



Payroll/Personnel Management System

***W-2 Year-End
Processing for
Tax Year 2020***

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Olympia, WA 98504
360-704-4400

Printing History

December 2020
December 2019
December 2018
December 2017
December 2016
December 2015
December 2014
December 2013
December 2012
December 2011
December 2010
December 2009
December 2008
December 2007
December 2006
December 2005
December 2004
December 2003
December 2002
December 2001
December 2000

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Introduction

This document contains important information about running the year-end processes that produce W-2 and 1099 forms for the year 2020.

Included in this document you will find the following information:

- Timeline for processing W-2s
- Job groups used for W-2 processing
- Adjusting balances for W-2 processing
- Using and understanding the W-2 Confirmation Report Process (PG404A)
- Running the W-2 Process, including:
 - Processing and tape information for distributed sites.
 - Identifying the state code to print on W-2s
 - Reporting third party sick leave pay
 - Reporting 1099 information for deceased employees
 - Reporting group life insurance in excess of \$50,000
 - Requesting new W-4 and W-5 information
 - Validating Social Security numbers
 - Using W-2C and W-3C forms

In addition, there are appendixes that provide the following detailed information:

- Source of data for W-2 Confirmation Summary (CR7210C)
- Source of data for W-2 Confirmation Reports (CR7210A, B, and C)
- Institutional parameters used for W-2 processing
- Source of data printed on W-2 forms

It is recommended that you read all sections of this document before you run the W-2 process.

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W-2 Processing Timeline and Job Groups

This section outlines the recommended processing timeline for W-2 processing and the job groups you need to schedule and run for W-2 processing.

Job Group PG200M (Monthly Processing - Check Date) will run on December 28, 2020. This job group updates employee database balances for 2020 to “previous” balances.

Note: Your previous year’s balances for the W-2 confirmation list will not show on the report until after December 31, 2020. For information about W-2 balance reporting, see the scheduling instructions for job group PG404A (W-2 Confirmation Report).

To assist you in scheduling the job groups required for W-2 processing, the following table below shows a recommended timeline.

Date	Job Group
December 28, 2020	Run PG200M.
January 4, 2021	Can start running PG404A preliminary.
January 4, 2021	Health amounts received from HCA and will show on the CR7210 reports.
January 5, 2021	Run 12B Payroll and PS0305J.
January 6, 2021	Can start running the PG400A (Prev YR Balance Adjustments) if needed. Can run as many times as needed until you run PG401A. This is the first available date to run the PG401A.
January 12, 2021	Final available date to run PG401A.

Following are the job groups you need to schedule for the W-2 process:

PG404A W-2 Confirmation Report

PG400A Previous Year Balance Adjustment

PG401A W-2 Processing

Adjusting Balances

Cancellation, overpayment, and hand-drawn (C/O/H) checks are the only payroll transactions that affect 2020 balances. You should process these transactions on the 12B payroll. By using a QTR/YR of 4/20, the activity adjusts the previous year's balances. If the QTR/YR is blank, the activity will be included in the 2020 reporting.

If the transactions process correctly on the 12B payroll, you do **not need** to make related balance adjustments on the 12Z. Run a test payroll to ensure your balances are correct. Schedule new Year-to-Date Taxes and Taxable Grosses Reports (PS0305J) for December 2020.

To make an adjustment, use these parameters when scheduling PS0305J:

Parameter	Value
MO-YR	1220
PS0305-PREV-QTR	Y
PS0305-PREV-YR	Y

Note: If you need to adjust the previous year's balances after the 12B payroll has run, use the following steps:

Step 1 On the Payroll Schedule Initialization (PS1000) screen, initialize the 12Z payroll and use a pay period end date of **123120** and a check date that is **within the same week** you are running this schedule.

The 12Z payroll uses a special pay cycle of **XX** that has not been entered on the Pay Cycle Table. Do not enter a pay period begin date, and do not run a real payroll (PG500S, PG500S-R, PG500S-A, or UG403S) to process the 12Z adjustments.

Step 2 On the Dollar Balance Adjustment Screen (PS1012) and/or the Deduction Balance Adjustments Screen (PS1013), enter the transactions you need to adjust.

Balance adjustments made on a 12Z update **previous balances only**. No update is made to current balances.

Balance adjustments should be made only to the dollar and deduction balances listed in the following tables.

Dollar Balance Codes

Code	Title
1	Total Gross YTD
2	Total Gross QTD
3	Fed Tax Gross YTD
4	Fed Tax Gross QTD
5	OASI Gross YTD
6	OASI Gross QTD
7	OASI Exclude YTD
9	Supp Retire Gross YTD
17	Taxable Fringe YTD
20	Medicare Gross YTD
21	Medicare Gross QTD
22	Tax Reductions YTD
23	Tax Reductions QTD
24	OASI Reductions YTD
25	OASI Reductions QTD
28	Medicare Reduction YTD
29	Medicare Reduction QTD
30	Third Party Sick Leave YTD

Deduction Balance Codes

Code	Title
022	Fed W/H Tax (Y)
020	OASI (Q)
022	Fed W/H Tax (Q)
036	Medicare (Y)
020	OASI (Y)
036	Medicare (Q)

The YTD balances correct balances for the W-2s and the QTD balances correct balances for the 941 Quarterly Tax Report.

