



**Michigan School Business Officials**

# QUARTER / YEAR- END RECONCILIATION AND PROCESSING

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# DISCLAIMER

- ❑ These slides reflect general legal standards for the related presentation and are not intended as legal advice for specific situations.
- ❑ Future legal developments may affect these topics
- ❑ The information is not intended to be used as a basis for any decision or action that may affect your business, organization or situation. Consult a qualified professional advisor before making final decisions.



# AGENDA

- What's New? (Payroll Update)
- Reconciliation
- Tax Liabilities
- 941s / Schedule B
- W-2s



# WHAT'S NEW?

## SOCIAL SECURITY

- ❑ 2024: Tax Rate is 6.2 % for each the employee and employer
- ❑ 2024: The wage base limit is \$168,600 (up from \$160,200 in 2023)
- ❑ 2024: Maximum contribution \$10,452.20

## MEDICARE

- ❑ 2024: Tax Rate is 1.45% for each the employee and employer
- ❑ 2024: No wage base limit
- ❑ 2024: Once wages and tips exceed \$200,000, there is an additional Medicare tax (.9%) which is only imposed on the employee. (Employers do not match the additional tax)

## RETIREMENT LIMITS 2024

- ❑ 457: \$23,000 limit 2024 (\$7,500 additional “catch-up” for those over 50, \$30,500 max)
- ❑ The Defined Contribution employee portion of MPSERS retirement plan is a 457. Make sure if you have an employee who is contributing to DC and a 3<sup>rd</sup> party 457, that the combined contribution between both plans, doesn't exceed the annual limit
- ❑ 403b: \$23,000 limit 2024 (\$7,500 additional “catch-up” for those over 50, \$30,500 max)
- ❑ Early withdrawal penalties may apply if distributions are taken before age 59 ½ (10 % early withdrawal penalty in addition to income tax)

# LIMITS 2024

## Health Savings Account (HSA):

- \$4,150 single

- \$8,300 double/family

- Ages 55+ can make \$1,000 “catch up”

## FSA Medical:

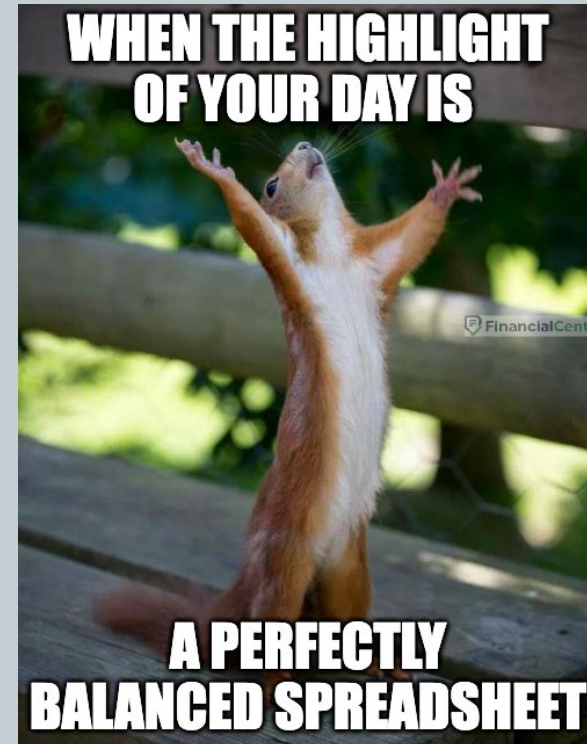
- \$3,200 max (household can contribute up to \$6,400)

## FSA Dependent:

- \$5,000 (\$2,500 if married filing separately)

# RECONCILIATION

- Helps you balance your numbers and catch discrepancies in a timely manner
  - Facilitates accurate reporting
  - Provides detailed summary of payroll for quick reference and backup
- Reconcile on a per pay or monthly basis
- What tools are you using to reconcile?
  - Report from payroll system?
  - Spreadsheet?
- ❖ See example provided



