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**ADP ProBusiness Payroll<sup>®</sup>**

**2014-2015 Year-Round Guide**



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This manual supports ADP ProBusiness Payroll Version 7.4. Published Fall 2014.

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## **Glossary**

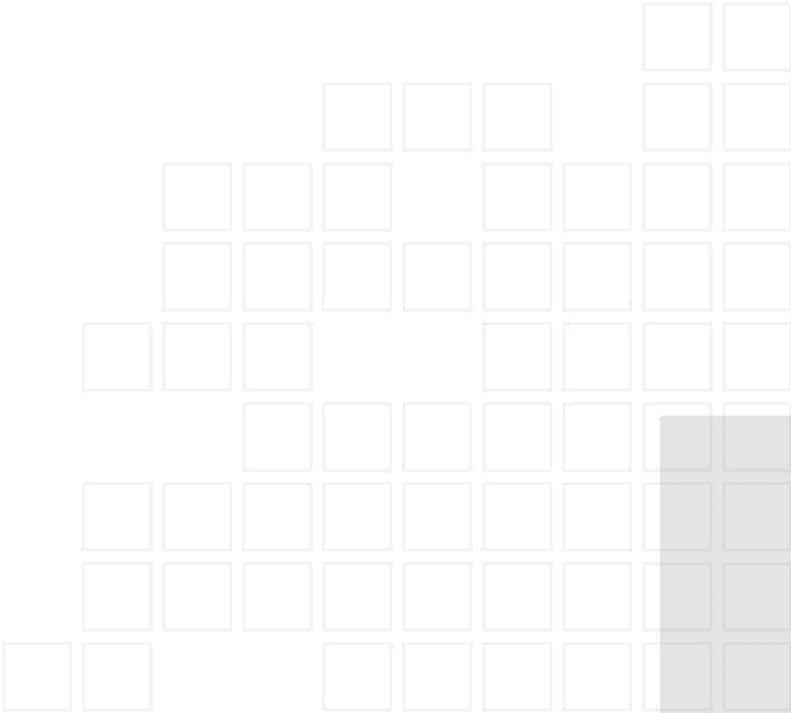
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# About This Guide

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# Additional Client Documents

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Use the following procedure to find additional client documentation:

1. In your browser address field, enter <https://viproom.adp.com>. The VIP Room login page displays.
2. Click **Login**, enter your login credentials, and then click **OK**. The VIP Room Home page displays.
3. To view a list of client documentation, do the following:
  - To view a list of links to product job aids, click **Client Tool Box**.
  - To view a list of links to release notes, feature guides, and technical reference guides, click **Forms & Product Documents**, and then click the link to the product for which you want documentation.

# What's in This Guide?

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This guide contains the following chapters:

- [Chapter 1, “Taxation, Deposits, and Returns,”](#) provides information about taxation, deposits, and filings. Also introduces ADP’s Compliance and Payroll Solutions (CAPS).
- [Chapter 2, “Understanding Form W-2,”](#) describes Form W-2 and how data entered in ProBusiness Payroll application prints on Form W-2.
- [Chapter 3, “Understanding Forms 1099-MISC and 1099-R,”](#) describes Forms 1099-MISC and 1099-R and how to release the forms. It also explains how earning codes can be mapped to boxes on Form 1099-MISC.
- [Chapter 4, “Understanding Audit Reports,”](#) provides a description of the audit reports and provides a sample of each report. The audit reports are designed to help you generate timely and accurate Forms W-2 and 1099.
- [Appendix A, “Supplementary Reference Material,”](#) provides a range of reference material such as information about codes and abbreviations.

