



Office of the State Comptroller  
**PAYROLL BULLETIN**

Subject  1986 Wage and Tax Statements	Bulletin No. P-498
	Date December 9, 1986

I. WAGE AND TAX STATEMENTS PREPARED BY THE OFFICE OF THE STATE COMPTROLLER

1986 W-2'S

The State of New York reports wages and tax information for all employees paid on machine-prepared payrolls to the Federal Government, Social Security Administration and New York State (for State and local city taxes) on magnetic tape under Employer Identification Number 14-6013200. Employee copies of 1986 W-2 Forms reported on tape will be prepared by the Office of the State Comptroller and mailed to the agency payroll units for distribution before January 30, 1987.

An employee who has worked for more than one State agency during the year will receive a W-2 from each agency. Each W-2 will show the withholding and Social Security/Medicare deductions made during his or her employment in that agency.

Employees with both Social Security and Medicare deductions in a single agency will be issued two (2) separate W-2's. The first W-2 will have all wage and tax Blocks completed and the Social Security information. The second W-2 will only have the Medicare Wages (Block 13) and Medicare Tax Withheld (Block 11) appearing on the W-2, along with the Employees Name, address and Social Security number.

Employees who were placed on the Workers Compensation Supplemental Payroll anytime during the 1986 calendar year will receive a separate W-2 for the supplemental payments.

W-2's generated from machine payrolls during the 1986 calendar year will include earnings paid on checks dated:

1. Administration - 1/8/86 through 12/24/86
2. Institutions - 1/2/86 through 12/31/86

In addition, if this Department prepared a typewritten payroll (AC39) at anytime during 1986 for an employee who is normally paid on a machine payroll, the Office of the State Comptroller will include these earnings and withholdings in the W-2 Form forwarded to the payroll agency.

The Office of the State Comptroller uses a 3-part W-2 Form consisting of copies B, C and 2. A description of data requirements for each box of the 1986 W-2 Form are included in the Appendix to this Bulletin.

Listings - Alphabetical Listings and W-2 Summary Listings

In addition to the employee's W-2's, agencies will receive:

1. POL-23 - An alphabetic listing of all employees providing number, name, address, Social Security Number and activity status (A-Active, I-Inactive).
2. PRG-16 - W-2 Payroll Summary Listing providing salary, Social Security/Medicare wages and tax information as reported on the tax statements. The listing classifies employees first into active and inactive categories, and secondly into a missing address category. It will be necessary for the payroll agency to add the address on the tax form if it is missing. Missing addresses for active employees should be reported on an AC-1040 and submitted in the usual manner with your payroll forms for the next period.
3. PDL-27 - W-2 Adjustment Listing reporting all AC-230 Salary Refunds and miscellaneous adjustments which are processed after the last payrolls of the year are paid but before the W-2's are printed. The W-2's produced by the Office of the State Comptroller are adjusted by the amounts shown on the W-2 Adjustment Listing. It is not necessary to prepare a corrected W-2 for AC-230's and other adjustments reported on this listing.

Submission of AC-230 Refunds for Payrolls of 1986

In order that the refunds for 1986 checks be properly reflected in the W-2 issued each employee, the following deadlines must be adhered to:

- (a) For Administration, submit AC-230's so that they will be received in the Office of the State Comptroller no later than December 30, 1986.
- (b) For Institution agencies, submit AC-230's so that they will be received in the Office of the State Comptroller no later than January 6, 1987.

If AC-230's are not received by these deadlines, the agency payroll unit will be responsible for replacing machine prepared W-2's with new W-2 Forms, showing the corrected information.

D. Corrected and Reissued W-2's1. Corrected Statements

When it is necessary for an agency to change the information on an Office of the State Comptroller W-2, a 6-part W-2 Form must be prepared by the agency and issued to the employee. Corrected W-2's must have "CORRECTION" entered in Box 5. Corrected W-2 Forms copies B, C and 2 are given to the employee. When you prepare corrected W-2 statements, a W-2 correction worksheet must also be completed. A supply of W-2 CORRECTION WORKSHEETS will be included with your W-2's for this year. If additional forms are necessary, photocopies should be used.

The W-2 Correction Worksheet for 1986 includes the following information:

1. Agency Code
2. Employee's Name, Social Security Number and Line Number. (Use the line number that appears on the W-2 listing.)
3. The originally reported W-2 information.
4. The corrected W-2 amount(s).
5. The difference from the original W-2 and corrected W-2 amount(s).
6. Reason for the corrected W-2. The Reason Codes are found on the bottom of the W-2 Correction Worksheet.

Submit corrections for money and non-money transactions on different Worksheets. DO NOT ISSUE Corrected W-2's for Social Security deficiencies. The Office of the State Comptroller will handle deficiencies. Return all copies of the original W-2, copies A, 1 and D of the corrected W-2 and 2 copies of the W-2 Correction Worksheet(s) to the Deduction Section.