Dexter Community Schools  
Payroll Workpapers  
Calendar Year 2024

Actual Payroll Date	Pay#	Gross	Employee Reimbursements	Board Annuity 403BRD 403MATCH	Adjusted Gross	Taxable Gross	FICA Gross	Medicare Gross	Med to Taxable Gross Calculation	Difference Federal Withholding	Employee FICA Withholding	Employer FICA Liability	Employee Medicare MED Withholding	Employer Medicare Liability	Federal Liability	Date of Federal Deposit	Federal Deposit	Fed W/H Dif
01/15/24	13	1,117,567.57	7,505.57		1,110,062.00	874,531.07	1,020,912.95	1,020,912.95	964,599.22	68,217.99	63,296.68	63,296.68	14,803.30	14,803.30	224,417.95	1/12/24	224,417.95	-
01/31/24	14	1,118,508.84	50.00		1,118,458.84	881,521.98	1,029,636.88	1,029,636.88	973,431.36	68,954.98	63,837.47	63,837.47	14,929.84	14,929.84	226,489.60	1/31/24	226,489.60	-
02/15/24	15	1,236,334.02	4,729.23	42,388.00	1,189,216.79	941,667.19	1,094,113.67	1,094,113.67	1,036,238.98	72,294.16	67,835.03	67,835.03	15,864.44	15,864.44	239,693.10	2/16/24	239,693.10	-
02/29/24	16	1,209,241.21	1,209.53		1,208,031.68	962,064.22	1,115,994.14	1,115,994.14	1,057,953.66	74,287.93	69,191.72	69,191.72	16,182.02	16,182.02	245,035.41	2/29/24	245,035.41	-
03/15/24	17	1,171,376.18	2,816.74		1,168,559.44	921,270.63	1,074,417.93	1,074,417.93	1,016,518.00	71,174.34	66,613.72	66,613.72	15,578.97	15,578.97	235,559.72	3/18/24	235,559.72	-
03/31/24	18	1,232,429.39	42.68		1,232,386.71	977,461.79	1,140,897.31	1,140,897.31	1,081,747.33	79,778.51	70,735.75	70,735.75	16,542.91	16,542.91	254,335.83	3/29/24	254,335.83	-
<b>Payroll Total Reports</b>		<b>7,085,457.21</b>	<b>16,353.75</b>	<b>42,388.00</b>	<b>7,026,715.46</b>	<b>5,558,516.88</b>	<b>6,475,972.88</b>	<b>6,475,972.88</b>	<b>6,130,488.55</b>	<b>434,707.91</b>	<b>401,510.37</b>	<b>401,510.37</b>	<b>93,901.48</b>	<b>93,901.48</b>	<b>1,425,531.61</b>		<b>1,425,531.61</b>	<b>-</b>
<b>Quarterly 941 totals</b>																		
1/1-3/31	18	7,085,457.21	16,353.75	42,388.00	7,026,715.46	5,558,516.88	6,475,972.88	6,475,972.88		434,707.91	401,510.37	401,510.37	93,901.48	93,901.48	1,425,531.61		1,425,531.61	-
4/1-6/30	24	-	-	-	-	-	-	-		-	-	-	-	-	-		-	-
7/1-9/30	6	-	-	-	-	-	-	-		-	-	-	-	-	-		-	-
10/1-12/31	12	-	-	-	-	-	-	-		-	-	-	-	-	-		-	-
		7,085,457.21	16,353.75	42,388.00	7,026,715.46	5,558,516.88	6,475,972.88	6,475,972.88		434,707.91	401,510.37	401,510.37	93,901.48	93,901.48	1,425,531.61		1,425,531.61	
FYD 1/1-6/30		7,085,457.21	16,353.75	42,388.00	7,026,715.46	5,558,516.88	6,475,972.88	6,475,972.88		434,707.91	401,510.37	401,510.37	93,901.48	93,901.48	1,425,531.61		1,425,531.61	
FYD 7/1-12/31		-	-	-	-	-	-	-		-	-	-	-	-	-		-	-
<b>Payroll Total Reports</b>																		
<b>1st Q totals</b>		7,085,457.21				5,558,516.88	6,475,972.88	6,475,972.88		434,707.91	401,510.37	401,510.37	93,901.48	93,901.48	1,425,531.61		1,425,531.61	
<i>J Matthews NLTD</i>						1,788.30												
<b>ADJ 1st QTR 941 totals</b>		7,085,457.21	-	-	-	5,560,305.18	6,475,972.88	6,475,972.88	-	434,707.91	401,510.37	401,510.37	93,901.48	93,901.48	1,425,531.61		1,425,531.61	





