Electronically Filing Wage Reports (W2s) with the Social Security Administration

Social Security Administration

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Online Services

- We are constantly expanding our online service offerings to give you freedom and control in how you wish to conduct business with Social Security.

- No matter where, how, or when you decide to do business with us – we will always strive to provide the best experience and service to put you in control of your Social Security.

Business Services Online

- <u>Free</u> secure suite of services used to file W-2/W-3 wage reports and to verify Social Security Numbers

- For employers, accountants, and payroll providers

- Different from a *my* Social Security account

- www.ssa.gov/employer

Registering for Business Services Online

- User provides their personal information; and

- Business or employer's information

- SSA assigns unique User ID

- User creates their own password and selects desired services

Filing Options

- **W-2/W-2C Online**
  - Electronic W-2 form; data is directly keyed into SSA system
  - 50 W-2s or 25 W-2Cs per report
  - Ideal for small businesses
  - Businesses can print copies of W-2s for employees on plain paper

- **Wage File Upload**
  - Employers upload their electronic report
  - Payroll software required to create file for upload

Filing Support Applications

- **Social Security Number Verification System (SSNVS)**

  – Verify names and Social Security Numbers of hired employees for wage reporting purposes **only**

  – Not to be confused with E-Verify

- **AccuWage**

  – Checks wage reports for formatting errors

  – Significantly reduces processing issues

  – SSA recommends using this service prior to sending a report

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Benefits

Cost Savings for Businesses	Efficient and Accurate Processing	Tracking Capabilities for Businesses
All electronic wage reporting services are free	Faster processing of wage reports	Provide immediate receipt of report
No need to purchase stamps or paper forms	IRS receives wage data daily	Monitor report processing status
Can use off-the-shelf software	SSA can identify report errors	Receive notifications electronically
Self-service for small, medium, and large businesses	Reduces errors to SSA and IRS records	

SSA Is Here To Help

- Employer 1-800 #s

- Employer Services Liaison Officer (ESLO)

- Social Security Administration Website

- Business Services Online Registration Tutorial Video

- Electronic filing W-2 Handbook

Tips for Filing W-2s
Dates and Dollars

- Soc. Sec. Wage Maximum = $128,400 for 2018

- File with SSA:

    - Electronic by January 31, 2019

        -or-

    - Paper by January 31, 2019

- Do not duplicate e-file by filing paper forms.

Tips for Filing W-2s Name/SSN Mismatches

- 240 million W-2s processed yearly

- Name/SSN matched (97%) = wages posted to employee lifetime earnings records

- Mismatch (3%) = Earnings Suspense File

- Use SSNVS to verify names and numbers before filing

Tips for Filing W-2s
No SSN by W-2 Time?

- Electronic Filers

  - Enter all zeroes in W-2 Online or EFW2

- Paper Filers

  - Enter "Applied For" on all copies

- File W-2c after employee receives her/his SSN

  TIP: Use W-2c Online

Tips for Filing W-2s
ITIN (from IRS)

- Individual Taxpayer Identification Number
  9xx-xx-xxxx
- Non-citizen ID number for income tax filing
- Not valid for U.S. employment
- Not issued if the person is authorized to work in the U.S., but they might have one and later get an SSN
- ITIN are issued from IRS using Form W-7

Tips for Filing W-2s
ITIN or "Bad" SSN on W-4?

- Request correct SSN from employee

- If no SSN available by W-2 time

  - Do not change the number to zeroes

  - Enter the number in W-4 "SSN" box on the on W-2 (including E-File)

- File W-2c (electronic preferred) if SSN becomes available later

Tips for Filing W-2s
Reconciliation between SSA & IRS

Social Security
- Wages
- Tips
- Taxes Withheld

Medicare
- Wages
- Tips
- Taxes Withheld

IRS
- Federal Income Tax Withheld
- Advanced EIC Payment

- If W-2 total is less than 94x total – SSA sends notice
- If 941 total is less than W-2 total – IRS sends notice

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Tips for Filing W-2s Reconciliation - Actions

- Act promptly: Social Security refers unresolved inquiries to IRS for enforcement!

- Complete Social Security's bar-coded questionnaire with your findings and return it to the special PO Box without delay. (Retain copy for your records.)

- See "Employer Reconciliation Process" at www.socialsecurity.gov/employer for more advice

Tips for Filing W-2s
Common W-2 Errors

- Wrong tax year

- Wrong EIN

- Wrong data (e.g., partial/prior year)

- Partial or Duplicate reports

- Name/SSN mismatches

- EFW2 format error or money fields out of balance

- Test file with AccuWage before submitting

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Tips for Filing W-2s
Filing Corrections (W-2c)

- 250+ W-2c's for most recent closed year requires EFW2C electronic filing, and preferred for under 250 also

- BSO "Create W-2c" Online Fill-In Screens
  - 25 or fewer
  - Prior years within statute of limitations

- Paper – Always use latest IRS version
  - Includes State and local boxes
  - IRS Pub. 1223 (substitute specs for forms vendors and software developers)

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