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Dear Employee:

The Internal Revenue Service now requires a corrected Form W-2, known as Form W-2C, to be filed by all employees who received Workers' Compensation benefits beginning with the 2004 tax reporting year. Prior to 2004, employees were allowed to file their individual income tax return, or amend any previously filed tax return, with a copy of the employee's Form C-8.

The Office of the State Comptroller (OSC) has implemented a new process to create the Form W-2C, reporting any changes to previously reported information on the Form W-2. Changes to previously reported information may be due to Workers' Compensation benefits received by OSC after the Form W-2 has been issued or other changes to reported data that are deemed in error.

Recipients of 2004 and 2005 Workers' Compensation benefits will receive at least two sets of Form W-2C for each year. One set will show "Previously reported" and "Correct information" amounts in boxes 3, 4, 5 and 6. A second set will show "Previously reported" and "Correct information" amounts in boxes 1, 14, 16 and/or 18.

To file an amended return to reduce previously reported income and receive any tax amounts overpaid to the IRS and the New York State Department of Taxation and Finance, you must submit the Form W-2C with "Correct information" in boxes 1, 14, 16 and/or 18.

Workers' Compensation cases may occur more than once in a given calendar year. In this situation, there will be more than two sets of Form W-2C issued. In the event that multiple sets for Form W-2C are received, please follow the instructions on the reverse to identify which set is the latest correction for purposes of filing amended federal and state income tax returns.

1. Locate the Form W-2C that shows the amounts from your originally issued Form W-2.
2. Then locate the Form W-2C where the "Previously reported" amount matches the "Correct information" on the Form W-2C located in step 1.
3. Repeat step 2 until you locate the Form W-2C where the amount in "Correct information" does not appear in "Previously reported" on any of the other Form W-2Cs. This is the Form W-2C that must be used for filing amended federal and state income tax returns.

If you are unsure which of the copies to use in filing your amended return, please contact OSC's Bureau of State Payroll Services, Deductions Section, Customer Service Team, at (518) 474-4042 or by e-mail to payrolldeduction@osc.state.ny.us.

Please note: The IRS and New York State deadline for filing an amended tax return for 2004 is April 15, 2008. The deadline for filing an amended tax return for 2005 is April 15, 2009.

If you have previously received copies of Form W-2C from your agency payroll office and have filed the necessary tax returns with the IRS and the New York State Department of Taxation and Finance, no further action is required.

Sincerely



Robin R. Rabii, Director
Bureau of State Payroll Services