Step 3 To process the 12Z adjustments, schedule the job group PG400A (Previous Year Balance Adjustment) with an execution time of **B** (batch) and a process level of **B** (to run after PG001D).

This job group produces new YTD Taxes and Taxable Grosses reports, Payroll Input Register, Payroll Input

Reconciliation, Previous Balance Update Report, and W-2 Confirmation Listing. You can run the PG400A as many times as necessary, except on main payroll nights. Do not run PG400A with an execution time of **I (immediate)**.

Step 4 Finally, if you ran a PG400A, you will need to schedule the job group PG503S (Payroll Clean Up) for the 12Z and you must delete the 12Z from the Payroll Schedule Initialization (PS1000) screen. Schedule the PG503S for the 12Z on 01/14/21.

If you do not need to adjust the prior year's balances (by processing C/O/H checks on the 12B payroll or by processing a PG400A), you are ready to run preliminary reports for W-2 processing.

PG404A W-2 Confirmation Report

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Using the W-2 Confirmation Report Process (PG404A)

This section describes the criteria used in processing job group PG404A (W-2 Confirmation Report) to help you understand how the data is reported.

The date you schedule PG404A has a definite impact on the balances that will be reported:

- If you run job group PG404A between May and December, the report lists the balances for the current year.
- If you run job group PG404A during December before running PG200M (Monthly Processing - Check Date), the reports list 2020 balances. When PG200M is run for December, the current year balances are moved to previous year balances (which are the balances used in the W-2 processing).
- If you run job group PG404A during the last week of December, no records will be selected. During the last week of December, after PG200M is run, the current year balances are zero.
- If you run job group PG404A between January and April, the report lists the balances for the previous year. Therefore, to list 2020 balances, you should schedule PG404A after January 12, 2021.

PG404A consists of two jobs:

- CR7200J (W-2 Report File Extract) produces the W2 Extract Exception Report (CR7200).
- CR7210J (W-2 Confirmation Report) produces three reports:
 - W-2 Confirmation Listing (CR7210A)
 - W-2 Exception Listing (CR7210B)
 - W-2 Confirmation Summary (CR7210C)

Using the exception listing report

Any employees listed on the W-2 Exception Listing (CR7210B) will not have a W-2 printed. You will receive the report only for employees with the following situations:

- **Federal Tax Exemption Code is 99**
An exception is reported if a federal tax exemption code of 99 is entered on the Student/Hourly Screen (PS0012) or the Payroll Information Screen (PS0014).
- **Negative Balances Not Permitted**
An exception is reported if any dollar or deduction balance reported on the W-2 (for example, Federal Gross YTD, EIC Amount YTD, Total Gross YTD, Deferred Comp) is a negative amount.
- **Medicare Wages and Taxes**
An exception is reported if the Medicare Wages and Taxes are less than the sum of the OASI Wages + Tips
- **OASI Tax**
An exception is reported if the OASI Tax is greater than 0 and the OASI Wages and OASI Tips=0
- **Medicare Tax**
An exception is reported if the Medicare Tax is greater than 0 and the Medicare Wages and Tips=0
- **Employee ID Must be Numeric**
An exception is reported if an employee has a SSN that has values other than numbers.
- **Invalid Employee ID**
An exception is reported if an employee has a SSN that is not within the valid ranges as identified by SSA. These are listed on Page 17 under “Validating Social Security numbers.”

Correcting negative federal tax exempt or health reduction balances

If the federal taxable gross is greater than the total gross, a negative balance will result for the federal tax exempt balance. The federal tax exempt balance is a calculated field. The calculation is: Total Gross YTD (Dollar Balance 1) minus Federal Tax Gross YTD (Dollar Balance 3). On the W-2 Confirmation Reports (CR7210A, B, and C), a negative amount for this balance is most likely due to a refund to retirement, to a tax shelter, or health reduction for separated employees whose total gross is less than their federal taxable gross.

The negative federal tax exempt balance is not reported on the W-2.

Therefore, this negative dollar amount will not show as an exception. However, the negative amount may cause balancing problems since the amount may be different than the Federal Tax Reduction YTD on reports PS0305A, B, E, and H.

The W-2 Confirmation Reports (CR7210A, B, and C) use Dollar Balance code **22** (Tax Reductions YTD). To correct this balancing problem, you can make adjustments to Dollar Balance 22 (Tax Reductions YTD) on a 12Z.

