, select Yes. BSO cookies will be deleted when you close your browser.*

- Adobe Acrobat Reader (version 5.0 or higher is recommended). You will need this software to view and print your forms. For a free copy of Acrobat Reader go to www.adobe.com.

SECURITY

SSNVS and all applications within the BSO Suite of Services use Secure Sockets Layer (SSL) communications protocol and 128-bit line encryption to protect your privacy. These technologies prevent eavesdropping and ensure the security of data transmitted over the Internet.

These security features do not apply to Internet e-mail. SSA recommends that you not include private information, such as your SSN, in Internet e-mail messages.

SSNVS / BSO AVAILABILITY

SSNVS normally operates during the following hours, including holidays and may be available at other times as well:

SSNVS Hours of Operation

Day	Time
Monday - Friday	5:00 a.m. to 1:00 a.m. Eastern Standard Time

Saturday	5:00 a.m. to 11:00 p.m. Eastern Standard Time
Sunday	8:00 a.m. to 11:30 p.m. Eastern Standard Time

NOTE: SSNVS/BSO is not available when SSA is in the process of implementing changes to their system. This usually occurs around the end of the calendar year. Advance notice is provided on the BSO website. Also, during website down times, informational messages are displayed when a user attempts to access the system.

REGISTRATION

INFORMATION NEEDED TO REGISTER

NOTE: *Self-employed BSO users may use SSNVS only if they provided an Employer Identification Number (EIN) at the time of registration. To apply for an EIN, go to the IRS website: www.irs.gov/businesses/small.*

The information you provide when you register allows SSA to confirm your identity before issuing a User ID or to contact you, if necessary. You will be asked to provide the following:

- Type of employer/employee,
- Company EIN,
- Company or business name,
- Company phone number,
- Indication if you are a third-party submitter registering to do business on behalf of another company,
- Name as it appears on your Social Security card,
- SSN,
- Date of birth,
- Your preferred mailing address,
- Work phone number,
- Fax number (optional), and
- E-mail address.

You will also be asked to enter a unique password of your choice.

Your full name, SSN, date of birth, and EIN will be verified against SSA records.

If you have been hired on behalf of an employer, you should provide information about your own company when you register through BSO for SSNVS.

If you have a reason to use BSO but are not a citizen of the United States (and you live outside the United States), leave the U.S. SSN field blank. You will be allowed to continue without providing this information. If you register without providing a United States SSN, additional authentication will be required before you can use BSO services.

REGISTERING

When you have the above information ready, follow these steps to register online:

1. Go to the BSO Welcome web page.

NOTE: *Do not use your browser's Back, Forward, or Refresh buttons while completing the registration form. This could clear the form unintentionally.*

2. Select the *Register* button on the *BSO Welcome* web page. This will open the *Registration Attestation* web page, an important user certification statement.
3. Select the *I Accept* button to indicate that you have read and understand the user certification statement and agree to its contents. This will open the registration form.
4. Provide the requested information on the registration form. Assistance and tips for completing the registration form can be found by clicking the *BSO Help* button.

NOTE: *The SSN and EIN fields cannot be updated. You must re-register to enter new information in these fields.*

5. Select the *Register* button when you have completed the registration form. BSO will verify your identity against SSA records and display your User ID.

NOTE: *Make a note of your User ID because you will need it to log in to BSO.*

Immediately after registering, you will be able to maintain/update your registration information, request access to BSO services, and contact SSA electronically.

YOUR BSO PASSWORD

At the time of registration, you must enter a unique password of your choice. Your password must contain a combination of eight (8) letters and numbers (e.g., 9580859A or frog2828). Passwords are NOT case sensitive. No special characters are allowed. Secure your password and do not share it with anyone. Your User ID and password are required to log in to BSO.

NOTE: *Here is a list of password instructions:*

- *Your password must be eight (8) characters long and must be a combination of letters and numbers.*
- *There must be at least one letter and at least one number in your password.*
- Passwords are NOT case sensitive.
- *Do not use special characters.*
- *You must change your password at least once every 365 days to prevent your User ID from expiring.*

CHANGING YOUR PASSWORD

It is mandatory to change your password at least once every 365 days to keep your User ID from expiring. If your User ID expires, you will need to re-register.

The email address you provided during registration allows SSA to send you a notice when it is time to change your password. In addition, you will receive *BSO News* which provides important wage and tax reporting updates.

IF YOU FORGET YOUR PASSWORD

If you forget your password, you may request a new one by following these steps:

1. Select the *Forgot Your Password* link on the *Business Services Online Login* web page. This will open a password request form.
2. Type your First and Last Name, SSN, Date of Birth and EIN.
3. Select the *Request New Password* button. BSO will display a message indicating that your password has been reissued successfully. SSA will mail you a temporary password, usually within two (2) weeks.

After you request a new password, your old password will no longer be valid. You will not be able to use BSO until you receive your temporary password in the mail.

When you have logged in with your temporary password, you will be prompted to enter a unique password of your choice. Your password must contain a combination of eight (8) letters and numbers (e.g., 9580859A or frog2828). Passwords are NOT case sensitive.

> ***NOTE:*** *Your password is for your use only and may not be disclosed to anyone else, including other employees. Exercise caution in disclosing your User ID. Your User ID is the equivalent of your electronic signature and is assigned to you personally - not generically to your company. You are responsible for all actions taken using your User ID.*

COMPLETE YOUR PHONE REGISTRATION

New users may have to complete their online registration by speaking with an Employer Reporting Branch (ERB) representative. After speaking with an ERB your next step would be to select the *Complete Your Phone Registration* button from the *BSO Welcome* web page and enter the following information:

- User Identification Number (User ID) provided by ERB personnel,
- First and Last Name,
- SSN (if applicable),
- Date of Birth,
- EIN, and
- Password (For more information, see "Your BSO Password" section above).

Once your personal and company information has been authenticated against SSA records, you can request access to SSNVS.

ACCESS TO SSNVS

Before you can verify names and SSNs, you will need to request access to SSNVS. Once access has been requested you will receive an activation code from SSA. You are required to enter the SSNVS activation code prior to your first use.

REQUEST ACCESS TO SSNVS

> **NOTE:** Self-employed BSO users may use SSNVS only if they provided an Employer Identification Number (EIN) at the time of registration. To apply for an EIN, go to the IRS website: www.irs.gov/businesses/small.

