PAYROLL PROCESSING - CALENDAR YEAR-END 2012

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at cathy.mcgill@doa.virginia.gov

State Payroll Operations
Director                         Lora L. George
Assistant Director          Cathy C. McGill

Introduction

This Payroll Bulletin addresses payroll and leave processing for calendar year-end 2012. This bulletin includes four attachments and must be reviewed in detail.

All dates noted in this bulletin are final completion dates. Adherence to these dates is imperative in order to complete all regulatory reporting requirements.

Copy this bulletin and distribute it to all appropriate personnel within your agency.

Issues Requiring Special Attention

- Review all items in the CIPPS Pending File. You may need to delete items applying only to 2012. DO NOT DELETE TRANSACTIONS RELATED TO MANUAL PAYSETS. To remove the effect of these transactions, enter another manual payset identical to the first with the exception of the Adjustment Indicator (AI). Enter the opposite values in the AI field as originally entered. If a ‘P’ was used, enter an ‘M’. If a ‘+-’ was used, enter a ‘-+’.

- Be careful with employee records you established using a Goal Amount for stopping deductions (e.g., garnishments). Depending on how these deductions were established, they may automatically reactivate on January 1, 2013, when DOA resets the year-to-date fields to zero.

- Payroll adjustments that have been identified during the year but have not been processed should be submitted to DOA for processing before the agency certifies for pay period ending 12/24. See Payroll Adjustments subsection on Page 2.

- During 2012 year-end closing, agencies will not submit reports 56, 880, or 881 to DOA. Agencies will certify year-to-date totals on Report 83. The year-end certification form, Report 883 final page and certified totals on the Report 83 will be required of all agencies. See Manual Year-End Adjustments subsection on Page 11.

- Remote print agencies must leave their remote-print printers on from December 27, 2012 through January 2, 2013. Quarter-end and year-end reports will be processed and distributed to agencies during this time.

Continued on next page
Payroll Processing - Calendar Year-End 2012

Key Dates
- Friday, December 14 – W-2 distribution form due to DOA.
- Friday, December 14 – Non-Resident Alien Information due.
- Friday, December 14 - Prior quarter adjustments due.
- Thursday, December 20 – Semi-monthly certification cut-off.
- Monday, December 24 through Tuesday, December 25 – Holiday
- Wednesday, December 26 – Last day to certify Wage and Special pay runs; must have a December check date (28th is regular semi-monthly pay date).
- Thursday, December 27 – 12:00 p.m. - Leave keying deadline for period 12/10-24/2012.
- Thursday, December 27 – 12:00 p.m. - Agencies can request stop payments of direct deposits and process edits, non-paid updates, manual pay sets, and voids. Last day to correct employee personal information (e.g. employee’s new home address) for inclusion on W-2s. **Files close at noon.**
- December 27 through January 2 – Leave remote printers on.
- Friday, December 28 – Payday for 12/10-24 semi-monthly pay period.
- Monday, December 31 through Tuesday, January 1 – Holiday
- Thursday, January 10 – Semi-monthly certification cut-off.
- Friday, January 11 – Calendar Year End certifications due to DOA.
- Tuesday, January 15 – Leave keying deadline for period 12/25/2012 -1/9/2013. Calendar year-end leave processing.
- Wednesday, January 16 – Payday for 12/25-1/9 pay period.
- Friday, January 18 through Monday, January 21 – Holiday
- Tuesday, January 29 – Last day for W-2s to agencies.
- Thursday, January 31 – Leave keying deadline for period 1/10-24/2013.
- Thursday, January 31 – Last day to distribute W-2s to employees.
- Friday, February 1 – Payday for 1/10-24 pay period.

Payroll Adjustments Overview
Agencies certify quarterly to DOA that they have reconciled their payroll records and all adjustments have been identified and resolved. In prior years, many agency adjustments submitted for processing at year-end were noted as occurring throughout the year. In addition, many new adjustment requirements are identified during the review of Miscellaneous Exception Reports (see page 7) and during the Year-end reconciliation process.

To expedite year-end processing and facilitate the issuance of W-2s, you must review your payroll records and key all necessary Manual Pay-sets in CIPPS, or submit any manual (off-line) adjustments that have been identified to DOA for processing by the established deadlines. Processing adjustments with CIPPS Manual Pay-sets is highly recommended and encouraged.

**Note:** Manual Pay-sets are most effective when keyed prior to the agency's final (PE 12/24) payroll certification and may require the employee to have some amount of regular pay.

Continued on next page
Payroll Processing - Calendar Year-End 2012, continued

There are three basic types of adjustments used to make changes to CIPPS records. The following table lists the deadlines for each adjustment type:

<table>
<thead>
<tr>
<th>Adjustment Type</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-line YTD Earnings and Tax accumulator adjustments submitted directly to DOA</td>
<td>Received prior to certification of pay period ending 12/24 (reflected on Report 10) or keyed by DOA on/before 12/14.</td>
</tr>
<tr>
<td>CIPPS Manual Pay-sets</td>
<td>Most effective if keyed prior to PE 12/24 certification, but may be entered through 12/27 by 11:00 am.</td>
</tr>
<tr>
<td>Year-end (Report 883) Adjustments</td>
<td>Friday, January 11 – 5:00 p.m.</td>
</tr>
</tbody>
</table>

The following table lists the common uses and the advantages/disadvantages for each adjustment type. Agencies should carefully consider these when determining which type of adjustment best fits their needs.

<table>
<thead>
<tr>
<th>Adjust Type</th>
<th>Common Uses</th>
<th>Advantages/Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIPPS Manual Pay-set</td>
<td>Salary repayments; Tax and Deduction refunds and/or adjustments; Manual Voids; Earnings reclassification; Misc. Exception Report adjustments (e.g., Imputed Life)</td>
<td><strong>Advantages:</strong>&lt;br&gt;• All refunds and collections processed through CIPPS (if employee receives regular pay).&lt;br&gt;• Changes reflect on employee's 12/28 check stub if keyed prior to 12/24 certification.&lt;br&gt;• FICA refunds/collections processed through PE 12/24 payroll (if prior to PE 12/24 certification).&lt;br&gt;• FIT adjustments paid/collected through FAD (if prior to PE 12/24 certification).&lt;br&gt;• SIT adjustments paid/collected through CARS.&lt;br&gt;• Most deductions recovered through negative deduction process.&lt;br&gt;• Will reflect on Year-end reports - less work reconciling Year-end.&lt;br&gt;<strong>Disadvantages:</strong>&lt;br&gt;• If paid adjustment, employee must receive a regular pay amount of at least .01 (one cent).&lt;br&gt;• Terminated employees must be reactivated in order to properly process.&lt;br&gt;• Special processing (page 5) required after PE 12/24</td>
</tr>
<tr>
<td>Off-Line Adjustments submitted directly to DOA</td>
<td>Prior quarter adjustments (unprocessed); &quot;10 to 33&quot; adjustments; Misc Exception Report adjustments</td>
<td><strong>Advantages:</strong>&lt;br&gt;• YTD adjustments will reflect on Employees 12/28 Check Stub and W-2, if submitted by certification.&lt;br&gt;• FICA refunds/collections processed through PE 12/24 payroll.&lt;br&gt;• Will reflect on Year-end reports - less work reconciling Year-end.&lt;br&gt;<strong>Disadvantages:</strong>&lt;br&gt;• FIT/SIT tax adjustments not processed through CIPPS without tax overrides.&lt;br&gt;• Any &quot;net&quot; collections require manual deposits.&lt;br&gt;• FIT adjustments reflect on Form 941 return.&lt;br&gt;• SIT adjustments require IAT.</td>
</tr>
</tbody>
</table>
Payroll Processing - Calendar Year-End 2012, continued