# TAXES & WITHHOLDINGS



- Michigan (MI-W4) and Federal withholding tax (W-4) is required based on information the employee provides on their W-4
- "If an employee fails to give you a properly completed Form W-4, you must withhold federal income taxes from his or her wages as if he or she were single or married filing separately with no other entries on step 2, 3, or 4 of the Form W-4. This means that a single filer's standard deduction with no other entries will be considered in determining withholding."
- Local withholding tax is required in some cities
- Other deductions/withholdings such as garnishments and child support must be made according to legal documents. All deductions must have written order for withholdings
- FICA/Medicare must be withheld

# TAX PAYMENTS



- Federal tax payments are done through electronic deposits in EFTPS (Login.gov as of October 2023)
- Federal tax, FICA x 2 (EE & ER) , MED x2 (EE & ER)
- Use [www.eftps.com](http://www.eftps.com) (retains tax deposit history)
- Up to a 15% penalty if you do not use as required or do not pay on time
- [Publication 15-T](#)
  - Includes tax tables to verify employee withholding amounts and update payroll software each year
- Be mindful of bank & federal holidays

**EFTPS®**  
Electronic Federal Tax Payment System

HOME | ENROLLMENT | MY PROFILE | PAYMENTS | HELP & INFORMATION | CONTACT US | LOGIN

ABOUT EFTPS  
HOW TO USE EFTPS  
FAQ  
WHAT'S NEW?  
PRIVACY STATEMENT  
ACCESSIBILITY STATEMENT

## WELCOME TO EFTPS®

**New to our site?**  
The Electronic Federal Tax Payment System® tax payment service is provided free by the U.S. Department of the Treasury. After you've enrolled and received your credentials, you can pay any tax due to the Internal Revenue Service (IRS) using this system.

**MAKE A PAYMENT**  
**ENROLL**

**Notice to Website Users - Multifactor Authentication (MFA):**

- **What is Multifactor Authentication (MFA) and why is it required?**  
Fiscal Service is requiring Multifactor Authentication (MFA) for system access. The new authentication process supports Executive Order 14028, requiring all federal agency applications to implement MFA. EFTPS is partnering with third-party credential service providers Login.gov and ID.me for MFA services.  
Secure sign-in via Login.gov or ID.me is required as of **October 19, 2023**.
- **I'm confused about which credentials to use. How do I log in to EFTPS after I authenticate?**  
Your MFA credentials are separate and do not replace your EFTPS credentials.  
After authenticating with [ID.me](#) or [Login.gov](#), you will be redirected to [eftps.gov](#), where you will log in with your EIN or SSN, PIN, and EFTPS password.  
You are not required to create a new EFTPS login or enrollment if you already have EFTPS credentials. Registering or authenticating with [ID.me](#) or [Login.gov](#) will not change your existing EFTPS credentials or create new ones.  
If you need to change your EFTPS password or request a new one, click [here](#) for instructions.
- **Where can I go for MFA help?**
  - [Login.gov](#) - Visit [login.gov/contact](#) for FAQs, help ticket submission, and live agent assistance
  - [ID.me](#) - Visit [help.ID.me](#) for FAQs, help ticket submission, and virtual chat support
  - [EFTPS](#) - Call 1.800.555.4477 for live customer service agent assistance or visit [Multifactor Authentication \(MFA\) & Login Questions](#) for FAQs, including these common questions:
    - [How do I register or authenticate with ID.me, Login.gov, or PIV/CAC?](#)
    - [How do I log in to EFTPS after I authenticate?](#)
    - [How do I authenticate if I need to access multiple EFTPS enrollments?](#)
    - [What if I have trouble signing in to ID.me or Login.gov or don't receive an authentication code?](#)
    - [How can I fix a browser issue or error I experienced with ID.me or Login.gov?](#)