To request access to SSNVS, after you have registered to use BSO, complete the following steps:

1. Login to BSO.
2. From the *BSO Main Menu*, select *Account Maintenance* and then select *Request Access to BSO Services*. The *Request Access to BSO Services* web page will open with a description of the available suites of services.
3. Check the *Electronic Wage Reporting Service* box and select the *Next* button.
4. Continue navigating through the wizard by selecting the *Next* button until the *Verify Social Security Numbers Online* web page displays. Click on the *Yes* button to request access to this function.
5. Select the *Next* button until reaching the *Request Summary* web page and then select the *Confirm* button to view the *Request Access to BSO Services Confirmation* web page.

SSA will mail an activation code for SSNVS to your employer at the address the IRS has on file from the Form 941, Employer's Federal Tax Return or SS-4, Application for Employer Identification Number.

If you are already registered to use BSO services, you may request access to SSNVS by selecting *Account Maintenance* from the *BSO Main Menu* web page and then selecting the *Request Access to BSO Services* link.

ACTIVATION CODE

The activation code is an alphanumeric code sent by SSA to the employer or registered User ID holder when access to certain services are requested. This code must be entered on the *Activate Access to BSO Services* web page in order to grant the user access to the requested service.

The activation code mailed to your employer is usually received within two (2) weeks. The letter to your employer with the activation code instructs him or her to provide you with the activation code. The activation code is an added layer of security. You will not have access to SSNVS until you have activated the service by entering the activation code.

ACTIVATE ACCESS TO SSNVS

SSNVS requires the activation code that was mailed to your employer to be entered to activate your access to the SSNVS service prior to your first use.

Once you have received your activation code from your employer:

1. Login to BSO.
2. From the *BSO Main Menu*, select *Account Maintenance* and then select *Activate Access to BSO Services* link. The *Activate Access to BSO Services* web page will open.
3. Enter the activation code.
4. Select the *Activate* button. A *Confirmation* web page will display indicating that SSA has approved your request.

You may then begin using your SSNVS services immediately.

RE-REQUEST ACTIVATION CODE

> ***NOTE:*** *The activation code for SSNVS is sent directly to your employer. Please check with your employer to verify that the activation code has been received.*

If it has been 10 days or more since you requested access to SSNVS and your employer has not received your activation code from SSA:

1. From the *BSO Main Menu*, select *Account Maintenance* and then select the *Re-Request Activation Codes* link. The *Re-Request Activation Codes* web page will open.
2. Check the *box* corresponding to SSNVS.
3. Select the *Re-Request* button. A *Re-Request Activation Codes Confirmation* web page will display confirming SSA received your request.

Restrictions:

- If it has been 60 days or more since you requested access:
  - Your activation code is invalid.
  - You may not re-request an activation code.
  - You must request access to SSNVS again using the *Request Access to BSO Services* web page.

> **NOTE:** Once an activation code has been re-requested, the original activation code is de-activated and is no longer valid.

REMOVE ACCESS TO SSNVS

1. From the *BSO Main Menu*, select *Account Maintenance* and then select the *Remove Access to BSO Services* link. The *Remove Access to BSO Services* web page will open.
2. Check the box *Verify Social Security Numbers Online*.
3. Select the *Remove* button. A *Confirmation* web page will display indicating that SSA has approved your request.

If you remove access to any service(s) in error, you must re-request access via the *Request Access to BSO Services* web page.

LOGGING INTO SSNVS

To access SSNVS, you must first log in to BSO:

- Open the BSO Welcome web page.
- Select *Login* on the *BSO Welcome* web page. This will open the *General Login Attestation* web page containing an important user certification statement.

> ***NOTE:*** *If your browser does not support 128-bit encryption, an authorization error message will be displayed when you select the Login link. See the SYSTEM REQUIREMENTS section of this handbook for system requirements.*

- Select the *I Accept* button to indicate that you have read the user certification statement and agree to its contents. This will open the *Business Services Online Login* web page.
  - Enter your User ID and password.
  - Enter your User ID and password.
  - If you have received a temporary password in the mail, log in with your User ID and temporary password. You will then need to change your temporary password. When the *BSO Change Password* web page is displayed, enter the temporary password and then enter your own unique password twice.
- If you registered for BSO with the ERB personnel by telephone, but have not yet selected your password, select the *Complete Your Phone Registration* link from the *Business Services Online Login* web page. This will open the *BSO Registration* web page. For more information, see the Complete Your Phone Registration section of this handbook.
- Select the *Login* button from the *Business Services Online Login* web page. This will open the *BSO Main Menu* web page. The *BSO Main Menu* web page is your point of entry for SSNVS and all other BSO services.

> ***NOTE:*** *The use of the browser's Back, Forward and Refresh buttons may unintentionally log you out of BSO.*
>
> **NOTE:** If you forgot your password, please refer to Your BSO Password section of this handbook under REGISTRATION.

USING SSNVS

SSNVS allows you to submit names and SSNs for verification both online and through electronic file submission.

REQUEST ONLINE SSN VERIFICATION

The *SSN Verification* web page enables you to submit up to 10 names and SSNs for verification and obtain immediate results. There is no limit to the number of times the *SSN Verification* web page may be used within a session.

The SSN Verification web page contains the following data entry fields:

Employer Identification Number (EIN) - The EIN of the employer under which wages are to be reported for the names and SSNs being verified.

- The Employer's EIN field is mandatory.
- The Employer's EIN must be nine (9) numerical characters only.
- Spaces, alphabetic characters, hyphens, slashes or any other special characters are not allowed.

Social Security Number (SSN)

- The SSN field is mandatory.
- The SSN must be nine (9) numerical characters only.
- Spaces, alphabetic characters, hyphens, slashes or any other special characters are not allowed.

First Name

- The First Name field is mandatory.
- The First Name must be between one (1) and 10 characters in length.
- If the First Name is longer than 10 characters, enter the first 10 characters of the First Name.
- Enter the First Name using alphabetic characters only.
- Spaces, numbers, hyphens, slashes or any other characters are not allowed.

Middle Name

- The Middle Name field is optional.
- If entered, the Middle Name must be between one (1) and seven (7) characters in length.
- If the Middle Name is longer than seven (7) characters, enter the first seven (7) characters of the Middle Name.
- Enter the Middle Name using alphabetic characters only.
- Spaces, numbers, hyphens, slashes or any other characters are not allowed.

Last Name

- The Last Name field is mandatory.
- The Last Name must be between one (1) and 13 characters in length.
- If the Last Name is longer than 13 characters, enter the first 13 characters of the Last Name.
- Enter the Last Name using alphabetic characters only.
- Spaces, numbers, hyphens, slashes or any other characters are not allowed.