Adjustment Type Advantages & Disadvantages, continued

<table>
<thead>
<tr>
<th>Adjust Type</th>
<th>Common Uses</th>
<th>Advantages/Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-end (Report 883) Adjustments</td>
<td>Manual Voids; Late salary repayments; Late taxable-nontaxable earnings reclassifications (i.e. late workers comp check); Uncollected Employee FICA; errors discovered during CYE reconciliation.</td>
<td>Advantages: • Changes reflect on employee's W-2. • Changes reflect on Agency's W-2 magnetic-media information returns. Disadvantages: • Changes do not appear on employee's check stub. • FICA/FIT adjustments require manual 941 return deposit or refund. • SIT adjustments require IAT recovery. • Gross/net adjustments require manual deposit or ATV. • Deductions must be manually recovered. • Time consuming - more work during YE reconciliation.</td>
</tr>
</tbody>
</table>

How to Process
Manual Pay Sets and Void Checks

The following must be performed no later than 11:00 a.m. on Thursday, December 27:

- Key MANUAL PAY SETS into CIPPS,
- Request stop payments of all direct deposit earnings, and
- Checks to be voided must be received by DOA.

A special "Dummy" payrun will be scheduled Thursday, December 27 to process manual pay sets and void checks. This procedure will correct an employee’s record on the Report 883 (CALENDAR YEAR-END EMPLOYEE DETAIL AUDIT LISTING). Because no checks will be written, third-party suspense items will be created for all federal tax, OASDI, HI, and miscellaneous third-party amounts that are part of the voids and/or manual paysets. The following steps must be taken to clear these items.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Prepare a journal entry charging the agency the total of the suspense items created.</td>
<td>DOA</td>
</tr>
<tr>
<td>2.</td>
<td>Delete all items from the Third Party Suspense File as part of the year-end process. These are listed on the U014 report and affect only Federal Tax Deposits (FAD) and agency-level third-party remittances (i.e. Reciprocal State Taxes, Employee Associations, Pre-tax transportation programs, etc.).</td>
<td>DOA</td>
</tr>
<tr>
<td>3.</td>
<td>Recover overpayment of federal, OASDI, and HI taxes when 4th quarter Form 941 is filed. Agencies will receive refund checks from the IRS (unless the refund is off-set by other charges).</td>
<td>DOA</td>
</tr>
<tr>
<td>4.</td>
<td>Recover overpayments to miscellaneous vendors identified in step 2 above (other than FAD). This may require depositing the agency-level check, subtracting the employee deduction, and processing a payment voucher for the revised amount.</td>
<td>Agencies</td>
</tr>
<tr>
<td>5.</td>
<td>Like normal payruns, the &quot;dummy&quot; payrun will recover most employee-level deductions through the negative deduction process. Therefore, if the funds are collected outside of CIPPS and the adjustment is for &quot;masterfile only&quot; updates, contact Cathy Gravatt at (804) 225-2386 or <a href="mailto:cathy.gravatt@doa.virginia.gov">cathy.gravatt@doa.virginia.gov</a>.</td>
<td>Agencies</td>
</tr>
</tbody>
</table>

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Payroll Processing - Calendar Year-End 2012, continued

For year-end processing, it is sometimes necessary to process 2012 VOID checks externally to CIPPS. Agencies must complete the following procedures if it is necessary to void CY 2012 checks after 12/27/2012.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>Do not write on or stamp the check &quot;VOID.&quot;</strong></td>
</tr>
<tr>
<td>2.</td>
<td>Endorse the check &quot;For Deposit Only - by: (agency name)&quot; and deposit it to a Treasurer of Virginia account. Follow established procedures for entering Deposit Certificates into CARS. Also deposit any employee-level third party checks (i.e. garnishments).</td>
</tr>
<tr>
<td>3.</td>
<td>Agency-level third-party deductions (i.e. Employee Associations and Pre-tax transportation programs) - Recover from vendor or deposit the next check into your agency account, recalculate the amount less the employee deduction, and process a payment voucher to vendor for the correct amount.</td>
</tr>
<tr>
<td>4.</td>
<td><strong>Direct Deposit funds must be retrieved within 5 days after the check date.</strong></td>
</tr>
<tr>
<td>5.</td>
<td>Direct Deposit (all ACH DD deductions) - To retrieve money from the bank, contact Payroll Production at 371-8385, or 371-4883 or e-mail <a href="mailto:ach@doa.virginia.gov">ach@doa.virginia.gov</a>.</td>
</tr>
<tr>
<td>6.</td>
<td>Prepare an IAT to the Department of Taxation for state tax withholdings. If reciprocal state taxes require adjustment, then your agency must request a refund on your Annual Reconciliation &amp; Return to the reciprocal state.</td>
</tr>
<tr>
<td>7.</td>
<td>If Optional Retirement Plan, request a refund from DOA. If VRS, contact DOA for further instructions.</td>
</tr>
<tr>
<td>8.</td>
<td>Adjust employee records, as required, using year-end procedures, or request a corrected W-2 (form W-2C) if past the YE certification deadline.</td>
</tr>
<tr>
<td></td>
<td>Recover miscellaneous employee-level deductions through the following instructions. Refunds requested through DOA will be credited to the agency by CARS journal entry.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If deduction is…</th>
<th>Then…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined VA campaign</td>
<td>Request refund from the vendor.</td>
</tr>
<tr>
<td>Deferred Compensation</td>
<td>Submit a Mistake of Fact to VRS to request refund. A 1099 may be issued to the employee by ING for the amount.</td>
</tr>
<tr>
<td>DSS Child Support (Ded 001)</td>
<td>Request a refund from Department of Social Services.</td>
</tr>
<tr>
<td>Flexible Reimbursement Account</td>
<td>Request a refund from DHRM, Office of Health Benefits.</td>
</tr>
<tr>
<td>Garnishment Fees</td>
<td>Request a refund from DOA.</td>
</tr>
<tr>
<td>Health Care</td>
<td>Request a refund on the Health Care Certification.</td>
</tr>
<tr>
<td>Supplemental Insurance and Tax Sheltered Annuities</td>
<td>Request a refund from vendor(s).</td>
</tr>
<tr>
<td>Optional Group Life</td>
<td>Request a refund from Minnesota Life.</td>
</tr>
</tbody>
</table>

Continued on next page
Payroll Processing - Calendar Year-End 2012, continued

Request and review the Report 808 to ensure payroll information is reported correctly to the IRS and SSA.

