Process	Preparing Tax Data and W-2 Forms	**Module: Payroll** **Business Process No. BP-PA-1.4** **Date Created: 10/30/08** **Date Revised:**
Purpose	Outline the process to prepare tax data and create W-2 Forms	
Navigation	Multiple Steps- See navigation in the comments block as processes is completed.	
Prerequisites	Appropriate Tax updates must be applied to data base. See Overview Chart 1	
Helpful Hints	Check current year tax update manual for changes to the process. Chart 11 has some helpful reconciliation tips.	

PROCESS STEPS

STEP	DESCRIPTION	COMMENTS
1.	**Navigation:** *Payroll For North America>US Annual Processing>Audit and Error Report>Error Listing* Run TAX900 Report	**TAX900**-Title: Annual Reporting Error Listing Purpose: Identify error conditions in the data base system Frequency Run: Recommend to be run biweekly so error can be corrected on a timely basis. **This report can be run as often as necessary and all errors need to be corrected before proceeding.** BP-PA-1.064 Error Listing of TAX900
2.	Review output and correct errors	Rerun step 1 until all errors are corrected. BP-PA-1.310 Adjust EE and ER Balances outline record correction processes
3.	Navigation: *Payroll for North America>US Annual Processing>Create W2 Data>Load Year End Data* Run TAX910LD	**TAX910LD**-Title: Year End (YE) Data Record Load Purpose: Load pay information into year end records. Frequency Run: Run at calendar year end after all TAX900 errors have been corrected. The load can be run multiple times as corrections are completed.
4.	Navigation: *Payroll for North America>US Annual Processing>Create W2 Data>Review/Update Year End Forms* This will allow you to view on line year end records	Title: Review/Update Year End Forms Purpose: Allows user to view employee W2 Data and correct name and address on line. Frequency Run: As necessary to review individual records See Chart 2 (Note Screen Shot is generic and is not a FAMU employee)
5.	Navigation: *Payroll for North America>US Annual Processing>Audit and Error Reports>Year End Record Error* Run TAX 910ER	**TAX910ER**-Title: Year End Record Error Report Purpose: Report reviews records loaded and identifies record errors needed to be corrected. Frequency Run: Run after each TAX910LD is completed. Chart 3
6.	Navigation: *Payroll for North America>US Annual Processing>Audit and Error Reports>Year End Data Audit* TAX910AU Review output and correct errors	**TAX910AU**-Title: Year End Data Audit Purpose: Creates a listing of the amounts loaded into the PS_YE_AMOUNTS table Frequency: Run after TAX910ER is completed Chart 4

STEP	DESCRIPTION	COMMENTS
7.	Navigation: *Payroll for North America>US Annual Processing>W2 Reporting> W-3/W-3SS Transmittal Report* TAX915	**TAX915**-Title: W3/W-3SS Transmittal Report Purpose: Totals from this report must be reconciled to the taxable wage and tax amounts from TAX910AU-Year End Data Audit report and with the totals from quarterly 941 reports for the year. This report must also be reconciled to the TAX960US_xxx.out file See Step 9. Frequency: Run after corrections until all files are reconciled Chart 5
8.	Navigation: *Payroll for North America>US Annual Processing>Define Annual Tax Reporting>Tax Reporting Parameters*	Title: Tax Reporting Parameters Purpose: Identifies the form and print parameters based on the form used by FAMU Frequency: Parameters are set annually Ensure Form ID is **LSR02A,** Alignment Pages = 1, and Employee/Page = 1. (Note: Technical needs to specify the select definition in PRTFORML.SQC to match the W-2 Form ID selected) Chart 6
9.	Navigation: *Payroll for North America>US Annual Processing>Define Annual Tax Reporting>-Electronic Parameters*	Populate Transmitter ID, Organization Type, Type of Employment, and Recording Code in the Electronic file. Chart 7
10.	Navigation: *Payroll for North America, US Annual Processing>W-2 Reporting>Print Year End Forms* Run TAX960US Run this process with output destinations set to Web and print the TAX960US_XXX.out file.	**TAX960US**-Title: Print Year End Forms Purpose: File must be reconciled to TAX915 – W3/W-3SS Transmittal Totals Frequency: Run until reconciled Chart 8
11.	Navigation: *Payroll for North America>US Annual Processing>Create W2 Data>Load Year End Data* Run TAX910LD	**TAX910LD**-Title: Year End (YE) Data Record Load Purpose: Load pay information into year end records. Frequency Run: Run at calendar year end after all TAX900 errors have been corrected. The load can be run multiple times as corrections are completed. (Note: This would be final load after all report are reconciled and errors corrected)
12.	Navigation: *Payroll for North America>US Annual Processing>Audit and Error Reports>Year End Record Error* Review output and correct errors	Review all report run above to insure corrective actions have occurred
13.	Navigation: *Payroll for North America, US Annual Processing>W-2 Reporting>Print Year End Forms* Run TAX960US Prepare W-2 file for reporting data to the Social Security Administration.	**TAX960US**-Title: Print Year End Forms Purpose: File must be reconciled to TAX915 – W3/W-3SS Transmittal Totals Frequency: Run until reconciled. (Note this would be final report load after all corrections and errors have been resolved)
14.	Create Federal W-2 File Navigation: *Payroll for North America>US Annual Processing>W-2 Reporting>Create Federal W-2 File* TAX960FD	**TAX960FD**-Title: Create Federal W-2 File Purpose: Prepares final W-2 file for electronic file to submit to the Social Security Administration Chart 9
15.	Navigation: *Payroll for North America>US Annual Processing>Audit and Error Reports>Federal W-2 File Audit* TAX962FD	**TAX962FD**-Title: Federal W-2 File Audit Purpose: Audits and shows errors in the TAX960FD file. Frequency: Run until all errors are corrected on the

STEP	DESCRIPTION	COMMENTS
		submission file. Chart 10
16.	Test the Federal W-2 File created by TAX960FD using the AccuWage software from the Social Security Administration. The AccuWage software allows you to check the file for errors before submitting it to the Social Security Administration. Information on downloading the AccuWage software may be found on the Social Security website at http://www.ssa.gov/employer/accuwage//#what	Note this process is defined in on the Social Security Web site The TAX960FD file created would need to be processed through this software. A separate business process will be created to outline this process.
17.	Create final file and transmit electronically	Send file to Social Security Administration

Chart 1
Overview
The chart below summarizes the processes used. The processes are outlined in the Step by Step processes outlined above:

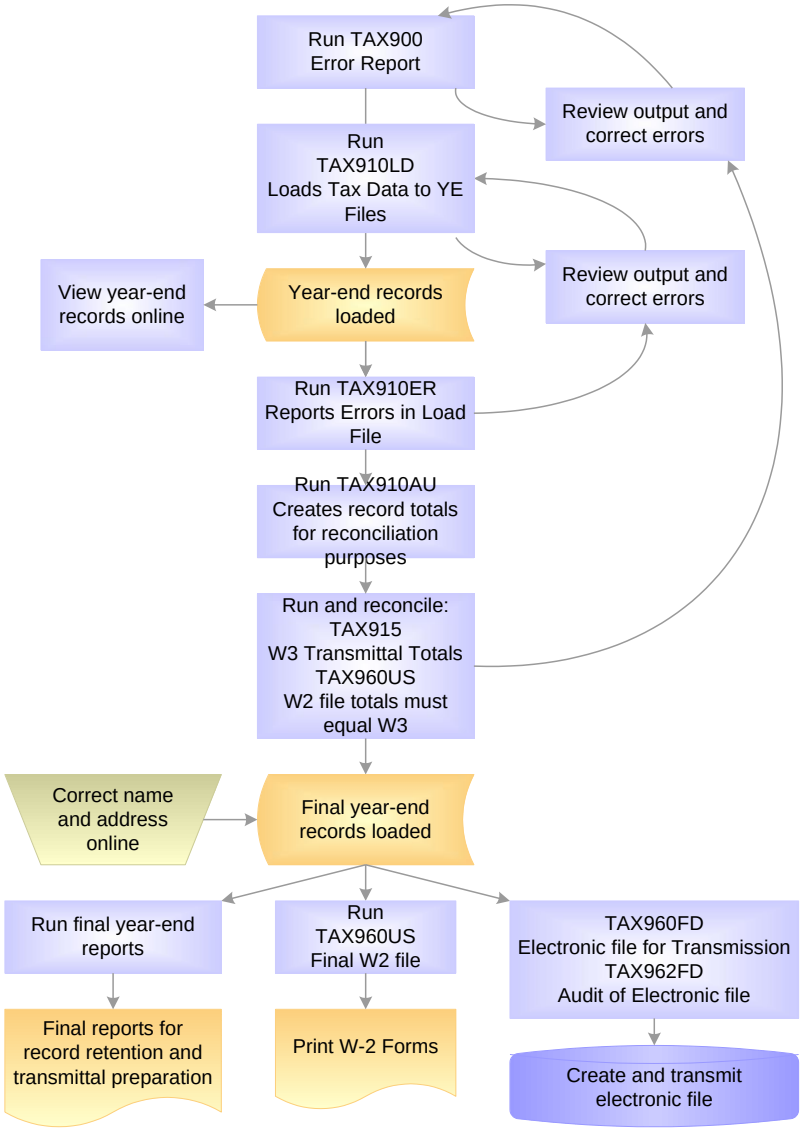
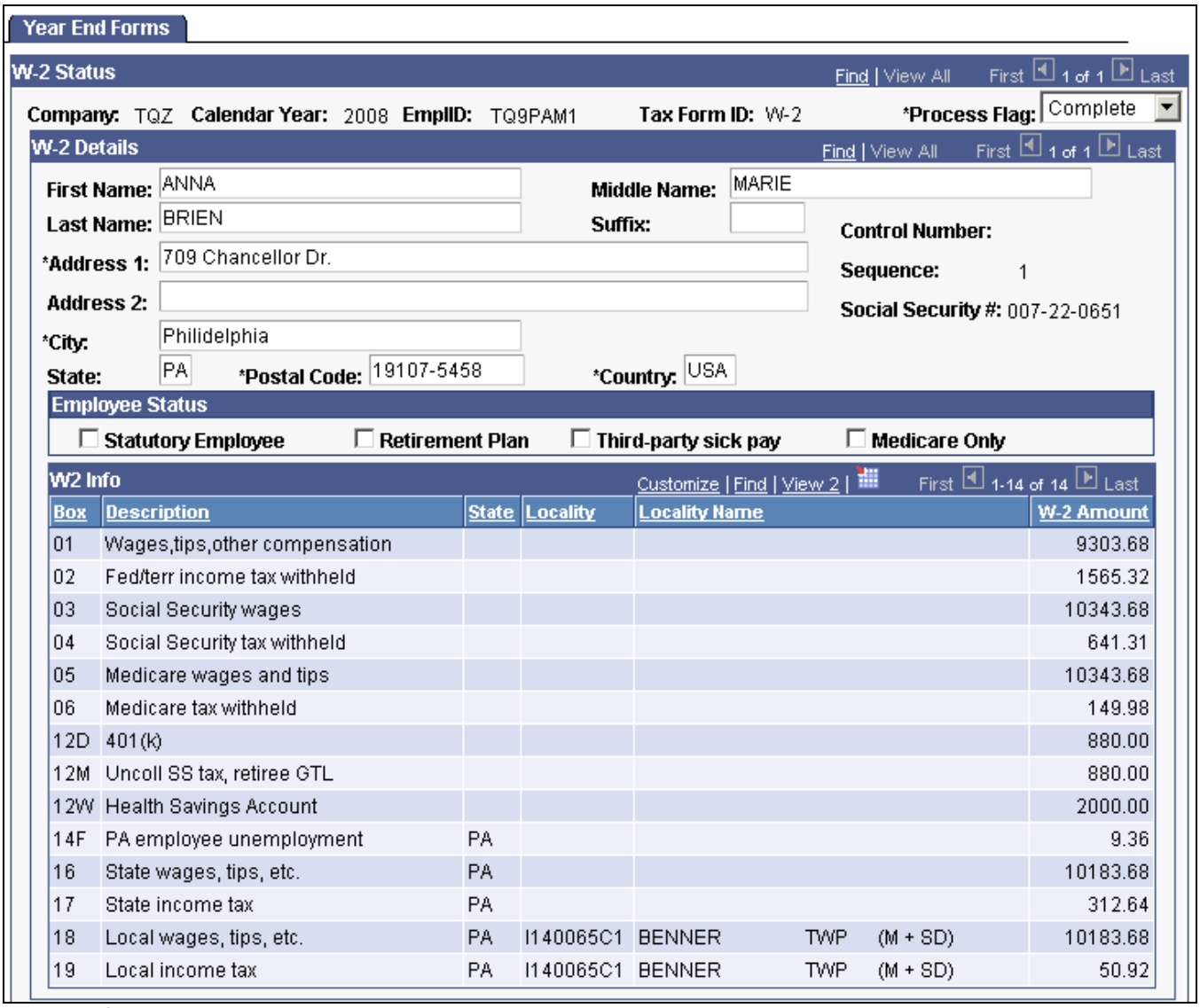


Chart 2
Access year end form page:



Box	Description	State	Locality	Locality Name			W-2 Amount
01	Wages,tips,other compensation						9303.68
02	Fed/terr income tax withheld						1565.32
03	Social Security wages						10343.68
04	Social Security tax withheld						641.31
05	Medicare wages and tips						10343.68
06	Medicare tax withheld						149.98
12D	401(k)						880.00
12M	Uncoll SS tax, retiree GTL						880.00
12W	Health Savings Account						2000.00
14F	PA employee unemployment	PA					9.36
16	State wages, tips, etc.	PA					10183.68
17	State income tax	PA					312.64
18	Local wages, tips, etc.	PA	I140065C1	BENNER	TWP	(M + SD)	10183.68
19	Local income tax	PA	I140065C1	BENNER	TWP	(M + SD)	50.92

Year End Forms page

Chart 2 (continued)

W-2 Status

The system builds a record of an employee's W-2 form data (for tax years 2001 and forward) on this page.

Process Flag Indicates the status of the employee's year-end data record relative to the YE Data Record Load process.

Complete: The default when the system loads year-end data records.

Void: Prevents an employee's W-2 set from printing or being included in electronic or magnetic media reports.

You can set this value manually on this page or direct the TAX910ER process to set this value for year-end reports that contain errors.

Note. TAX910ER automatically voids forms for non-employees and forms with negative amounts.

W-2c Issued: Indicates that one or more W-2c forms have been issued to replace the W-2 record being viewed.