**Please note:** Your tax payment is due regardless of this Web site's availability. You can always make a tax payment by calling our voice response system at 1.800.555.3453. Follow the prompts to make your payment.

# BANK HOLIDAYS

Holiday	2023	2024	2025	2026	2027
New Year's Day	January 1**	January 1	January 1	January 1	January 1
Martin Luther King Jr. Day	January 16	January 15	January 20	January 19	January 18
Washington's Birthday (Presidents Day)	February 20	February 19	February 17	February 16	February 15
Memorial Day	May 29	May 27	May 26	May 25	May 31
Juneteenth National Independence Day	June 19	June 19	June 19	June 19	June 19*
Independence Day	July 4	July 4	July 4	July 4*	July 4**
Labor Day	September 4	September 2	September 1	September 7	September 6
Columbus Day	October 9	October 14	October 13	October 12	October 11
Veterans Day	November 11*	November 11	November 11	November 11	November 11
Thanksgiving Day	November 23	November 28	November 27	November 26	November 25
Christmas Day	December 25	December 25	December 25	December 25	December 25*


# PUBLICATION 15 – TAX DEPOSIT PENALTIES

- Next day depositors required to deposit 100% of their tax liability on or before the deposit due date (next business day after pay day)
  - You are a next day depositor if you accumulate taxes of \$100,000 or more on any day during a deposit period.
- 1-5 days late – 2%
- 6 to 15 days late – 5%
- 16 or more days late – 10%
- If taxes paid directly to IRS unless \$2,500 or less – 10%
- If paid late after IRS notice - 15%



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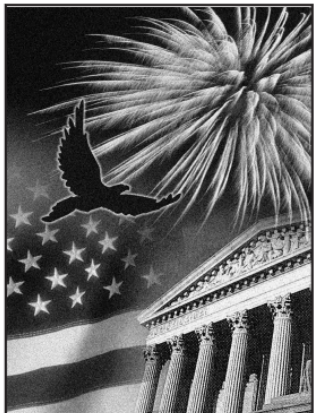
# 941s

 Department of the Treasury  
Internal Revenue Service

**Publication 15**  
Cat. No. 10000W

**(Circular E),  
Employer's  
Tax Guide**

For use in **2024**



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**Future Developments**

For the latest information about developments related to Pub. 15, such as legislation enacted after it was published, go to [IRS.gov/Pub15](https://www.irs.gov/pub15).

**What's New**

Pub. 15 is now for all employers. Pub. 15 can now be used by all employers, including agricultural employers and employers in the U.S. territories. Pub. 51, Agricultural

Get forms and other information faster and easier at:

- [IRS.gov](https://www.irs.gov) (English)
- [IRS.gov](https://www.irs.gov) (Spanish) (Español)
- [IRS.gov](https://www.irs.gov) (Chinese)
- [IRS.gov](https://www.irs.gov) (Korean) (한국어)
- [IRS.gov](https://www.irs.gov) (Russian) (Русский)
- [IRS.gov](https://www.irs.gov) (Vietnamese) (Tiếng Việt)

