



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

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**Social Security Administration**

# W-2 Reporting Methods

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- ◆ **Electronic**
  - *Your Best Choice!*
- ◆ **Magnetic Media**
- ◆ **Paper Copy A**



# ***Electronic W2 Filing***

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## **◆ Business Services Online**

– [www.ssa.gov/employer](http://www.ssa.gov/employer)



## **◆ Register for PIN and Password**

## **◆ Upload W2 files**

## **◆ W-2 Online**

– Complete Up to 20 W2s on Web Page

– Print Employee Copies

# ***Electronic Filing (cont.)***

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- ◆ **Extended Filing Deadline-Mar. 31**
  - **Helps Avoid W2Cs**
- ◆ **Automatic Electronic Receipt**
- ◆ **Compressed Files Accepted**
- ◆ **Check Status of Submissions**
  - **Displays Some Errors and Notices**
- ◆ **Test Transmissions (Connectivity, Only)**
- ◆ **Fully Electronic-No Paperwork**



# *Magnetic Media*

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## ◆ 3 1/2" Diskette

- MS/DOS (or Compatible) Operating System

## ◆ Magnetic Tape: 1/2"

- 9 Track Reel-to-Reel
- IBM 3480/3490 Cartridges

# ***W2 File Format***

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- ◆ **“Magnetic Media Reporting and Electronic Filing” (MMREF-1)**
- ◆ **Electronic or Magnetic Media**
- ◆ **Incorporated Into Most Payroll Software**
- ◆ **Specifications at [www.ssa.gov/employer](http://www.ssa.gov/employer)**

# W2Cs

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- ◆ If 250 or more W-2Cs during the calendar year, then must file on disk or electronically
- ◆ What form to use:
  - December 2002
    - » IRS Publication 1223 for Substitute Specification
    - » Must use this version beginning 7/1/2003
    - » File electronically - MMREF-2

# ***Test Software for W2 File***

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- ◆ **AccuWage**
- ◆ **Checks MMREF-1 Format**
- ◆ **Free Download at:**  
**[www.ssa.gov/employer](http://www.ssa.gov/employer)**
- ◆ **Tests for Over 235 Edits**
- ◆ **AccuW2C**
  - **Tests W-2C Files (MMREF-2)**



# Foreign Workers

- ◆ Verification with INS for foreign workers before SSN issued
  - Immediate verification
  - Delayed verification
- ◆ What to do if no SSN
- ◆ How to file report without an SSN



# ***Paper W2 Copy A***

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- ◆ **If You Can't File Electronically...**
- ◆ **IRS Copy A, Pub. 1141 Compatible, or SSA-Approved Laser Forms**
- ◆ **Sent to Wilkes-Barre Data Operations Center via Form W-3 by Feb. 28**
- ◆ **90% Can be Machine Scanned**
- ◆ **Remainder Manually Keyed**
  - **Expensive and Error Prone**

# ***Form W-2 Changes for TY 2003***

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- ◆ **No Changes to W2 Form Size or Boxes**
- ◆ **Box 12 Code V Mandatory**
  - **Exercise of Nonstatutory Stock Options**
- ◆ **Revised W2C**
  - **Adds State and Local Fields**
  - **Dec., 2002 Version**

# ***Common W-2 Reporting Errors***

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## **◆ Electronic or Magnetic Media**

- Money Fields Out of Balance**
- Wrong Tax Year**
- Wrong Data (e.g., Partial/Prior Year)**

## **◆ Paper**

- Print Too Small/ Too Light**
- Wrong Size Form/ Cut Forms**

## **◆ Both**

- Name/SSN Mismatches (\* Use EVS)**
- Wrong EIN**

# ***Name / SSN Mismatches***

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- ◆ **W2 Name and SSN Need to Match SSA Records**
- ◆ **No Wage Credit If Data Mismatches**
- ◆ **95% of W2s Have Valid Information**
- ◆ **Unable to Match Several Million W2s**
- ◆ **Suspense File**
- ◆ **Notices to Employer and Employee**

# ***Prevent Mismatches***

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- ◆ **Ask to See SSN Card at Hire**
- ◆ **Record Name and SSN as Shown on SSN Card**
  - **OK to Use Middle Initial Only**
  - **Use Care With Compound Names**
- ◆ **OK to Copy SSN Card for Payroll**
- ◆ **Use EVS!**

# ***Employee Verification Service***

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- ◆ **Verifies Employee Supplied Data**
- ◆ **Name, SSN, DOB, Gender**
- ◆ **Telephone-800 772-6270 (5)**
- ◆ **Local SSA office (50)**
- ◆ **Paper List (300), Tape or Disk (any size)**
  - **Registration Required**
- ◆ **Details at [www.ssa.gov/employer](http://www.ssa.gov/employer)**

# ***Reconciliation***

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- ◆ **Compares Totals from W-2s with 941/943**
  - **Income Tax Withheld**
  - **Social Security Wages**
  - **Social Security Tips**
  - **Medicare Wages and Tips**
  - **Advance EIC Payments**



# ***Reconciliation Notices***

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- ◆ **W-2s Less Than 941s: SSA Sends Notice**
- ◆ **W-2s More Than 941s: IRS Sends Notice**
- ◆ **SSA Notices Mailed Nov-Feb for Prior  
TY**
- ◆ **Check Actual Data Sent to SSA & IRS**
- ◆ **Reply to Avoid IRS Penalty**
- ◆ **Call If Help Needed**

# ***Need Help?***

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- ◆ **[www.ssa.gov/employer](http://www.ssa.gov/employer)**
  - “How to Reach Us”
- ◆ **National Employer Information Line**
  - 800 772-6270
- ◆ **VISIT OUR BOOTH *TODAY!***