

Payroll Pointers for Filers of Forms W-2 / W-3



Contact Your Employer Service Liaison Officer

See “How to Reach Us” at www.socialsecurity.gov/employer

Agenda

Tax Year 2011 W-2 Reminders

Social Security Number Verification Service

Reconciliation Process

Common Errors to Avoid

Social Security Number Randomization

Apply for Social Security Benefits Online –

www.socialsecurity.gov

Tax Year 2011 W-2 Reminders

Social Security Wage Maximum - \$106,800

W-2s to Employees – January 31, 2012

W-2 Deadline to SSA

- Paper – February 29, 2012
- Electronic – April 2, 2012

Tax Year 2011 W-2 Reminders

Elimination of Box 9 (Advanced EITC)

New Box 12 codes – DD (health insurance cost – optional for TY 11) and EE (Roth 457)

New W-3 kind of employer entry

Paper W-2 Filing



Permitted for less than 250 W-2s

Common Paper Errors

- Hand written W-2s
- Decimal points and cents omitted
- Incorrect Font and Size – Use 12pt Courier
- Using light colored ink - Use Black Ink
- Adding dollar signs (\$) to money fields

Electronic Filing



Free, fast, and secure

Saves time and reduces filing burden

Offers a later filing deadline

Immediate receipt of filing

More accurate postings for beneficiaries

Electronic Filing

Register - Business Services Online (BSO)
How to Register for Business Services Online
(Video)

Required for >249 W-2s/W-2Cs

Create a txt file - EFW2/EFW2C

- Buy a software package/create in-house
 - Hire outside filing agent
 - See vendor list online
- * Or use W-2 and W-2C Online....

W-2 & W-2C Online

FREE & EASY! No special forms or software

Direct key data into forms online

- 20 W-2s per W-3 (current year only)
- 5 W-2cs per W-3c (prior 3 years)

