



Payroll Bulletin

Office of the State Comptroller

Bureau of State Payroll Services

Date: December 5, 2005

Bulletin Number: 600

Subject 2005 W-2 Year-End Processing

Purpose To provide the 2005 W-2 year-end processing schedule and policies.

Year-End Processing Schedule Employee copies of the 2005 Form W-2 will be prepared by OSC and mailed directly to the employees' addresses on file in PayServ by January 31, 2006 for all agencies who have accepted this method of distribution.

W-2s for the 2005 calendar year will include earnings paid in checks dated:

Institution payrolls:	1/06/2005 through 12/22/2005
Administration payrolls:	1/12/2005 through 12/28/2005

In most circumstances, an employee who has worked for more than one State agency during the year will receive one W-2. Workers' Compensation supplemental payments will continue to be included on the W-2 statements.

Note:

In order to be included in the 2005 W-2s, AC-230s for calendar year 2005 must be received by OSC no later than 12/28/2005 for the Institution cycle and 1/4/2006 for the Administration cycle. If these deadlines are not met, agency payroll offices will need to prepare corrected W-2 forms.

Refer to Payroll Bulletin No. 579 for the AC-230 processing schedule.

**2005 Form
W-2**

The information which will appear on the W-2 is described below:

Box 1	Wages, Tips and Other Compensation
	Federal taxable wages.
Box 2	Federal Income Tax Withheld
	Total federal income tax withheld.
Box 3	Social Security Wages
	Wages subject to Social Security taxes, not to exceed \$90,000.00.
Box 4	Social Security Tax Withheld
	Social Security tax deducted, not to exceed \$5,580.00.
Box 5	Medicare Wages

All wages subject to Medicare taxes. There is no salary cap on Medicare wages.

Box 6 Medicare Tax Withheld

Medicare tax deducted.

Box 9 Advance EIC Payments

Total earned income credit paid to an employee.

Box 10 Dependent Care Benefits

Total dependent care deductions.

Box 12 Codes (Amounts not included in Box 1)

E - Section 403(b) contributions

G - Section 457(b) deferred compensation plan

P - Excludable moving expense reimbursements (not included in Boxes 3 and 5)

Box 13 Checkbox

Retirement Plan Third Party Sick Pay

Box 14 Other

Amounts to be reported:

414 (H) All non-taxable retirement contributions made to New York State or City Retirement Systems or to TIAA/CREF. This amount must be reported for State and Local taxes. If there is a minus sign (-) with this amount, State and Local taxes have already been paid.

UTA Uniform/Tool Allowance.

EXP Taxable Expense. This code is used for payments of "lieu of expenses," non-overnight meal allowances, excess per diem reimbursements or personal car mileage.

FRB Taxable Fringe Benefit. This code is used for the taxable value of personal use of an employer-provided vehicle.

EDA Educational Assistance Payments.

TXP Taxable transportation fringe benefits (parking) in excess of IRS excludable amounts.

PPL Pre-Paid Legal Expense.

IMP Imputed Income. The value of the employer's

contributions for employees with Domestic Partner Health Insurance.

WCX Workers' Compensation excluded amount. This is the amount awarded by the NYS Workers' Compensation Board which is excluded from the gross pay for the current year for a work-related injury.

IRC125 For City University of New York (CUNY) employees only, this amount includes Dependent Care, Flexible Spending Account, and Non-Taxable Health Insurance and is excludable for Federal Income tax, FICA and Medicare taxes, and is not included in Boxes 1, 3, and 5. This amount must be reported for State and Local taxes.

MNA The amount of military pay exempt from NYS income tax as provided by NY Tax Law. **Note:** This is applicable to members of the New York State organized militia only and paid in agencies 01071 and/or 01072.

TPS The amounts of sick pay paid by a third party.

Box 15

State

A two-letter code from the list below indicating which State income taxes were withheld:

NY - New York
 IL - Illinois
 DC - District of Columbia
 VA - Virginia

Box 16

State Wages

The State wages reported are the same as the amount of Federal wages required to be reported in Box 1 - Wages, Tips and Other Compensation.

Box 17

State Income Tax

The total State tax withheld is reported in this box.

Box 18

Local Wages

The total Local wages are reported in this box. New York City wages are on the top line and Yonkers wages are directly below in the same box. For a part-year New York City resident, the amount reported is the Federal taxable amount for the period during which the employee was a New York City resident. The Yonkers wages are the same amount as the Federal wages required to be reported in Box 1.

Box 19

Local Income Tax

The total Local taxes withheld are reported in this box. New York City tax withheld is on the top line and Yonkers tax withheld is directly below in the same box.

Box 20

Name of Locality

The name of the locality if Local income tax was withheld for New York City and/or City of Yonkers.

Employer's Name and address

This information will be printed on all copies of the W-2 and includes the New York State Federal ID # (14-6013200), City University Federal ID # (13-3893536), NYS Environmental Facilities Corporation Federal ID # (14-1499804), SUNY Construction Fund Federal ID # (14-6019701) or Industrial Exhibit Authority Federal ID # (16-1332929).

Note:

The following statement has been added to the W-2 address envelope: "Important Tax Document Enclosed."

Additional Employee Information

- See **Attachment: Taxable Gross Calculations**

Employees in agencies other than CUNY should retain their last pay stub/advice statement of 2005 for a record of their Non-Taxable Health Insurance paid in 2005. Although this amount is deducted from Boxes 1, 3, and 5 to calculate the taxable salary for Federal income tax and Social Security and Medicare taxes, the amount paid for health insurance in 2005 does not appear on the W-2. **Executive Branch employees participating in the NYS-Ride Transportation Benefit Pilot Program should retain their last pay stub/advice statement for 2005 for a record of their participation in the program.**

For CUNY employees with deductions for the Pre-Tax and After-Tax Transit Benefit should retain their last pay stub/advice statement of 2005 for a record of their participation in the CUNY Transit Benefit Transportation Spending Account Program. Although the pre-tax amount is deducted from Boxes 1, 3, and 5 to calculate the taxable salary for Federal income tax and Social Security and Medicare taxes, the amount paid for the Pre-Tax Transit Benefit and the After-Tax Transit Benefit in 2005 do not appear on the W-2. **CUNY employees with deductions for Dependent Care, Health Care Flex Spending Account and Non-taxable Health Insurance are reported as IRC125 in Box 14.**

W-2 Distribution

For the 2005 W-2s, the agency return address will be used for all employee W-2s.

OSC has implemented mailing of W-2s to addresses currently in PayServ for employees in agencies that accepted this method of distribution.

W-2 Corrections

If a W-2 correction is needed, agencies should not release the corrected W-2 to an employee until the correction is approved by OSC.

Questions

Questions concerning the W-2 or the W-2 correction process and questions concerning the AC-230 process may be directed to Eileen Fink, Payroll Deductions Section, at (518) 486-3097.