

Welcome

W-2 BALANCING TIPS

W-2 Preparation Checklist

- ✓ Order current year W-2 and 1099-R forms
- ✓ Create a new set of Local, State & Federal Tax Tables for coming year, if necessary
- ✓ Prior to 1st P/R in new year, verify/change FICA wage limit on FICA deduction master

W-2 Preparation Checklist (cont'd)

- ✓ Verify all payrolls dated through 12/31/XXXX are complete. Use 'All Jobs Completed' flag on Payroll/Start/Change screen
- ✓ Verify the State assigned ID is set up in the State Code table

W-2 Preparation Checklist (cont'd)

- ✓ Verify the latest release of MUNIS[®] software and payroll year-end specific updates have been loaded to ensure the appropriate law changes will be reflected
- ✓ Add/verify the W-2 codes in the Pay Type Code F/M and Deduction/Benefit Master F/M that may be necessary for reporting W-2 Box 10, 12 & 14 amounts

W-2 Preparation Checklist (cont'd)

<u>W2 Code</u>	<u>Deduction Type</u>	<u>W-2 Box</u>
1	Health Savings Account	12
D	401K	12
E	403B	12
F	408K6	12
G	457B	12
H	501C18D	12
J	Nontaxable Sick Pay	12
S	SIMPLE Pension	12
T	Dependent Care	10
W	User Defined (Union, medical, etc)	14
X	User Defined	14
Y	Retirement Plans (KTRS, CERS)	14
Z	User Defined (Fringe Benefits)	14
AA	Roth 401K – Post-tax	14
BB	Roth 403B – Post-tax	14

Notes:

Box 12 can have up to four totals before another form is required. The second form will have the employee's basic information (name, SSN) and the additional Box 12 totals.

Any employee with a Deduction Code having a W-2 Code of D, E, F, or H will have an "X" placed in the pension plan square and the deferred comp square of Box 13.

W-2 Preparation Checklist (cont'd)

<u>W2 Code</u>	<u>Deduction Type</u>	<u>W-2 Box</u>
A	Social Security Tips	7
C	Life (Group Term)	12
L	Business Expense	12
P	Excludable Moving Expense	12
Q	Military	12
M	Unclaimed FICA	12
N	Unclaimed Medicare	12
R	Medical Savings	12

These deduction codes are rarely used by school districts.

W-2 Preparation Checklist (cont'd)

- ✓ Month/Quarter-end payroll reports, as well as any reports which may be necessary for year-end:

Employee Detail History

Accumulators Report

Payroll Register

Employee Deduction Register

Payroll History Report

Detail Check History

Employee Accruals Report

Payroll Register - User-defined

Quarterly 941 Report

Monthly/Quarterly Retirement

W-2 Preparation Checklist (cont'd)

- ✓ Back-up the MUNIS® database
- ✓ Review the Payroll Exceptions F/M table
- ✓ Review payroll accumulator data
- ✓ Run the Accumulator Gross Verify

STRONGLY recommended to be run prior to generating W-2s, even if you run on a regular basis

** DO NOT continue until you have balanced ALL data ***

W-2 Preparation Checklist (cont'd)

- ✓ Create W-2/1099-R Records
- ✓ Run the W-2/1099-R Register
- ✓ Review and edit data in W-2/1099-R F/M
- ✓ Create Magnetic Media for W-2s and 1099-Rs
- ✓ Validate Federal W2 Magnetic media file with AccuWage (Found on SSA's website)
- ✓ Print W-2s and 1099s using W-2 Forms
Print or 1099-R Forms Print

W-2 Balancing

The objective of W2 balancing is to account for ALL earnings paid, subtracting those pay types and deduction codes that are considered tax exempt and validating the resulting value against the annual returns **PRIOR** to filing

W-2 Balancing (cont'd)

❖ Create Payroll Register – User Defined

From Payroll/Personnel Menu:

- ❖ D. End of Period Functions
- ❖ B. End of Period Reporting
- ❖ C. Payroll Register-User Defined

Using Deduction code '0' to '0' will return 'TOTAL GROSS' paid for the year.

Also, be sure to select 'Calendar' for YTD figures

The screenshot shows the 'Payroll Register - User Defined - MUNIS [PSST COUNTY SCHOOLS v7.2]' window. The interface includes a menu bar (My, File, Edit, Tools, Help) and a toolbar with various icons. The main area contains several input fields and checkboxes:

- Org: [] to [/]
- Loc: [] to [zzzz]
- Include Active Employees Only
- Exclude Zero Employees
- Frequency: Year [] Year [] / 201[]
- Sort: Alpha Name []
- Detail:
- Deductions Reported: [] 0 to [] 0 TOTAL GROS YTD [Calendar] YTD []

W-2 Balancing (cont'd)

Report results lists 'Grand Total'

- ❖ This is a total of ALL pay types/earnings paid out throughout the year.

❖ Determine Federal Tax Exempt Pay Types and Deduction Codes

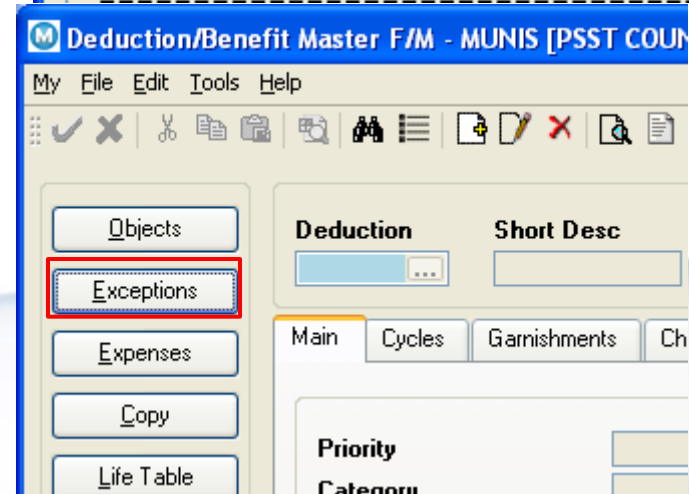
From Payroll/Personnel Menu:

- ❖ A. Auxiliary Programs
- ❖ G. Deduction/Benefit F/M
- ❖ Select 'Exceptions'

keeis | PAYROLL REGISTER - 20

EMPLOYEE NAME	TOTAL GROSS	GROSS CALENDAR	W/H

*** GRAND TOTALS	29,420,202.26		# OF EMPS: 2,228
	.00		



W-2 Balancing (cont'd)

- ❖ 'Find' Deduction Code '3000'
- ❖ 'Browse' Results

Code	Processing Code	From	To
3000	ALL PAY TYPES ARE INCLUDED EXCEPT	830	830
3000	ALL PAY TYPES ARE INCLUDED EXCEPT	831	831
3000	NO DEDUCTIONS ARE EXEMPTED EXCEPT	2000	2799
3000	NO DEDUCTIONS ARE EXEMPTED EXCEPT	7000	7499

- ❖ The Calendar YTD Earnings for Pay Types 830 & 831 and Calendar YTD withholdings for Deduction Codes 2000-2799 & 7000-7499 will need to be subtracted from 'Grand Total' on previous Payroll Register. These items are considered Federal Tax Exempt.