The Social Security Administration can fine agencies $100 for every incorrect social security number remitted for W-2 reporting.

To identify potentially incorrect social security numbers, Report 808, VERIFICATION REPORT - USED TO VERIFY EMPLOYEE NAMES AND ADDRESSES PRIOR TO ISSUING W-2S, displays for each individual employee the SSN, address, and withholding information. The information provided should be verified and if a discrepancy is identified, your agency should correct the CIPPS masterfile information prior to year-end certification (NO LATER THAN 11:00 a.m. on 12/27/12).

Excess Deferrals

Employers must report amounts that exceed the annual IRS limits for Deferred Compensation or Tax Sheltered Annuities as taxable income. Please check participants’ withholdings prior to year-end to ensure they do not exceed the maximum withholding limits. The limits for CY 2012 are:

<table>
<thead>
<tr>
<th>Deferral Category</th>
<th>457 Deferred Compensation Plan</th>
<th>403(b) Tax-Deferred Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Annual Limit</td>
<td>$17,000</td>
<td>$17,000</td>
</tr>
<tr>
<td>Age 50 Catch-Up</td>
<td>$5,500</td>
<td>$5,500</td>
</tr>
<tr>
<td>457 Standard Catch-Up</td>
<td>$17,000</td>
<td>N/A</td>
</tr>
<tr>
<td>403(b) 15-Year Catch-Up</td>
<td>N/A</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

NOTE: See Payroll Bulletin 2012-01 for more information on limits and exceptions.

http://www.doa.virginia.gov/Payroll/Payroll_Bulletins/2012/2012_01.pdf

Agencies should use reports 855 and/or 857 (Deferred Compensation/Annuity Excess Deduction Reports) to help identify employees approaching or exceeding the limits. Exercise caution as these reports are estimated projections based on employee masterfile information. Individual limits must be manually recalculated using actual YTD earnings prior to making an adjustment (remember to account for those employees who are not 24 pay employees).
DOA has developed several "exception" type reports to assist agencies in identifying possible problems prior to year-end processing. Agencies should request the following reports (must be set up on Company header) no later than early December to ensure adequate time for review and correction. Note that these reports may not apply to all agencies. They are produced based on exception criteria; therefore, if you do not receive any of these reports, your agency did not meet the exception criteria and no action is required.

<table>
<thead>
<tr>
<th>Report #</th>
<th>Report Name (Short)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>844</td>
<td>YTD OASDI Tax - Employee not equal to employer.</td>
<td>Identifies employees who may have OASDI Tax withheld incorrectly. <strong>This report is invalid for calendar year 2012 due to the temporary change in the employee OASDI tax rate.</strong></td>
</tr>
<tr>
<td>846</td>
<td>YTD OASDI Taxable - Employee not equal to employer.</td>
<td>Identifies employees who may have OASDI Taxable amounts reported incorrectly. It is essential this report be reviewed and corrective action taken prior to the final payroll certification of 2012.*</td>
</tr>
<tr>
<td>848</td>
<td>YTD HI Tax - Employee not equal to employer.</td>
<td>Identifies employees who may have HI Tax withheld incorrectly. It is essential this report be reviewed and corrective action taken prior to the final payroll certification of 2012.*</td>
</tr>
<tr>
<td>850</td>
<td>YTD HI Taxable - Employee not equal to employer.</td>
<td>Identifies employees who may have HI Taxable amounts reported incorrectly. It is essential this report be reviewed and corrective action taken prior to the final payroll certification of 2012.*</td>
</tr>
<tr>
<td>855</td>
<td>Deferred Compensation Excess Deduction Report</td>
<td>Identifies employees who may exceed the IRS deferral limit for Section 457 plans and therefore the cash match will need to be deactivated (for periods with no contribution taken).</td>
</tr>
<tr>
<td>857</td>
<td>Annuity Excess Deduction Report</td>
<td>Identifies employees who may exceed the IRS deferral limit for Section 403(b) plans and therefore the cash match will need to be deactivated (for periods with no contribution taken).</td>
</tr>
<tr>
<td>858</td>
<td>Uncollected FICA</td>
<td>Identifies employees who may have uncollected FICA. Uncollected FICA is allowable only in cases where imputed life or tips are reported for employees with no pay. All other uncollected FICA must be investigated and collected from employees.</td>
</tr>
<tr>
<td>860</td>
<td>List of Employees to be Purged at Year End Processing</td>
<td>Identifies employees with Employee Status “3” and YTD Gross equal to zero. These records will be deleted from the masterfile during calendar year end processing. See additional information in Year End Processing on page 12.</td>
</tr>
<tr>
<td>861</td>
<td>List of Employees Whose Status Should Be Changed to 3</td>
<td>Identifies employees with YTD Gross equal to zero. Employee status on H0BES should be updated to “3” so that these records can be deleted during calendar year end processing. See additional information in Year End Processing on page 12.</td>
</tr>
</tbody>
</table>

* Contact Cathy Gravatt, Accountant Senior - Payroll Tax Accounting, at cathy.gravatt@doa.virginia.gov for procedural clarification if necessary.

Continued on next page
### Miscellaneous Exception Reports, continued

<table>
<thead>
<tr>
<th>Report #</th>
<th>Report Name (Short)</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>891</td>
<td>Employees with YTD Deceased Pay (Special Pay 054, 055)</td>
<td>Identifies employees who received Deceased Pay (Special Pay Codes 054, 055) during the calendar year.</td>
</tr>
<tr>
<td>912</td>
<td>CIPPS Employees Who Have Reached the Maximum Social Security Wage Base</td>
<td>Identifies employees who reached the maximum OASDI withholding amount during the calendar year. Should be used before certification of first pay in new calendar year to ensure OASDI taxes are withheld.</td>
</tr>
<tr>
<td>915</td>
<td>YTD State taxable wages Different from Federal</td>
<td>Identifies Employees whose State taxable wages do not equal Federal taxable wages.</td>
</tr>
</tbody>
</table>
# Payroll Operations Calendar