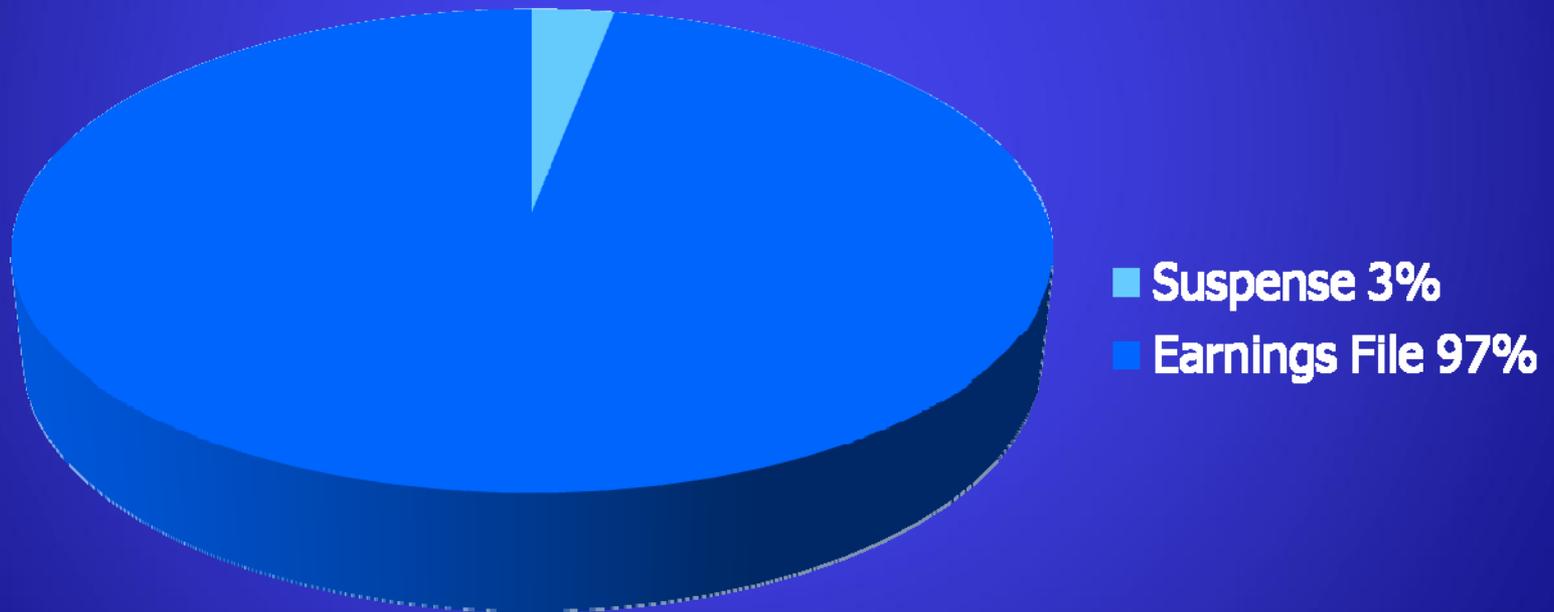
Built-in surface edits

Ability to print all copies of forms

Save-make changes-submit-save again

Name/SSN Mismatches

W-2s



Social Security Number Verification Service

Web-based - Name/SSN Verification

- Name & number matching for wage reporting
- *Not for* screening potential hires
- *Not for* income tax filing purposes

Verification failure not a basis in and of itself for adverse action

Social Security Number Verification Service

Two methods:

- Direct key up to 10 – immediate results
- Upload a file up to 250,000 – next day

Register

Get Activation Code

Best Practice -Verify entire database once, then
verify new hires (all, not selectively)

Verification Codes

Code	Meaning
1	SSN Not in File
2	Name/DOB Match – Gender does not
3	Name/Gender Match – DOB does not
4	Name Match – Gender/DOB does not
5	Name does not match (Gender/DOB not checked)
6	Unable to Verify
	Deceased

What to do if SSN Fails Verification

Double check your entries

Ask employee to verify the information against
SSN card

Refer to SSA field office if SSA records need
correction – see notice online at
www.socialsecurity.gov/employer

Document your efforts

Telephone Number Employer Verification (TNEV)

TNEV

Automated telephone service

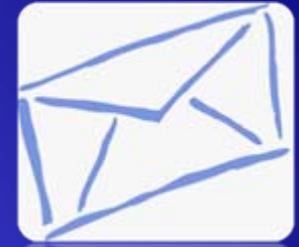
Pre-registration for SSNVS required

No more call-ins to SSA offices

1-800-772-1213 “Employer SSN
Verification”

1-800-772-6270 press “1.”

No Match Letters



Employer No Match Letters

Started sending letters in 1994

Discontinued in 2006

Employee (Individual) No Match Letters

Started sending letters to employees in 1979

Employer is sent a letter only when the address for the employee is missing/invalid

Note: Employer No Match Letters on hold since 2008 – Resumed sending letters April 2011

E-Verify (Dept. of Homeland Security)

Voluntary under federal law, but State law and Executive Order require it for some employers

Participating employer must verify all new hires

Web-based system verifies both SSN (SSA database) and Citizenship/Work Authorization status (DHS database)

Go to www.uscis.gov

click on the E-Verify logo:



Submission Status

Request access during registration or through
“Manage Services”

Activation code

Enter Activation Code

View file status



Electronic Wage Reporting (EWR)

Reporting Wages to Social Security

[Forms W-2/W-3 Online](#)[Forms W-2c/W-3c Online](#)[Upload Formatted Wage File](#)

[Create/Resume Forms W-2/W-3 Online](#)

- Create (fill in the form), save, print and submit up to 20 Forms W-2 per Form W-3. There is no limit on the number of Forms W-3 with up to 20 Forms W-2 an employer can enter, even if the multiple Forms W-3 are for the same Employer Identification Number (EIN).
- At any point in time, up to 50 Forms W-3, each containing up to 20 Forms W-2, can be saved and resumed/submitted at a later date.
- A pre-submission PDF is provided to print the Forms W-2 for distribution to the employees and for the employer review.
- Read the [list of restrictions](#) to determine whether you can use Forms W-2/W-3 Online.

[Save \(or Print\) Submitted W-2 Report\(s\)/PDF to Your Computer](#)

A printable final PDF version of a wage report created and submitted using Forms W-2/W-3 Online can be saved to your computer. The final PDF(s) are available for download for only 30 days from the date of submission.

Submission Status

[View Submission Status](#)

Check report status, errors, and notice information for previously submitted wage reports (Forms W-2/W-3).

Employer Report Status

[View Wage Report Status](#)

Check report status or view errors for reports submitted for your company by a third party.

Resubmission Notice

If you received a Resubmission Notice, you may use the following link to acknowledge receiving the Notice and/or to request a one-time 15-day extension of the deadline:

[Acknowledge Notice and/or Request Extension](#)

- You will need information from the Notice to acknowledge the notice or request an extension.
- You cannot extend if (a) the file has previously been resubmitted or (b) today is more than 45 days from the date on the Resubmission Notice.