Suffix

- The Suffix field is optional.
- If entered, the Suffix must be Jr, Sr, or a Roman Numeral I through X.
- Numbers, hyphens, slashes or any other characters are not allowed.

Date of Birth (DOB)

- The DOB field is optional.
- If entered, the DOB must contain eight (8) digits.
- Enter the employee's DOB using the format MMDDYYYY where:
  - MM is the month; enter a value of 01 through 12.
  - DD is the day; enter a value of 01 through 31.
  - YYYY is the year; enter the first two (2) digits of the century followed by a value of 00 through 99.
- Spaces, letters, hyphens, slashes or any other characters are not allowed.

- The DOB cannot be before 1800 or after the current date.

Gender

- The Gender field is optional.
  - F = Female
  - M = Male

> ***NOTE:*** *SSA may not be able to process your request if you enter identical SSNs or identical First and Last Names multiple times.*

The First, Middle and Last Name fields provide links to the help guide for entering complex names. To access the *SSNVS Help* web page, you must be logged into SSNVS. The *Help* button is in the left-hand corner of each SSNVS web page and opens in a new browser window.

> ***NOTE:*** *If data entry errors are found, you will be prompted to correct your errors.*

UPLOAD AN ELECTRONIC FILE FOR VERIFICATION

SSNVS allows you to request name and SSN verifications via electronic file submissions.

1. The *Submit a File for SSN Verification - Before You Start* web page contains the following information.

- **Review your file** for correct formatting to ensure that the file is error-free. A properly formatted file will avoid rejection. See the Submission File Format section of the handbook for the correct file format. Files containing more than 100 records are scanned for format errors. If more than 50% of the records contain format errors, the file is not processed.

  - **Excel Users** To ensure that your electronic file submission processes successfully, the file must NOT be in a *.xls format. If you are using Excel, you must save the file in the appropriate format.
    To properly save an Excel file for processing:

    1. On the File Menu, select Save As.
    2. In the Save As dialog box, select the drop-down box Save as type.
    3. Select Formatted text (Space delimited) (*.prn).
    4. Insert your filename and click Save.

    Once you have saved your file, check your file against the submission file format. Please ensure that the record length is 130 characters and all fields are properly placed in their respective positions.

- **Zip your file** if you have over 500 name and SSN verification requests or you have a slow connection. The transmission time required will be substantially reduced if the file is zipped (compressed).

2. When the file is ready for upload, select the *Continue* button.
   The *Submit a File for SSN Verification - Submit Your File* web page contains the following data entry fields.

- ***Employer's EIN***
  The EIN of the employer under which wages are to be reported for the names and SSNs being verified.
- ***Select File***
  - If you know the name of the file you wish to upload, type the file name in the *Select File* data entry field.

    or

  - Select a file from your local or network directory by selecting the *Browse* button. When the file submission box appears, select the location and name of the file you want to upload. When you select *OK* and return to *Submit a File for SSN Verification - Submit Your File* web page, the file name is automatically entered in the *Select File* data entry field.
  - Once the *Select File* data entry field is complete, select the *Submit* button to begin uploading your file. Your file submission is complete when the *Submit a File for SSN Verification - Confirmation* web page is displayed.
  - After the *Submit* button has been selected, you will see a dialog box showing the process of your file being uploaded. When the file upload is complete, you will receive a pop-up box stating "Your file submission was successful" and a recommendation to save or print the acknowledgement.

  Submission times depend on many factors. SSA allows up to four (4) hours for a single file submission. If your connection is lost during file submission, you will have to submit the file again.

> ***NOTE:*** *Please do not exit SSNVS or log out until you receive your confirmation number.*

3. The *Submit a File for SSN Verification - Confirmation* web page contains the following information.

   This web page acknowledges that your file was received and provides other submitted related information.

- Confirmation number, a 16-position alphanumeric number, assigned by SSA, that you will need to retrieve the results of your submission. Make a note of this number; you need it to check the status of your file.
- Date of submission,
- Time of submission,
- Your file name (For information only, not to be used for tracking the status of your file.),
- File size,
- What you should do next and
- What to expect.

Once a file is successfully submitted and you have noted its confirmation number, you can process more files by selecting the *Submit Another File* button; this returns you to the *Submit a File for SSN Verification - Submit Your File* web page.

SUBMISSION FILE FORMAT

To ensure your electronic file submission processes successfully, the file must be a text file (.txt) in the following format:

> ***NOTE:*** *Record delimiters are not to be used (i.e., do not place a comma or any other character after any field).*
> ***NOTE:*** *If a field marked "May not be left blank." does not contain an entry, the item is automatically considered a non-verified record.*
>
> ***NOTE***: *In order to sort the return file to your specifications, we recommend using the User Control Data field to create a unique identifier for each record. This unique identifier would be placed in positions 90-103 in your submission file and returned to you in positions 84-97 in the return file.*

Field Name	Instruction	Position	Field Size	Field Type
SOCIAL SECURITY NUMBER	• Must include all 9 digits including lead zeros. • May not be left blank.	1-9	9	Numeric
ENTRY CODE “TPV”	• Must insert "TPV." • May not be left blank.	10-12	3	Alpha
PROCESSING CODE 214	• Must insert "214." • May not be left blank.	13-15	3	Numeric
LAST NAME	• Do not use hyphens, apostrophes, spaces, periods, suffixes (Jr) or prefixes (Dr). • Must contain at least one character. • May not be left blank.	16-28	13	Alpha
FIRST NAME	• Do not use hyphens, apostrophes, spaces, periods, suffixes (Jr) or prefixes (Dr). • Must contain at least one character. • May not be left blank.	29-38	10	Alpha
MIDDLE NAME / INITIAL	• Do not use hyphens, apostrophes, spaces, periods, suffixes (Jr) or prefixes (Dr). • Optional	39-45	7	Alpha

DATE OF BIRTH (MMDDYYYY)	• If unknown, leave blank. • Optional	46-53	8	Numeric
GENDER CODE	• Must contain one of the following: • M=Male or • F=Female • Optional	54	1	Alpha
BLANK	SSA use only.	55-89	35	Blanks
USER CONTROL DATA	Free form text for employer.	90-103	14	Alphanumeric
BLANK	SSA use only.	104-123	20	Blanks
REQUESTER IDENTIFICATION CODE	• Enter OEVS. • May not be left blank.	124-127	4	Alpha
MULTIPLE REQUEST INDICATOR	• Must insert "000". • May not be left blank.	128-130	3	Numeric