# What's New

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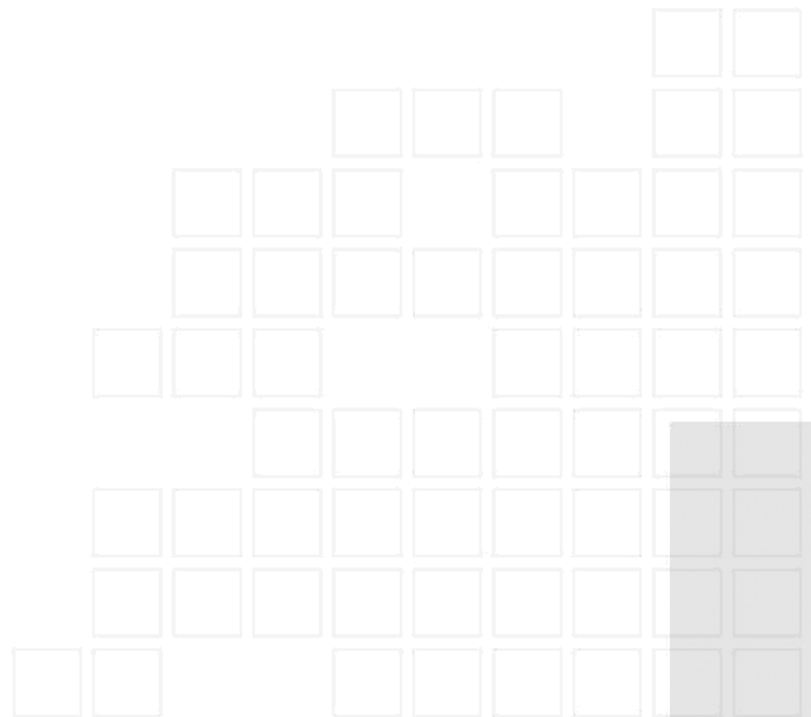
The following changes have been made to this guide since the last publication:

- In [Chapter 2, “Understanding Form W-2,”](#) UPS tracking information has been added to Federal Express tracking information. See [“Tracking Form W-2 Federal Express and UPS Packages”](#) on page 2-20.
- In the VIP Room Self Service area, the link to track your Form W-2 packages has been changed from **Fed Ex Tracking** to **Shipment Tracking**. See [Figure 3](#) on page 2-20.
  - 📄 Throughout the document, references to “Fed Ex tracking” have been updated to show “Shipment tracking.”
- The IRS changed the description for the code Z in Box 12 of Form W2. See [Table 2-7](#) on page 2-24.
- A new distribution code (Code K) was added. See [Table 3-5](#) on page 3-9.
- A note was added to the Calc Group Code description in the Taxation Analysis Reports. See [Table 4-20](#) on page 4-42.

# Chapter 1


# Taxation, Deposits, and Returns

<u>PAGE</u>	<u>TOPIC</u>
1-2	About Quarterly and Year-End Processing
1-6	About Data Verification
1-10	About Taxes, Payroll, and Amendment Processing



# About Quarterly and Year-End Processing

During the tax year, employees are paid wages. They might have their pay reduced by deductions (voluntary, involuntary, or both). Most employee-paid taxes are withheld from employees' paychecks on a "pay-as-you-go" basis.

 This document focuses on employee-paid taxes, deposits for those taxes, and the corresponding forms. Information contained in this chapter focuses primarily on federal tax principles.

By law, employers are responsible for depositing withheld taxes with the appropriate tax agencies. On schedules determined by agency rules, ADP deposits withheld taxes, and files the corresponding tax forms and returns with agencies, as follows:


- **Quarterly:** At the end of each quarter, for each Federal Employer Identification Number (FEIN), the amount deposited is balanced with the collective total of wages paid to and taxes withheld from all employees during the quarter.
- **Annually:** At the end of each tax year, fourth quarter totals are added to the totals previously deposited for quarters one, two, and three. The collective wage and tax totals of the four quarterly returns must equal the year-to-date totals on the annual tax returns.

## Tax Collection and Deposit

Payroll taxes are calculated and withheld from employees' pay each payroll. ADP deposits taxes in the appropriate quarter and files the corresponding forms.

Taxes are deposited with agencies as follows:

- **Each payroll:** For most taxes, ADP deposits the taxes with the agency for each payroll.
- **Quarterly Deposits:** Liability for the taxes listed in [Table 1-1](#) are collected and deposited only at the end of each quarter.

 Because the taxes listed in [Table 1-1](#) are calculated and withheld from employees' checks each payroll, ADP can determine the quarterly deposit amounts from the existing payroll data. No adjustment run is necessary.

**Table 1-1. Taxes Collected and Deposited on a Quarterly Basis**

State	Jurisdiction
CA	Voluntary Disability Insurance
NM	Workers' Compensation: Employee-paid Workers' Compensation: Employer-paid
VT	Vermont Health Care Contribution (VT HCC)
WY	Workers' Compensation

## Tax Filings

Tax liability is incurred in the quarter during which pay is available to employees, not when the pay period ends.