Dollar and/or deduction balances cannot be negative. Check PS0010 (Dollar Balance Screen) and PS0018 (Year-To-Date Deduction Screen) for negative balances. Make dollar balance adjustments on PS1012 (Dollar Balance Adjustment Screen). Make deduction balance adjustments on PS1013 (Deduction Balance Adjustment Screen).

Note: Before making an adjustment, you must use the Year-To-Date Taxes and Taxable Grosses Reports (PS0305A-H) to balance your 941 quarterly tax report and other quarter-end reports.

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Running the W-2 Process

This section includes the following information:

- A brief overview of the W-2 process
- Processing and tape information for distributed sites.
- Identifying the state code to print on W-2s
- Reporting third party sick leave pay
- Reporting 1099 information for deceased employees
- Reporting group life insurance in excess of \$50,000
- Requesting new W-4 and W-5 information
- Validating Social Security numbers
- Using W-2C and W-3C forms

Once you review your confirmation reports, you are ready to run W-2s.

- The first available run date is January 4, 2021.
- The final available run date is January 12, 2021.
- The preferred run date is before January 12, 2021.

To process W-2s, schedule either job group:

- PG401A (W-2 Processing)

When scheduling job group PG401A, the parameter W2-DFR-PLAN1 defaults to all 403B tax shelter deduction codes between 101-199 and 251-273. If you have set up any 403B tax shelter deduction codes that do not fall between these ranges, you need to add them to this parameter. You can find a list of parameters that affect job group PG401A by going to the Job Scheduling Index section of the SBCTC-ITD Web Site (<https://jobdoc.sbctc.edu/>). Verify these parameters are correct for your college.

Parameter W2-DFR-PLAN2 defaults to 084 and 085 (deferred compensation plans, IRS Section 457).

Reporting tips and gratuities

If an employee submits their tips on Form 4070, then the college must process this pay using the TIP earn type. The TIP earn type will take the federal withholding, OASI and Medicare taxes from their regular wages. If

an organization leaves a gratuity to employees that participated in an event, then the college must process this using the GRA earn type. The GRA earn type will deduct the federal withholding, OASI and Medicare taxes. Both tips and gratuities are considered tip income.

When reporting this on the W-2, the Social Security wages need to be listed separately from the social security tips. Report the Social Security wages in Box 3 and report the social security tips in Box 7.

Reporting third party sick leave pay

This section is for colleges using a third party sick leave pay plan for employees. Third party sick leave is used by some technical colleges.

If an insurance company or union sends you a quarterly statement of Disability Payment (the statement lists the Total Gross of Disability Income, Social Security and Medicare Amounts Withheld, and Federal Tax Withheld), you must report these amounts on the W-2s as outlined in the 2020 Instructions for W-2 Wage and Tax Statement.

Note: If the employer portion of the OASI and Medicare taxes are paid in 2020, you must make these adjustments on a December payroll.

Reporting sick leave pay for employees who contribute to a third party plan

If an employee contributes to a third party sick leave plan, **do not include** the sick leave pay in the employee's taxable income. When an employee contributes to a third party sick leave plan, the third party payer does not withhold Federal, Social Security, and Medicare taxes.

Report third party sick leave pay that is non-taxable income on the W-2 by using:

W-2 Box 12 J Code Nontaxable Sick Leave Pay

If you have this type of plan, make the following adjustment on the Dollar Balance Adjustment Screen (PS1012):

Bal Num 30 Amount Third Party Sick Leave Pay Amount

Reporting sick leave pay for employees if employer pays premiums to a third party plan

If the employer pays the premium for third party sick leave pay, this amount is taxable income for the employee. When an employer contributes

to a third party sick leave plan, the third party payer withholds Social Security and Medicare taxes from the employee, and the employer is responsible for paying the employer portion of these taxes. The third party payer may or may not have withheld federal tax from the employee's compensation.

If you have this type of plan, you need to make adjustments to the taxable income for third party sick leave pay. The list below shows the screens on which you need to make adjustments, the section of the W-2 affected by the adjustments, and the adjustment you need to make.

On the Dollar Balance Adjustments Screen (PS1012), make the following adjustments for W-2 reporting:

1 Box 01 - Wages, Tips, Other Compensation

Fed Tax Gross YTD
Gross Disability Income

2 Box 03 - Social Security Wage

Bal Num 05 OASI Gross YTD
Amount Gross Disability Income

3 Box 05 - Medicare Wages and Tips

Bal Num 20 Medicare Gross YTD
Amount Gross Disability YTD

On the Deduction Balance Adjustments Screen (PS1013), make the following adjustments:

1 Box 02 - Federal Income Tax Withheld

(the amount, if any, of income tax withheld from sick leave pay by the third party payer)

Ded Cd 022 Federal W/H Tax
Bal Typ Y Calendar YTD
Amount Amount of tax withheld by the third party payer

2 In addition to reporting this added amount to the federal tax amount on the W-2, the tax withheld is reported as a separate item on IRS form 6559 that SBCTC-ITD sends electronically.