W-2 Balancing (cont'd)

❖ Create Accumulator Totals for Pay Types 830/831

From Payroll/Personnel Menu:

- ❖ B. Employee Maintenance/Reports
- ❖ U. Employee Reports
- ❖ C. Accumulators Report

'Find':

'Year' 'XXXX'

'Earning/Deduction' '830 | 831'

'Frequency' 'Y'

If more than 1 employee returns data, then 'Browse' to Excel and Sum on 'Employee Gross' column

Emp #	Last Name	First Name	MI	Suff	Year	E/D	Code	Freq	Cycle	Employee Amt	Employer Amt	Employee Gross
441	SIMPSON	CAROL	J		2010	2	830	Y	0	0.00	0.00	215.78
6321	HAMILTON	KEVIN	L		2010	2	830	Y	0	0.00	0.00	22.38
												238.16

W-2 Balancing (cont'd)

❖ Create Employee Deduction Register

From Payroll/Personnel Menu:

- ❖ D. End of Period Functions
- ❖ B. End of Period Reporting
- ❖ F. Employee Deduction Register

'Define':

'Execute' 'Now'

'Report Option' 'Summary'

'Frequency' 'Year'

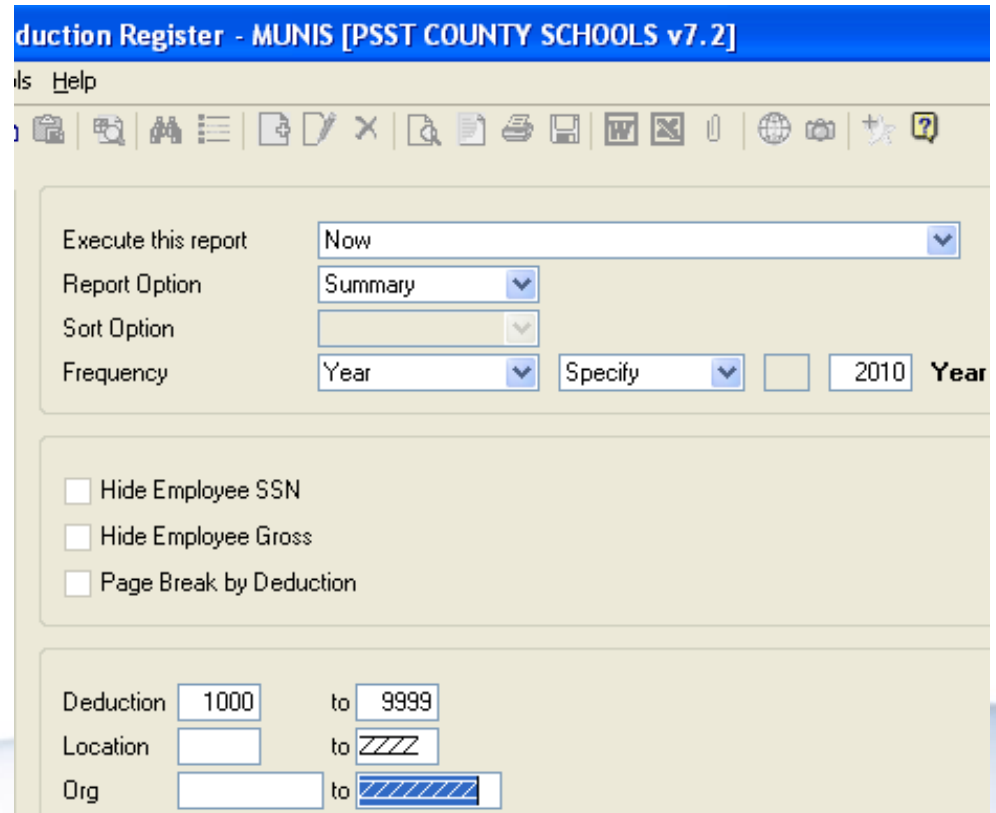
'Specify' 'XXXX'

'Deduction' '1000' to '9999'

'Location' ' ' to 'ZZZZ'

'Org' ' ' to 'ZZZZZZZZ'

You will want to print this register,
rather than just display



Deduction Register - MUNIS [PSST COUNTY SCHOOLS v7.2]

File Help

Execute this report: Now

Report Option: Summary

Sort Option:

Frequency: Year Specify 2010 Year

Hide Employee SSN

Hide Employee Gross

Page Break by Deduction

Deduction: 1000 to 9999

Location: to ZZZZ

Org: to ZZZZZZZZ

W-2 Balancing (cont'd)

- ❖ You will need to reference the 'Employee Amt' from each of the tax-implicated deductions