[Alerts and News for EWR](#)[E-mail a Wage Reporting Expert](#)[Información en Español](#)

Online Tutorials & Training

[Wage Reporting Handbook](#)[SSN Verification Handbook](#)[Online Registration Handbook](#)[Online Tutorial](#)[FAQs - General Employer](#)

Other Useful Information

[▶ Before You File](#)[▶ Checking SSNs](#)[▶ Uploading Formatted Files](#)[▶ For Other Electronic Filers](#)[▶ General Info about Wage Filing](#)[▶ IRS Information](#)[▶ Publication Resources](#)[Employer Support Links](#)



Submission Status

EWR Handbook

Submission Search

Note: SSA will start processing your submissions in mid January. Submission information is not displayed for paper submissions.

Choose an option to view your submissions:



You may select a specific option to view the submissions for the selected Receipt Year. If there are more than 500 submissions for the option that you have selected, only the first 500 submissions will be displayed. If you do not see the submission you are looking for in the results, please select a different option.

The Receipt Year is the year that the Social Security Administration began processing your original submission. For Resubmissions, the Receipt Year is identified on your original Resubmission Notice.

Please Choose a Receipt Year:
(For Submissions After 12/03/2010)

Choose Receipt Year 2011):

Show the first 500 submissions for:



Submission Status

[EWR Handbook](#)

Submission Results

Helpful Hints:

- Select the results displayed in the *Submission Status* column for an explanation of submission status codes.
- Select the *View Notice* link in the *Resubmission Notice* column to view your resubmission notice.
- Select the links in the *View Errors* column to view your error information.
- Select the *View Reports* link in the *Reports* column to view the status of your report(s).
- If you used a method other than the Internet to file your submission, allow six weeks for it to be displayed here.
- If you have used the Internet to **resubmit** a file, allow 30 days for it to be displayed here.
- Click on the Receipt Date, WFID, or Submission Status column headings to sort.

* Note: The Resubmission Notice, View Errors, and Reports columns will be blank if they do not apply to the submission.

Submission Information for EIN: _____ Receipt Year: 2010

Receipt Date	WFID	Version	Submission Status	Status Date	*Resubmission Notice	*View Errors	Submission Details	*Reports
10/20/2009	400768	01	IN PROCESS	10/20/2009			Details	
10/20/2009	400769	01	RETURN	10/26/2009	View Notice	By Error Description By Report Number	Details	View Reports
10/23/2009	KVX923	01	RECEIVED	10/23/2009			Details	
12/07/2009	KVY407	01	COMPLETE	12/11/2009			Details	View Reports
12/07/2009	401038	02	DUPLICATE	12/11/2009			Details	View Reports
04/08/2010	KVY803	01	COMPLETE	04/19/2010		By Error Description By Report Number	Details	View Reports

[Back to Top](#)

Resubmission Requests

Electronic Reports

- Critical errors

- Get letter/acknowledge receipt – 14 days

- Use AccuWage and/or SSNVS

- Resubmit through BSO — 45 days

Paper Reports

- New process from Wilkes-Barre

- Wrong form types, per IRS

- Confirm notice receipt—14 days

- Resubmit electronically/paper – 45 days

RECONCILIATION



Reconciliation Process

941s to IRS vs W-3s to SSA

W-3 < than 941 → SSA sends letter

941 < than W-3 → IRS sends letter

Respond to the agency who sent the notice

In a real tangle? Contact your ESLO

Wrong Tax Year

Easy mistake – BIG consequences

Reconciliation issues for the employer and employee

Requires two sets of W-2Cs to fix

- One set to remove the incorrect year
- Another set to post the correct year

Can be prevented: Use AccuWage!

Wrong EIN

Possible reconciliation issues for

- Employer
- Mystery Employer (the innocent party)
- Submitter

2678 Agent Reporter Indicated (?)

Requires two sets of W-2Cs to fix

- One set to remove off the incorrect EIN
- Another set to post to the correct EIN

Money Fields Out of Balance

Check totals before submitting W-2s

Reports will be returned

Medicare less than FICA?

W-3C/W-2Cs required to correct

Can be prevented: Use AccuWage!

Multiple Reports

Two or more sets of W-2 Wage Reports are submitted

- One Report with Bad W-2s
- One Report with Good W-2s

W-3C/W-2Cs required to correct

Note: *W-2Cs simply removing the bad report could make matters worse!*

Name and Number Mismatches

Matching names and numbers are essential for proper wage postings

Mismatched wages are posted in the Earnings Suspense File (ESF)

ITINs are *not* SSNs-does the number begin with a 9?