Therefore, you must make the following balance adjustments:

Ded Cd 028 Third Party Federal Tax
Bal Typ Y Calendar YTD
Amount Amount of tax withheld by the third party payer

3 Box 04 - Social Security Tax Withheld

(the amount, if any, of OASI tax withheld from the sick leave pay by the third party payer)

Ded Cd 020 OASI Deduction

Bal Typ Y	Calendar YTD
Amount	Amount of OASI tax withheld by the third party payer

- 4** Box 06 - Medicare Tax Withheld
(the amount, if any, of Medicare tax withheld from the sick leave pay by the third party payer)

Ded Cd 036	Medicare Ins Deduction
Bal Typ Y	Calendar YTD
Amount	Amount of Medicare tax withheld by third party payer

The system automatically generates payment of the employer portion of the OASI and Medicare taxes because the OASI Gross YTD and Medicare Gross YTD reconciliation process verifies that the YTD gross multiplied by the tax rate equals the YTD deduction balance. If it does not, the system adjusts by generating additional tax deductions or refunds for the employee and/or employer.

You can make these adjustments on any December payroll schedule. You can make the balance adjustments on the 12Z in January; however, the 12Z will not generate vendor payments for OASI and Medicare taxes. You will have to generate these vendor payments through a regular payroll schedule as one-time contributions on the Deduction Adjustments Screen (PS1010).

Reporting 1099 information for deceased employees

If an employee dies during the year, an employer must use Form 1099-MISC (Miscellaneous Income) to report accrued wages, vacation pay, and other compensation paid after the date of death.

- If payment is made in the same year the employee died, Social Security and Medicare taxes must be withheld and reported in Box 4 (Social Security Tax Withheld) and Box 6 (Medicare Tax Withheld) of the employee's W-2. Social Security wages are reported in Box 3 and Medicare wages in Box 5. The wage payment is not shown in Box 1 (Wages, Tips, Other Compensation). No Federal Withholding Tax is withheld for wages paid after the date of death.
- If payment is made in the year following the employee's death, no taxes are withheld and no W-2 is filed.

The separation reason code for deceased employees is 80 (deceased). If you need a list of deceased employees, you can create a DataExpress procedure using the Separation Reason field in the EMP-M data set.

For wages paid to a deceased employee, verify whether the wages are included in Box 1 (Wages, Tips, Other Compensation). If the wages are reported as taxable, you need to make an adjustment to the Federal Tax Gross YTD on the Dollar Balance Adjustments Screen (PS1012).

All payments to deceased employees must be reported on Form 1099-MISC (Miscellaneous Income) as a payment to the estate or beneficiary.

Report the income in Box 3 (Other Income) of Form 1099-MISC. Enter the name and TIN of the payment recipient. The TIN (tax identification number) will be the EIN (employee identification number) of the estate or the SSN of the individual beneficiary.

Reporting group life insurance in excess of \$50,000

If your college pays group life insurance in excess of \$50,000 for an employee, you must report this payment as taxable income. Before the end of the year, you must add the earnings type code **LIF** (Life Premium Over 50K) to the employee's job. The taxable cost is not what the employer actually pays for the insurance but a calculation of premium rates provided by the uniform premium rates listed in Publication 15-A (Employer's Supplemental Tax Guide).

Requesting new W-4 and W-5 information

For employees who claim exempt on their form W-4, their exemption expires on Feb. 16, 2021. These employees will need to fill out a new form W-4. If you do not receive a new form W-4 from the employee by Feb. 16, 2021 you must withhold taxes as if the employee is single, with zero withholding allowances.

Form W-5 (Earned Income Credit Advance Payment Certificate) is no longer in use.

Validating Social Security numbers

Make sure the Social Security numbers for all employees are accurate and valid. To be valid, a Social Security number must have nine digits. The first three digits of the Social Security number must be within one of the

following ranges: 001-665, and 667-899. Social Security numbers with the first three digits outside these ranges are invalid. Also, positions 4 and 5 cannot be 00, and the last 4 positions may also not be 0000. The following number 000-00-0000 is invalid. You must contact the Social Security Administration to resolve any of the issues mentioned above.

If the names and numbers on W-2 wage reports do not match Social Security Administration records, employees may not receive credit for the wages paid to them and the employer may be subject to IRS penalties for filing incorrect records.

Using W-2C and W-3C forms

If you need to make corrections to any W-2s after you run the forms, you must submit W-2C and W-3C forms. The W-2C corrects W-2 information, while the W-3C corrects the W-2 summarization. You must complete both forms for any correction, except when correcting only the employee's name and/or Social Security Number. In this case, complete only the W-2C form.