	DEDUCTION	EMPLOYER AMT	EMPLOYER AMT	EMPLOYER GROSS
1000	SOCIAL SECURITY	340,904.40	340,904.40	5,498,482.39
1001	SOCIAL SECURITY	497.94	497.94	8,031.02
1100	MEDICARE TAX	330,401.06	330,401.06	22,786,420.77
2220	NATIONAL TEACHERS ASSOC	3,204.36	0.00	411,592.36
2230	AMERICAN FIDELITY SHELTER INS	49,707.44	0.00	4,602,255.64
2235	DISABILITY STD	103,464.53	0.00	5,498,332.48
2255	COMP BENEFITS-DENTAL	52,727.36	0.00	4,551,270.45
2256	COMP BENEFITS-VISION	13,975.68	0.00	3,704,320.26
2310	AM FID ANNUITY TAX SHELTERED	64,958.90	0.00	1,339,858.15
2320	DEF COMPENSATION 401-K	77,392.16	0.00	1,778,003.66
2325	OPPENHEIMERFUNDS 403B7	105,466.80	0.00	3,488,651.80
2330	DEF COMP 457	69,113.38	0.00	1,187,434.47
2410	AFA PRE-TAX CANCER	880,981.08	0.00	20,883,631.02
2440	HEALTH CARE SPENDING	21,397.40	0.00	1,087,623.45
2445	DEPENDENT CARE SPENDING	1,812.50	0.00	83,734.56
2830	DISABILITY LTD	0.00	0.00	0.00
3000	FEDERAL TAX	2,294,260.48	0.00	25,378,254.59
4000	STATE TAX	1,195,605.17	0.00	25,377,584.68
5010	COUNTY TAX	294,179.53	0.00	29,418,103.64
7000	KTRS 9.855%	2,227,245.30	0.00	22,600,131.08
7001	KTRS 10.855%	67,424.56	0.00	643,447.73
7003	KTRS CRITICAL SHORTAGE 10.20%	0.00	3,606.24	35,354.72
7005	KTRS MATCH 13.105%	0.00	271,134.28	2,068,930.37
7006	KTRS MATCH 14.105%	0.00	4,679.27	34,794.25
7008	CO EMPLOYEES RETIREMENT 6%	10,111.70	23,617.37	168,525.55
7009	RETIRED CERS MATCH 13.5%	0.00	136.06	1,007.88
7010	CO EMPLOYEES RETIREMENT 5%	293,396.27	792,169.75	5,867,941.05
7560	CERS INSTALLMENT DEDUCTION	1,361.40	0.00	32,297.67
8010	KENTUCKY ED ASSOCIATION	109,560.36	0.00	10,574,065.32
8020	KY ASSOC SCHOOL ADMINISTRATORS	2,445.45	0.00	549,019.29
8300	AFA - POST-TAX LIFE	6,077.00	0.00	4,872,463.50
8310	CIT SECURITY LIFE NON-SHELTER	73.60	0.00	41,903.68
8315	KY STATE GROUP LIFE INSURANCE	21,346.85	0.00	2,224,666.25
8320	LINCOLN FINANCIAL GROUP	20,824.84	0.00	1,222,445.06
8325	LINCOLN FINANCIAL GROUP	1,073.65	0.00	251,420.95
8340	AMER FID NON SHELTER INS	174,042.58	0.00	9,141,063.59
8345	POST-TAX CANCER	62,763.09	0.00	5,278,223.58
8350	NTA-NON SHELTERED	10,353.26	0.00	1,166,341.80

W-2 Balancing (cont'd)

❖ Spreadsheet

Enter the appropriate deduction withholding value into each field in your spreadsheet and compare your spreadsheet total Taxable Wages against those listed on the Deduction Register (They should report a difference of \$0.00):

Kentucky follows Federal Wage guidelines – Wages should be the same

Total Gross Wages	29,420,202.26					
830	238.16					
831	0.00					
2220	3,204.36					
2230	49,707.44	2000	PROVIDENT FID	0.00	0.00	0.00
2235	103,464.53	3000	FEDERAL TAX	2,294,260.48	0.00	25,378,254.59
2255	52,727.36	4000	STATE TAX	1,195,605.17	0.00	25,377,584.68
2256	13,975.68					
2310	64,958.90					
2320	77,392.16					
2325	105,466.80					
2330	69,113.38					
2410	880,981.08					
2440	21,397.40					
2445	1,812.50					
7000	2,227,245.30					
7001	67,424.56					
7008	10,111.70					
7010	293,396.27	25,378,254.59	FED	25,377,584.68	KY	
Total Fed Wages	25,377,584.68	669.91	diff	0.00	diff	

W-2 Balancing (cont'd)

Possible 'out-of-balance' reasons:

- ❖ The Exceptions Table has been changed
- ❖ Accumulator amounts were updated manually in Accumulator Maintenance
- ❖ Deduction amounts were updated in the payroll before pay amounts were updated
- ❖ EE was paid only under a pay type that was exempt from taxes, but also had pre-tax deductions withheld
- ❖ Deduction was deleted from the payroll warrant

W-2 Balancing (cont'd)

Since State wages are correct and federal wages are overstated, corrections must be made

- ❖ Create Fed to State Gross Validation
 - ❖ This program checks your Federal withholdings to your State withholdings to ensure they are in balance

From Payroll/Personnel Menu:

- ❖ F. Retirement/State-Specific
- ❖ B. South
- ❖ G. Kentucky
- ❖ O. Fed To State Gross Validation
- ❖ Click on 'Generate'

EMPLOYEE FIT/SIT GROSS COMPARISON - PSST COUN...

File Edit Tools Help

Action

Generate

Emp # Last Name First Name

Frequency

Cycle

Year

FIT Gross

SIT Gross

0 of 0

Generate table of FIT/SIT differences

OVR

W-2 Balancing (cont'd)

❖ 'Define'

- ❖ Verify Year 'XXXX'
- ❖ Verify frequency 'Y'
- ❖ Verify cycles '0' to '0'

The screenshot shows a software window titled "Employee Table Selection Criteria". It has a menu bar with "My", "File", "Edit", "Tools", and "Help". Below the menu bar is a toolbar with various icons. The main area contains two buttons: "Define" and "Execute". To the right of these buttons is a text prompt: "Enter deduction ranges to verify for calendar year:". Below this prompt are two rows of input fields. The first row is "Verify Year" with a text box containing "2009" and "Verify frequency" with a dropdown menu showing "Y". The second row is "Verify Cycles" with a text box containing "0", the word "to", and another text box containing "0".

❖ 'Find' all to determine employees with discrepancies

- ❖ In our example, we have 1 employee in error with a difference of \$669.91
- ❖ We need to reduce the taxable Federal wages by that amount

The screenshot shows a software window titled "Employee Fit/Sit Gross Comparison - MUNIS [PSST COUNTY SC]". It has a menu bar with "My", "File", "Edit", "Tools", and "Help". Below the menu bar is a toolbar with various icons. The main area contains a "Generate" button. To the right of the button is a table with three columns: "Emp #", "Last Name", and "First Name". The table contains one row with the values "98", "FOX", and "ZONO". Below the table are several input fields: "Frequency" with a dropdown menu showing "Y", "Cycle" with a text box containing "0", "Year" with a text box containing "2009", "FIT Gross" with a text box containing "12058.38", and "SIT Gross" with a text box containing "11388.47". At the bottom of the window is a navigation bar with "Previous", "First", "1 of 1", "Next", and "Last" buttons.