RETURNED FILE FORMAT

The returned text file is formatted as defined in the following table:

Field Name	Instruction	Position	Field Size	Field Type
SOCIAL SECURITY NUMBER	For security reasons, if the record has a verification code of 2, 3, 4, 6 or is blank, the first five (5) positions will be masked with an "X."	1-9	9	Alphanumeric
LAST NAME	Data identical to input provided by the requester.	10-22	13	Alpha
FIRST NAME	Data identical to input provided by the requester.	23-32	10	Alpha
MIDDLE NAME/INITIAL	Data identical to input provided by the requester.	33-39	7	Alpha
DATE OF BIRTH (MMDDYYYY)	Data identical to input provided by the requester.	40-47	8	Numeric
GENDER CODE	Data identical to input provided by the requester.	48	1	Alpha

CONFIRMATION OR TRACKING NUMBER	16-position number assigned to a file submitted after 08/25/07 or Eight (8)-position number assigned to a file submitted prior to 08/25/07.	49-83	35	Alphanumeric
USER CONTROL DATA	Data identical to input provided by the requester.	84-97	14	Alphanumeric
VERIFICATION CODE	Blank = Verified. 1 = SSN not in file (never issued). 2 = Name and DOB match; gender code does not match. 3 = Name and gender code match; DOB does not match. 4 = Name matches; DOB and gender code do not match. 5 = Name does not match; DOB and gender code not checked. 6 = SSN did not verify; other reason.	98	1	Blank or Numeric
PROCESSING CODE 214	Data identical to input provided by the requester.	99-101	3	Numeric
REQUESTER IDENTIFICATION CODE	Data identical to input provided by the requester.	102-105	4	Alphanumeric
MULTIPLE REQUEST INDICATOR	Data identical to input provided by the requester.	106-108	3	Numeric
BLANK	SSA use only.	109-120	12	Blanks
DEATH INDICATOR	Y = SSA records indicate the number holder is deceased. N = SSA records indicate the number holder is not deceased.	121	1	Alpha
BLANK	SSA use only.	122-130	9	Blanks

SSN VERIFICATION RESULTS

On the *SSN Verification Results* web page a table is displayed with the results for name and SSN verification requests submitted online. In addition, a tally is displayed showing the total number of:

- Records submitted,
- Failed,
- Deceased and

- Verified.

VERIFIED

The SSN submitted for verification matches SSA's records.

- A "blank" *Verification Results* field = a verified SSN.

For security reasons, if the record has a "blank" *Verification Results* field, the first five (5) positions of the SSN will be masked with an "X."

FAILED VERIFICATION

For security reasons, if the record has a verification code of 2, 3, 4 or 6, the first five (5) positions of the SSN will be masked with an "X."

Verification Results Code - The following is the list of FAILED verification codes.

- 1 = SSN not in file (never issued).
- 2 = Name and DOB match; gender code does not match.
- 3 = Name and gender code match; DOB does not match.
- 4 = Name matches; DOB and gender code do not match.
- 5 = Name does not match; DOB and gender code not checked.
- 6 = SSN did not verify; other reason.

DECEASED (PER SSA RECORDS)

The SSN submitted for verification matches SSA's records, but our records indicate that the individual is deceased.

STATUS AND RETRIEVAL OPTIONS

To view the *Status and Retrieval* web page, select the *View Status and Retrieval Information* link on the *BSO Main Menu* web page. The *Status and Retrieval* web page enables users to view the status of electronic files submitted for overnight processing.

There are three (3) options for checking file status:

Option 1: Confirmation or Tracking Number

To view the status of an individual file:

- Type the 16-position alphanumeric confirmation number or the eight (8)-position alphanumeric tracking number you received when your file was submitted.
- Select the *Submit* button.

Option 2: Date Range

- To view the status of all files you submitted within a date range:
  Type the beginning and ending dates into the Range Start Date and Range End Date fields.
  The Date Range must:

  - Contain eight (8) digits in the MMDDYYYY format, where:

-MM is the month; enter a value 01 through 12.
-DD is the day; enter a value 01 through 31.
-YYYY is the year; enter the first two (2) digits of the century followed by a value of 00 through 99.

- Be within two (2) years of the current date
- Not be later than the current date.

- Select the *Submit* button.

Option 3: All Submissions

To view the status of the most recent 100 submissions within the last two (2) years, select the *Submit* button.

If the file you are searching for is not displayed, focus your search by using Option 1 or 2.

STATUS AND RETRIEVAL RESULTS

When your file has been processed, you may download and/or view the results on the *Status and Retrieval Results* web page.

The status and retrieval results are displayed in a table; for a full explanation of each column, click on the column header. This opens a new browser to the *SSNVS Help* web page, which is only accessible when logged into SSNVS.

- For 10 or less SSNs submitted, the results may be downloaded or viewed online.
- For more than 10 SSNs submitted, the results may be downloaded only.

> **NOTE:** For security reasons, if the record has a verification code of 2, 3, 4, 6 or if the Verification Results field is "blank", the first five (5) positions of the SSN will be masked with an "X".

If the file is in process or was not processed due to a format error or failed unzip, the *Record Submitted* and *Available Through* fields will be blank.

STATUS	EXPLANATION
AVAILABLE	The file is ready for viewing or downloading.
DOWNLOADED	The file is available and already has been downloaded.
FORMAT OR SURFACE ERRORS	The file was rejected. At least one (1) record in the file did not have the correct length of 130 characters ***or*** more than 50% of the Name and SSN records in the file failed edits.
FAILED UNZIP	The file either was not compatible with PKZip or contained multiple files.
IN PROCESS	Except for peak submission periods, file results will usually be available the next government business day.
NOT AVAIL-ABLE	The file is more than 30 days old and can no longer be viewed or downloaded. See Available Through explanation below.

UNABLE TO PROCESS-RESUBMIT	The file could not be processed and must be resubmitted.
VIEWED	The file is available and has already been viewed.

Depending on the number of results returned, select the *Download* or *View* link in the *Retrieval Option(s)* column.

Retrivial Option(s)	Explanation
DOWNLOAD	Select to download your file results. **IMPORTANT:** You may have to associate the downloaded file with your default text editor ***or*** save the downloaded file as a text file.
VIEW	Select to view your file results. **NOTE:** This option is available only if there are 10 or less SSNs submitted for verification.