NOTE: When replacing a W-2, do not increase the Social Security and/or Medicare wage or tax beyond the maximum amount. In cases where and employee's deductions for Social Security and/or Medicare exceed the maximums (\$42,000, \$3003.00 and \$42,000, \$609.00 respectively) the Payroll Deduction Unit of the Office of the State Comptroller should be contacted (518-473-1989) so that a refund can be generated.

2. Reissued Statements

When a W-2 Form is lost or destroyed a substitute 6-part W-2 Form must be prepared by the agency and issued to the employee. It must be clearly marked "REISSUED STATEMENT". Copies B, C and 2 are given to the employee. Copies A, 1 and D are batched and sent to the Deduction Section.

3. City University of New York

All City University of New York agencies should contact Jerry Glick concerning questions on W-2 reporting and issuance.

**II RECONCILIATION**

Individual machine prepared W-2 Forms should be matched line by line to the data appearing on the PRG-16, Payroll Summary of W-2's. Secondly, agencies should reconcile the total amounts withheld from machine and typewritten payrolls to the amounts deposited with governmental units by the Revenue Unit. The Revenue Unit will send you Withholding Tax Transmittal and a final machine prepared PR-7 Withholding Tax Report which should be used in the reconciliation process.

In order to reconcile the year-to-date totals on the PRG-16, Payroll Summary of W-2's to the PR-7, Withholding Tax Report (deposits) the following adjustments may be necessary:

1. Add deduction data for all 1986 typewritten payrolls which should have appeared on the Office of the State Comptroller's machine payrolls.
2. Deduct salary refunds applying to 1986 earnings submitted after the refund deadline dates.
3. Add or deduct Special Charge Voucher data or W-2 adjustments processed after the refund deadline dates.
4. Deduct Earned Income Credit amounts shown on the PRG-16. The Federal Withholding amounts on the PR-7 are not reduced by the Income Credit.

These adjustments, including amounts from additional W-2's you have prepared (do not count replacement items), should be entered on the 1986 Withholding Tax Transmittal Form; the form should be signed and returned to the Revenue Unit at the address below. Any questions concerning this reconciliation should also be directed to the Revenue Unit.

Revenue Unit, Bureau of Accounts  
Office of the State Comptroller  
AESOB 4th Floor  
Albany, New York 12234  
(518-474-8329 Harold Canter)

**III W-2'S PREPARED BY AGENCIES**

Original W-2's prepared by agencies must be on the 6-part form supplied by OSC. A description of the data requirements is at the end of this Bulletin and instructions for preparations are in Part IV.

Copies B, C, and 2 of all W-2's are distributed to the employee.

**IV PREPARING, BATCHING AND MAILING COPIES A, 1 AND D OF ALL 6-PART W-2'S**

The 6-part W-2's must be prepared in three separate groups-original, corrected and reissued. For each group, a sub-total W-2 is required after each 41st W-2 and after the last W-2 you prepare. The final W-2 for each group should be a total W-2. Instructions for the sub-total and total W-2's are contained in the Appendix. For each batch, separate Copy A, 1 and D and process as follows:

**1. Original W-2's**

W-2's for employees with social security coverage must be prepared separately from those without coverage. If an employee was normally paid both on a machine payroll and a manual payroll, within the calendar year, do not combine the W-2's. OSC will issue the machine prepared W-2 and your office will issue the manually prepared W-2. (If a typewritten payroll (AC-39) was issued for an employee who is normally paid on a machine payroll, OSC will include these earnings and withholdings in the machine prepared W-2.) Agencies reporting social security wages paid on typewritten payrolls will receive a listing of affected employees in January. Follow the instructions below:

- a. Compare the social security wages on this report to the social security wages you expect to report on each W-2.
- b. Note any difference if the amount on the report disagrees with the amount you will report on the W-2.
- c. Return one copy of the corrected report and copy A, 1 and D of the 6-part W-2's prepared for the employees on this report by January 14, 1987 to:

The Office of the State Comptroller  
Payroll Deduction Section-8th Floor  
A.E. Smith State Office Building  
Albany, New York 12236  
Attn: George Metcalfe  
Telephone No. (518) 474-7238

Submit Copy A, 1 and D of all other original W-2's to the Payroll Deduction Section so that they are received no later than February 6, 1987.

**2. Corrected W-2's**

Submit Copies A, 1 and D, along with the W-2 Correction Worksheet(s) explaining the changes, and all copies of all original W-2's so that they are received in the Payroll Deduction Section as soon as possible.

3. Reissued W-2's

Submit Copies A, 1 and D clearly marked REISSUED so that they will be received in the Deduction Section by June 1, 1987.