## December 2012

<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
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<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>9AM - CIPPS files open - no edits or payruns</td>
<td>3</td>
<td>TPA Upload</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>9AM - CIPPS files open - no edits or payruns</td>
<td>6</td>
<td>Deferred Comp Transaction Upload</td>
<td>7</td>
<td>8</td>
<td>9AM - CIPPS files open - no edits or payruns</td>
</tr>
<tr>
<td>9</td>
<td>9AM - CIPPS files open - no edits or payruns</td>
<td>10</td>
<td>Semi-monthly salaried certification deadline Period #1 (11/25-12/09)</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>15</td>
<td>9AM - CIPPS files open - no edits or payruns</td>
<td>16</td>
<td>Deferred Comp Transaction Upload</td>
<td>17</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>23</td>
<td>9AM - CIPPS files open - no edits or payruns</td>
<td>24</td>
<td>State Holiday: Christmas Eve</td>
<td>25</td>
<td>State Holiday: Christmas</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>9AM - CIPPS files open - no edits or payruns</td>
<td>27</td>
<td>FILES CLOSE AT NOON FOR CYE</td>
<td>28</td>
<td>FILES CLOSED FOR CYE</td>
<td>29</td>
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<tr>
<td>30</td>
<td>FILES CLOSED FOR CYE</td>
<td>31</td>
<td>State Holiday: New Year’s Eve</td>
<td>32</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>FILES CLOSED FOR CYE</td>
<td>34</td>
<td></td>
<td>35</td>
<td></td>
<td>36</td>
</tr>
</tbody>
</table>
## January 2013

<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
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<td><strong>State Holiday: New Year’s Day</strong></td>
<td></td>
<td><strong>TPA Upload</strong></td>
<td></td>
<td><strong>9AM - CIPPS files open - no edits or payruns</strong></td>
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<tr>
<td></td>
<td></td>
<td>Deferred Comp Transaction Upload</td>
<td></td>
<td></td>
<td>Semi-monthly salaried certification Period #1 (12/25-01/09)</td>
<td><strong>CYE Cert Due</strong></td>
</tr>
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<td>14</td>
<td>15</td>
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<tr>
<td></td>
<td></td>
<td><strong>9AM - CIPPS files open - no edits or payruns</strong></td>
<td>Leave keying deadline (12/25-01/09)</td>
<td>Payday for semi-monthly salaried employees Deferred Comp Transaction Upload</td>
<td><strong>TPA Upload</strong></td>
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<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>9AM – CIPPS files open – no edits or payruns</strong></td>
<td><strong>State Holiday: M L King, Jr. Day</strong></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>9AM - CIPPS files open - no edits or payruns</strong></td>
<td>Semi-monthly salaried certification deadline Period #2 (01/10-01/24) Deferred Comp Transaction Upload</td>
<td></td>
<td></td>
<td>Leave keying Deadline (01/10-01/24) December Healthcare Cert Due</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Year-End Processing

Follow these instructions regarding year-end adjustments and certification.

- Enter the TOTAL CORRECT AMOUNTS clearly on the Employee File Adjustment Form (see attachment at end of the bulletin), not the amount to be added to or subtracted from the incorrect amount. **DOA must be able to read the correct amount.** Identify corrections to all required fields (e.g., YTD employee and employer portions).

- Include original pages from Report 883 that contain *adjusted* employee totals and the *adjusted totals* page of Report 83. The Report 883 total must also be included to assist in balancing and for W-2 counts. Do not submit the amount of the correction. **The agency Fiscal Officer must sign Report 83.**

- Explain why DOA must make your manual adjustments on the reverse of each adjustment form. **Unacceptable or missing explanations will result in a delay as the adjustment will not be keyed until a written explanation is received.**

- If you have SUI adjustments, corrected amounts should be provided to VEC. You can either mark up the hard copy Report U057 showing the correction and fax it to Chris Loftus at 804-692-0945 or email the correction information to loftusc@bls.gov. No adjustments should be included on Reports 83 and 883.

Return the following to DOA by Friday, 5:00 PM, January 11, 2013

<table>
<thead>
<tr>
<th>If you...</th>
<th>Remit the following...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓ Employee File Adjustment Form (see attachment at end of bulletin).</td>
</tr>
<tr>
<td></td>
<td>✓ Final total page of Reports 83 containing adjusted with agency Fiscal Officer signature, 2012 YEAR-END CERTIFICATION form (see attachment at end of bulletin), signed by the agency Fiscal Officer, and the Report 883 total page showing the W-2 counts.</td>
</tr>
<tr>
<td></td>
<td>✓ W-2s will be generated after all adjustments have been processed and balanced to the certified Reports 83 and 883 total pages.</td>
</tr>
<tr>
<td>Do not have manual adjustments</td>
<td>✓ Completed Year-End Certification form and Final total pages of Report 83 both containing the agency Fiscal Officer signature as well as the final page of Report 883.</td>
</tr>
</tbody>
</table>

W-2s will be generated upon receipt of the complete certification package. You must verify that your final Report 83 and Report 883 are correct prior to certifying for the printing of W-2s.

You will be contacted when W-2s for your agency are ready. Please do not call DOA asking when they will be ready.

Continued on next page
Year-End Processing, continued

Non-Resident Aliens - Form 1042 Preparation

Nonresident Aliens (NRAs) should be issued W-2s. Due to the severe complexity of tax treaty laws, DOA highly recommends that agencies not offer tax treaty benefits to their non-US citizens. Only if your agency is offering tax treaty benefits would you need to make certain adjustments to those employees’ records at year end. If you are not offering treaty benefits, then those NRAs on your payroll should receive W-2s just like all of your other employees. No adjustments would be required at year end. In very limited cases, certain NRAs are FICA exempt. These should be identified and adjusted immediately prior to year end.

Tax Treaty processing

Agencies must adhere to the following guidelines regarding tax treaties. For each employee that received the benefits of a tax treaty, you will need to complete the Employee File Adjustment Form (see attachment at end of bulletin) to reduce the employee’s W-2 by the tax treaty amount that will be reported manually on a 1042-S form. Each agency is responsible for completing their own 1042 and 1042-S forms and submitting them in accordance with established deadlines to the IRS.

Turn On Remote Printers

Quarter-end reports (56/880/881) and year-end reports (83/883) will be generated from December 27 through January 2. To ensure that remote-print agencies receive these reports, ensure that your remote-print printers are left on during this period.

Deductions Generally – Flex and CVC

All deduction year-to-date accumulators will be set to zero during calendar year-end processing. Any deduction (i.e. garnishments, levies, etc.) using the Goal field to stop the deduction should be checked prior to processing your first payroll in 2013 since it may automatically reactivate depending on how it was established.

Due to a July to June plan year for Flexible Spending Accounts, only the year-to-date amounts will be zeroed during calendar year-end processing.

Combined Virginia Campaign (CVC) deductions will be deactivated during calendar year-end processing and the goal and amount fields will be “zeroed out.” Turn on the deduction and enter the 2013 deduction and goal amounts before processing the first payroll in January.

Additional information on deductions will be included in the 2013 Payroll Operations Payroll Bulletin to be issued in December.

Terminated Employee Records

Report 860, CIPPS Employees to be Purged at Year-End Processing, identifies those employees who will be purged at the end of December.

At year-end all employee records with an employment status of 3 and year-to-date gross equal to zero will be purged.

Employee Records to be Terminated

Report 861, CIPPS Employees Whose Status Should Be Changed to a ‘3’, identifies those employees that have not received a payment through CIPPS in the current calendar year. Whenever practical, these employees must be terminated in CIPPS immediately. This report will be available the first week of December, and agencies will have until March 31st to either terminate the listed employees or to contact DOA providing a list of which records not to terminate and a supporting disposition.