**Example:** Your pay period ends September 30, but the employees will be paid on October 2 (the check date). In this case, wages would be reported in the fourth quarter, and your tax liability would be incurred in the fourth quarter.

## Timing and Deadlines

Table 1-2 lists the time interval, filing date, and a list of the forms filed for each of the five filing periods. For more information about forms, see “Federal Forms,” on page 1-4.

**Table 1-2. Filing Periods, Time Intervals, Filing Dates, and Forms Filed**

Period	Time interval	Filing date	Forms filed
<b>Quarter 1</b>	January 1 - March 31	April 30	<ul style="list-style-type: none"> <li>Federal employer Form 941</li> <li>Quarterly state and local forms</li> </ul>
<b>Quarter 2</b>	April 1 - June 30	July 31	<ul style="list-style-type: none"> <li>Federal employer Form 941</li> <li>Quarterly state and local forms</li> </ul>
<b>Quarter 3</b>	July 1 - September 30	October 31	<ul style="list-style-type: none"> <li>Federal employer Form 941</li> <li>Quarterly state and local forms</li> </ul>
<b>Quarter 4</b>	October 1 - December 31	January 31	<ul style="list-style-type: none"> <li>Federal employer Form 941</li> <li>Quarterly state and local forms</li> </ul>
<b>Tax Year</b>	January 1 - December 31	January 31	<ul style="list-style-type: none"> <li>Federal employer Forms 940, 943, and 945</li> <li>Federal employee Forms W-2, 1099-MISC, and 1099R</li> <li>Annual state and local forms</li> </ul>

## Client Materials

Each quarter, ADP will provide you with the following items:

Item	When Received
Quarter-end packages	Available on the PTF website 2-4 weeks after the end of each quarter.
Calendar of processing dates for the next quarter	The first day of the last month of each quarter. You will receive the calendar for the fourth quarter by December 1.
Annual packages	Available on the PTF website Mid-April (6-8 weeks after the end of the fourth quarter.)


## Federal Forms

On the schedule determined by agency rules, ADP deposits withheld taxes, and files the following two groups of tax forms:

- [Employee Forms](#)
- [Employer Forms](#)

### Employee Forms

After totals are balanced at year-end, taxable wages and tax liabilities are totaled and printed on employees' Forms W-2, 1099-MISC, and 1099R. When necessary, employee tax forms are corrected.

 Form W-2 has a distinct corrected form, Form W-2c. Forms 1099-MISC and 1099R have no corresponding distinct form for corrections; instead, a second form 1099 is created and identified as a revised, corrected form.

[Table 1-3](#) describes the annual federal employee forms that ADP commonly generates.

**Table 1-3. Employee Forms**

Form	Description
<b>1099-MISC</b>	<i>Miscellaneous Income.</i> The annual statement provided to workers that lists compensation other than wages from the previous year. Form 1099-MISC is typically issued to non-employees such as independent contractors, but it can be issued to employees also.
<b>1099-R</b>	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, Individual Retirement Accounts (IRAs), Insurance Contracts, etc. A statement of disbursements and applicable taxes from any employee or non-employee retirement plan, such as an IRA account.



**Table 1-3. Employee Forms**

Form	Description
<b>W-2</b>	<p><i>Wage and Tax Statement.</i></p> <p>The annual statement provided to employees that lists earnings, deductions, and tips from the previous year. This form also reflects state and federal taxes, social security, medicare wages, and tips withheld. Form W-2 is filed with federal, state, and local agencies.</p>
<b>W-2c</b>	<p><i>Corrected Wage and Tax Statement.</i></p> <p>The form used to report corrections to amounts previously reported on an employee's Form W-2.</p>

## Employer Forms

With the exception of the quarterly Form 941, the federal forms described in [Table 1-4](#) are generated annually.