Dec 19, 2023

- 941s report taxable wages, liabilities/withholding and tax payments for each quarter. This includes Federal income tax, Social Security tax and Medicare tax withheld from employees' paychecks.
- Due last day of the month after quarter ends (ie. Q1 Jan-Mar: 941 due 4/30)
  - 10<sup>th</sup> day of the 2<sup>nd</sup> month that follows end of quarter, if timely deposits were made
- Your four 941 quarterly returns should match your annual W-2 amounts totaled on your yearly W-3 transmittal file
- [Publication 15](#) (Circular E)
  - Explains your tax responsibilities as an employer
  - Directions for 941, what's new, depositing taxes
  - Tax Tables

941

Line 2 – Wages

Wages paid

Sick Pay

If paid by your agent or third-party, if they transferred liability for the employer's taxes to you

Line 3 – FIT Withheld

W/H from wages and applicable sick pay

Line 5 (a-d) – Social Security & Medicare Wages

Total wages, sick pay and taxable fringes

Line 7 – adjustment of fraction of cents, due to rounding

Line 13 – Total Taxes Deposited

Actual Cash Payments made through EFTPS

Employer identification number (EIN)  -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/country Foreign postal code

**Report for this Quarter of 2024**  
(Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Go to [www.irs.gov/Form941](http://www.irs.gov/Form941) for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1:** Answer these questions for this quarter. Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico can skip lines 2 and 3, unless you have employees who are subject to U.S. income tax withholding.

1	Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)	1	<input type="text"/>
2	Wages, tips, and other compensation	2	<input type="text"/>
3	Federal income tax withheld from wages, tips, and other compensation	3	<input type="text"/>
4	If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/>	Check here and go to line 6.
		Column 1	Column 2
5a	Taxable social security wages	<input type="text"/>	<input type="text"/>
5b	Taxable social security tips	<input type="text"/>	<input type="text"/>
5c	Taxable Medicare wages & tips	<input type="text"/>	<input type="text"/>
5d	Taxable wages & tips subject to Additional Medicare Tax withholding	<input type="text"/>	<input type="text"/>
5e	Total social security and Medicare taxes. Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	<input type="text"/>
5f	Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions)	5f	<input type="text"/>
6	Total taxes before adjustments. Add lines 3, 5e, and 5f	6	<input type="text"/>
7	Current quarter's adjustment for fractions of cents	7	<input type="text"/>
8	Current quarter's adjustment for sick pay	8	<input type="text"/>
9	Current quarter's adjustments for tips and group-term life insurance	9	<input type="text"/>
10	Total taxes after adjustments. Combine lines 6 through 9	10	<input type="text"/>
11	Qualified small business payroll tax credit for increasing research activities. Attach Form 8974	11	<input type="text"/>
12	Total taxes after adjustments and nonrefundable credits. Subtract line 11 from line 10	12	<input type="text"/>
13	Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), or 944-X filed in the current quarter	13	<input type="text"/>
14	Balance due. If line 12 is more than line 13, enter the difference and see instructions	14	<input type="text"/>



# 941 SCHEDULE B

- File with 941 if you are a semi-weekly or next day depositor
  - Used to show your TAX LIABILITY dates for the quarter, not to show your deposit dates
- The IRS uses Schedule B to determine if you've deposited your federal employment tax liability on time
  - Penalties for untimely tax payments are determined by your Schedule B entries – so make sure your deposits and liabilities align
- Don't complete Schedule B if you have a tax liability on Form 941, line 12, that is less than \$2,500 during the quarter

## Schedule B (Form 941):

960311

### Report of Tax Liability for Semiweekly Schedule Depositors

OMB No. 1545-0029

(Rev. March 2024)

Department of the Treasury – Internal Revenue Service

Employer identification number (EIN)    -

Name (not your trade name)

Calendar year     (Also check quarter)

#### Report for this Quarter...

(Check one.)

- 1: January, February, March
- 2: April, May, June
- 3: July, August, September
- 4: October, November, December

Use this schedule to show your **TAX LIABILITY** for the quarter; don't use it to show your deposits. When you file this schedule with Form 941, don't change your tax liability by adjustments reported on any Forms 941-X or 944-X. You must fill out this schedule and attach it to Form 941 if you're a semiweekly schedule depositor or became one because your accumulated tax liability on any day was \$100,000 or more. Write your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 for details.