When completing the W-2C and the W-3C forms, submit only the information actually being corrected. If you enter information that is not a correction, the records may be duplicated or deleted. If you produce more than one correction for an employee, use the last "corrected" W-2C tax information for reporting. Do not use the information submitted on the original W-2. All corrections supersede previous information. You must submit corrections at the time they are discovered.

Appendix A: W-2 Confirmation Summary (CR7210C)

This appendix includes information to help you understand what prints on the W-2 Confirmation Summary report (CR7210C) and where the information originates.

- Worksheet: Balancing W-2 Confirmation Summary (CR7210C) with YTD Taxes and Taxable Grosses
- Table: Data on W-2 Confirmation Summary (CR7210C)

Worksheet: Balancing W-2 Confirmation Summary (CR7210C) with YTD Taxes and Taxable Grosses

TOTAL column CR7210C	Amount	TOTAL line	Amount	Difference
		PS0305B		
Total Gross		Total Gross YTD		
Fed Tax Exempt		Fed Tax Reductions YTD		
Fed Tax Gross		Fed Tax Gross YTD		
Fed Tax Withheld		Fed Tax Deducted YTD		
		PS0305D		
State Tax Exempt		Total GR-State Tax Gr		
State Tax Gross		State Tax Gross YTD		
State Tax Withheld		State Tax Deducted YTD		
		PS0305C		
OASI Gross		OASI Gross YTD		
OASI Tax Withheld		OASI Deducted YTD		
		PS0305G		
Medicare Gross		Medicare Gross YTD		
Medicare Tax Withheld		Medicare Deducted YTD		
Fed Taxable Benefits		Dollar Balance 17		
Deferred 403B		All TSA		
Deferred 457		Ded Codes 084 & 085		
Designated Roth 403b		Ded Codes 103 & 104		
Excess Life Premium		Earnings Type- LIF		
Dependent Care		Deduction Code 087		

TOTAL column CR7210C	Amount	TOTAL line	Amount	Difference
Non-Tax 3 Party Sick Pay		Dollar Balance 30		
Number of Employees		Total Number Processed		
Number of Employees w/ Fed Gross & Fed tax Exempt Gross		Total w/ Dollar Bal. 3 and Dollar Balance 22		
Number of Employees w/ Fed Tax Exempt Gross Only		Total w/ Only Fed Tax Exempt Gross: Dollar Balance 22; Usually coded Exempt- 99		
Number of Employees Receiving W-2's		Total W-2's Printed		
Number of Employees Bypassed		Total W-2's Not Printed Employees listed on Exception Report		

Note: The following reports contain information if the OASI/Medicare Gross YTD/QTDT multiplied by the deduction rate does not equal the OASI/Medicare deducted YTD/QTDT.

- PS0305E (OASI Exceptions)
- PS0305H (Medicare Exceptions)

Table: Data on W-2 Confirmation Summary (CR7210C)

The following table shows the source of data that prints on the CR7210C report.

CR7210C TOTAL column	Source of Data
Federal Taxable Benefits	Cumulative Total of Dollar Balance 17 (Taxable Fringe YTD). Enter an earnings type that adds to Dollar Balance 17 or by adjusting Dollar Balance 17 on the Dollar Balance Adjustments screen (PS1012).
Deferred 403B	Cumulative Total of all TSA Deduction codes
Designated Roth 403b	Cumulative Total of Ded Code 103 & 104
Dependent Care Amount	Cumulative Total of Ded Code 087.
Excess Life Premium	Cumulative Total of Earnings Type amount for Life Ins Premium over 50,000
Non-Tax Third Party Sick Leave Pay	Cumulative Total of Dollar Balance 30 (Sick Pay Third Party YTD) This is accomplished by entering a Dollar Balance 30 adjustment on the Dollar Balance Adjustments screen (PS1012).
Number of Employees	Total Number of Employees Processed
Number of Employees with Fed Gross & Fed Exempt Gross	Total Number of Employees who have Dollar Balance 3 (Federal Tax Gross YTD) and Dollar Balance 22 (Tax Reductions YTD)
Number of Employees with Fed Tax Exempt Gross Only	Total Number of Employees who have only Fed Tax-Exempt Gross, Dollar Balance 22 (Tax Reductions YTD). Usually these are employees with Exemptions coded as 99 (exempt from federal taxes) on the Payroll Information screen (PS0014) or the Student/Hourly Screen (PS0012).
Number of Employees Receiving W-2s	Total Number of Employees for whom a W-2 will be printed.
Number of Employees Bypassed	Total Number of Employees for whom a W-2 will not be printed. These are the same employees listed on the Exception Report.
Employee Medical Contribution	Total amount of Employee's medical and dental cost.
Employer Sponsored Health Coverage	Total actual cost of Employer Sponsored Medical and Dental.
Health Savings Account	The cost of Employer Contributions and optional Employee Contributions.