W-2 Details

You can make name and address corrections to W-2 records online by typing the information directly into the name and address fields on this page. You can also update the employee status check boxes related to Box 13 on the W-2 form

Chart 3

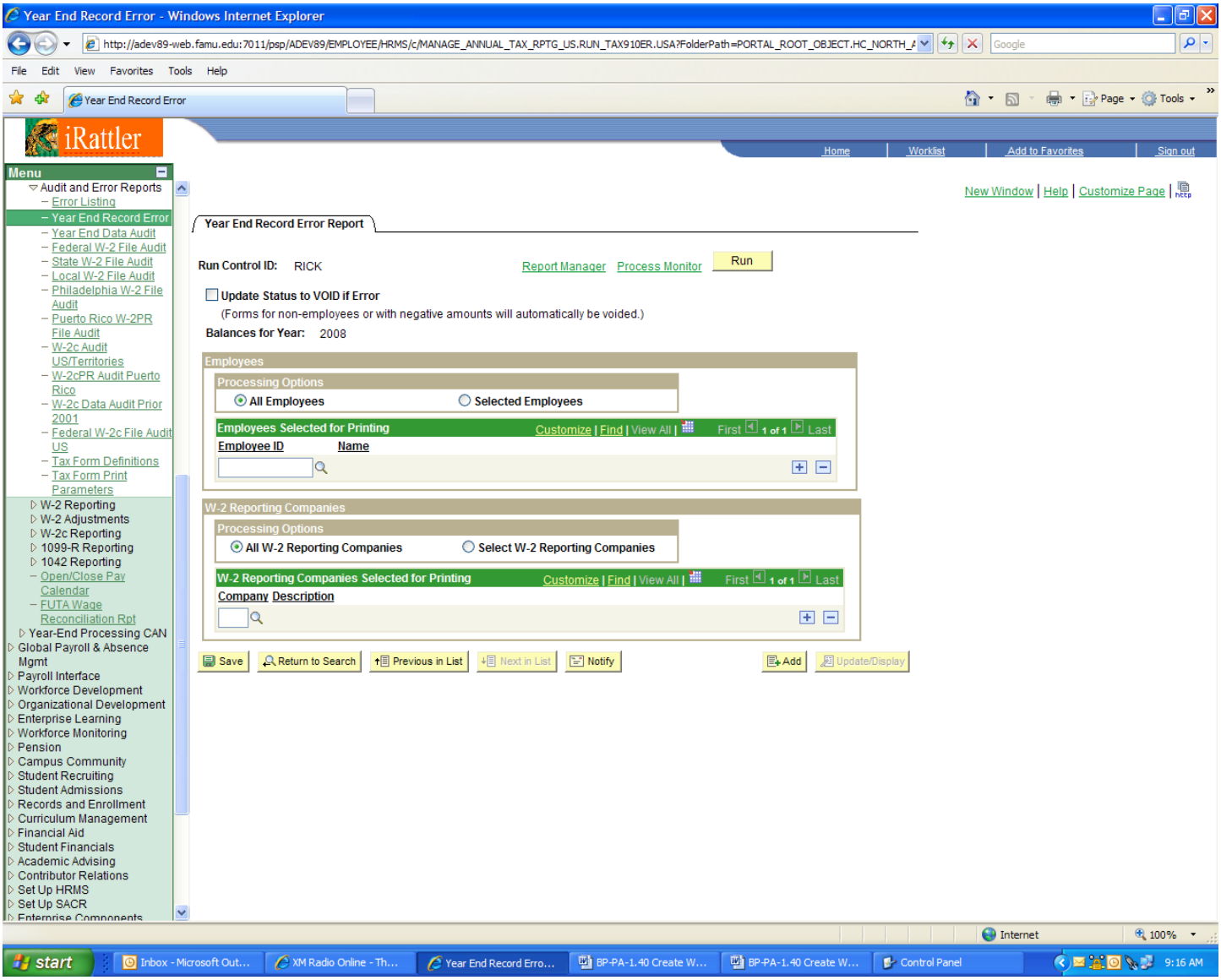
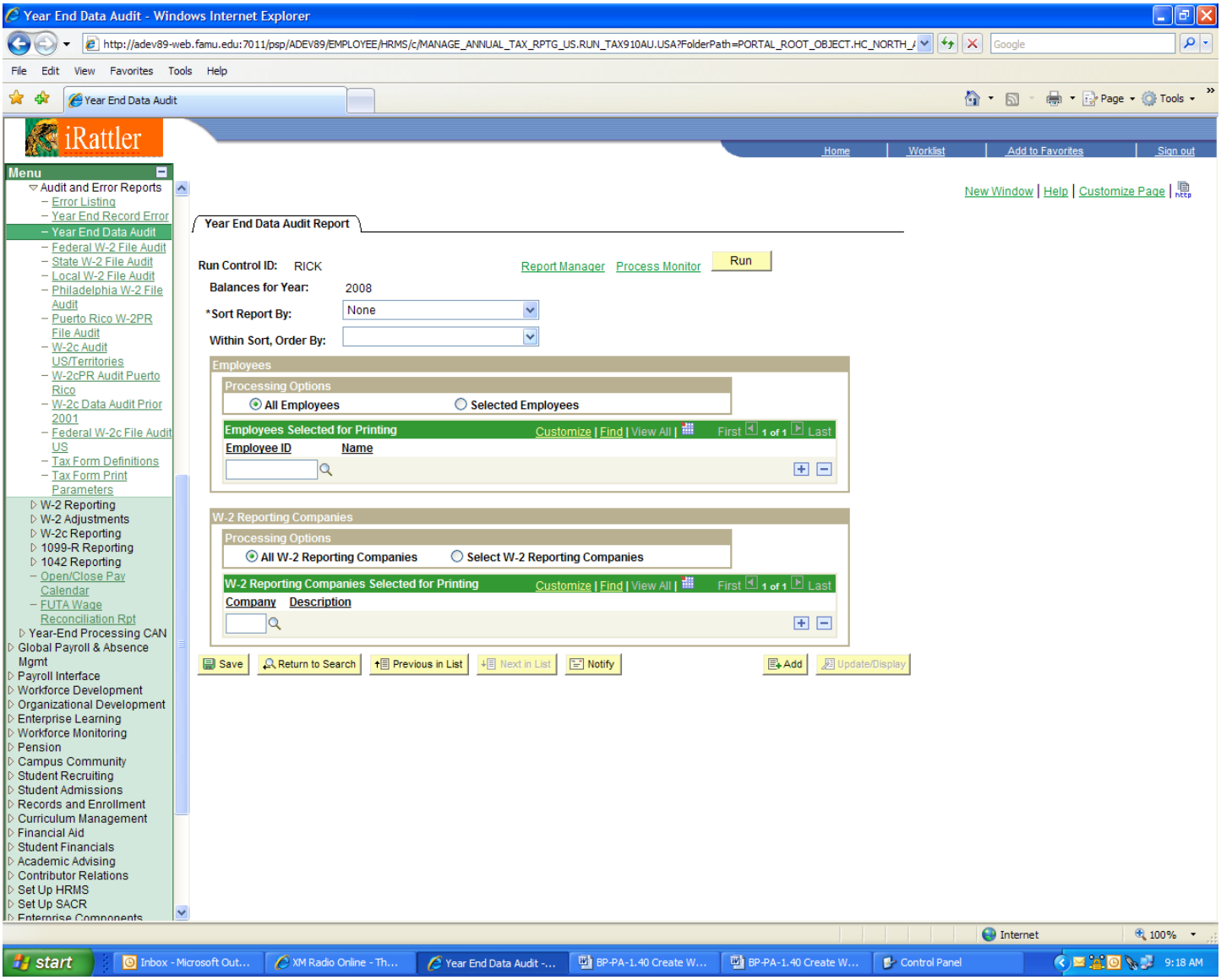