**Month 1**

1	<input type="text"/>	9	<input type="text"/>	17	<input type="text"/>	25	<input type="text"/>	Tax liability for Month 1 <input type="text"/>
2	<input type="text"/>	10	<input type="text"/>	18	<input type="text"/>	26	<input type="text"/>	
3	<input type="text"/>	11	<input type="text"/>	19	<input type="text"/>	27	<input type="text"/>	
4	<input type="text"/>	12	<input type="text"/>	20	<input type="text"/>	28	<input type="text"/>	
5	<input type="text"/>	13	<input type="text"/>	21	<input type="text"/>	29	<input type="text"/>	
6	<input type="text"/>	14	<input type="text"/>	22	<input type="text"/>	30	<input type="text"/>	
7	<input type="text"/>	15	<input type="text"/>	23	<input type="text"/>	31	<input type="text"/>	
8	<input type="text"/>	16	<input type="text"/>	24	<input type="text"/>		<input type="text"/>	

**Month 2**

1	<input type="text"/>	9	<input type="text"/>	17	<input type="text"/>	25	<input type="text"/>	Tax liability for Month 2 <input type="text"/>
2	<input type="text"/>	10	<input type="text"/>	18	<input type="text"/>	26	<input type="text"/>	
3	<input type="text"/>	11	<input type="text"/>	19	<input type="text"/>	27	<input type="text"/>	
4	<input type="text"/>	12	<input type="text"/>	20	<input type="text"/>	28	<input type="text"/>	
5	<input type="text"/>	13	<input type="text"/>	21	<input type="text"/>	29	<input type="text"/>	
6	<input type="text"/>	14	<input type="text"/>	22	<input type="text"/>	30	<input type="text"/>	
7	<input type="text"/>	15	<input type="text"/>	23	<input type="text"/>	31	<input type="text"/>	
8	<input type="text"/>	16	<input type="text"/>	24	<input type="text"/>		<input type="text"/>	

**Month 3**

1	<input type="text"/>	9	<input type="text"/>	17	<input type="text"/>	25	<input type="text"/>	Tax liability for Month 3 <input type="text"/>
2	<input type="text"/>	10	<input type="text"/>	18	<input type="text"/>	26	<input type="text"/>	
3	<input type="text"/>	11	<input type="text"/>	19	<input type="text"/>	27	<input type="text"/>	
4	<input type="text"/>	12	<input type="text"/>	20	<input type="text"/>	28	<input type="text"/>	
5	<input type="text"/>	13	<input type="text"/>	21	<input type="text"/>	29	<input type="text"/>	
6	<input type="text"/>	14	<input type="text"/>	22	<input type="text"/>	30	<input type="text"/>	
7	<input type="text"/>	15	<input type="text"/>	23	<input type="text"/>	31	<input type="text"/>	
8	<input type="text"/>	16	<input type="text"/>	24	<input type="text"/>		<input type="text"/>	

## 941 PENALTIES

- ❑ For each whole or part month a return isn't filed when required, there is a failure-to-file (FTF) penalty of 5% of the unpaid tax due with that return.
  - ❑ The maximum penalty is 25% of tax due
- ❑ For each whole and part month a return is not filed when required, there is a failure-to-pay (FTP) penalty of 0.5% per month of the amount of tax
  - ❑ The maximum penalty is 25% of tax due
- ❑ In addition to the penalties, interest accrues from the due date of the tax on any unpaid balance.