Any employees not terminated and explanation not received by March 31st will be terminated by DOA and the agency could be listed in the Quarterly Report for non-compliance.

Continued on next page
Year-End Leave Processing & Accounting

In accordance with DHRM policy annual leave balances will be reduced to the maximum accrual limits (indicated in the Annual Leave Policy, Number 4.10) as of the close of business (leave keying deadline) on January 15, 2013.

DOA will provide agencies with Report U028 (*Leave Accounting Pending Annual Leave Lost*) to identify employees who may lose annual leave at the end of the established calendar year.

- Report U028 will be generated on November 29 and December 13. Individuals listed will have a warning message on their earnings notices dated 12/14 and 12/28 stating that annual leave may be lost if not used by January 9, 2013.

- The Report U028 generated for leave as of 11/24 around 11/30/12 will only reflect accruals for two pay periods (PE 12/9 & 12/24). This means you will have to add another period of annual leave accruals (for 1/9) to these individuals’ balances to reflect a more accurate number of hours that may be deleted on the close of business 1/15/13. Additionally, this report will not list employees that may only exceed their annual leave limits with the third, or unprojected, period.

- The report generated for leave as of 12/9 on 12/13/12 will reflect the accruals for the remaining two pay periods (12/24 & 1/9) of the calendar year. This report will also list those employees who at that time may exceed their annual leave limits.

At close of business January 15:
- Leave balances will be updated with leave transactions that have been entered for the period ending January 9.
- Accruals for annual and sick leave will be generated.
- Year-to-date leave usage accumulators with the exception of military leave will be zeroed (i.e., sick family, family/personal, civil, community service, etc.) and any excess annual leave will be deleted based on the employee’s years of service.
- Yearly allocations of VSDP leave will load.

Note: Maintenance entries may be required for receipt of late leave slips.

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VSDP Recipients

Employees coded as "VSDP Recipients" on the HPIUS will not receive their annual Sick Personal (SP) and Family Personal (FP) leave allocations. Some employees who received prior STD benefits may have returned to work, but still have the SDP Recipient indicator coded "Y". DOA has developed Report #902 to identify all employees with the SDP recipient indicator still on. Agencies interested in requesting this report should contact J.R. Rodgers at (804) 225-3079 or john.rogers@doa.virginia.gov to have their CIPPS Company Header updated prior to using the on-line request (HSRUP).

---

Leave Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>E-mail</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Rodgers</td>
<td><a href="mailto:john.rogers@doa.virginia.gov">john.rogers@doa.virginia.gov</a></td>
<td>(804) 225-3079</td>
</tr>
<tr>
<td>Shannon Gulasky</td>
<td><a href="mailto:Shannon.gulasky@doa.virginia.gov">Shannon.gulasky@doa.virginia.gov</a></td>
<td>(804) 225-3065</td>
</tr>
<tr>
<td>Martha Laster</td>
<td><a href="mailto:Martha.Laster@doa.virginia.gov">Martha.Laster@doa.virginia.gov</a></td>
<td>(804) 225-2382</td>
</tr>
</tbody>
</table>
W-2 Forms

Overview
This year, DOA will again issue laser-printed W-2s. There will be one sheet of paper folded in half inside a sealed envelope for each employee. The sheet will contain four original employee copies of the W-2.

An employee may receive more than one W-2 if taxes were withheld for more than one state or locality. An additional W-2 may also be generated if an employee has more than 4 entries in BOX 12 or if the employee has more than one Employee ID Number in CIPPS.

Your employer copy of the W-2 will reside in Payline. Agency personnel must have masking to access the W-2 information. Please refer to the following link for information on Payline and Masking:

http://www.doa.virginia.gov/Payroll/Payline/Payline_Main.cfm

Agencies withholding payroll taxes for other states are responsible for filing their own state reconciliations and information returns. Additional Employer Copies of the W-2s will be provided for this purpose. Please be aware of the specific filing deadlines in each individual state.

DO NOT SEND PAPER COPIES OF W-2s to the Internal Revenue Service (IRS)/Social Security Administration (SSA). As in the past, DOA will submit W-2 data to the IRS/SSA, as well as to the Virginia Department of Taxation.

Distribution
Complete the W-2 DISTRIBUTION FORM (see attachment at end of the bulletin) and FAX it to J.R. Rodgers by December 14 at (804) 225-3499.

This form is divided into the following sections:

- **Distribution** - Agencies can choose whether to pick up their W-2s at DOA or have them mailed via UPS. (UPS will not be provided to agencies with the Richmond Metropolitan area.) No other distribution methods are available.

- **Sort Order** - Agencies can select the sort order for their W-2s. The *Standard* W-2 sort order is alphabetical by employee (last name, first name, and middle initial) within organization code. The *Agency* sort order is alphabetical by employee within the agency (i.e., ignores organization codes). Please review your distribution process and indicate your preferred sort order on the form.

- **Agency Contact** - Agencies must provide a primary agency contact for DOA to notify regarding W-2 distribution. DOA will notify agencies when their W-2s are ready for distribution.

Continued on next page
W-2 Forms, continued

W-2 Changes Note the following regarding W-2 changes after 12/27:

- If personal information needs to be corrected (e.g., employee's new home address), agencies may need to request a correction to the Calendar Year 2012 employee records.

- If the request for a new W-2 was due to an error in reported wages or tax amounts (e.g., incorrect data on the W-2), perform research to determine if a W-2C is necessary instead of a reissued W-2. Contact J.R. Rodgers if discrepancies are noted.

How to Request Reissued W-2s The IRS does not specify the time frame in which duplicate W-2s must be reissued. Agencies must maintain copies of reissued W-2s for 4 years.

Agencies have three options when employees request that you issue duplicate W-2s:

<table>
<thead>
<tr>
<th>Option</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Check your returned W-2s file to see if the W-2 was returned as undeliverable. If so, send this copy to the employee.</td>
</tr>
<tr>
<td>2</td>
<td>Use Payline Masking to print the employee a replacement W-2.</td>
</tr>
<tr>
<td>3</td>
<td>Counsel employees on the use of Payline to print their own replacement</td>
</tr>
</tbody>
</table>

Moving and Relocation Listed below are the two special pay types and how they will be handled for W-2 reporting.