AVAILABLE THROUGH- Users are able to view or download the results for 30 days from the day they become available. After 30 days and up to two (2) years, users can only view the status of their files. During the period files are available, users can download or view them an unlimited number of times.

Other links that appear on this screen allow you to display context-related help.

WHAT TO DO IF AN SSN FAILS TO VERIFY

Follow these steps for each SSN that failed verification:

1. Compare the failed SSN with your employment records. If you made a typographical error, correct the error and resubmit the corrected data.
2. If your employment records match your submission, ask your employee to check his/her Social Security card and inform you of any name or SSN difference between your records and his/her card. If your employment records are incorrect, correct your records and resubmit the corrected data.
3. If your employment record and the employee's Social Security card match, ask the employee to check with any local SSA Office to resolve the issue. Once the employee has contacted the SSA Office, he/she should inform you of any changes. You should correct your records accordingly and resubmit the corrected data.
4. If the employee is unable to provide a valid SSN, you are encouraged to document your efforts to obtain the correct information. (Documentation should be retained with payroll records for a period of three (3) years.)
5. If you are unable to contact the employee, you are encouraged to document your efforts.

6. If you have already sent a Form W-2 with an incorrect name and/or SSN, then submit a Form W-2c (Corrected Wage and Tax Statement) to correct the mismatch. W-2c services are available through BSO Wage Reporting. There is no need to re-register for your BSO User ID.

Remember

- A mismatch is not a basis, in and of itself, for you to take any adverse action against an employee, such as laying off, suspending, firing or discriminating.
- Company policy should be applied consistently to all workers.
- Any employer that uses the failure of the information to match SSA records to take inappropriate adverse action against a worker may violate State or Federal law.
- The information you receive from SSNVS does not make any statement regarding a worker's immigration status.

LOGGING OUT

To log out of SSNVS:

- Select the *Logout* link at the top or bottom of any SSNVS web page.
- The *BSO Logout* web page will display.
- Select *Yes* to exit and return to the *BSO Welcome* web page.

SSNVS NEWS

The SSNVS News web page provides important updates and information regarding SSN verification.

GETTING HELP

HELP LINK

To access the *SSNVS Help* web page, you must be logged into SSNVS. The Help button is in the left hand corner of each SSNVS web page and opens in a new browser window.

CONTACT SSA

You may either speak with or e-mail an SSA representative. To speak with a representative, refer to the Contact Information at the beginning of this handbook. To e-mail a representative:

- Select the *Contact SSA* link at the top or bottom of any SSNVS web page. This will open the *Contact SSA* web page in a new browser window.
- Select "*Social Security Number Verification Service Support Team*" from the drop-down menu of the Recipient field.
- Enter your message in the Message field. Please be as specific as possible, and include:
  - The question or problem,
  - Web page details (e.g., title, URL, etc.),
  - Any error messages received,

- A telephone number where we may contact you, and
- Any other relevant information.

EMPLOYER REPORTING INFORMATION

Visit the Employer Reporting Instructions & Information web page for additional information. Select the *Business Services Online Tutorial* link for an online tour of BSO. You need Adobe Acrobat Reader (version 5.0 or higher recommended) to view the BSO Tutorial. For a free copy of Acrobat Reader, go to www.adobe.com.

MAINTAINING YOUR REGISTRATION INFORMATION

Use the *Account Maintenance* link on the *BSO Main Menu* web page to:

- Update your contact information,
- Change your password, and
- Deactivate your User ID.

These features are described below.

UPDATING YOUR CONTACT INFORMATION

Select the *Update your Registration Information* link on the *Account Maintenance* web page to change or add to the contact information you provided during registration. The e-mail address you provided during registration allows SSA to send you an e-mail notice when it is time to change your password. In addition, SSA you will receive *BSO News*, which provides important wage and tax reporting updates.

> ***NOTE:*** *The SSN and EIN fields cannot be updated. You must re-register to enter new information in these fields*.

CHANGING YOUR PASSWORD

For information on how to change your password, see the section "Changing Your Password" under the REGISTRATION section of this handbook.

DEACTIVATING YOUR USER ID

Select the *Deactivate Your User ID* link from the *Account Maintenance* web page to deactivate your User ID in the event that you leave the company, your User ID is disclosed to an unauthorized party or for any other reason. The prompt User ID deactivation helps to ensure the security of the information you provide to SSA.

If you require help with deactivating your User ID, or if you wish to deactivate an obsolete User ID belonging to another person, call the Employer Reporting Assistance number at the beginning of this handbook.

Deactivating your own User ID does not prevent you from obtaining a new User ID.

GLOSSARY OF TERMS

Activation Code - an alphanumeric value code sent by SSA to the employer or registered User ID holder when access to certain services is requested. This code must be entered on the *Activate Access to BSO Services* web page the first time the user attempts access to the requested service.

Authentication - the act of proving the identity of an individual.

BSO - Business Services Online; a suite of Internet services for businesses and employers to exchange information with SSA.

BSO News - an electronic newsletter that provides important updates and information regarding SSA Business Services Online.

Business Services Online Tutorial - an online training lesson that instructs the user on how to use BSO. It is for employers and submitters who would like to explore the business services available through BSO.

Confirmation Number - a 16-position alphanumeric number used to uniquely identify each name and SSN verification request submitted after 8/25/07.

EIN - Employer Identification Number; a nine (9)-digit number the IRS assigns to an entity to identify businesses as taxpayers.

Electronic File - a specifically formatted file submitted electronically for overnight processing via the *Submit a File for SSN Verification - Submit Your File* web page.

Employer's EIN - the Employer Identification Number of the employer under which wages are to be reported for the names and SSNs being verified.

Employer Reporting Branch (ERB) personnel - SSA employees who serve as the primary telephone answering point for general inquiries received from employers and third-party payroll service providers.

Employee Verification Service (EVS) - EVS matches your record of current or former employee names and SSNs with SSA's records.

IRS - Internal Revenue Service; a United States government agency responsible for tax collection and tax law.

IRES - Integrated Registration Services; the SSA Internet registration application for BSO.

Masking - de-identifying confidential data to safeguard the privacy of client data.

Mismatch - a name and SSN verification request that does not match SSA's records.

Password - unique combination of eight (8) letters and numbers that must be entered to gain access to BSO.

SSA - Social Security Administration; an independent agency of the United States government that manages the United States' insurance programs, consisting of retirement, disability, survivor benefits and Supplemental Security Income.

SSN - Social Security Number; a unique nine (9)-digit number assigned by SSA to identify an individual when reporting wages, paying taxes and collecting benefits.