Mail all copies A, 1 and D with required attachments to:

Deduction Section-Bureau of Payroll Audit  
Office of the State Comptroller  
AESOB 8th Floor  
Albany, New York 12236  
(518-473-1989 Kevin Quigley)

UNDELIVERABLE AND UNUSED W-2 FORMS

- (a) All copies of the Office of the State Comptroller issued W-2 Forms that are undeliverable must be sent back to the Payroll Deduction Section of the Office of the State Comptroller. The forms must be received in the Office of the State Comptroller by June 1, 1987.
- (b) All blank 6-part W-2's may be retained by the agency for future use. The forms should be stored in a secure location and should not be issued without the authorization of the agency payroll officer.

GENERAL DESCRIPTION OF DATA REQUIREMENTS FOR THE W-2BOX 1 Control Number

Not used.

Form Identifying Numbers - 22222

This box appears only on Copy A of the 6-part set. This number tells the scan equipment used by the Social Security Administration which information document it is scanning.

BOX 2 Employer's Name and Address and Zip Code

Employer's name, address and zip code including the State's Federal ID and Social Security Administration numbers. This data is preprinted on the form. The employee's agency code, line number, and check sort code, if any, appears to the right of the ID Number in this Box. The line number will be followed by "WC" for payments on the Workers' Compensation Supplement Payroll.

## BOX 3 Not used.

BOX 5 Deceased - Shows "X" if employee is deceased.

Sub-total - Shows "X" in the block.

After every 41st W-2 within an agency, a sub-total W-2 must be printed with the following cumulative money fields for only the preceding 41 forms:

Box 7 Advanced EIC payment, Box 9 - Federal Income Tax Withheld, Box 10 - Wages, Box 11 - Social Security or Medicare Tax Withheld, Box 13 - Social Security or Medicare Wages, Box 17 - State Tax Withheld, Box 19 - New York City Tax Withheld and/or Yonkers Tax Withheld.

The last W-2 should be a total of all W-2's being submitted. In addition to totals listed above, enter the total number of W-2's (excluding sub-total W-2's and voided W-2's) in the lower left hand corner of the Employee's Address Block.

Corrections - When it is necessary to correct an Office of the State Comptroller issued W-2 or an agency issued W-2 type in "CORRECTION" in Block 5.

Void - Used by agencies when a W-2 they are preparing is in error. All voided W-2's must be returned to the Office of the State Comptroller.

BOX 7 Advance EIC Payments

Total Earned Income Credit paid to employee.

BOX 8 Employee's Social Security NumberBOX 9 Federal Income Tax WithheldBOX 10 Wages, Tips and Other Compensation

Included in this box are:

- (a) Salary paid in the calendar year 1986.
- (b) Payments in Lieu of Expense.
- (c) Taxable Fringe Benefit Amounts.

Excluded from the amount in this box are:

- (d) Non-taxable Maintenance (Maintenance for convenience of employer).
- (e) Annuity payments per Section 403-b of the IRS Code and Deferred Compensation.

NOTE: Non-taxable maintenance, Deferred Compensation and annuity payments are reported in Block A and B on the W-2. The YTD GROSS balance on the PAYROLL YTD SUMMARY REGISTER (PRG-1) includes non-taxable maintenance and/or Deferred Compensation and annuity. However, both the W-2's and W-2 SUMMARY LISTING (PRG-16) exclude these amounts from the gross.

BOX 11 Social Security or Medicare Withheld

The total employee Social Security or Medicare tax deducted in that agency. If an employee had both Social Security and Medicare tax deducted, a second W-2 is issued for the Medicare tax deduction. If it is medicare, MEDICARE GOVERNMENT EMPLOYMENT appears at the bottom of the address block.

BOX 12 Employee's Name (First, Middle, Last)BOX 13 Social Security and/or Medicare Wages

The total wages subject to Social Security/or Medicare taxes. If employee had both Social Security and Medicare taxes deducted, medicare wages will appear on a second W-2 for the employee.

BOX 15 Employee's Address



BOX 16 Name of State

Shows New York (preprinted).

BOX 17 State Tax Withheld

BOX 18 Name of Locality

Name of locality if local income tax was withheld for New York City and/or Yonkers.

BOX 19 Local Tax Withheld

Total local tax withheld, if applicable. If both, New York City Tax Withheld is on top and Yonkers Tax Withheld directly below in the same box.

BLOCK A & B

A - MAINTENANCE FOR CONVENIENCE OF EMPLOYER consists of:

All non-taxable maintenance in calendar year (excluded from BOX 10).

B - ANNUITY SECTION 403-B AND DEFERRED COMPENSATION consists of:

All exempt annuity and Deferred Compensation in the calendar year (excluded from BOX 10).

BOX 20 Taxable Fringe Benefits

The Taxable Fringe Benefit Amount. (This amount is included in Block 10.)