Letter sent to individuals

Correct with W-2Cs

ITIN (Internal Revenue Service)

Individual Taxpayer Identification Number

- 9xx-7x-xxxx or 9xx-8x-xxxx

Not valid for U.S. employment

NEVER issued if the person is authorized to work in the U.S.

Non-citizen ID number for income tax filing

Apply for ITIN on IRS Form W-7

ITIN or “Bad” SSN on W-4?

Request correct SSN from employee

If no SSN available by W-2 time

- Do not change the number to zeroes
- Enter the number in W-4 “SSN” box on the on W-2 (including E-File)

File W-2c (E-File preferred) when employee provides SSN

No SSN by W-2 Time

Paper filers

- Enter “Applied For” on all copies

Electronic filers

- “Applied For” on employee and employer copies
- All zeroes in W-2 Online or EFW2

File W-2c after employee receives SSN (E-File preferred)

Speaking of SSNs

Coming in June 2011...

RANDOMIZED ASSIGNMENT

SSNs will start using 8 or 7 in 1st position

No SSNs

- * with 9 in the 1st position
- * with 000 or 666 in positions 1 – 3
- * with all zeroes in the middle two or last 4 digits

No more High Group List

Reporting Back Pay Under a Statute

Back pay based on legal order (Age Discrimination Act, American with Disabilities Act, Equal Pay Act)

Reported on W-2 in year of receipt

IRS treats as wages for year of receipt

SSA treats as wages for the year it is assigned

Notify SSA via Special Report

- IRS Pub 957

Special Wage Payments

Payments after retirement (sick, bonuses, severance, sales commissions)

Reported on W-2 in year of receipt

May affect current benefits

Report SWPs for employees age 61+

- SSA 131 or paper listing
- Magnetic Media (*Being Phased Out*)
- BSO file upload--*New!!!*

Social Security Statement



Mailed - workers age 25 or older
Provides lifetime earnings summary
Provides Social Security benefit estimates

On hold beginning 2011!

Use statement to check accuracy of earnings and to create your own benefit estimate using online benefit calculators

Social Security Online

Boldly go where many have gone before:
www.socialsecurity.gov

We are pleased to announce George Takei is teaming up with Patty Duke for a series of new public service announcements promoting Social Security's website and online services.



Apply Online for Retirement!

www.socialsecurity.gov

Faster –15 minutes on average

Easier - just like a personal interview

- Online help screens if you have questions
- Apply when/where it's comfortable for you
- Start/stop (pause), then resume any time

Electronic signature

Secure! Safe! Confidential!

Need Help?

www.socialsecurity.gov/employer

FAQs

Tutorials

Demonstrations

BSO/SSNVS handbooks

IRS/SSA instructions

Employer line – 800-772-6270

BSO assistance – 888-772-2970

Employer Services Liaison Officers

Boston-CT, ME, MA, NH, RI, VT

Regina Bachini

617-565-2895 / Fax: 617-565-4814

regina.bachini@ssa.gov

*

New York-NJ, NY, PR, VI

Tyrone Benefield

212-264-1117 / Fax: 212-264-2071

tyrone.s.benefield@ssa.gov

*

Philadelphia-DE, DC, MD, PA, VA, WV

Frank O'Brien

215-597-4632 / Fax: 215-597-2989

frank.obrien@ssa.gov

*

Atlanta-AL, FL, GA, KY, MS, NC, SC, TN

Kirk Jockell

404-562-1315 / Fax: 404-562-1313

kirk.jockell@ssa.gov

*

Chicago-IL, IN, MI, MN, OH, WI

Paul Dieterle/Pat Hayes

312-575-4244 / Fax: 312-575-4245

paul.dieterle@ssa.gov

patricia.a.hayes@ssa.gov

Kansas City-IA, KS, MO, NE

Kelli Chappelow

816-936-5657 / Fax: 816-936-5951

kelli.chappelow@ssa.gov

*

Denver-CO, MT, ND, SD, UT, WY

Carolyn Sykes

303-844-2364 / Fax: 303-844-7320

carolyn.sykes@ssa.gov

*

Dallas-AR, LA, NM, OK, TX

Deborah Forsythe

281-449-2955 / Fax 281-590-1324

debbie.forsythe@ssa.gov

*

San Francisco-AZ, CA, GU, HI, NV, AS

Rey Arquero

510-970-8247 / Fax: 510-970-8101

rey.arquero@ssa.gov

*

Seattle-AK, ID, OR, WA

Tim Beard

206-615-2125 / Fax: 206-615-2643

tim.beard@ssa.gov