Year End Record Error - Windows Internet Explorer
iRattler
Home
Worklist
Add to Favorites
Sign out
Menu
Audit and Error Reports
Error Listing
Year End Record Error
Year End Data Audit
Federal W-2 File Audit
State W-2 File Audit
Local W-2 File Audit
Philadelphia W-2 File Audit
Puerto Rico W-2PR File Audit
W-2c Audit US/Territories
W-2cPR Audit Puerto Rico
W-2c Data Audit Prior 2001
Federal W-2c File Audit US
Tax Form Definitions
Tax Form Print Parameters
W-2 Reporting
W-2 Adjustments
W-2c Reporting
1099-R Reporting
1042 Reporting
Open/Close Pay Calendar
FUTA Wage Reconciliation Rpt
Year-End Processing CAN
Global Payroll & Absence Mgmt
Payroll Interface
Workforce Development
Organizational Development
Enterprise Learning
Workforce Monitoring
Pension
Campus Community
Student Recruiting
Student Admissions
Records and Enrollment
Curriculum Management
Financial Aid
Student Financials
Academic Advising
Contributor Relations
Set Up HRMS
Set Up SACR
New Window | Help | Customize Page
Year End Record Error Report
Run Control ID: RICK
Report Manager
Process Monitor
Run
Update Status to VOID if Error
(Forms for non-employees or with negative amounts will automatically be voided.)
Balances for Year: 2008
Employees
Processing Options
All Employees
Selected Employees
Employees Selected for Printing
Customize | Find | View All | First 1 of 1 Last
Employee ID
Name
W-2 Reporting Companies
Processing Options
All W-2 Reporting Companies
Select W-2 Reporting Companies
W-2 Reporting Companies Selected for Printing
Customize | Find | View All | First 1 of 1 Last
Company
Description
Save
Return to Search
Previous in List
Next in List
Notify
Add
Update/Display
start
Inbox - Microsoft Out...
XM Radio Online - Th...
Year End Record Erro...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:16 AM

Chart 4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File Edit View Favorites Tools Help
Year End Data Audit
iRattler
Home | Worklist | Add to Favorites | Sign out
Menu
Audit and Error Reports
Error Listing
Year End Record Error
Year End Data Audit
Federal W-2 File Audit
State W-2 File Audit
Local W-2 File Audit
Philadelphia W-2 File Audit
Puerto Rico W-2PR File Audit
W-2c Audit US/Territories
W-2cPR Audit Puerto Rico
W-2c Data Audit Prior 2001
Federal W-2c File Audit US
Tax Form Definitions
Tax Form Print Parameters
W-2 Reporting
W-2 Adjustments
W-2c Reporting
1099-R Reporting
1042 Reporting
Open/Close Pay Calendar
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Global Payroll & Absence Mgmt
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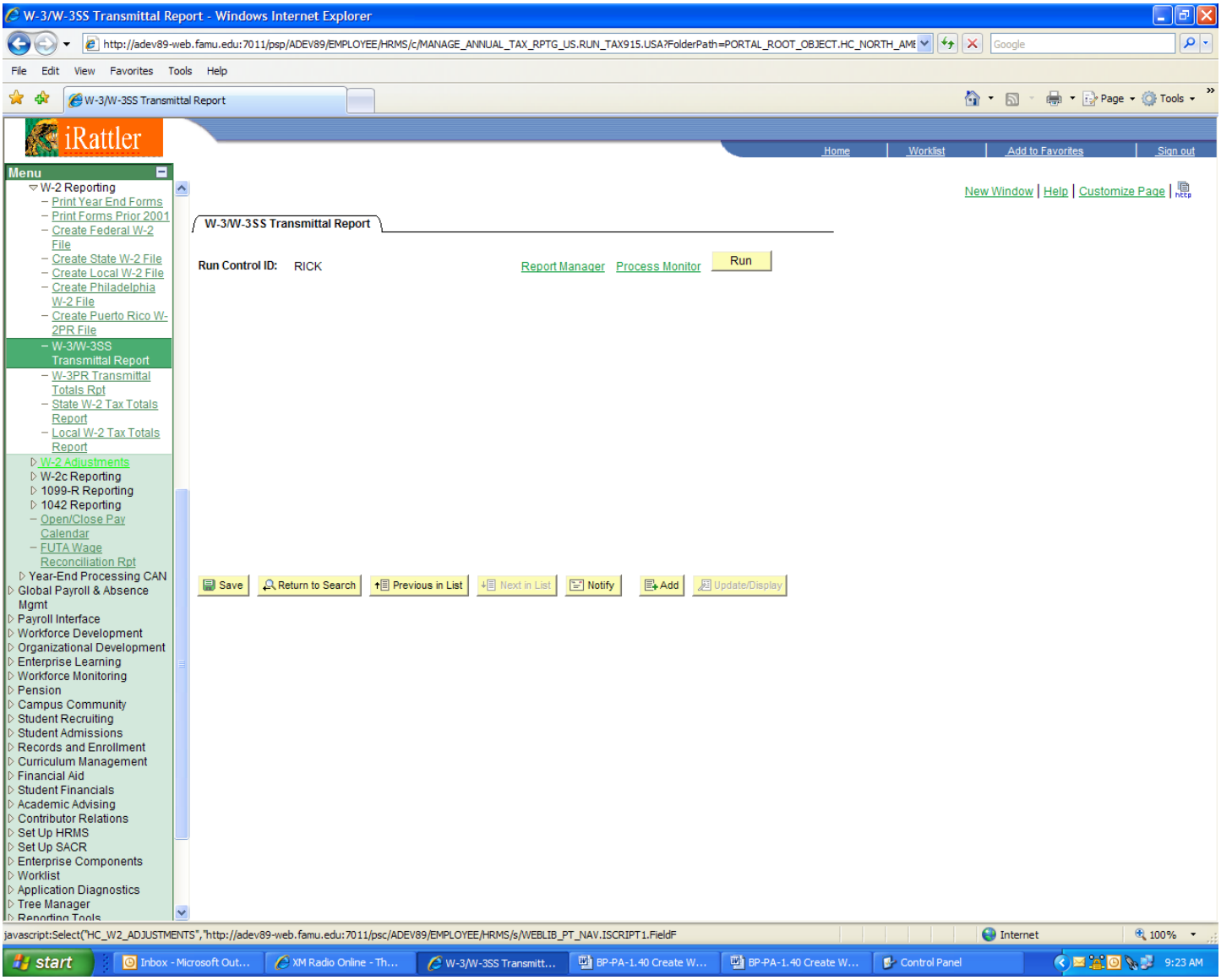
Workforce Development
Organizational Development
Enterprise Learning
Workforce Monitoring
Pension
Campus Community
Student Recruiting
Student Admissions
Records and Enrollment
Curriculum Management
Financial Aid
Student Financials
Academic Advising
Contributor Relations
Set Up HRMS
Set Up SACR
New Window | Help | Customize Page
Year End Data Audit Report
Run Control ID: RICK
Report Manager Process Monitor Run
Balances for Year: 2008
*Sort Report By: None
Within Sort, Order By:
Employees
Processing Options
All Employees Selected Employees
Employees Selected for Printing
Customize | Find | View All | First 1 of 1 Last
Employee ID Name
W-2 Reporting Companies
Processing Options
All W-2 Reporting Companies Select W-2 Reporting Companies
W-2 Reporting Companies Selected for Printing
Customize | Find | View All | First 1 of 1 Last
Company Description
Save Return to Search Previous in List Next in List Notify Add Update/Display
Internet 100%
start
Inbox - Microsoft Out...
XM Radio Online - Th...
Year End Data Audit -...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:18 AM