W-2 Balancing (cont'd)

❖ Changing Accumulator Totals

From Payroll/Personnel Menu:

- ❖ A. Auxiliary Programs
- ❖ S. PR System Admin Menu
- ❖ B. Accumulator Maintenance

- ❖ Find
 - ❖ Employee 'Emp #'
 - ❖ 'Year' 'XXXX'
 - ❖ 'Pay/Deduction' 'Code that is out of balance' & code we know is in balance – use a '['

Accumulator Maintenance - MUNIS [PSST COUNTY SCHOOLS v7.0]

My File Edit Tools Help

Employee SSN Last Name
98

Year 2009
Accumulator Type
Pay/Deduction 3000|400
Frequency
Cycle

Hours
Employee Amount Employee Amt
Employer Amount Employer Amt
Employee Gross

W-2 Balancing (cont'd)

This returns all Fiscal and Calendar accumulator records for those deductions

- ❖ In order to keep all records in sync, we will need to update 'M'onth '12', 'Q'arter '4', 'F'iscal and 'Y'early totals
- ❖ 'Browse' your dataset

The screenshot shows the 'Maintenance - MUNIS [PSST COUNTY SCHOOLS v7.2]' application. The interface includes a menu bar with 'File', 'Edit', 'View', 'Tools', and 'Help'. Below the menu bar is a toolbar with various icons. The main content area is divided into several sections:

- Employee Information:** Fields for Employee ID (98), SSN (101-10-0108), Last Name (FOX), and First Name (ZONO).
- Accumulator Settings:** Fields for Year (2009), Accumulator Type (1 - DEDUCTIONS), Pay/Deduction (3000), Frequency (F - FISCAL), and Cycle (0).
- Financial Summary:** A table showing various amounts:

Field	Value	Field	Value
Hours	.00	Escrow Liquidation	.00
Employee Amount	528.81	Employee Amt	.00
Employer Amount	.00	Employer Amt	.00
Employee Gross	16,516.72		

At the bottom of the screen, there is a navigation bar with icons for back, forward, and search, and a status indicator showing '1 of 26'.

W-2 Balancing (cont'd)

Since this employee did not work after Month '8', records for 'M'-'12' & 'Q'-'4' will need to be manually added and 'F' and 'Y' manually changed

Changing these records in current quarter (Q4) will keep from having to amend returns filed for prior quarters

Employee Accumulator File Maintenance											
Edit Tools Help											
Emp #	Name	Year	Type	Code	Freq	Cycle	Hours	Empe Amt	Empr Amt	Empe Gross	Emr
98	FOX, ZONO J	2009	1	3000	F		0.00	528.81	0.00	16516.72	
98	FOX, ZONO J	2009	1	4000	F		0.00	659.77	0.00	16516.72	
98	FOX, ZONO J	2009	1	4000	Y		0.00	449.31	0.00	11388.47	
98	FOX, ZONO J	2009	1	3000	Y		0.00	766.22	0.00	12058.38	
98	FOX, ZONO J	2009	1	4000	M	1	0.00	52.86	0.00	1339.82	
98	FOX, ZONO J	2009	1	3000	M	1	0.00	67.32	0.00	1339.82	
98	FOX, ZONO J	2009	1	4000	Q	1	0.00	158.58	0.00	4019.46	
98	FOX, ZONO J	2009	1	3000	Q	1	0.00	169.67	0.00	4019.46	
98	FOX, ZONO J	2009	1	3000	Q	2	0.00	12.33	0.00	6029.19	
98	FOX, ZONO J	2009	1	4000	Q	2	0.00	237.87	0.00	6029.19	
98	FOX, ZONO J	2009	1	3000	M	2	0.00	67.32	0.00	1339.82	
98	FOX, ZONO J	2009	1	4000	M	2	0.00	52.86	0.00	1339.82	
98	FOX, ZONO J	2009	1	3000	Q	3	0.00	584.22	0.00	2009.73	
98	FOX, ZONO J	2009	1	3000	M	3	0.00	35.03	0.00	1339.82	
98	FOX, ZONO J	2009	1	4000	Q	3	0.00	52.86	0.00	1339.82	
98	FOX, ZONO J	2009	1	4000	M	3	0.00	52.86	0.00	1339.82	
98	FOX, ZONO J	2009	1	3000	M	4	0.00	2.74	0.00	1339.82	
98	FOX, ZONO J	2009	1	4000	M	4	0.00	52.86	0.00	1339.82	
98	FOX, ZONO J	2009	1	3000	M	5	0.00	2.74	0.00	1339.82	
98	FOX, ZONO J	2009	1	4000	M	5	0.00	52.86	0.00	1339.82	
98	FOX, ZONO J	2009	1	3000	M	6	0.00	6.85	0.00	3349.55	
98	FOX, ZONO J	2009	1	4000	M	6	0.00	132.15	0.00	3349.55	
98	FOX, ZONO J	2009	1	4000	M	7	0.00	26.43	0.00	669.91	
98	FOX, ZONO J	2009	1	3000	M	7	0.00	582.85	0.00	1339.82	
98	FOX, ZONO J	2009	1	3000	M	8	0.00	1.37	0.00	669.91	
98	FOX, ZONO J	2009	1	4000	M	8	0.00	26.43	0.00	669.91	

W-2 Balancing (cont'd)

In 'Accumulator Maintenance',
'Add' a record for

- ❖ 'Employee' '98', 'Year' '2009'
- ❖ 'Accumulator Type' '1'
- ❖ 'Pay/Deductions' '3000'
- ❖ 'Frequency' 'M', 'Cycle' '12'
- ❖ In the 'Employee Gross', enter a negative '669.91'
- ❖ 'Add' a similar record for 'Q' '4'.
- ❖ 'Find' records for '2009' 'F' and 'Y' and manually update (reduce) 'Employee Gross' by -669.91
- ❖ Once records have been updated, re-run Fed to State Gross Validation – Should complete with 'No records found'
- ❖ Re-run Deduction Register and review Fed taxable wages
- ❖ Be sure to update your Fed wages on your spreadsheet

Maintenance - MUNIS [PSST COUNTY SCHOOLS v7.2]

Help

Employee 98 SSN 101-10-0108 Last Name FOX First Name ZONC

Year 2009

Accumulator Type 1 - DEDUCTIONS

Pay/Deduction 3000 FEDERAL TAX

Frequency M - MONTHLY

Cycle 12

Hours		Escrow Liquidation
Employee Amount	.00	Employee Amt
Employer Amount	.00	Employer Amt
Employee Gross	-669.91	

0 of 0

W-2 Balancing (cont'd)

❖ Run 'Accumulator Gross Verify'