SSNVS - Social Security Number Verification Service; an online service provided by SSA that allows registered users to verify employee names and SSNs against SSA's records.

SSNVS News - Provides important updates and information regarding SSN verification.

Third-Party - strictly limited to organizations that contract with employers to either handle the wage reporting responsibilities or perform an administrative function directly related to annual wage reporting responsibilities of hired employees.

Tracking Number - an eight (8)-position alphanumeric number used to uniquely identify each name and SSN verification request submitted before 8/25/07.

User Certification Statement - a statement to which a BSO registered user must attest, certifying they have read, understood and agreed to the terms of use for BSO.

User ID - User Identification Number; a unique value issued by SSA to the user at BSO registration that identifies the individual. This value must be entered to gain access to BSO.

Verification - the act or process of establishing the truth, accuracy or reality of something.

APPENDIX A

ADDITIONAL VERIFICATION OPTIONS

- ***Employee Verification Service (EVS)***

> ***NOTE:*** *SSA no longer accepts EVS requests on diskette, cartridge or tape.*

The following instructions are for employers and third-party submitters who wish to submit SSN verification requests to SSA via paper or telephone. EVS requests can be submitted at any time and are processed within 24 hours.

There are three (3) EVS methods to choose from based on the number of employee names/SSNs that you want to verify:

- **1 to 5 Name/SSN Requests**
  - Call our toll-free number for employers, 1-800-772-6270 or the general SSA number at 1-800-772-1213. Both numbers are open for service weekdays from 7:00 a.m. to 7:00 p.m., Eastern Standard Time.
  - You must have the following information for each verification request.
    -Social Security Number

    -Last Name, First Name, Middle Initial

    -Date of Birth (MMDDYYYY)

    -Gender Code (M-Male; F-Female)
- **1 to 50 Name/SSN Requests**
  - Submit on paper to your local SSA office. Your local office will provide you with format and submission instructions. Some offices accept faxed listings. Go to Local Office Search to find your local SSA Office.

- This listing may be formatted across the page in a columnar format, such as:

Social Security Number	Last Name	First Name	Middle Initial	Date of Birth	Gender Code

- **50 to 300 Name/SSN Requests**
  - A simple registration process is required for verification requests of more than 50 names/SSNs.

    -Below are the EVS registration instructions for both individual employers and third-party submitters:

    1. Complete the EVS registration form. The company's address should show a street address, city, state and ZIP code. A P.O. Box may be included in the address, but a P.O. Box alone will not be accepted. The registration form must be signed by a manager or authorized official of the company. The title of the signer must follow the signature.

    2. There are two Federal privacy act statements included - one for individual employers and one for third-party submitters. Sign and date the appropriate form. **Keep a copy of your privacy act statement**. You will need to send a copy of the statement with each listing you want verified.

    Mail or fax both the registration form and privacy act statement to:
    Social Security Administration
    OCO, DES, EVS
    300 N. Greene Street, 5-E-10 North Building
    Baltimore, Maryland 21290-0300
    Fax (410) 966-3366 or (410) 966-9439

    -Once SSA has processed your registration request, we will mail you a Requester Identification Code. This code should be shown on your verification request and on any EVS correspondence with SSA concerning a change in address, contact person or telephone number. EVS correspondence should be sent to the address or fax number shown above. If you misplace your Requester Identification Code, call the EVS information line at (410) 965-7140.

- Instructions for submitting paper listings to SSA for EVS verification.
  1. Format your listing to include the following data:

     Social Security Number

     Last Name, First Name, Middle Initial

     Date of Birth (MMDDYYYY)

     Gender Code (M-Male; F-Female)

     This listing may be formatted across the page in a columnar format, such as:

Social Security Number	Last Name	First Name	Middle Initial	Date of Birth	Gender Code

2. Send the paper listing, your 4-digit Requester Identification Code and **a signed copy of your privacy act statement to**:

Social Security Administration
Wilkes-Barre Data Operations Center
P.O. Box 6500
Wilkes-Barre, PA 18767-6500

> ***NOTE:*** *Do not send paper listings to Baltimore or your local office with your registration form. Paper listings with 50 to 300 SSNs must be sent to the Wilkes-Barre address above.*

> ***NOTE:*** *For 300 or more verification requests please use the Social Security Number Verification Service (SSNVS). For more information see* *What is SSNVS and BSO?* *section of this handbook.*

Call the EVS information line, 410-965-7140, if you have questions or need additional information.

What to Do If an SSN Fails to Verify

Each SSN sent in the file will be returned to you with a verification code. If the verification code is blank, the record agrees with SSA's data file. Please annotate your records that this SSN has been verified.

If the verification code is not blank, follow these steps:

1. Ask to see the employee's Social Security card to ensure that the SSN and name were correctly shown on the file.
2. Check to see whether you made a typographical error. If so, correct the data and resend to SSA in a subsequent file. Please resend only the corrected data.
3. If the SSN shown on the card and the file match, ask the employee to check with any SSA Office or call 1-800-772-1213 to determine and correct the problem. Ask the employee to give you the corrected name for your payroll records.

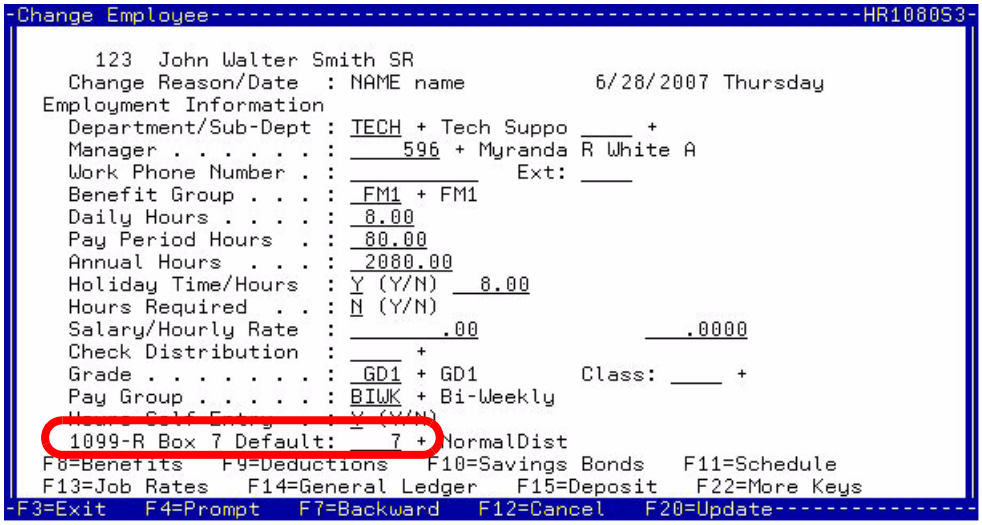
Appendix E
Recent Enhancements

7.0.4 Enhancements

Default 1099R Box 7 Distribution Code

A new field has been added to the employee information that enables the employee's default 1099R Distribution Code to be stored.