Tobacco Surcharge	The cost of Tobacco Surcharges
Spousal Surcharge	The cost of Spousal Surcharge

Appendix B: W-2 Confirmation Reports (CR7210A, B, C)

Job groups that produce the set of W-2 confirmation reports (CR7210A, B, and C) are:

PG400A	Previous Year Balance Adjustment (PG400A) (12Z Payroll)
PG401A	W-2 Processing
PG404A	W-2 Confirmation Report

To run this set of reports, use one of the job groups listed above. Do not run the jobs that produce these reports as stand-alone jobs.

The following table shows where the data in the confirmation reports originates.

W-2 Confirmation Listing Report (CR7210A)		
Misc Amounts	Source of Data	Period
Tot Gross	Total Gross YTD, Dollar Balance 1	Previous
Fed Exmpt	This is a calculation: Total Gross YTD, Dollar Balance 1, minus Federal Tax Gross YTD, Dollar Balance 3	Previous
ST Exmpt	This is a calculation: Total Gross YTD, Dollar Balance 1, minus State Tax Gross YTD, Dollar Balance 18	Previous
Fed Benes	Federal Taxable Fringe Gross YTD, Dollar Balance 17	Previous
DFR 403B	Tax Sheltered Annuity Deduction Codes as entered in the Job Scheduling Parameter, DFR-PLAN, associated with the DFR-LBL for the 403B plans	Previous
DFR 457	Deferred Compensation Percentage, Deduction Code 084, and Deferred Compensation, Deduction Code 085, as entered in the Job Scheduling Parameter, DRF-LBL for the 457 plans.	Previous
Designated Roth 403b	Designated Roth Amt, Ded Code 103 Designated Roth Percentage, Ded Code 104	
Dep Care	Dependent Care, Deduction Code 087	Previous
Life Prem	Earn Type of LIF	Previous
N-TX 3 PTY	Sick Leave Pay Third Party Vendor YTD, Dollar Balance 30	Previous
Emp Med Cont	Employee Medical/Dental Contribution, Box 14	Previous
Emplr Spons Hlth	Employer Sponsored Medical/Dental, Box 12, code DD	Previous
Health Saving Acct	Employer Cont Health Savings Account, Box 12, code W	Previous
Taxable Amounts	Source of Data	
Fed	Federal Tax Gross YTD, Dollar Balance 3	Previous
OASI	OASI Gross YTD, Dollar Balance 5	Previous
ST	State Tax Gross YTD, Dollar Balance 18	Previous
Medicare	Medicare Gross YTD, Dollar Balance 20	Previous

W-2 Confirmation Listing Report (CR7210A)		
Taxes Withheld	Source of Data	
Fed	Federal Withholding Tax, Year-to-Date Balance, Deduction Code 022	Previous
OASI	OASI Deduction, Year-to-Date Balance, Deduction Code 020	Previous
ST	Not Applicable for Washington State	
Medicare	Medicare Insurance Deduction, Year-to-Date Balance, Deduction Code 036	Previous
Status	Source of Data	
Active	Employee Status on the Employee Status Screen (PS0001) or the Student/Hourly Screen (PS0012)	
Separated	Employee Status on the Employee Status Screen (PS0001) or the Student/Hourly Screen (PS0012)	

W-2 Exception Listing Report (CR7210B)	
Message	Condition
Individual is Exempt from Fed Tax	Federal Tax Exemption Code is 99 on the Student/ Hourly Screen (PS0012) or the Payroll Information Screen (PS0014).
Negative Balances Not Permitted	One or more of the dollar or deduction balances to be reported on the W-2 has a negative balance

Dollar amounts are reported on this report and under the Exceptions column on the report W-2 Confirmation Summary (CR7210C) when the following occur:

W-2 Confirmation Summary Report (CR7210C)		
Total	Source of Data	Period
Tot Gross	Cumulative Total for college of Total Gross YTD, Dollar Balance 1	Previous
Federal Tax Exempt	Cumulative Total for college of the following calculation: Total Gross YTD, Dollar Balance 1, minus Federal Tax Gross YTD, Dollar Balance 3	Previous
Federal Tax Gross	Cumulative Total for college of Federal Tax Gross YTD, Dollar Balance 3	Previous
Federal Tax Withheld	Cumulative Total for college of Federal Withholding Tax, Year-to-Date Balance, Deduction Code 022	
State Tax Exempt	Cumulative Total for college of the following calculation: Total Gross YTD, Dollar Balance 1, minus State Tax Gross YTD, Dollar Balance 18	Previous
State Tax Gross	Cumulative Total for college of State Tax Gross YTD, Dollar Balance 18	Previous