<table>
<thead>
<tr>
<th>Special Pay Type</th>
<th>How Handled For W-2 Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Pay 03</td>
<td>Excluded from wages (Box 1), but included in Box 12 with label of P.</td>
</tr>
<tr>
<td>(Moving &amp; Relocation Nontaxable)</td>
<td></td>
</tr>
<tr>
<td>Special Pay 04</td>
<td>Included in wages (Box 1) and in Box 14 (other).</td>
</tr>
<tr>
<td>(Moving &amp; Relocation Taxable)</td>
<td></td>
</tr>
</tbody>
</table>

Continued on next page
W-2 Forms, continued

Deceased Worker’s Wages

Report 891 (Employees With YTD Deceased Pay) provides a listing of all employees in your agency that have been paid either Deceased Pay One or Deceased Pay Two. A ‘deceased’ status is no longer reflected on the employee's W-2, however, Deceased Pay amounts must still be reported as follows:

<table>
<thead>
<tr>
<th>Special Pay Type</th>
<th>How Handled For W-2 Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deceased Pay 1 – Dec-Curr</td>
<td>• These amounts will not be included in Federal and State Wages on your year-end audit reports.</td>
</tr>
<tr>
<td>(Special Pay 54 - current year)</td>
<td>• Both the OASDI/HI Taxable amounts and the OASDI/HI Taxes Withheld will be included on your year-end audit reports and will also be reported on a W-2.</td>
</tr>
<tr>
<td></td>
<td>• The Federal wages associated with deceased pay must be reported in Box 3 on a Form 1099-MISC. Refer to the IRS instructions for 2012 form 1099-MISC for proper entries on the 1099-MISC. The 1099-MISC should be made out to the name and SSN of the beneficiary if paid to an individual or the name and TIN of the estate if paid to the executor/administrator of the estate. 1099-MISC should not be made to “the estate of…” with the deceased employee’s SSN.</td>
</tr>
<tr>
<td>Deceased Pay 2 – Dec-Prior</td>
<td>• Excluded from your quarter and year-end reports. Wages paid in the calendar year after death are exempt from FIT, OASDI, HI, and State withholding.</td>
</tr>
<tr>
<td>(Special Pay 55 - prior year)</td>
<td>• The agency must report this compensation on a Form 1099-MISC to the estate or beneficiary of the employee. A W-2 is not an appropriate reporting instrument for this payment.</td>
</tr>
</tbody>
</table>

Box 12 Entries

DOA will report the following amounts in box 12 on the W-2:

<table>
<thead>
<tr>
<th>Item Reported</th>
<th>Box 12 Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Sheltered Annuities (403-b) amounts (Deduction 39)</td>
<td>E</td>
</tr>
<tr>
<td>Deferred Compensation (457) amounts (Deduction 38)</td>
<td>G</td>
</tr>
<tr>
<td>Imputed Life (Special Pay 014) amounts</td>
<td>C</td>
</tr>
<tr>
<td>Uncollected Social Security (OASDI) amounts</td>
<td>M</td>
</tr>
<tr>
<td>Uncollected Medicare (HI) amounts</td>
<td>N</td>
</tr>
<tr>
<td>Excludable Moving &amp; Relocation expense amounts</td>
<td>P</td>
</tr>
<tr>
<td>Cost of employer-sponsored health coverage</td>
<td>DD</td>
</tr>
</tbody>
</table>

Please note: Employee-paid member contributions (401(a)(17) plan) are not reported on the W-2.

Health Insurance Reporting

DHRM Office of Health Benefits will provide DOA with the amount of health care costs to be reported on the W-2s for calendar year 2012. This amount will be reflected in Box 12 with a code of DD.

Continued on next page
### W-2 Form Content Descriptions

This list identifies the coding in all boxes included on an employee’s W-2 form and provides a description.

<table>
<thead>
<tr>
<th>Field</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee's social security number</td>
<td>Self-explanatory.</td>
</tr>
<tr>
<td>b</td>
<td>Employer’s Identification Number</td>
<td>Employer's Federal Employer Identification Number (FEIN).</td>
</tr>
<tr>
<td>c</td>
<td>Employer’s Name, Address, and Zip Code</td>
<td>Self-explanatory.</td>
</tr>
<tr>
<td>d</td>
<td>Control Number</td>
<td>Assigned during the printing process and provides a count of all W-2s printed and a reference number in the event an employee receives more than one W-2. (OPTIONAL)</td>
</tr>
<tr>
<td>e &amp; f</td>
<td>Employee's Identification Number, Organizational Code, Name, Address, and Zip Code</td>
<td>Self-explanatory.</td>
</tr>
<tr>
<td>1</td>
<td>Wages, Tips, Other Compensation</td>
<td>Sum of federal taxable plus federal nontaxable (reportable) wages.</td>
</tr>
<tr>
<td>3</td>
<td>Social Security Wages</td>
<td>Amount of OASDI taxable wages. Maximum is $110,100.</td>
</tr>
<tr>
<td>4</td>
<td>Social Security Tax Withheld</td>
<td>Amount of OASDI tax withheld. Maximum is $4,624.20</td>
</tr>
<tr>
<td>5</td>
<td>Medicare Wages and Tips</td>
<td>Amount of HI or Medicare taxable wages.</td>
</tr>
<tr>
<td>6</td>
<td>Medicare Tax Withheld</td>
<td>Amount of HI or Medicare tax withheld.</td>
</tr>
<tr>
<td>7</td>
<td>Social Security Tips</td>
<td>Tips subject to OASDI tax.</td>
</tr>
<tr>
<td>8</td>
<td>Allocated Tips</td>
<td>Tips allocated to the employee.</td>
</tr>
<tr>
<td>9</td>
<td>Not Used</td>
<td>Not used. Should be blank.</td>
</tr>
<tr>
<td>10</td>
<td>Dependent Care Benefits</td>
<td>Amount deducted through the Dependent Care Flexible Reimbursement Account (Deduction #21).</td>
</tr>
<tr>
<td>11</td>
<td>Nonqualified Plans</td>
<td>Not used. Should be blank.</td>
</tr>
<tr>
<td>12</td>
<td>Multi-purpose:</td>
<td>Box may contain the following required items with labels assigned by IRS:</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>Group Term Insurance Coverage over $50,000 (Special Pay 14 - Imputed Life)</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>Section 403(b) plans (Deduction 39 - Annuities)</td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>Section 457 plans (Deduction 38 - Deferred Compensation)</td>
</tr>
</tbody>
</table>

*Continued on next page*
**W-2 Forms, continued**

**W-2 Form Content Descriptions (continued)**

<table>
<thead>
<tr>
<th>Field</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12, cont.</td>
<td>Multi-purpose:</td>
<td>Box <strong>may</strong> contain the following required items with labels assigned by IRS:</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>Uncollected OASDI on Group Term Life Insurance Coverage over $50,000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>Uncollected HI on Group Term Life Insurance Coverage over $50,000</td>
</tr>
<tr>
<td></td>
<td>P</td>
<td>Excludable moving expense reimbursements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Special Pay 03 - Moving and Relocation Nontaxable</td>
</tr>
<tr>
<td></td>
<td>DD</td>
<td>Cost of employer-sponsored health coverage</td>
</tr>
</tbody>
</table>

**Note:** Only four items can print in BOX 12. If an employee has more than four of these items, a second W-2 will be printed with basic identification information on it, but it will not repeat the wage and tax information printed on the first form.

13 This box contains checkboxes that are marked with an “X” if they apply.

- **STATUTORY EMPLOYEE** - Employee's FIT Status is equal to 1 and FICA Status not equal to a 1 on the H0BAD screen. Note: DOA will override this indicator unless specifically requested by the agency in writing.