Chart 5


W-3/W-3SS Transmittal Report - Windows Internet Explorer
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File Edit View Favorites Tools Help
W-3/W-3SS Transmittal Report
iRattler
Home | Worklist | Add to Favorites | Sign out
Menu
W-2 Reporting
Print Year End Forms
Print Forms Prior 2001
Create Federal W-2 File
Create State W-2 File
Create Local W-2 File
Create Philadelphia W-2 File
Create Puerto Rico W-2PR File
W-3/W-3SS Transmittal Report
W-3PR Transmittal Totals Rpt
State W-2 Tax Totals Report
Local W-2 Tax Totals Report
W-2 Adjustments
W-2c Reporting
1099-R Reporting
1042 Reporting
Open/Close Pay Calendar
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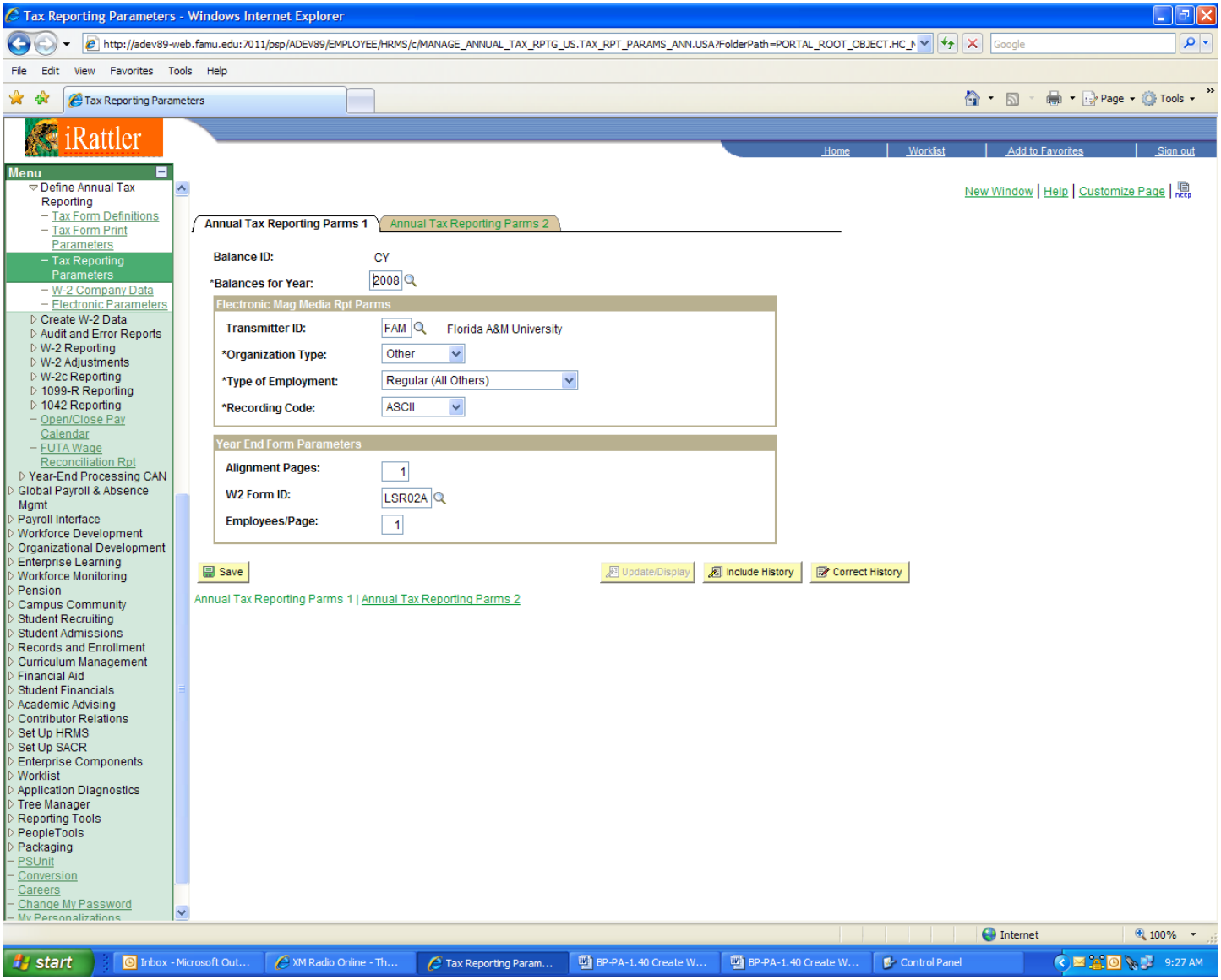
Curriculum Management
Financial Aid
Student Financials
Academic Advising
Contributor Relations
Set Up HRMS
Set Up SACR
Enterprise Components
Worklist
Application Diagnostics
Tree Manager
New Window | Help | Customize Page
W-3/W-3SS Transmittal Report
Run Control ID: RICK
Report Manager Process Monitor Run
Save Return to Search Previous in List Next in List Notify Add Update/Display
javascript:Select("HC_W2_ADJUSTMENTS","http://adev89-web.famu.edu:7011/psc/ADEV89/EMPLOYEE/HRMS/s/WEBLIB_PT_NAV.ISCRIPT1.FieldF
Internet 100%
start
Inbox - Microsoft Out...
XM Radio Online - Th...
W-3/W-3SS Transmitt...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:23 AM