## 941 PENALTIES

- The IRS may assess an averaged: FTD penalty of 2% to 10% if you are a semiweekly schedule depositor and your tax liability shown on Form 941, line 10, equaled or exceeded \$2,500 and you:
  - Completed Form 941, line 16, instead of Schedule B
  - Failed to attach a properly completed Schedule B
  - Improperly completed Schedule B by, for example, entering tax deposits instead of tax liabilities

## 941 PENALTIES

- You can avoid penalties by reviewing your return before you file it
- If you are a semiweekly schedule depositor, report your tax liabilities (not your deposits) on Schedule B in the lines that represent the dates your employees were paid
- Verify your total liability on Schedule B equals your tax liability shown on Form 941, line 12
- Do not show negative amounts on schedule B
- For prior period errors do not adjust your tax liabilities, file a 941X

# 941-X

- Use Form 941-X to correct errors on a Form 941 from a previous quarter
- Use Form 941-X to correct:
  - Wages, tips and other compensation;
  - Income tax withheld from wages, tips, and other compensations;
  - Taxable Social Security wages and tips & taxable Medicare wages and tips
  - Taxable wages and tips subject to Additional Medicare Tax withholding
  - [Instructions for Form 941](#)

W-2s

## W-2 BSO



- Business Services Online (BSO)
  - Verify social security numbers
  - Report wages to social security (submit W-2s, test using AccuWage, request extension)
- Login.gov account to get access to submit W-2s, etc.
  - Does take time to get access, don't wait until the last minute!
- Employers with more than 250 must file electronically
  - IRS may waive filing requirement if there is a hardship

## W-2 BSO

- Create your Login.gov account, then request access to verify social security numbers and submit W-2s online
- You will need to provide your personal information such as SSN, DOB, address, etc.
- A week or so after you request access, you will receive an activation code via mail to your school district
- You will receive an activation code for each “service” you request access to
- Accuwage helps verify your file complies with EFW2 format
- It doesn’t verify names and SSNs
- It identifies many, but not all errors





## W-2- IRS ADVICE

- Validate Social Security Numbers on W-4 using Social Security Administration (SSA) verification service
- Ask each employee to show Social Security Number (SSN) card during hiring process (most employees provide for I-9)
- Maintain copy of W-4
- If there are changes to an employees name due to marriage or divorce, ensure the employee provides you with the updated Social Security Card

# W-2 SPECIFIC INSTRUCTIONS

## Box 1: Wages

- Wages, tips, bonuses and all taxable compensation paid by the employer

## Box 2: Federal Income Tax Withheld

## Box 3: Social Security Wages (watch limits)

## Box 4: Social Security Tax Withheld

## Box 5: Medicare Wages and Tips

## Box 6: Medicare Tax withheld

## Notes:

- Social Security and Medicare Wages should be the same (unless the employee has reached the limit)
- Gross wages less Pre-FICA deductions (Health, HSA, HCF 3%) = Box 3 & 5
  - Gross wages less pre-tax deductions (retirement) = Box 1

1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld
7 Social security tips	8 Allocated tips