- **RETIREMENT PLAN** - If employee was an active participant in a retirement plan for any part of a year. Contributions to non-qualified plans or 457 plans are excluded. (YTD amount for deductions 8 - 18 are greater than zero.)

- **THIRD PARTY SICK PAY** - Not applicable.

14 Other **Company Car – Special Pay 07 – Co. Car**

15 State **Two-character abbreviation of the state and the employer’s identification number.**

16 State Wages, Tips, Etc. **Amount of state taxable wages. This can include imputed life and may also include any company-paid DI tax.**

17 State Income Tax **Amount of state income tax withheld**

18 Locality Name **Name of the local taxing entity.**

19 Local Wages, Tips, Etc. **Amount of local taxable wages. (Note: For Maryland these amounts are reported with State.)**

20 Local Income Tax **Amount of local income tax. (Note: For Maryland these amounts are reported with State.)**
Contact Information

Department of Accounts - Payroll and Leave Contacts  
CIPPS 2012 Calendar Year-End

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Functional Area</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lora George</td>
<td>General Information</td>
<td><a href="mailto:Lora.george@doa.virginia.gov">Lora.george@doa.virginia.gov</a></td>
</tr>
<tr>
<td>Director - State Payroll Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cathy McGill</td>
<td>General Information</td>
<td><a href="mailto:Cathy.Mcgill@doa.virginia.gov">Cathy.Mcgill@doa.virginia.gov</a></td>
</tr>
<tr>
<td>Assistant Director – State Payroll</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denise Halderman</td>
<td>941 processing,</td>
<td><a href="mailto:Denise.halderman@doa.virginia.gov">Denise.halderman@doa.virginia.gov</a></td>
</tr>
<tr>
<td>Supervisor - Benefits Accounting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cathy Gravatt</td>
<td>941 processing, Voids</td>
<td><a href="mailto:Cathy.gravatt@doa.virginia.gov">Cathy.gravatt@doa.virginia.gov</a></td>
</tr>
<tr>
<td>Accountant Senior - Payroll Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John (JR) Rodgers</td>
<td>Year-end adjustments, manual updates, W-2 distribution, reissued W-2s</td>
<td><a href="mailto:John.rodgers@doa.virginia.gov">John.rodgers@doa.virginia.gov</a></td>
</tr>
<tr>
<td>Year End Coordinator</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Address all questions related to year-end processing to the individuals listed above. DOA strongly encourages your use of e-mail and FAXES to avoid “telephone tag” and to provide staff with all of your relevant information. Using e-mail and FAXES will significantly reduce the amount of time it takes DOA personnel to address questions or concerns.

Payroll FAX Number

- FAX information to 225-3499 for questions related to year-end processing, W-2 distribution and all other payroll-related questions.
Summary of Quarter and Year-to-Date Reports

<table>
<thead>
<tr>
<th>Report</th>
<th>Description</th>
<th>Agencies Use Report to…</th>
</tr>
</thead>
<tbody>
<tr>
<td>56 – Quarterly Composite Tax Report</td>
<td>Comprehensive tax report by tax unit, country, state, local, and establishment.</td>
<td>Balance year-to-date activity. Agency use only. Do not send to DOA.</td>
</tr>
<tr>
<td>880 – Employee Quarterly Tax Report #1</td>
<td>Tax information by tax unit, country, state, local, establishment, and employee number for prior quarter (4th quarter 2012) and year-to-date. Report contains fields usually used by agencies but does not include extraneous fields such as DI TAX.</td>
<td>Balance year-to-date activity. Agency use only. Do not send to DOA.</td>
</tr>
<tr>
<td>881 – Employee Tax Report #2</td>
<td>Tax information by tax unit, country, state, local, establishment, and employee number for prior quarter (4th quarter 2012) and year-to-date. Report contains fields ordinarily not used by agencies and includes fields that are normally $0 such as DI TAX. No report unless one or more report fields have a year-to-date amount greater than zero.</td>
<td></td>
</tr>
<tr>
<td>83 &amp; 883 – W-2 Audit Reports</td>
<td>Reports contain the information included on the W-2. Note that FIT Taxable plus FIT Nontaxable is reported in Box 1 (wages, tips, other compensation). State Wages (Box 16) may or may not equal to Box 1 depending on how your employee records are established.</td>
<td>Balance year-to-date activity. Return last page of report 83 signed by the agency fiscal officer. Submission of report 883 totals is not optional.</td>
</tr>
<tr>
<td>U018 – Leave Accounting Annual Leave Lost Report</td>
<td>Calendar year-end annual leave balances adjusted for maximum carry over limits.</td>
<td>Monitor leave activity.</td>
</tr>
<tr>
<td>U021 – Leave Accounting Individual Leave History</td>
<td>Leave transactions by employee for 01/10/12 to 01/09/13.</td>
<td></td>
</tr>
<tr>
<td>U028 – Leave Accounting Pending Annual Leave Lost</td>
<td>Lists employees who may potentially lose leave at the end of the year.</td>
<td>Monitor leave activity. See page 15 of this bulletin for detailed instructions.</td>
</tr>
<tr>
<td>U030 – Workers Compensation Report</td>
<td>Prior and current quarter amount (July - December by Workers Compensation Code).</td>
<td>For information only.</td>
</tr>
<tr>
<td>U035 – Leave Accounting Year-end Leave Usage Summary</td>
<td>Leave usage for the calendar year for each leave type by agency.</td>
<td>Monitor leave activity.</td>
</tr>
<tr>
<td>U057 – Quarterly Employee Count</td>
<td>Monthly count of employees and quarterly wages by FIPS Code (Area Detail Attachment).</td>
<td>Compare SUI wage totals to Report 56 company totals. If different, report corrected total to VEC (see page 11). Use in conjunction with U057.</td>
</tr>
<tr>
<td>U090 – FIPS Code Error Report</td>
<td>If any amounts are shown, these figures must be added to the totals reported to VEC (see page 11). Additionally, employee records should be corrected in CIPPS.</td>
<td></td>
</tr>
<tr>
<td>858 – Year-to-date Uncollected FICA</td>
<td>Shows employees who have uncollected OASDI and HI amounts.</td>
<td>Review to ensure propriety of uncollected amounts due to imputed life. If not, remove from 83/883.</td>
</tr>
<tr>
<td>891 – Employees With YTD Deceased Pay (Special Pay 54 &amp; 55)</td>
<td>Shows employees who have been paid either Deceased Pay One (Special Pay 54) or Deceased Pay Two (Special Pay 55).</td>
<td>Review for accuracy.</td>
</tr>
</tbody>
</table>

Continued on next page
## Optional Reports

<table>
<thead>
<tr>
<th>Report</th>
<th>Description</th>
<th>Agencies Use Report to…</th>
</tr>
</thead>
<tbody>
<tr>
<td>808 – Verification Report</td>
<td>Used to verify employee name and address prior to issuing W-2s.</td>
<td>Verify accuracy of employee's names and addresses.</td>
</tr>
<tr>
<td>873 – Automatic Special Pay #05-Reportable Meals</td>
<td>Lists year-to-date amounts for verification.</td>
<td>Verify accuracy.</td>
</tr>
</tbody>
</table>

These reports can be requested on-line on either the HSRUP or HSRUT screens. Contact J.R. Rodgers (804) 225-3079 or e-mail him at john.rodgers@doa.virginia.gov for assistance.