Chart 6


Tax Reporting Parameters - Windows Internet Explorer
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File Edit View Favorites Tools Help
Tax Reporting Parameters
iRattler
Home Worklist Add to Favorites Sign out
Menu
Define Annual Tax Reporting
Tax Form Definitions
Tax Form Print Parameters
Tax Reporting Parameters
W-2 Company Data
Electronic Parameters
Create W-2 Data
Audit and Error Reports
W-2 Reporting
W-2 Adjustments
W-2c Reporting
1099-R Reporting
1042 Reporting
Open/Close Pay Calendar
FUTA Wage Reconciliation Rpt
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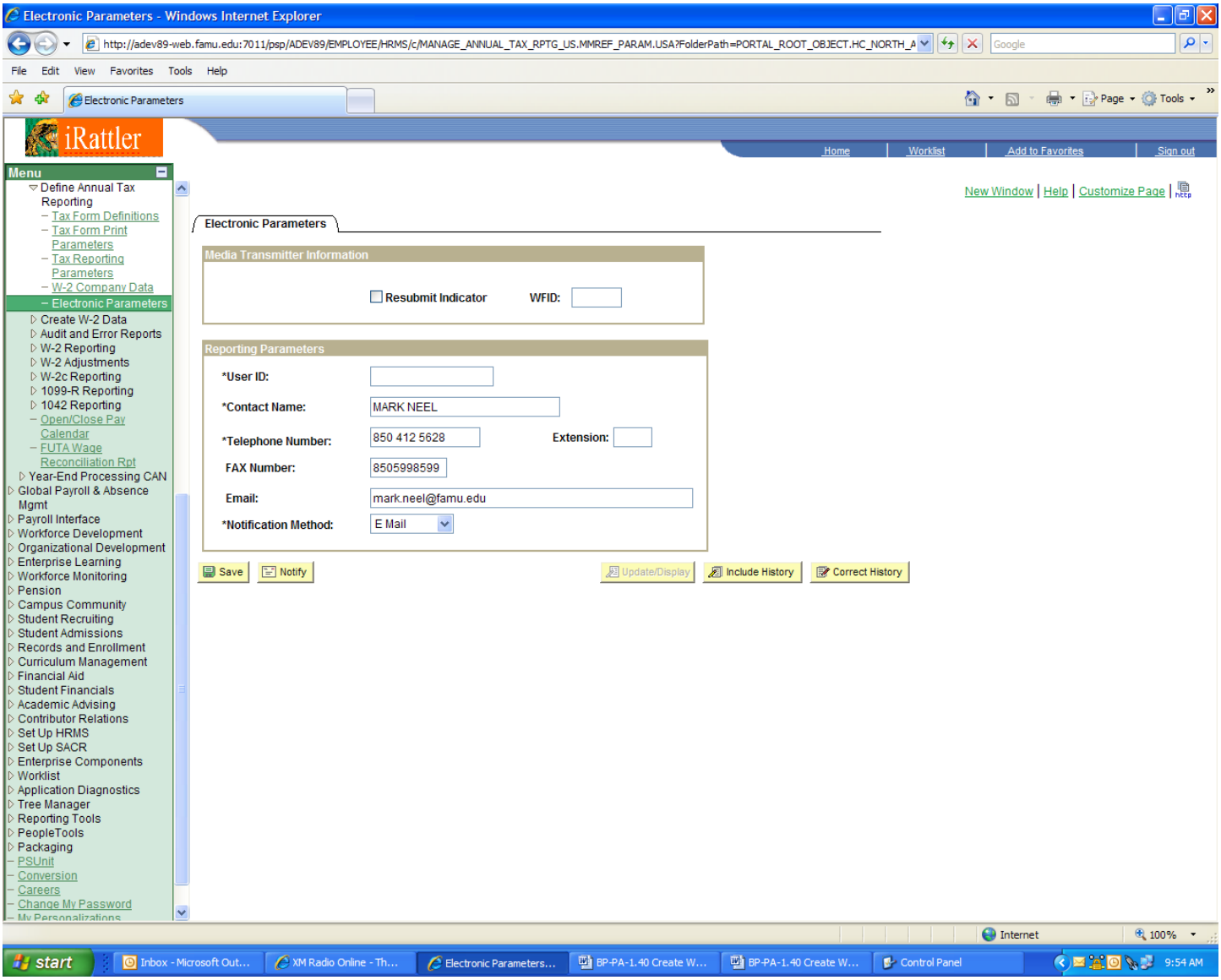
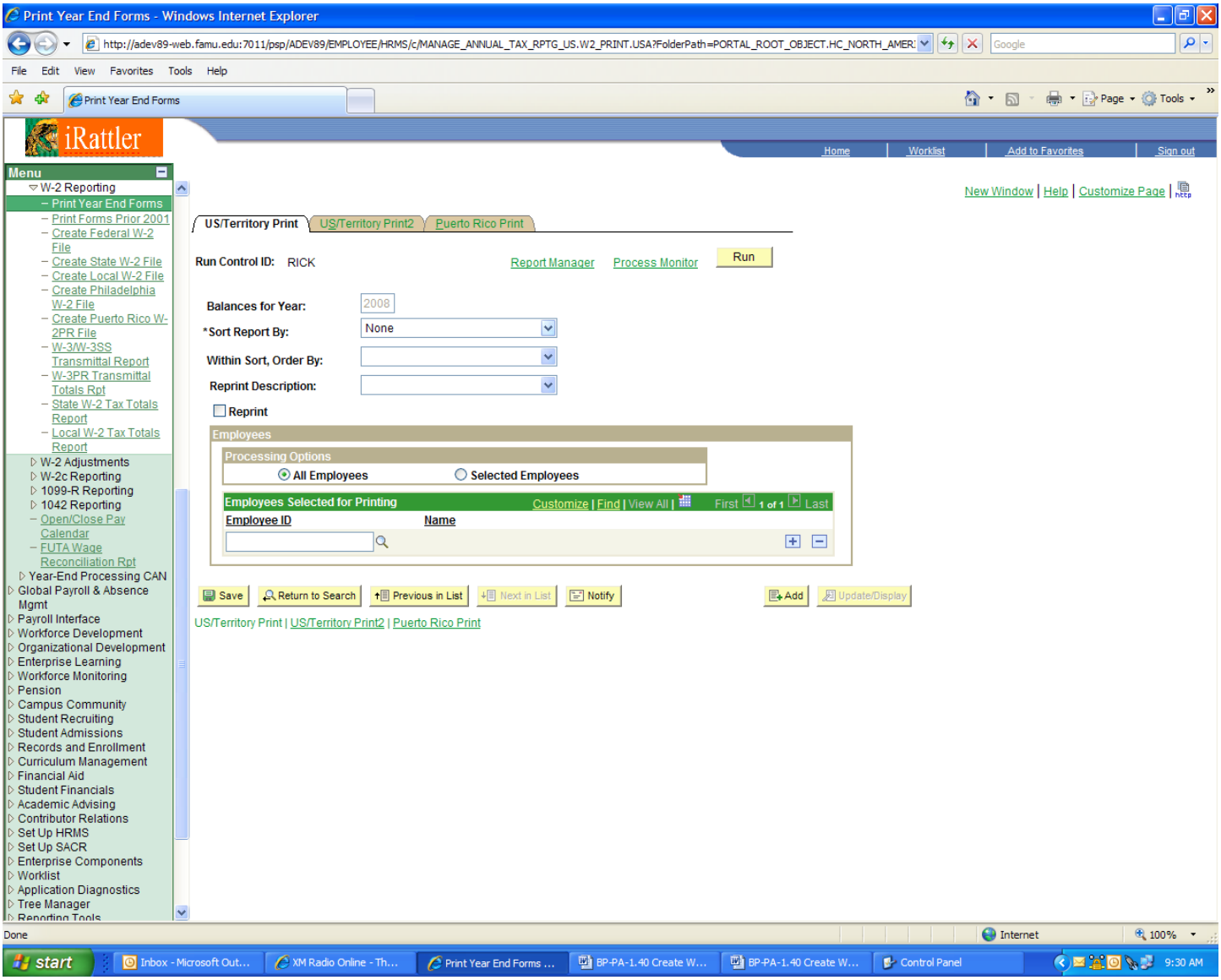
Contributor Relations
Set Up HRMS
Set Up SACR
Enterprise Components
Worklist
Application Diagnostics
Tree Manager
Reporting Tools
PeopleTools
Packaging
PSUnit
Conversion
Careers
Change My Password
New Window | Help | Customize Page
Annual Tax Reporting Parms 1
Annual Tax Reporting Parms 2
Balance ID: CY
*Balances for Year: 2008
Electronic Mag Media Rpt Parms
Transmitter ID: FAM Florida A&M University
*Organization Type: Other
*Type of Employment: Regular (All Others)
*Recording Code: ASCII
Year End Form Parameters
Alignment Pages: 1
W2 Form ID: LSR02A
Employees/Page: 1
Save
Update/Display
Include History
Correct History
Annual Tax Reporting Parms 1 | Annual Tax Reporting Parms 2
Internet
100%
start
Inbox - Microsoft Out...
XM Radio Online - Th...
Tax Reporting Param...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:27 AM

Chart 7



Note: User ID is assigned by SSA and will be completed upon receipt from Mark Neel.