From the **Work with Employees** screen, type a "2" in the ***Opt*** field associated with an employee and press **<Enter>** three times. The **Change Employee** screen HR1080S3 will appear. The ***1099-R Box 7 Default*** field is new. This field will function as a default value for the Box 7 Distribution Code when creating/adding 1099-R records for an employee. When a user accesses the Adding 1099-R Information screen HR2815S2, if the value entered does not match what is entered in the Change Employee screen, a warning message will be generated.

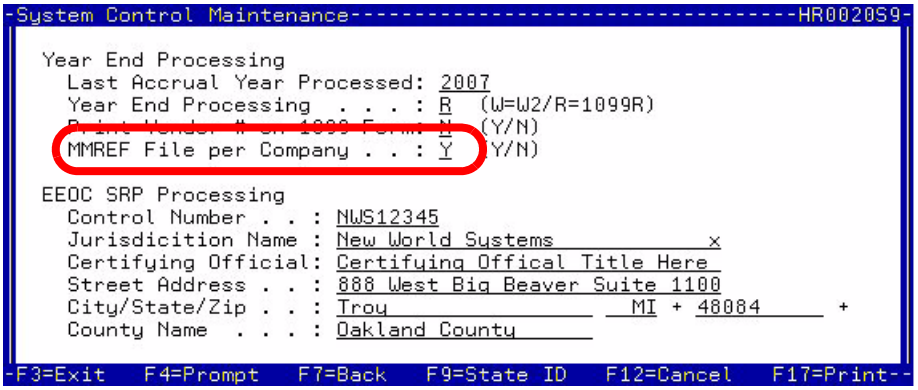


Separate W2 MMREF Files per Company

A new field has been added to System Control that enables an organization to maintain separate W2 MMREF files for multiple companies. The file will be stored in the files library listed in System Control; the multiple payroll libraries processing will continue to function as it has in the past.

From the **System Administrator Menu**, select **Option 1**, System Control Maintenance. Advance to screen HR0020S9. The MMREF File per Company field is new. If this field is set to Yes, separate W2 MMREF files will be created for each company. The following naming convention will be used: W2MRCODE where CODE represents the four-character maximum company code.

If this field is set to No, only file will be created.



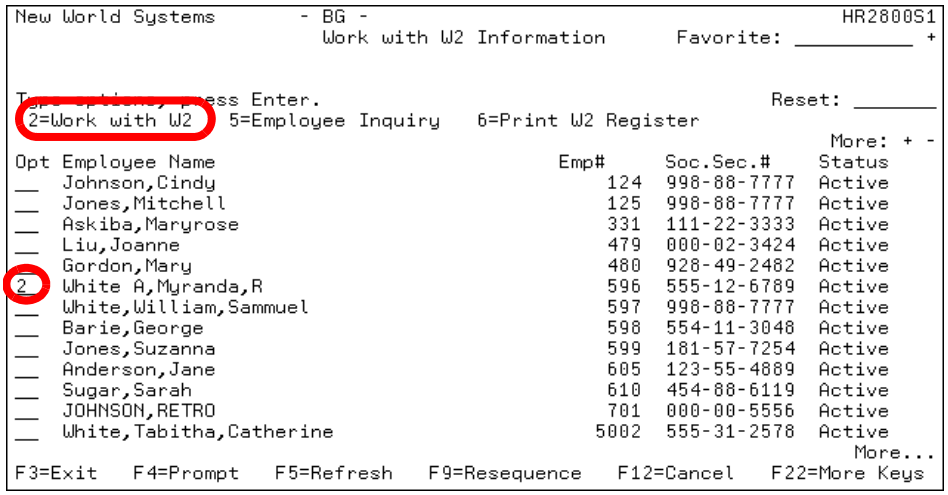
7.0.5 Enhancements

Multiple Years for W2/1009-R Processing

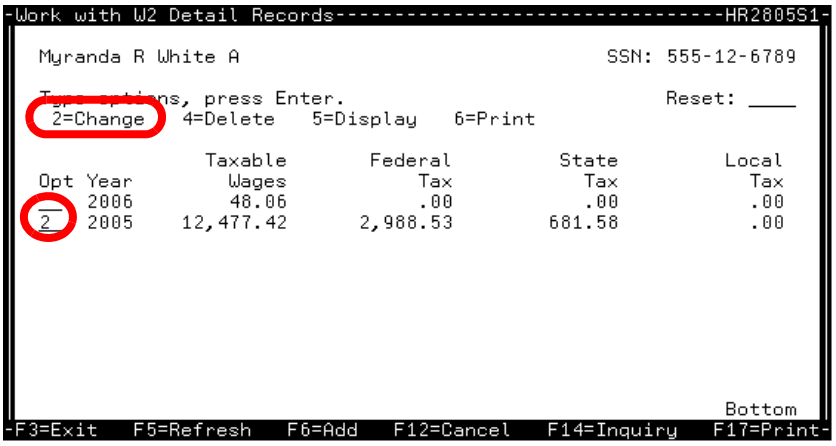
The W2/1099-R process has been enhanced to allow multiple tax years to be created and maintained simultaneously.

Selecting which year to create tax records for is still done via option 1, Create W2 Work File, on the W2 Menu. If an existing record exists for the year you select, it will overwrite the old record with the new one.

