

W-2 Accuracy

Updated: September 2017



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Review W-2 Information

Inaccurate employee information, such as an incorrect Social Security Number, is the top cause of W-2 mistakes and reruns. By reviewing and verifying the information on your Preview W-2 Forms, you can avoid costly delays and potential penalties. It is a common practice to ask each employee to review and sign off on their Preview W-2 Form data. Please take this opportunity to review the following information for accuracy:

Employee information. Check the employee's name & address, Social Security Number, and verify they are coded to the correct state(s) and/or local(s).

Special compensation. Review earnings and/or deductions that have special taxing features and make sure they appear correctly on the W-2 Form. Examples include 401K, taxable fringe benefits, group term life, dependent care benefits, health savings accounts, cafeteria 125 plan benefits.

Company information. Verify the company name, Federal & State ID numbers and legal mailing address.

For your convenience, What's in a Box? is posted in FormSource under the "Year End Processing" tab; this document provides you with an overview of items displayed in each of the boxes of Form W-2 for the current tax year. Please let your Payroll Service Representative know as soon as possible if you find any discrepancies in the information so that we can work rapidly to update your records.

Social Security Numbers

The Social Security Administration (SSA) requires that all company and employee information that appears on W-2 forms be complete and accurate. Failure to file W-2 forms with accurate names and SSNs can result in the W-2 filing being rejected by the SSA and employee wages not being posted because the individual's name and/or SSN on employer W-2s did not match the SSA database. Furthermore, tax agencies may impose a penalty for each W-2 with a missing or incorrect Social Security number (SSN).

Employers are encouraged to establish a written personnel policy and apply it uniformly to all new hires. As an employer, you can get assistance in verifying names and social security numbers by logging onto the SSA Business Services Online web site at <http://www.socialsecurity.gov/bsowelcome.htm> (registration for the use of this service is required).

You can verify up to 10 names and SSNs (per screen) online and receive immediate results. This option is ideal to verify new hires. You can also upload batch files of names and SSNs and usually receive results the next government business day. This option is ideal if you want to verify an entire payroll data base or if you hire a large number of workers at a time.

Client Defined W-2 Information

ADP prints all the required statutory items on the W-2 form. We also offer an option for clients to choose up to six additional items to print in **Box 14**. Your specific client-defined W-2 field is indicated on your Quarterly Tax Verification Letter. The Social Security Administration does not allow these amounts to be printed if they are negative. **Negative amounts in Box 14 will prevent a W-2 Form from printing for employees.**

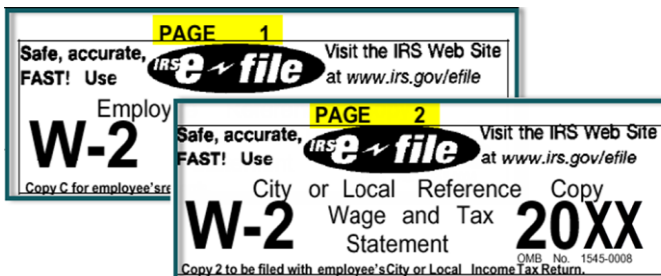
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Multiple W-2 Forms for One Employee

Some employees may receive multiple pages to their W-2 Form. Multiple pages can result from employees with:

- More than 4 items in box 12 and/or more than 3 items in box 14
- More than 1 state (i.e. work & live in different states or worked in more than 1 state during the year)
- More than 1 local code setup on the employee's profile. A local code setup in "Local 2" (used for either a 2nd local or when the employee's lived-in location has a local tax) which results in an extra State Reference copy generated causing the local 2 copy to print on page 2)
- A file number change



Wage & Tax Register Validation

At the end of each quarter, ADP produces the **Wage and Tax Register** for your internal use. It displays information that is included on the quarterly and annual tax reports required by various government agencies. This report serves as a comprehensive reference document for taxes and taxable wages; however, it is not filed with any federal, state, or local government office. **Valuable information on this register can be validated prior to Year End to provide you assurance your W-2 Forms will be accurate. We strongly recommend that you review your Quarterly Wage & Tax Register for the following information:**

- **Credit Employees indicated by ✓✓ (2 checkmarks)**
These are the employees whose quarter-to-date values are negative (less than zero) or are greater than the year-to date value of a field. They will appear on a separate page labeled "Credit Page" at the end of your Wage & Tax Register.
Note: ADP will not produce the W-2 Statement for year-to-date Credit Employees and these employees may be excluded from the associated tax reports filed with the Federal and/or State agencies.
- **Prior Taxable Entries for Transferred Employees**
- **Jurisdiction Recap Pages**
Verify all appropriate State, State Unemployment, and Locals are appearing.
- **Review Employee Information**
 - special taxing routines such as taxable fringe benefits, dependent care and/or third party sick pay
 - more than one tax jurisdiction resulting in a multi-page W-2 Form
 - moved, terminated, and/or rehired