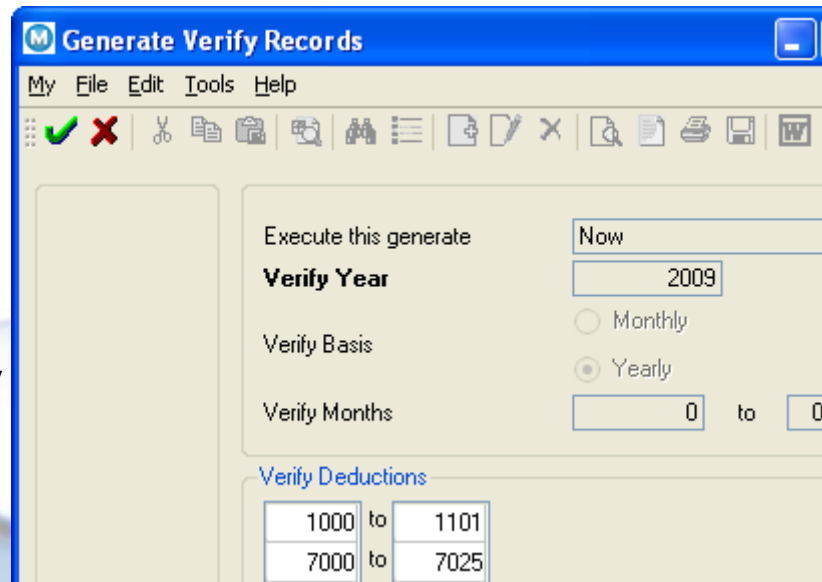
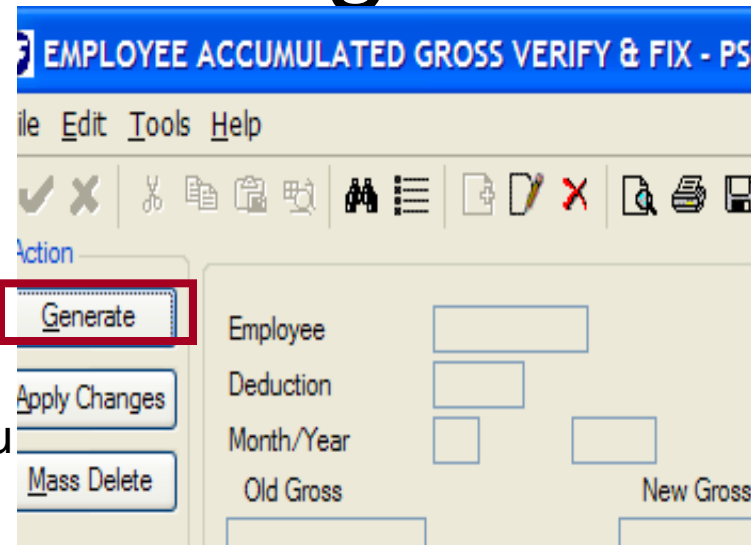
From Payroll/Personnel Menu:

- ❖ D. End of Period Functions
- ❖ A. End of Period Processing
- ❖ E. W-2/1099R Processing Menu
- ❖ I. Accumulator Gross Verify

❖ 'Generate'

❖ 'Define'

- ❖ 'Verify Year' 'XXXX'
- ❖ 'Verify Basis' 'Yearly'
- ❖ 'Verify Months' '0' to '0'
- ❖ 'Verify deductions' – Typically used for deductions that calculate percentages



W-2 Balancing (cont'd)

- ❖ Accumulator Gross Verify compares the actual totals in the EE's accumulator files (Old Gross) to a newly calculated total (New Gross) which is calculated by looking at the EE's gross earnings and the deduction table, as it currently exists. A new deduction gross is calculated based on the current exceptions table
- ❖ When discrepancies are found between the 'Old Gross' and 'New Gross', a record is created in the Accumulator Gross Verify output
- ❖ In the event records are returned, review these records for accuracy. Start with Detail Check History

W-2 Balancing (cont'd)

<input type="button" value="Generate"/>	Employee	<input type="text" value="922"/>	INGRAM, LARRY D
<input type="button" value="Apply Changes"/>	Deduction	<input type="text" value="1000"/>	SOCIAL SECURITY
<input type="button" value="Mass Delete"/>	Month/Year	<input type="text" value="0"/> <input type="text" value="2009"/>	
	Old Gross	New Gross	
	<input type="text" value="2000.00"/>	<input type="text" value="1210.65"/>	

- ❖ If a change does not need to be made, the record needs to be deleted
- ❖ Once all of your records have been verified, and changed or deleted, use the Apply Changes function to update

W-2 Balancing (cont'd)

- ❖ If copies of actual filed 941's are not readily available, Print 941's for each quarter in current year

From Payroll/Personnel Menu:

- ❖ D. End of Period Functions
- ❖ B. End of Period Reporting
- ❖ I. Quarterly 941 Report

Quarterly 941 Report - MUNIS [PSST COUNTY SCHOOLS v7.2]

My File Edit Tools Help

Define

Main

Execute this report: Now

Report Quarter / Year: Specify 4 / 2009

Create XML Export

FICA	1000	to	1001
Medicare	1100	to	1101
FIT	3000	to	3010
Location		to	////
Org		to	////

W-2 Balancing (cont'd)

- ❖ Enter information from each Quarter's 941 report into balancing spreadsheet

	Q1	Q2	Q3	Q4	941 Total
Federal Wages	10,024,469.41	7,507,567.76	1,318,183.40	6,527,364.11	25,377,584.68
Fed Tax W/H	993,298.63	661,983.50	111,086.08	527,892.27	2,294,260.48
Soc Sec Wages	2,295,166.20	1,829,348.01	242,233.98	1,139,765.22	5,506,513.41
Soc Sec Tax	238,697.28	190,252.19	25,192.33	118,535.58	572,677.39
Med Wages	9,006,287.03	6,925,359.09	1,186,317.19	5,668,457.46	22,786,420.77
Med Tax	261,182.32	200,835.41	34,403.20	164,385.27	660,806.20

W-2 Balancing (cont'd)

❖ Create W-2 Records

From Payroll/Personnel Menu:

- ❖ D. End of Period Function
- ❖ A. End of Period Processing
- ❖ E. W-2 and 1099-R Processing
- ❖ B. Create W-2 and 1099-R Records

Generate Option	Both W-2's and 1099-R's	Dependent Care Earnings	0
W-2 / 1099-R Year	2009	Limit	5000
FICA Gross Limit	106800.00		

<input checked="" type="checkbox"/> Combine Employee Numbers By SSN
<input type="checkbox"/> Populate State Wages With Federal Wage Amount
<input type="checkbox"/> Populate Local Wages With Federal Wage Amount

Address Option

Home Address Mailing Address 1 Mailing Address 2 Mailing Address 3

Box 14 Descriptions	Election Workers	Cafeteria Plan
Code W Description		
Code X Description		
Code Y Description		

CA State Disability Insurance

CA SDI Option: Not Applicable

SDI Deductions: 0 to 0

Sum Deduction Gross

W-2 Balancing (cont'd)

An employee must meet ONE of the following conditions in order for the system to create a W-2 record:

- ❖ FIT Gross > 0 (Deduction Code 3000-3010)
- ❖ FIT Withholding Amount > 0 (Deduction Code 3000-3010)
- ❖ FICA Gross > 0 (Deduction Code 1000-1010)
- ❖ FICA Withholding Amount > 0 (Deduction Code 1000-1010)
- ❖ Medicare Gross > 0 (Deduction Code 1100-1110)
- ❖ Medicare Withholding Amount > 0 (Deduction Code 1100-1110)

W-2 Balancing (cont'd)

❖ Create W-2 Register

From Payroll/Personnel Menu:

- ❖ D. End of Period Functions
- ❖ A. End of Period Processing
- ❖ E. W-2 and 1099-R Processing
- ❖ D. Create W-2 and 1099-R Register

Be sure to 'Check' 'Totals Only'

W-2/1099-R Year	<input type="text" value="2009"/>
Report Type	<input type="text" value="W-2"/>
Subtotal Method	<input type="text" value="No Subtotals"/>
<input checked="" type="checkbox"/> Totals Only	
<input type="checkbox"/> Medicare Only	

Location	<input type="text"/>	to	<input type="text" value="ZZZZ"/>
Work Location	<input type="text"/>	to	<input type="text" value="zzzz"/>
Employee Number	<input type="text" value="0"/>	to	<input type="text" value="999999"/>
SIT Code	<input type="text"/>	to	<input type="text" value="zz"/>
LIT Code	<input type="text"/>	to	<input type="text" value="zz"/>

W-2 Balancing (cont'd)

- ❖ Compare W-2 Register totals against 941 totals using your balancing spreadsheet

EMPLOYEE	LOCATION	CODE	GROSS	TAX
*** GRAND TOTALS ***				
		FIT	25,377,584.68	2,294,260.48
		FICA	5,506,513.41	231,273.56
		Medicare	22,786,420.77	330,401.06
		LIT-KYCTY	29,418,103.64	294,179.53
		SIT-KY	25,377,584.68	1,195,605.17

	Q1	Q2	Q3	Q4	941 Total	W2 total	Difference	% Calc
Federal Wages	10,024,469.41	7,507,567.76	1,318,183.40	6,527,364.11	25,377,584.68	25,377,584.68	0.00	
Fed Tax W/H	993,298.63	661,983.50	111,086.08	527,892.27	2,294,260.48	2,294,260.48	0.00	
Soc Sec Wages	2,295,166.20	1,829,348.01	242,233.98	1,139,765.22	5,506,513.41	5,506,513.41	0.00	0.042
Soc Sec Tax	238,697.28	190,252.19	25,192.33	118,535.58	572,677.39	231,273.56	231,273.56	0.00
Med Wages	9,006,287.03	6,925,359.09	1,186,317.19	5,668,457.46	22,786,420.77	22,786,420.77	0.00	0.0145
Med Tax	261,182.32	200,835.41	34,403.20	164,385.27	660,806.20	330,401.06	330,403.10	-2.04

W-2 Balancing (cont'd)

- ❖ Prior to printing balanced W2's, create W2 Mag Media file and process with Accuwage/AccuW2C software – from SSA website
 - ❖ The AccuWage/AccuW2C software identifies most of the common format errors in wage submissions

Go to the SSA website for download and install

<http://www.ssa.gov/employer/accuwage/index.html>

This year, the SSA has 2 different options: Java and Visual Basic
The Visual Basic option is the platform used in past years.



AccuWage 2011.Ink



AccuWage 2011 Java.Ink

W-2 Balancing (cont'd)

❖ Create Magnetic Media File

From Payroll/Personnel Menu:

- ❖ D. End of Period Processing
- ❖ E. W-2 and 1099-R Processing menu
- ❖ H. Create Magnetic Media

When creating Fed file, make sure State field is ' ' to 'ZZ'

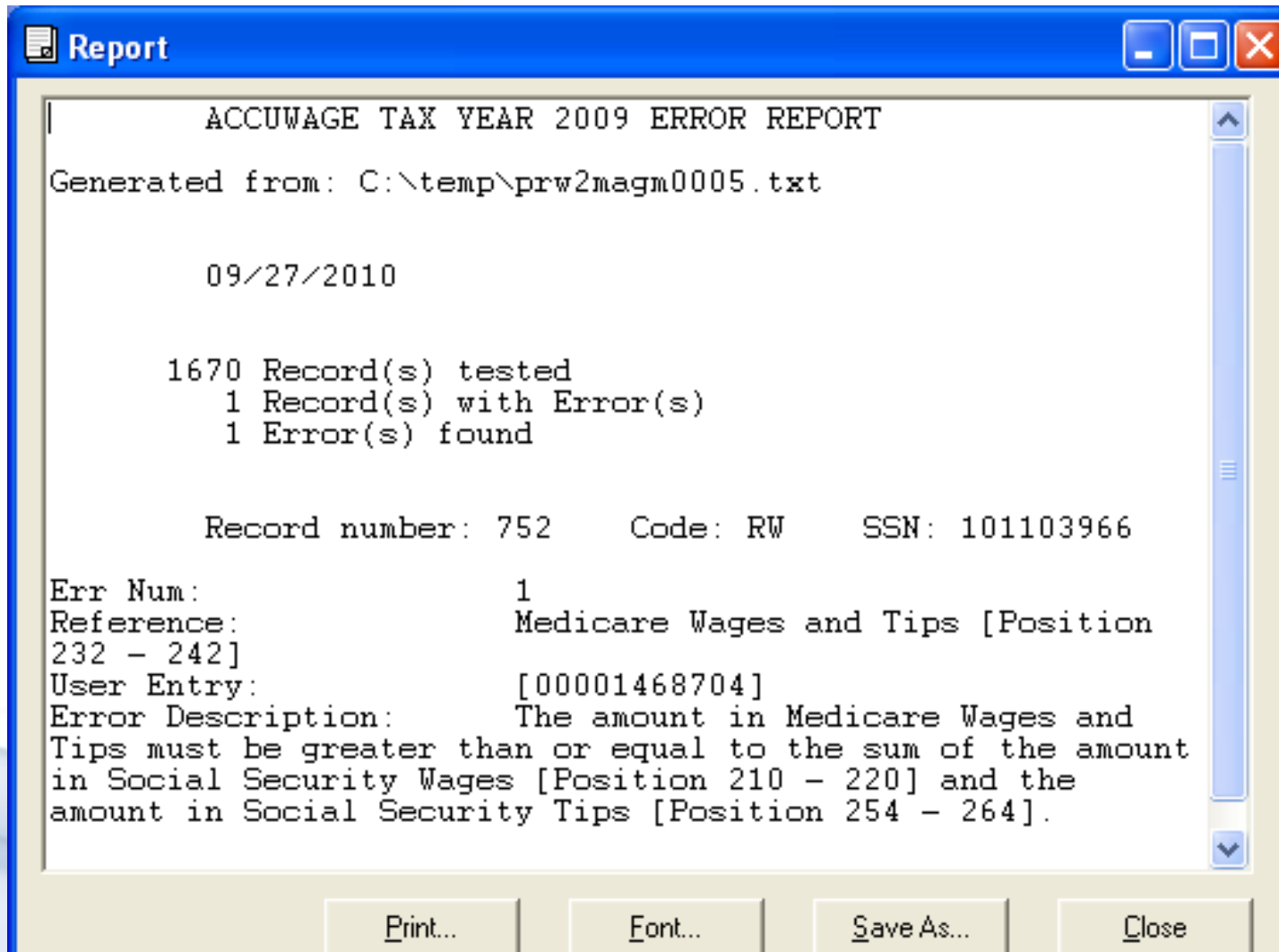
When creating State file, make sure State field ONLY reflects State you are creating