Chart 8


Print Year End Forms - Windows Internet Explorer
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File Edit View Favorites Tools Help
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Create Federal W-2 File
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W-3PR Transmittal Totals Rpt
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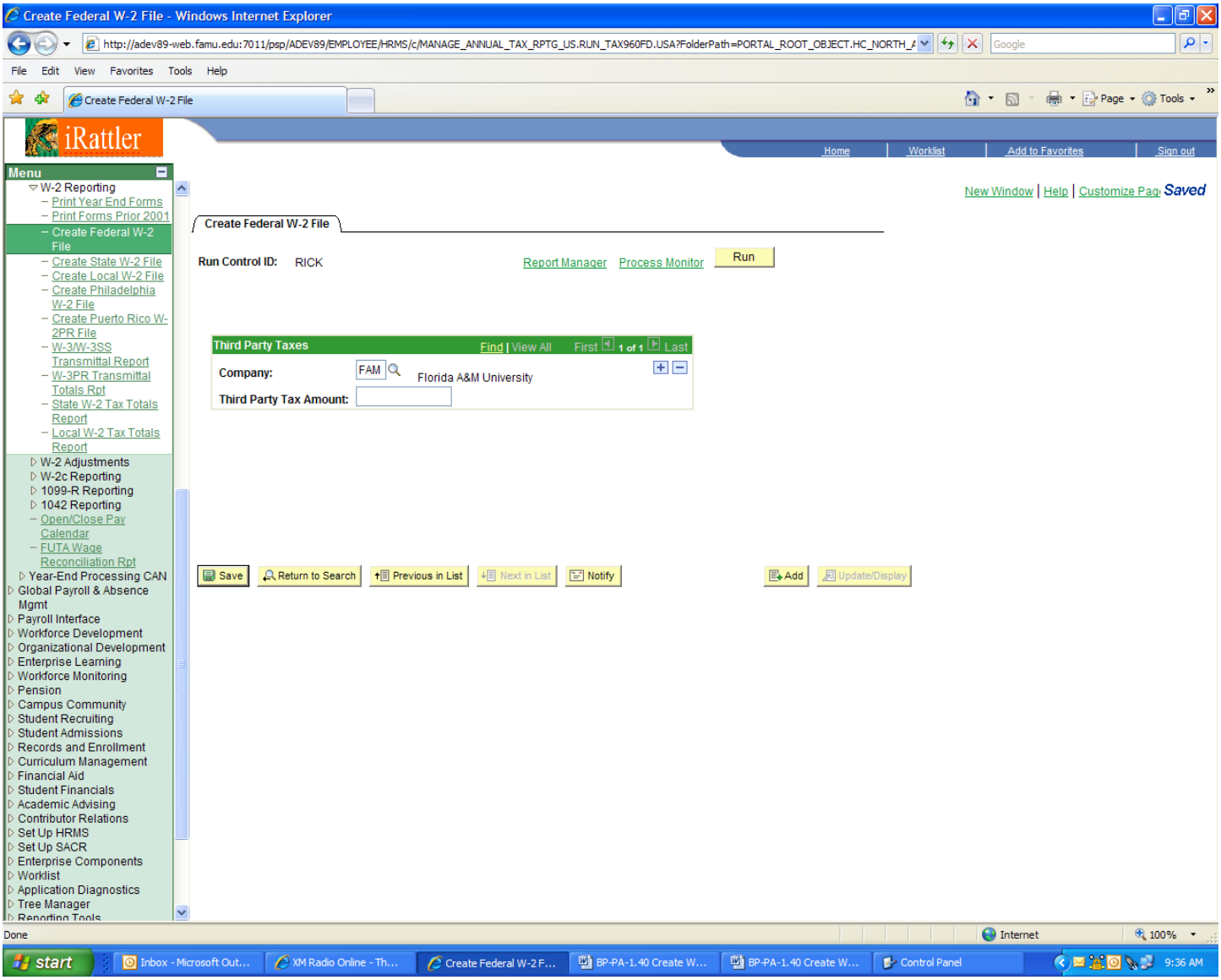
Academic Advising
Contributor Relations
Set Up HRMS
Set Up SACR
Enterprise Components
Worklist
Application Diagnostics
Tree Manager
Reporting Tools
New Window | Help | Customize Page
US/Territory Print | US/Territory Print2 | Puerto Rico Print
Run Control ID: RICK
Report Manager | Process Monitor | Run
Balances for Year: 2008
*Sort Report By: None
Within Sort, Order By:
Reprint Description:
Reprint
Employees
Processing Options
All Employees | Selected Employees
Employees Selected for Printing
Customize | Find | View All | First 1 of 1 Last
Employee ID | Name
Save | Return to Search | Previous in List | Next in List | Notify | Add | Update/Display
US/Territory Print | US/Territory Print2 | Puerto Rico Print
Done
Internet
100%
start
Inbox - Microsoft Out...
XM Radio Online - Th...
Print Year End Forms ...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:30 AM

Chart 9


Create Federal W-2 File - Windows Internet Explorer
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File Edit View Favorites Tools Help
Create Federal W-2 File
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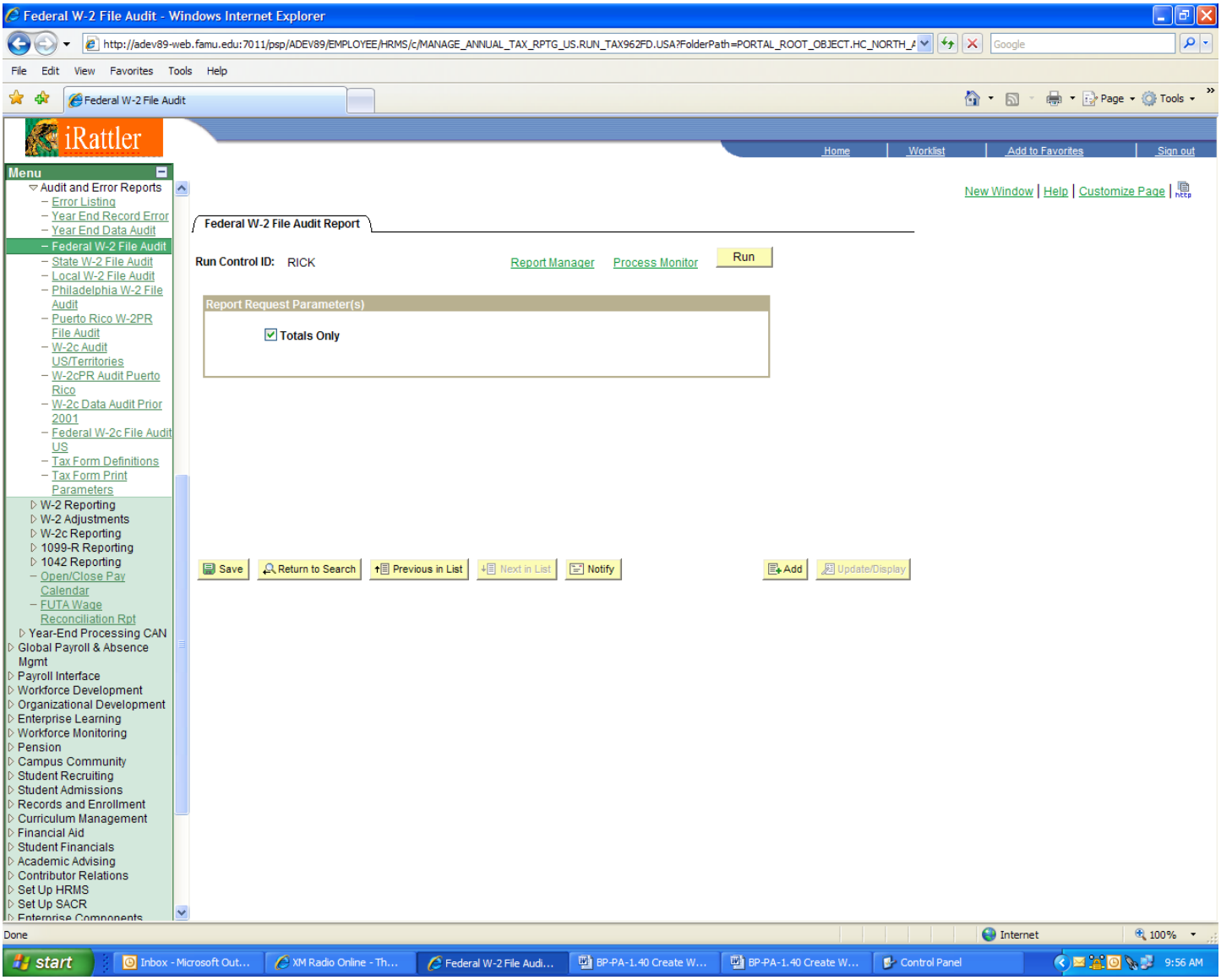
Academic Advising
Contributor Relations
Set Up HRMS
Set Up SACR
Enterprise Components
Worklist
Application Diagnostics
Tree Manager
Reporting Tools
New Window | Help | Customize Pag Saved
Create Federal W-2 File
Run Control ID: RICK
Report Manager Process Monitor Run
Third Party Taxes
Find | View All First 1 of 1 Last
Company: FAM Florida A&M University
Third Party Tax Amount:
Save Return to Search Previous in List Next in List Notify Add Update/Display
Done
Internet 100%
start
Inbox - Microsoft Out...
XM Radio Online - Th...
Create Federal W-2 F...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:36 AM