**Table 1-4. Employer Forms**

Form	Description
<b>Form 940</b>	<p><i>Employer's Annual Federal Unemployment (FUTA) Tax Return.</i></p> <p>Form 940 reconciles the employer's payment of FUTA taxes during the year. The return shows calculation of the full unemployment tax liability for the year and credit for unemployment taxes paid to individual states.</p>
<b>Form 941</b>	<p><i>Employer's Quarterly Federal Tax Return.</i></p> <p>Form 941 lists taxable wages and taxes that were incurred during the quarter, including Federal Income Tax (FIT), social security, and medicare liabilities. Form 941 provides information the Internal Revenue Service (IRS) uses to determine if your employment taxes were deposited on time.</p> <p>Employee payroll information is summed and printed on Form 941 as a collective total for the following: wages paid, reported tips your employees have reported to you, and advance Earned Income Credit (EIC) payments.</p>
<b>Form 943</b>	<p><i>Employer's Annual Tax Return for Agricultural Employees.</i></p> <p>Form 943 lists monthly liabilities, and taxable wages and taxes. The Form 943A detail listing is attached to Form 943 if a client had \$3,000 or more liability in any month.</p>
<b>Form 945</b>	<p><i>Annual Return of Withheld Federal Income Tax.</i></p> <p>The form used to report non-payroll information such as pensions, annuities, IRAs, and backup withholding.</p>

# About Data Verification

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This section describes agency requirements for data formatting and submission. It includes the following sections:


- [Tax IDs](#)
- [Employee Data](#)
- [Transmission Methods and Agency Requirements](#)
- [Summary of Data Submission](#)

## Tax IDs

---

A tax ID is a number assigned to an individual employer by a tax agency to identify the company. If an employer does business in multiple jurisdictions, the employer might have multiple tax IDs. However, when a single jurisdiction is responsible for collecting multiple taxes, a company usually reports all taxes under a single tax ID.


If an employer begins doing business in a state or local jurisdiction, the employer is required to register with the taxing agency and obtain a tax ID. You may obtain a tax ID from many agencies by telephone or directly from their website.

 When you request to add a new tax jurisdiction, you must submit a valid tax ID to ADP.

## Applied For Tax IDs

---

Any tax IDs in Applied For status must be finalized and all invalid tax ID must be corrected before quarter-end. If you do not obtain a valid number, ADP will be unable to file with that jurisdiction for that quarter.


 ADP will not file with jurisdictions for which a tax ID is in Applied For status; therefore, it is your responsibility to arrange for those filings. All filings and deposits using an Applied For tax ID must be processed using paper, and paid by check.

## Reviewing Tax ID Activity

Use the Tax Jurisdiction and Rate Report to review activity for jurisdictions. [Table 1-5](#) includes examples of information you can verify using the report. For information about the report, see [“About the Tax Jurisdictions and Rates Report”](#) on page 4-49.

**Table 1-5. Reviewing Tax ID Activity**

Data to Review	Description	
<b>Inactive tax IDs</b>	Every quarter ADP sends inquiries to agencies to validate tax IDs. If a tax ID is inactive, the agency notifies ADP. Lack of activity is the most common reason for agencies to inactivate a tax ID.	In the report, if <b>NO</b> appears for <b>YTD History and Activity During Year</b> , your company did not process payroll for that jurisdiction during the year.
<b>NIL Filings</b>	Many jurisdictions require returns to be filed for all active tax IDs, regardless of the level of tax activity. In these cases, a nil return will be filed for agencies that require them.	

 If a tax ID had no activity for the year, and if you will not use that tax ID in the future, contact your Client Service Consultant to obtain a form to authorize deleting the tax ID. After you submit the form, the tax ID will be deactivated and tax returns will no longer be filed with the agency.


## Employee Data

This section describes the following three groups of data:

- [Employee Names](#)
- [Social Security Numbers](#)
- [Negative Wages](#)

### Employee Names

Several agencies require employee names to adhere to strict formatting requirements. Therefore, some characters, particularly punctuation marks, that are entered in the payroll application are omitted from the payroll data files that are sent to the tax processing system. As a result, the omitted characters will not appear on returns (such as Forms W-2, 1099, and 941).

 Examples of characters that might result in an agency rejecting a file include spaces, dashes, punctuation, and symbols.

Whenever possible, use only alphabetical characters and apostrophes. If an employee's name includes a numeric character, enter the number using roman numerals. For information about improperly formatted names, see [“About the W2 Preview Report,”](#) on page 4-11.

For information about entering employee names in the payroll application, see [Appendix A, “About Entering an Employee’s Name”](#) on page A-2.

## Social Security Numbers

ADP will not file data with an e-filing agency if the data includes an invalid social security number. For information about invalid social security number, see [“About the W-2/1099 Error Report,”](#) on page 4-40.