The screenshot displays the 'Magnetic Media' tab of a software application. The interface includes several sections for configuring the output file:

- Reporting Year:** 2009
- Format Code:** FDWM - FEDERAL W2 EFW2
- Tape Information:** Internal Label, Density, Char Set, and Blocking (00).
- Submit Date:** 01/31/2011
- Computer Manufacturer:** (empty field)
- CR/LF at End of Record:**
- Third Party FIT Withhold:** 0.00
- Section 457 Deferred Comp Plan:**
- Combined Federal/State 1099:**
- Resubmit WFID:** (empty field)
- Selection Criteria:**
 - Location: [] to 9999
 - Work Loc: [] to ZZ
 - State: [] to ZZ
 - LIT: [] to ZZ

W-2 Balancing (cont'd)

- ❖ Open Accuwage and test Magnetic Media file



The screenshot shows a window titled "Report" with a blue title bar and standard Windows window controls. The main content area displays a text-based error report. At the bottom of the window, there are four buttons: "Print...", "Font...", "Save As...", and "Close".

```
ACCUWAGE TAX YEAR 2009 ERROR REPORT
Generated from: C:\temp\prw2magm0005.txt

09/27/2010

1670 Record(s) tested
  1 Record(s) with Error(s)
  1 Error(s) found

Record number: 752      Code: RW      SSN: 101103966

Err Num:                1
Reference:               Medicare Wages and Tips [Position
232 - 242]
User Entry:              [00001468704]
Error Description:       The amount in Medicare Wages and
Tips must be greater than or equal to the sum of the amount
in Social Security Wages [Position 210 - 220] and the
amount in Social Security Tips [Position 254 - 264].
```

W-2 Balancing (cont'd)

- ❖ Error corrections can either be made in W2- and 1099-R F/M

From Payroll/Personnel Menu:

- ❖ D. End of Period Processing
- ❖ E. W-2 and 1099-R Processing menu
- ❖ C. W2- and 1099-R F/M

OR

- ❖ in Accumulator Maintenance

From Payroll/Personnel Menu:

- ❖ A. Auxiliary Programs
- ❖ S. PR System Admin Menu
- ❖ B. Accumulator Maintenance

W-2 Balancing (cont'd)

- ❖ When reviewing accumulators, I notice that pay type '185' reflects our difference of 102.11
- ❖ The exception tables for deduction codes 1000 & 1100, show that '185' is exempt from 1000, but not 1100
- ❖ You can have people that don't pay into Social Security, BUT, you can't have a pay type that is exempt from Soc Sec and not Medicare
- ❖ To correct this error, the Soc Sec wages and taxes need to be reduced
- ❖ And, the exceptions table for 1100 needs to include pay type 185

Employee Accumulator File Maintenance							
Emp #	Year	Code	Freq	Hours	Empe Amt	Empr Amt	Empe Gross
432	2009		Y	87.50	0.00	0.00	15623.34
432	2009	185	Y	1.00	0.00	0.00	-102.11
432	2009	215	Y	84.00	0.00	0.00	12253.56
432	2009	265	Y	0.00	0.00	0.00	4084.56
432	2009	285	Y	1.00	0.00	0.00	-612.67
432	2009	702	Y	0.50	0.00	0.00	0.00
432	2009	710	Y	1.00	0.00	0.00	0.00
432	2009	1000	Y	0.00	916.93	916.93	14789.15
432	2009	1100	Y	0.00	212.95	212.95	14687.04
432	2009	2410	Y	0.00	150.00	0.00	15623.34
432	2009	3000	Y	0.00	973.81	0.00	14687.04
432	2009	4000	Y	0.00	702.72	0.00	14687.04
432	2009	5010	Y	0.00	156.25	0.00	15623.34
432	2009	7010	Y	0.00	786.30	2122.92	15725.45
432	2009	9996	Y	0.00	0.00	60.00	15623.34
432	2009	9997	Y	0.00	0.00	93.75	15623.34
432	2009	9998	Y	0.00	0.00	13.65	9020.01

W-2 Balancing (cont'd)

- ❖ In Accumulator Maintenance, 'Find'
 - ❖ Employee '432'
 - ❖ Pay/Deduction '1000'
 - ❖ 'Enter'

Employee	SSN
432	
Year	2009
Accumulator Type	
Pay/Deduction	1000
Frequency	
Cycle	

- ❖ Scroll through entries until you get to M-12

Employee	SSN	Last N
432	101-10-3966	HENR
Year	2009	
Accumulator Type	1 - DEDUCTIONS	
Pay/Deduction	1000	SC
Frequency	M - MONTHLY	
Cycle	12	
Hours		
Employee Amount	143.80	E
Employer Amount	143.80	E
Employee Gross	2,319.35	

W-2 Balancing (cont'd)

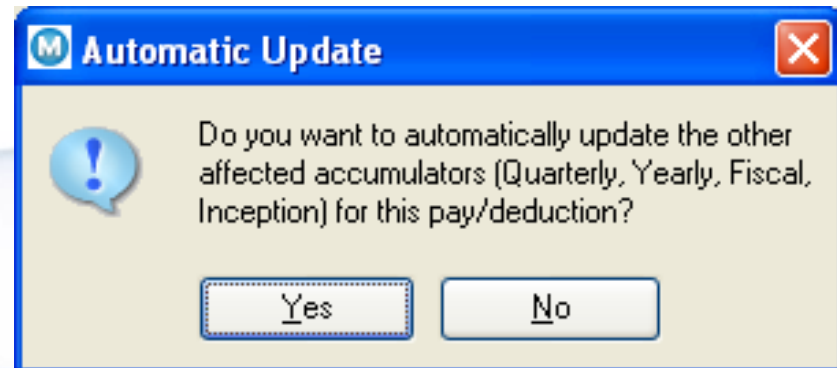
- ❖ Update record and reduce 'Employee Gross' by 102.11, 'Employee Amount' by 4.29 (102.11x 4.2%) and 'Employer Amount' by 4.29

Employee	SSN	Last Name
432 ...	101-10-3966	HENDERSON

Year	2009
Accumulator Type	1 - DEDUCTIONS
Pay/Deduction	1000 ... SOCIAL SECUR
Frequency	M - MONTHLY
Cycle	12

Hours		
Employee Amount	139.51	Employee Amt
Employer Amount	139.51	Employer Amt
Employee Gross	2,217.24	

- ❖ Since we did not define a particular 'Frequency', we will be able to update all of them with this one entry



W-2 Balancing (cont'd)

Since we have reduced the amount of Social Security tax withheld from the EE, we will return it back to the EE by increasing their Fed taxes withheld.