W-2 Confirmation Summary Report (CR7210C)		
Total	Source of Data	Period
State Tax Withheld	Not Applicable for Washington State	Previous
OASI Gross	Cumulative Total for college of OASI Gross YTD, Dollar Balance 5	Previous
OASI Tax Withheld	Cumulative Total for college of OASI Deduction, Year-to-Date Balance, Deduction Code 020	Previous
Medicare Gross	Cumulative Total for college of Medicare Gross YTD, Dollar Balance 20	Previous
Medicare Tax Withheld	Cumulative Total for college of Medicare Insurance Deduction, Year-to-Date Balance, Deduction Code 036	Previous
Federal Taxable Benefits	Cumulative Total for college of Federal Taxable Fringe Gross YTD, Dollar Balance 17	Previous
Deferred 403B Plan	Cumulative Total for college of Tax Sheltered Annuity Deduction Codes as entered in the Job Scheduling parameter DFR-PLAN associated with parameter DFR-LBL for the 403B plans.	Previous
Designated Roth 403b	Cumulative Total for college of Designated Roth 403b, Deduction Code 103 and Deduction Code 104	
Deferred 457 Plan	Cumulative Total for college of Deferred Compensation Percentage, Deduction Code 084, Deferred Compensation, Deduction code 085, as entered in the Job Scheduling parameter DRF-PLAN associated with parameter DRF-LBL for the 457 plans.	Previous
Dependent Care Amount	Cumulative Total for college of Dependent Care, Deduction Code 087	Previous
Excess Life Premium	Cumulative Total for college of Earn Type LIF for Life Premium over \$50,000.	Previous
Non-Taxable Third Party Sick Leave Pay	Cumulative Total for college of Sick Leave Pay Third Party Vendor YTD, Dollar Balance 30	Previous
Number Of Employees	Total Number of Employees Processed	
Number Of Employees With Fed Gross & Fed Exempt Gross	Total Number of Employees who have Federal Tax Gross YTD, Dollar Balance 3, and Tax Reductions YTD, Dollar Balance 22.	
Number Of Employees with Fed Tax Exempt Gross Only	Total Number of Employees who are coded with Federal Tax Exemptions of 99.	
Number Of Employees Receiving W-2s	Total Number of Employees for whom a W-2 will be printed.	
Number Of Employees Bypassed	Total Number of Employees for whom a W-2 will not be printed.	
Employee Medical Contribution	Cumulative Total for College of Employee Medical Contribution	

W-2 Confirmation Summary Report (CR7210C)		
Total	Source of Data	Period
Employer-Sponsored Health	Cumulative Total for College of Employer Sponsored Health	
Health Savings Account	Cumulative Total for College of Employer and Optional Employee Contribution to HAS, Deduction code 399	
Tobacco Surcharge		
Spousal Surcharge.		

Appendix C: Institutional Parameters Used for W-2 Processing

This section identifies the institutional parameters that are used for W-2 reporting. For more information, see PPMS Institutional System Parameters on the SBCTC-ITD Web Site at <http://www.sbctc.edu/resources/documents/colleges-staff/it-support/ppms/ppms-instparam.pdf>

Parameter Number	Institutional Parameter Name	Institutional Parameter Description
0131	TIAA-ROTH-CD	A 4-character numeric field indicating the institutional value. Maintained by SBCTC-ITD. Valid codes are: 103 Fixed Amount 104 Percentage
1024	W2-PRMT-IND	A 1-character field indicating whether mailing permit information should print on the W-2. Valid codes are: Y Print permit information N Do not print permit information
1025	W2- PRMT-NUM	A 4-character field containing the mail permit number that will print on the W-2.
1026	W2-PRMT-CITY	A 12-character field containing the mail permit city that will print on the W-2.
1027	W2-PRMT-ST	A 2-character field containing the mail permit state that will print on the W-2.
1028	W2-PRESRT-IND	A 1-character field indicating whether the word Presorted should print on the W-2. Valid codes are: Y Print the word “Presorted” N Do not print the word “Presorted”
1400	EMPLR-EIN	A 9-character field containing the identification number assigned by the Internal Revenue Service (IRS). Enter the number without dashes (-).
1401	EMPLR-SSA-NUM	A 9-character field containing the number assigned by the Social Security Administration (SSA) to a state/local entity covered under Section 218 of the Social Security Act. This number always begins with 69. Enter the number without dashes (-).
1402	EMPLR-NAME	A 30-character field containing the employer name as printed on the W-2.
1403	EMPLR-ADDR1	A 30-character field containing the street address of the employer as printed on the W-2.