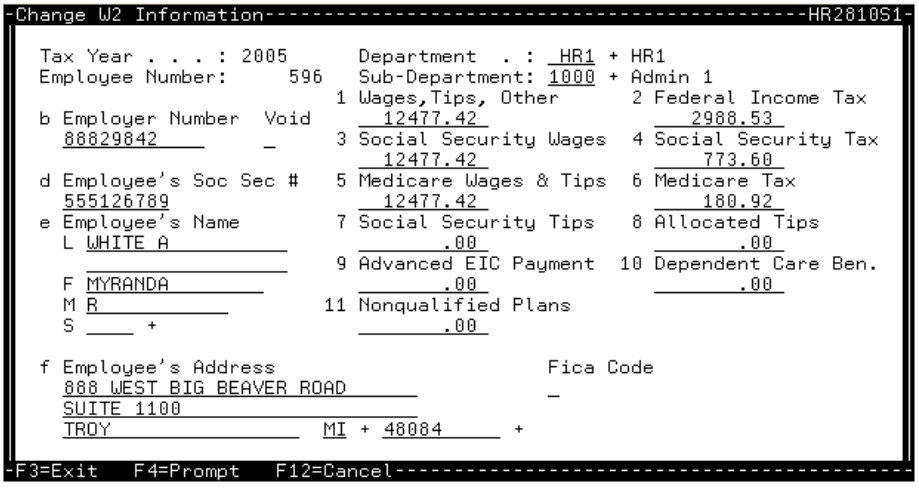
Because W2 records can be kept for multiple years, the way in which the records are stored has been changed. To view the change in this functionality, from the **W2 Menu**, select **Option 2**, Work with W2 Information. The **Work with W2 Information** screen will appear. Each employee is still displayed, however each employee record will have the individual tax year records attached. To view the W2 records, type a "2" in the ***Opt*** field associated with an employee and press **<Enter>**.



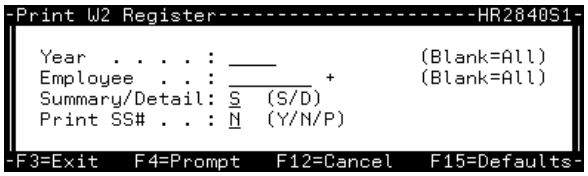
The new **Work with W2 Detail Records** screen will appear. To change a record, type a "2" in the ***Opt*** field associated with a record and press **<Enter>**.



The screen that will appear is basically the same as it was in previous releases.



When printing the W2 Register, you can now select a specific employee and the year. Either the ***Year*** or ***Employee*** field must be populated. Depending where you select to print this from, these two fields may already be populated.



Set-up

Security

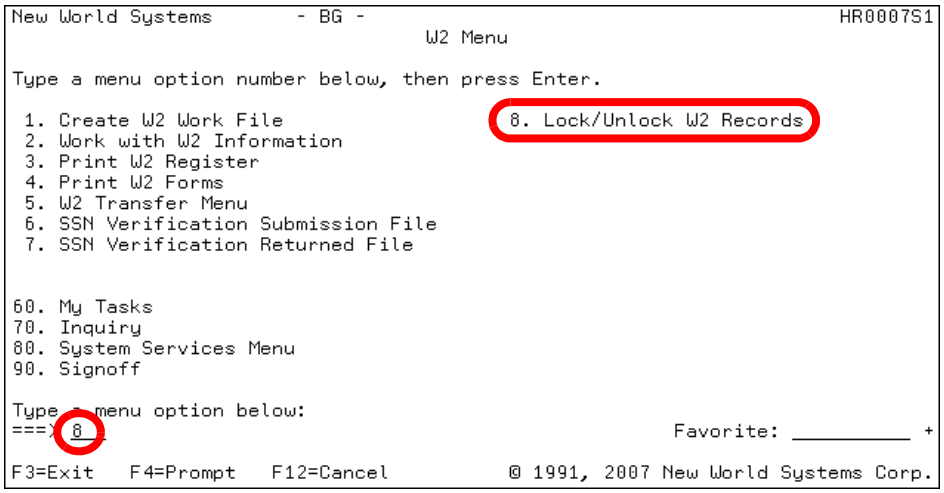
The following security program must be added to security and to an individual user to be able to access the Work with W2/1099-R Detail Records screen.

Program	Program Description	A	C	D	I	U
HR2805	Work with W2/1099-R Detail Records				Y	

Lock/Unlock Records for W2/1099-R Processing

This in conjunction with the previous enhancement enables a user to lock/unlock employee W2/1099-R records for a specific year.

To accommodate this, a new option a was added to the **W2 Menu**. Select **Option 8**.



The **Lock/Unlock W2 Records** screen will appear. A ***Year*** or ***Employee*** must entered and the ***Lock/Unlock*** field must be populated. Make your selections and press **<Enter>**.



In the Work with W2/1099-R Detail Records screen, if a tax record is locked a user will receive an error message when trying to access it. Locked records will appear in yellow. Records that are locked will be skipped if tax records for a specific year are being recreated.

Set-up

Security

The following security program must be added to security and to an individual user to be able to access the Lock/Unlock W2/1099-R Detail Records screen.

Program	Program Description	A	C	D	I	U
HR2827S	Lock/Unlock W2/1099-R Detail Records		Y			

7.0.6 Enhancements

W2/1099-R Pressure Seal Forms

Pressure seal forms can now be used for the print W2/1099-R Forms and Print Vendor processes. For a list of which forms are supported, ask for the 2007 Tax Form Excel spreadsheet (SCR 140888).

Set-up

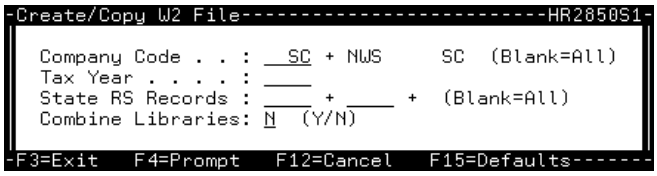
Work with Report Defaults

Screen HR2845S has been changed and needs to be reset via Option 10 on the **Work with Report Defaults** screen. This screen is accessed via Option 4 on the Security Menu.

Create/Copy W2 File Select State RS Records

When creating or copying W2 files, the ability to select what state RS records are used has been added. This enables state specific files to be created.

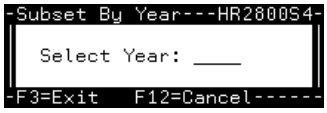
From the **W2 Transfer Menu**, select the option to Create/Copy W2 File. In the resulting **Create/Copy W2 File** screen, the ***State RS Records*** fields are new. These enable the user to select what RS records to be used.



Subset Work With W2/1099-R Information by Year

A function key has been added to the Work with W2/1099-R Information screen that enables a user to view all employee records from one specific year.

From the Work with W2/1099-R Information screen, press **<F18>**. The **Subset by Year** screen will appear and enables a user to select a specific year to display W2/1099 records for. After selecting a year, <F16> can still be used to subset by department, sub-department, benefit group, or status. This only affects the Work with screen; once the user selects an employee to change, all of the W2/1009 records for that employee will display regardless of the year that was selected.



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