# W-2 SPECIFIC INSTRUCTIONS

## Form W-2 Reference Guide for Box 12 Codes

<b>A</b>	Uncollected social security or RRTA tax on tips	<b>L</b>	Substantiated employee business expense reimbursements	<b>Y</b>	Deferrals under a section 409A nonqualified deferred compensation plan
<b>B</b>	Uncollected Medicare tax on tips (but not Additional Medicare Tax)	<b>M</b>	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only)	<b>Z</b>	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A
<b>C</b>	Taxable cost of group-term life insurance over \$50,000	<b>N</b>	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (but not Additional Medicare Tax) (former employees only)	<b>AA</b>	Designated Roth contributions under a section 401(k) plan
<b>D</b>	Elective deferrals under a section 401(k) cash or deferred arrangement plan (including a SIMPLE 401(k) arrangement)	<b>P</b>	Excludable moving expense reimbursements paid directly to members of the Armed Forces	<b>BB</b>	Designated Roth contributions under a section 403(b) plan
<b>E</b>	Elective deferrals under a section 403(b) salary reduction agreement	<b>Q</b>	Nontaxable combat pay	<b>DD</b>	Cost of employer-sponsored health coverage
<b>F</b>	Elective deferrals under a section 408(k)(6) salary reduction SEP	<b>R</b>	Employer contributions to an Archer MSA	<b>EE</b>	Designated Roth contributions under a governmental section 457(b) plan
<b>G</b>	Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan	<b>S</b>	Employee salary reduction contributions under a section 408(p) SIMPLE plan	<b>FF</b>	Permitted benefits under a qualified small employer health reimbursement arrangement
<b>H</b>	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	<b>T</b>	Adoption benefits	<b>GG</b>	Income from qualified equity grants under section 83(i)
<b>J</b>	Nontaxable sick pay	<b>V</b>	Income from exercise of nonstatutory stock option(s)	<b>HH</b>	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
<b>K</b>	20% excise tax on excess golden parachute payments	<b>W</b>	Employer contributions (including employee contributions through a cafeteria plan) to an employee's health savings account (HSA)	<b>II</b>	Medicaid waiver payments excluded from gross income under Notice 2014-7

See [Box 12 Codes](#).

# W-2 SPECIFIC INSTRUCTIONS

## Box 13:

### Retirement Plan:

Check this box if employee was an “active participant”

### Third-Party Sick Pay

## Box 14 – Other

Use this box for any information you want to give your employee

<b>13</b>	Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>
<b>14 Other</b>			

<b>14 Other</b>
HLTHPRM - 503.28
ORS457 - 2242.90
ORSRET - 2870.67

## W-2 DECEASED EMPLOYEES

- If an employee dies during the year, you must report all wages paid to the employee while the employee was alive along with any compensation paid after date of death
- If payments were made after the employee's death but in the same year the employee died, you must withhold social security and Medicare taxes on the payments, and report the payments on W-2 only as social security and Medicare wages. Do not include in Box 1
- If you made the payment after the year of death, do not report it on the form W-2, and do not withhold Social Security and Medicare taxes

## GROUP TERM LIFE INSURANCE (GTL) > \$50,000

- Subject to Federal tax (at your option), Social Security and Medicare tax withholding
- Box 1, 3, and 5 – Box 12 (Code C)
- The imputed cost of coverage in excess of \$50,000 must be included in income, using the IRS Premium Table, and is subject to federal, social security and Medicare taxes
- You can view the Premium Table in the group-term life insurance discussion in [Publication 15-B](#)
- If employee terminated before processing GTL > \$50,000 report on W-2 box 12 uncollected social security (Code M) and Medicare (Code N)

## W-2 SPECIFIC INSTRUCTIONS

- Errors in preparing W-2 Form:
  - Employee name and SSN matches
  - Box 12 information items not reported properly
  - Box 13 checkboxes
  - Printing problems, ie. spacing, alignment
  - Incorrect reporting of third-party sick pay

# W-2 DUE DATE

- Electronic filing, paper filing and employee copies are due January 31<sup>st</sup>
  - You may request a 30-day extension
  - IRS will only grant the extension in extraordinary circumstances or catastrophe.
  - Give yourself enough time to review / take your time
- Send notice to employees that W-2s are available. Notice can be mailed, electronic mail or in person.
  - Email notice subject line: IMPORTANT TAX RETURN DOCUMENT AVAILABLE





# W-2 RETENTION

- Retention of returned returns
  - Maintain for at least 4 years after the due date of such tax for the return period to which the records relate
  - Keep “undeliverable” W-2 for 4 years
  - If undelivered form can be produced electronically through the required date, you don’t have to keep paper copies

## W-2 C

- Used to correct errors on W-2s filed with SSA, also to provide corrected W-2 to the employee
- Corrections reported on Form W-2c may require you to make corrections to your previously filed employment tax returns (941) and you will need to complete the correct form, such as 941-X
- [General Instructions for Forms W-2 and W-3 \(Print Version\)](#)



Any Questions?