Chart 10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File Edit View Favorites Tools Help
Federal W-2 File Audit
iRattler
Home Worklist Add to Favorites Sign out
Menu
Audit and Error Reports
Error Listing
Year End Record Error
Year End Data Audit
Federal W-2 File Audit
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W-2c Reporting
1099-R Reporting
1042 Reporting
Open/Close Pay Calendar
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Enterprise Learning
Workforce Monitoring
Pension
Campus Community
Student Recruiting
Student Admissions
Records and Enrollment
Curriculum Management
Financial Aid
Student Financials
Academic Advising
Contributor Relations
Set Up HRMS
Set Up SACR
New Window | Help | Customize Page
Federal W-2 File Audit Report
Run Control ID: RICK
Report Manager
Process Monitor
Run
Report Request Parameter(s)
Totals Only
Save
Return to Search
Previous in List
Next in List
Notify
Add
Update/Display
Done
Internet
100%
start
Inbox - Microsoft Out...
XM Radio Online - Th...
Federal W-2 File Audi...
BP-PA-1.40 Create W...
BP-PA-1.40 Create W...
Control Panel
9:56 AM

Chart 11 – Reconciliation Tips:
Before submitting your year-end tax reports, you need to compare your W-3 totals with the quarterly 941s you have run during the year.
In reconciling or balancing your year-end reports, be aware of two crucial factors the IRS looks for:

- The amounts on Form W-3 must equal the totals of the amounts reported on Forms W-2.
- The annual totals on Form W-3 must equal the sum of the four quarterly totals reported on Forms 941 for the items listed in the following table:

Earnings	Form W-3	Form 941 (sum of four quarters)
Wages, tips, other compensation	Box 1	Line 2
Federal income tax withheld *	Box 2	Line 3
Taxable social security wages	Box 3	Line 5a
Taxable social security tips	Box 7	Line 5b
Taxable Medicare wages and tips	Box 5	Line 5c
Advanced EIC payments	Box 9	Line 9

* Note that W-3 and Form 941 amounts for income tax withheld may not match in some cases—for example, when income tax withheld has been reported on Form 1099-R or Form W-2G. Also, any amount reported in Box 14 of Form W-3 should be subtracted from the W-3 Box 2 amount to agree with Line 3 of Form 941.
It is not possible for the system to perform this balancing or reconciling function, because the Form 941 totals for the first three quarters of the year are on pieces of paper that the employer has already sent to the IRS. Right or wrong, the returns for those three quarters are history. However, the easiest way to ensure that the amounts will be balanced for the year is to perform a draft of Form W-3 *before* you prepare Form 941 for the fourth quarter.
After you verify that all year-to-date numbers are correct—so that you know your Form W-3 annual totals are final and accurate—fourth quarter totals can be verified as the 'remaining' quarterly amounts to be reported for the fourth quarter of the year.
Using this approach, the calculation of each item listed above would be:

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    Annual total to be reported on Form W-3(s) as per TAX915 report(s)
-   Amount reported on first quarter Form 941
-   Amount reported on second quarter Form 941
-   Amount reported on third quarter Form 941
    Amount to report on fourth quarter Form 941
```

Note. Be sure to verify each fourth quarter amount calculated in this way against the quarter-to-date (QTD) total for each wage or tax item, and resolve any differences before finalizing your fourth quarter 941 return. This process should ensure that the sum of the four quarterly totals reported on Forms 941 will equal the total reported on the annual Form W-3 for each item.

Follow these steps to reconcile year-end totals for the U.S.:

1. Run and reconcile W-3/W-3SS transmittal totals.
    a. Run TAX915 - W-3/W-3SS Transmittal Totals.
    b. Reconcile the total taxable wage and tax amounts from TAX915 W-3/W-3SS Transmittal Totals with total taxable wage and tax amounts from TAX910AU - Year End Data Audit Report.
    c. Reconcile TAX915 - W-3/W-3SS transmittal totals with totals from quarterly 941/941SS reports for the year.
    d. If reconciliation reveals error conditions that require changes to employee tax, earnings, or deductions balance records, follow process in BP-PA-1.310 Adjust EE and ER Balances outline record correction processes to make record corrections and repeat process
2. Run and reconcile Federal W-2 total amounts.
    a. Update the Annual Tax Reporting Parameters page with the maximum number of employees per page and select the W-2 Form ID.
    b. Specify the Select Define in PRTFORML.SQC to match the W-2 Form ID selected on the Annual Tax Reporting Parameters page. Follow the instructions provided in the SQC.
    c. Run TAX960US with Output Destination set to Web and print the TAX960US_xxx.out file.
    d. Reconcile total amounts from the TAX960US_xxx.out file with total amounts from TAX915 - W-3/W-3SS Transmittal Totals.

Note. The total number of forms reported on the TAX960US_xxx.out file is for forms inventory control purposes and includes alignment forms; this total should not be used to complete W-3 box c Total Number of Forms W-2. Instead, use the total number of forms reported on TAX915 to complete W-3 box c Total Number of Forms W-2.

    e. If reconciliation reveals error conditions that require changes to employee tax, earnings, or deductions balance records, follow process in BP-PA-1.310 Adjust EE and ER Balances outline record correction processes to make record corrections and repeat processes.

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