## Attachments

The following attachments are to be used in the Year-End Process.

- Employee File Adjustment Form
- 2012 Year-End Certification
- W-2 Distribution Form
# Employee File Adjustment Form

*Year-End Adjustments Only*

<table>
<thead>
<tr>
<th>Company #</th>
<th>State Code</th>
<th>Local Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>__________</td>
<td>__________</td>
<td>__________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Employee #</th>
<th>__________</th>
</tr>
</thead>
<tbody>
<tr>
<td>_____________</td>
<td>__________</td>
<td>__________</td>
</tr>
</tbody>
</table>

## TAXABLE ADJUSTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Numeric Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROSS</td>
<td>__________</td>
</tr>
<tr>
<td>FIT NTXBL</td>
<td>__________</td>
</tr>
<tr>
<td>FIT TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>FIT TAX</td>
<td>__________</td>
</tr>
<tr>
<td>EIC PAID</td>
<td>__________</td>
</tr>
<tr>
<td>SIT TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>SIT TAX</td>
<td>__________</td>
</tr>
<tr>
<td>LOC TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>LOC TAX</td>
<td>__________</td>
</tr>
</tbody>
</table>

## FICA ADJUSTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Numeric Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>OASDI TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>OASDI TAX</td>
<td>__________</td>
</tr>
<tr>
<td>HI TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>HI TAX</td>
<td>__________</td>
</tr>
<tr>
<td>MED TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>MED TAX</td>
<td>__________</td>
</tr>
<tr>
<td>COMPANY OASDI TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>COMPANY OASDI TAX</td>
<td>__________</td>
</tr>
<tr>
<td>COMPANY HI TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>COMPANY HI TAX</td>
<td>__________</td>
</tr>
<tr>
<td>COMPANY MED TXBL</td>
<td>__________</td>
</tr>
<tr>
<td>COMPANY MED TAX</td>
<td>__________</td>
</tr>
</tbody>
</table>

## UNCOLLECTIBLE ADJUSTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Numeric Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNCOLL OASDI</td>
<td>__________</td>
</tr>
<tr>
<td>UNCOLL HI</td>
<td>__________</td>
</tr>
</tbody>
</table>

## OTHER ADJUSTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Numeric Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOVING AND RELOCATION NON-TAX</td>
<td>__________</td>
</tr>
<tr>
<td>MOVING AND RELOCATION TAXABLE</td>
<td>__________</td>
</tr>
</tbody>
</table>

## DEDUCTION ADJUSTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Numeric Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEP CARE</td>
<td>__________</td>
</tr>
<tr>
<td>MED REIM</td>
<td>__________</td>
</tr>
<tr>
<td>EE PD RET</td>
<td>__________</td>
</tr>
<tr>
<td>DEF COMP</td>
<td>__________</td>
</tr>
<tr>
<td>PRE TAX</td>
<td>__________</td>
</tr>
<tr>
<td>IMP LIFE</td>
<td>__________</td>
</tr>
</tbody>
</table>

## NON-RESIDENT ALIENS

<table>
<thead>
<tr>
<th>Description</th>
<th>Numeric Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee is a non-resident alien employee and should be deleted from the year-end audit reports.</td>
<td></td>
</tr>
</tbody>
</table>

---

**FAX TO J.R. Rodgers, Year-End Coordinator @ (804) 225-3499**

*REPORT THE CORRECT AMOUNT, NOT THE AMOUNT OF THE ADJUSTMENT.*
1. We certify that we have reconciled our Year-to-Date (YTD) Report 83/883 totals by one of the following methods (check one box):

- By review and reconciliation of all Report U092 and U093 (CIPPS YTD 10/33 Reconciliation Reports) differences.

**OR**

- By manual or spreadsheet reconciliation of all 4 quarters, based on
  - Report 10 (Payroll and Deduction Register)
  - Report 33 (Composite Tax Report)
  - Report 880/881 (Employee Quarterly Tax Reports)

2. Status of differences (check one box):

- There are no differences or all differences are valid and no adjustments are required

**OR**

- All differences are identified and the required adjustments are included on the attached Employee File Adjustment Forms. Valid explanations are attached to the adjustment sheet for processing purposes.

3. We certify that all non-paid/non-cash items for the year have been entered. Examples include: Reportable Meals, Housing, Personal Use of State Vehicles, Taxable Tuition, Telework Expenses, Moving & Relocation Expenses, Gift Cards, etc.

4. We certify that we have reviewed each Report 831 created during the year, and certify that we are in compliance with state policies regarding mandated direct deposit and elimination of earnings notice print.

5. We certify that we are in compliance with state policies regarding elimination of earning notices print.

6. We certify that the pending file has been reviewed and all prior year transactions which should be removed have been deleted.
7. Federal and State Wage Verification (check one, attach explanation of differences):

☐ No differences between total FIT Taxable Wages and total SIT Taxable Wages – there should be no differences between FIT Taxable and SIT Taxable for any VA resident.

OR

☐ Differences exist and are valid

FIT Taxable: ____________________________
SIT Taxable: ____________________________
DIFFERENCE: ____________________________

8. ☐ Certification of Taxable Wage Totals:

We certify that the attached Report 83/883 accurately reflects the total taxable wages paid, and associated tax withholdings for employees of this agency/company in 2012.
W-2 Distribution Form
FOR CALENDAR YEAR ENDING DECEMBER 31, 2012

Company Name: _________________________________ Number: _______________

Agency Fiscal Officer Signature: _______________________ Date: ________________

Note: A separate W-2 Distribution Request must be completed for each company.

SORT ORDER
(YOU MUST CHOOSE ONE)

Alphabetical within Organization code (Default) _____ Alphabetical within Agency _____

DISTRIBUTION

Non-Payroll Service Bureau Agencies NOT in the Richmond area - please indicate the method that you want W-2s to be distributed to your agency. (You must pick your W-2s up from DOA if you are in the Richmond area).

Pick Up at DOA _____________ UPS ________________

Payroll Service Bureau (PSB) Distribution - Please note that the Payroll Service Bureau will initially pick up W-2s for agencies serviced by the Bureau, but you must choose one of the following:

_____ PSB bulk ship to Agency Central Office for agency distribution

_____ Agency Courier will pick up from PSB for agency distribution

_____ PSB mail W-2s directly to employees (Agency will be charged for postage)

AGENCY CONTACT

Name _________________________ FAX # ___________ Phone # _______________

Email Address __________________________

Other Information

________________________________________________________________________

________________________________________________________________________

FAX by December 14 to:

J.R. Rodgers, Year-End Coordinator
(804) 225-3499