Parameter Number	Institutional Parameter Name	Institutional Parameter Description
1404	EMPLR-ADDR2	A 30-character field containing the second part of the employer's street address. This portion of the address will not print on the W-2, but will appear in the tape to the SSA, appended to Employer Address – Part 1.
1405	EMPLR-CITY	A 25-character field containing the address city of the employer.
1406	EMPLR-ST	A 10-character field containing the address state of the employer. If the employer's address is a foreign country, include the country's name in the field. Abbreviate as necessary.
1407	EMPLR-ZIP	The employer's 5-digit zip code.
1408	EMPLR-EMPL-TYP	A 1-character code indicating the type of employment undertaken by an employer. Valid codes are: A Agriculture Q Medicare Qualified Government Employment X Railroad Employment H Household R Regular (all others) M Military
1409	EMPLR-COV-GRP	For state/local employers only. A 1-character code that identifies a state or local covered entity regarding specified, proprietary, and governmental functions.
1410	EMPLR-PRU	A 3-digit number with the employer SSA number that identifies a state/local entity covered under Section 218.
1411	EMPLR-LIM-LIAB	A 1-character code indicating a state/local entity covered under Section 218 that limits its social security withholding for each employee to the annual maximum for the employee's combined income from the state.

Appendix D: Source of Data Printed on W-2 Forms

The table below shows you where the information printed on the W-2 originates.

W-2 Box Number and Title		Source of Data
a	Control number	Blank
b	Employer identification number	Employer Identification Number, Institution Parameter 1400
c	Employer's name, address, and ZIP code	Employer Name, Institution Parameter 1402 Employer Address – Part 1, Institution Parameter 1403 Employer Address – Part 2, Institution Parameter 1404 Employer City, Institution Parameter 1405 Employer State, Institution Parameter 1406 Employer Zip, Institution Parameter 1407
d	Employee's social security number	Employee ID, Key Field for PPMS Screens
e	Employee's name	Employee Name as entered on the following screens, then rearranged into two fields (First Name and Initial; Last Name): Employee Status Screen (PS0001) or Student/Hourly Screen (PS0012)
f	Employee's address and ZIP code	Permanent Address Line 1, Line 2, City, State, County, and Zip as entered on the: Personal Information Screen (PS0004) or Student/Hourly Screen (PS0012) or Payroll Information Screen (PS0014)
1	Wages, tips, other compensation	Federal Tax Gross YTD for Previous Year, Dollar Balance 3
2	Federal income tax withheld	Federal Withholding Tax (Deduction Code 022), Institution Parameter 108; uses the Previous YTD Balance
3	Social security wages	OASI Gross YTD for Previous Year, Dollar Balance 5 minus TIP or GRA earnings.
4	Social security tax withheld	OASI Deduction (Deduction Code 020), Institution Parameter 109; uses the Previous YTD Balance
5	Medicare wages and tips	Medicare Gross YTD for Previous Year, Dollar Balance 20
6	Medicare tax withheld	Medicare Insurance Deduction (Deduction Code 036), Institution Parameter 123; uses the Previous YTD Balance
7	Social security tips	Tip earnings entered with an earn type of TIP or GRA
8	Allocated tips	Zero
10	Dependent care benefits	Dependent Care Deduction (Deduction Code 087), Institution Parameter 127; uses the Previous YTD Balance
11	Nonqualified plans	Blank

W-2 Box Number and Title		Source of Data
12	Label C	Life Insurance Premium over \$50,000 paid by Employer entered with an Earn Type of LIF
	Label E	Tax Sheltered Annuity Deduction Codes as entered in the Job Scheduling parameter W2-DRF-PLAN associated with parameter W2-DRF-LBL for the 403B plans
	Label G	Deferred Compensation Percentage, Deduction Code 084 and Deferred Compensation, Deduction Code 085, as entered in the Job Scheduling parameter W2-DFR-PLAN associated with parameter W2-DFR-LBL for the 457 plans
	Label J	Sick Leave Pay Third Party Vendor YTD for the Previous Year, Dollar Balance 30
	Label W	Employer Contributions and Optional Employee Contributions to a Health Savings Account
	Label BB	Designated Roth Fixed Amount, Deduction Code 103 and Designated Roth Percentage, Deduction Code 104.
	Label DD	Employer-Sponsored Medical and Dental Cost.
13	Statutory employee	Not checked
	Retirement plan	Checked if a valid retirement plan (except for NE, TW, WA, or WW) was used in the previous year
	Third-party sick pay	Checked if there is a J code in Box 12.
14	Other	Employee Contribution toward Medical and Dental Insurance. Tobacco Surcharge Spousal Surcharge
15	State Employer's state ID number	Set to WA Employer Social Security Administration Number, Institution Parameter 1401
16	State wages, tips, etc.	State Tax Gross YTD for the Previous Year, Dollar Balance 18 (not used by Washington State)
17	State income tax	State Income Tax Deduction Code, Institution Parameter 122 (not used by Washington State)
18	Local wages, tips, etc.	Blank
19	Local income tax	Blank
20	Locality name	Blank

Note: If Box 12 contains more than four (4) codes, a second W-2 will print with the following boxes only:

- Box b Employer's Identification Number
- Box c Employer's Name, Address, and Zip Code
- Box d Employee's Social Security Number
- Box e Employee's Name, Address, and Zip Code
- Box 12 Alpha Code identifying the Type of Amount (Code) and the Related Amount