- ❖ In Accumulator Maintenance, 'Find'
 - ❖ Employee '432'
 - ❖ Pay/Deduction '3000'
 - ❖ 'Enter'
 - ❖ Scroll through entries until you get to M-12

Employee	432 ...	SSN	101-10-3966	Last Name	HENDERSON
Year	2009				
Accumulator Type	1 - DEDUCTIONS				
Pay/Deduction	3000 ...	FEDERAL TAX			
Frequency	M - MONTHLY				
Cycle	12				
Hours	<input type="text"/>				
Employee Amount	<input type="text"/>		114.78	Employee Amt	
Employer Amount	<input type="text"/>		.00	Employer Amt	
Employee Gross	<input type="text"/>		2,319.35		

W-2 Balancing (cont'd)

- ❖ Update record and ADD 4.29 to the 'Employee Amount'
- ❖ Do not adjust any other fields

- ❖ Again, since we did not define a particular 'Frequency', we will be able to update all of them with this one entry

Employee	SSN	Last Name
432 ...	101-10-3966	HENDERSON

Year	2009
Accumulator Type	1 - DEDUCTIONS
Pay/Deduction	3000 ... FEDERAL T
Frequency	M - MONTHLY
Cycle	12

Hours		
Employee Amount	119.07	Employee A
Employer Amount	.00	Employer Ar
Employee Gross	2,319.35	

Automatic Update

Do you want to automatically update the other affected accumulators (Quarterly, Yearly, Fiscal, Inception) for this pay/deduction?

Yes No

W-2 Balancing (cont'd)

Keep in mind:

- ❖ Any changes made in Accumulator Maintenance will require you to 'Create W2 records' again, but will also update your 941 information
- ❖ Any changes made to taxes or wages in either module, will require you to change information on tax returns

W-2 Balancing (cont'd)

At this point we will:

- ❖ Re-run Employee Deduction Register
 - ❖ Re-run 4th Quarter 941
 - ❖ Create new W2 records
 - ❖ Re-run W2 totals register
- ❖ Update balancing spreadsheet
 - ❖ Re-create Mag Media file
 - ❖ Re-run Accuwage

W-2 Balancing (cont'd)

❖ New Totals

	Q1	Q2	Q3	Q4	941 Total	W2 total	Difference	% Calc
Federal Wages	10,024,469.41	7,507,567.76	1,318,183.40	6,527,364.11	25,377,584.68	25,377,584.68	0.00	
Fed Tax W/H	993,298.63	661,983.50	111,086.08	527,896.56	2,294,264.77	2,294,264.77	0.00	
Soc Sec Wages	2,295,166.20	1,829,348.01	242,233.98	1,139,663.11	5,506,411.30	5,506,411.30	0.00	0.042
Soc Sec Tax	238,697.28	190,252.19	25,192.33	118,524.96	572,666.78	231,269.27	231,269.27	0.00
Med Wages	9,006,287.03	6,925,359.09	1,186,317.19	5,668,457.46	22,786,420.77	22,786,420.77	0.00	0.0145
Med Tax	261,182.32	200,835.41	34,403.20	164,385.27	660,806.20	330,401.06	330,403.10	-2.04

EE	LOCATION	CODE	GROSS	TAX	
** GRAND TOTALS ***			FIT	25,377,584.68	2,294,264.77
			FICA	5,506,411.30	231,269.27
			Medicare	22,786,420.77	330,401.06
			LIT-KYCTY	29,418,103.64	294,179.53
			SIT-KY	25,377,584.68	1,195,605.17

W-2 Balancing (cont'd)

- ❖ Re-run Accuwage and test Magnetic Media file

The screenshot displays the Accuwage application interface. On the left is a large, semi-transparent watermark of the Social Security Administration seal. The main window contains a "DISCLAIMER STATEMENT" with the following text: "The AccuWage application identifies most of the common format errors in wage submissions. Using this application greatly reduces submission rejections. Please be aware that even if no errors are identified by AccuWage, your submission could be returned because of other errors." A "Results" dialog box is overlaid in the center, containing the message: "Testing Completed. There were no errors found. Would you like to connect to Business Services Online Web site to submit the wage report?" with "Yes" and "No" buttons. On the right side of the application, there is a vertical toolbar with buttons for "Start Testing", "View Tested Records", "View Records With Errors", "View Error Report", "Print Error Report", "View Last Test Results", and "Exit".

- ❖ Submit file to SSA when no errors are found

Other Year-End Items

W2 – Third Party Sick Pay

- ❖ Report Third Party Sick pay on W-2
- ❖ A Form W-2 must be prepared even if the sick pay is non-taxable.
 - ❖ Report non-taxable portion in Box 12 (Enter Code J)
- ❖ Check the “Third Party Sick Pay” box only if the amounts were paid by a Third Party vendor.
- ❖ Report Third Party Sick wages on 941, if any taxes were withheld from employee’s payments

W2 – Third Party Sick Pay (cont'd)

- ❖ Combine the sick pay with other wages and produce a single W2 per employee

OR

- ❖ Prepare separate W2 forms for each employee, one reporting sick pay and the other reporting regular earnings.

W2 – Third Party Sick Pay (cont'd)

- ❖ Third Party Sick Pay vendors have until January 16, 2012 to provide payment recap statements for 2011
- ❖ Employee must be furnished a W-2 by January 31, 2012
- ❖ Review IRS Publication 15-A for additional information (www.irs.gov)

2011 W-2 Electronic Media Filing Deadlines

- **FEDERAL** April 2, 2012
- **Kentucky** January 31, 2012
- **Illinois** March 31, 2012
- **Indiana** February 29, 2012
- **Ohio** February 29, 2012
- **Missouri** February 28, 2012
- **Virginia** January 31, 2012
- **West Virginia** February 28, 2012
- **Tennessee** N/A

(Source: IRS/Individual State Dept of Revenue websites)

2011 Rates & Wage Limits

	<u>Tax Rate</u>	<u>Wage Limit</u>
Social Security	4.20%	\$106,800
Medicare	1.45%	No Limit

2011 Employee Contribution Limits

401(k) \$16,500

Age 50 Catch-up \$ 5,500

403(b) \$16,500

Age 50 Catch-up \$ 5,500

457(b) \$16,500

For additional tips, checklists, and other information for MUNIS® W-2 Processing

- ❖ MUNIS KnowledgeBase
- ❖ MUNIS Customer Tools – W2 and 1099s website
- ❖ KDE website

Comments
Questions
Thoughts??

Contact Information

Keith Kucler

keithk@psst.com

800-488-7395