



Office of the State Comptroller
PAYROLL BULLETIN

Subject 1989 W-2 Yearend Processing	Bulletin No. P-636
	Date December 18, 1989

I. 1989 W-2's

Employee copies of 1989 W-2 Forms (copies B, C and 2) will be prepared by the Office of the State Comptroller and mailed to the agency payroll units for distribution before January 31, 1990.

W-2's for the 1989 calendar year will include earnings paid on checks dated:

Administration - 1/4/89 through 12/20/89

Institutions - 1/12/89 through 12/28/89

If this Department prepared a typewritten payroll (AC39) at anytime during 1989 for an employee who was normally paid on a machine payroll, these earnings are included in the W-2 Form forwarded to the payroll agency.

In addition, employees previously paid on typewritten payrolls were converted to machine payrolls during the year. Any payments made prior to the conversion will be transferred to the machine payroll by OSC. These adjustments will appear on your PDL-17 during December. Please review these adjustments and notify Robert Phelan at (518) 473-1989 of any discrepancies or omissions. The W-2's produced will include all payments for 1989; you do not have to prepare separate W-2's.

In order that the refunds for 1989 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 January 3, 1990.
- (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 9, 1990.

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 corrected W-2 Forms.

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 who were placed on the Workers Compensation Supplemental Payroll anytime during the 1989 calendar year will receive a separate W-2 for the supplemental payments.

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) on the W-2, along with the Employee's Name, address and Social Security number and "Medicare Government Employment" printed in Block 15.

Employees with both the State Deferred Compensation plan and a Special Annuity 403(b) plan 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, the 403(b) amount will be printed in Block B, the narrative '403(b)' will be printed in Block 20 and an 'X' will be printed in Block 5 for Deferred Compensation. The second W-2 will have Block 5 for Deferred Compensation checked with an 'X', the State Deferred Compensation amount in Block B along with the employee's name, address and Social Security number.

Employees with both Medicare and the 403(b) plan will also receive two (2) W-2's. The first W-2 will have all wage and tax information along with the Medicare. The second W-2 will print the 403(b) information and the employee's name, address and Social Security number.

NOTE: Block 10 will contain the wages reportable for Federal tax only. 414(H) contributions (Block 'C') must be added to the amount in Block 10 for State and Local taxes. An explanation of this will appear on the back of the W-2 in the "Notice to Employees".

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 agency code/line number, name, address, Social Security Number and activity status (A-Active, I-Inactive).
2. PRG-16 - W-2 Payroll Summary Listing providing wages, Social Security/Medicare wages and tax information as reported on the W-2's. The listing classifies employees first into active and inactive categories, and secondly into a missing address category. You will have 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.

II CORRECTED AND REISSUED W-2's

Occasionally, agencies must correct or reissue a W-2. A supply of 6-part W-2's will be sent to each agency for this purpose.

The 6-part W-2's must be prepared in separate groups for corrected and reissued forms.

1. 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. The original information may be taken from the PRG-16-W-2 Payroll Summary Listing. It must be clearly marked "REISSUED STATEMENT". Copies B, C and 2 are given to the employee.

Submit Copies A, 1 and D clearly marked REISSUED so they will be received in the Deduction Section by June 1, 1990.

2. Corrected Statements

Corrected W-2's must have "CORRECTION" entered in Block 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. If additional forms are necessary, photocopies should be used.

The W-2 Correction Worksheet for 1989 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.

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.

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 an employee's deductions for Social Security and/or Medicare exceed the maximums (\$48,000, \$3604.80 and \$48,000, \$696.00 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.

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 Robert Phelan)

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.

III 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. Agencies should also 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. Deduct salary refunds applying to 1989 earnings submitted after the refund deadline dates.
2. Add or deduct Special Charge Voucher data or W-2 adjustments processed after the refund deadline dates.
3. 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 should be entered on the 1989 Withholding Tax Transmittal; 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 12236
(518-474-7806 Peter Clark)

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, 1990.
- (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.



APPENDIX

GENERAL DESCRIPTION OF DATA REQUIREMENTS FOR THE W-2

BLOCK 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.

BLOCK 2 Employer's Name and Address and Zip Code

Employer's name, address and zip code including the State's Federal ID (14-6013200) and Social Security Administration numbers (69-0210001). 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 Supplemental Payroll.

BLOCK 3 Not used.

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

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.

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

Pension Plan - Shows if an employee belongs to a Retirement system.

Deferred Compensation - Shows if an employee contributes to a Deferred Compensation plan (457 or 403(b)).

BLOCK 7 Advance EIC Payments

Total Earned Income Credit paid to employee.

BLOCK 8 Employee's Social Security Number

BLOCK 9 Federal Income Tax Withheld

BLOCK 10 Wages, Tips and Other Compensation

Included in this box are:

- (a) Salary paid in the calendar year 1989.
- (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.
- (f) 414(H) Contributions (Tier 3 and Tier 4 Contributions for New York State and New York City Retirement Systems).
- (g) Non-Taxable Health Insurance

NOTE: Non-taxable maintenance, Deferred Compensation and annuity payments and 414(H) Contributions are reported in Block A, B and C on the W-2. The YTD GROSS balance on the PAYROLL YTD SUMMARY REGISTER (PRG-1) includes all of these amounts. However, both the W-2's and W-2 SUMMARY LISTING (PRG-16) exclude these amounts from the gross.

BLOCK 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 in Block 15.

BLOCK 12 Employee's Name (First, Middle, Last)**BLOCK 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.

BLOCK 15 Employee's Address

BLOCK 16 Taxable Fringe Benefits

The Taxable Fringe Benefit Amount. (This amount is included in Block 10). TFB will appear in Block 20.

BLOCK 17 State Tax Withheld**BLOCK 18 Name of Locality**

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

BLOCK 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 & C**A - MAINTENANCE FOR CONVENIENCE OF EMPLOYER consists of:**

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

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

All exempt annuity and Deferred Compensation in the calendar year (excluded from BLOCK 10). For annuities the narrative 403(b) appears in Block 20. If an employee has both annuity and deferred compensation, two W-2's are issued.

C - 414(H) Contributions consists of:

All non-taxable Tier 3 and Tier 4 contributions made to New York State and New York City Retirement systems in the calendar year (excluded from Block 10).

BLOCK 20 Miscellaneous

The following narratives will be printed in this Block if applicable:

TFB
403(b)