## Negative Wages

Negative wages indicate that a problem, such as under-deposited taxes for a quarter, exists with your payroll data. If a Form W-2 was filed with a negative number, the Social Security Administration or a state agency might reject the entire filing. Therefore, ADP will not provide or file a Form W-2 that includes a negative amount.

Similarly, if an amendment is necessary for any quarter, and negative values exist, you must resolve the negatives before an amendment can be processed.

Listed below are three common causes of negative numbers.

- Corrections for the prior year cross into the current year
- Corrections for prior quarters that cross into the current quarter
- Incorrect adjustments to employee data

## Negative Numbers for State Unemployment Insurance

Table 1-6 provides an explanation of negative numbers for SUI wages and taxes.

**Table 1-6. Explanation of Negative Numbers for SUI Wages and Taxes**

Item	Explanation
<b>Wages</b>	<p>State Unemployment Insurance (SUI) gross wages and SUI taxable wages are reported on the quarterly wage listings. If negative SUI gross wages or negative SUI taxable wages exist, they will be omitted from the quarterly SUI filing forms, SUI magnetic filing, and the SUI quarterly wage detail (paper and magnetic filings).</p> <p>The omitted negative wages result in the under-reporting of your tax liabilities; additional funding will be required.</p>
<b>Taxes</b>	<p>Negative SUI taxes are usually caused by a rate change entered in the wrong quarter. If SUI is negative, you must determine the cause and process the adjustment in the correct quarter.</p>

## Correcting Negative Wages


You can use the Negative Wages Report, to research existing negative wages and make appropriate adjustments. For information about the report, see [“About the Negative Wages Report”](#) on page 4-63.

For help correcting negative wages or negative taxes, contact your Client Service Consultant. Your Client Service Consultant will help you audit your data to identify information that must be corrected before you authorize ADP to release your Form W-2.

## Transmission Methods and Agency Requirements

Tax agencies determine the formatting requirements that the data must meet. The formatting requirements might vary by transmission method and taxing jurisdiction.

**Example:** If a tax agency uses electronic filing (e-filing), data can be validated before it is loaded into the agency’s database. If an invalid tax ID or employee social security number is included in the filing, the entire filing might be rejected.

 If an agency does not accept magnetic or electronic filing for a particular form, ADP will file the form on paper. For information about the transmission options that are available for a particular agency (federal, state, or local), contact the agency.

Tax agencies determine the methods that ADP can use to transmit data, which includes paper and paperless transmissions. The paperless methods ADP uses to transmit filings include the following:

Magnetic	Electronic
<ul style="list-style-type: none"> <li>• Cartridge tape</li> <li>• CD</li> <li>• Floppy diskette</li> <li>• Magnetic tape</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic Data Interchange (EDI): Computer-to-computer data exchange</li> <li>• Internet transfer</li> <li>• Telecommunication</li> </ul>

## Summary of Data Submission

Table 1-7 provides information about what you can do to ensure that the data submitted to agencies is accurate and will be accepted by each agency.

**Table 1-7. Data to Verify Before Quarter and Year-End Processing**

Information to Verify	Description
<b>Tax IDs</b>	<ul style="list-style-type: none"> <li>• Keep your Client Service Consultant informed about the status of Applied For tax IDs.</li> <li>• Submit Delete Jurisdiction forms for jurisdictions with which you no longer file.</li> </ul>
<b>Employee Identifiers</b>	<ul style="list-style-type: none"> <li>• Verify the accuracy of all social security numbers.</li> <li>• Format employee names properly.</li> </ul>
<b>Negative Wages</b>	<ul style="list-style-type: none"> <li>• You cannot report negative wages or taxes on Form W-2.</li> <li>• If an amendment is necessary for any quarter, and negatives exist, you must resolve the negatives before the amendment can be processed.</li> <li>• Total company-level taxes and wages must be positive for all Quarter-to-Date (QTD) and Year-to-Date (YTD) values.</li> </ul>

# About Taxes, Payroll, and Amendment Processing

Payroll and tax data is generated by the payroll application that resides at Pleasanton, California. Payroll tax liabilities are further processed by two services located in San Dimas, California: Compliance and Payment Solutions (CAPS) and Amendment Tracking System (ATS), as outlined in Figure 1-1.

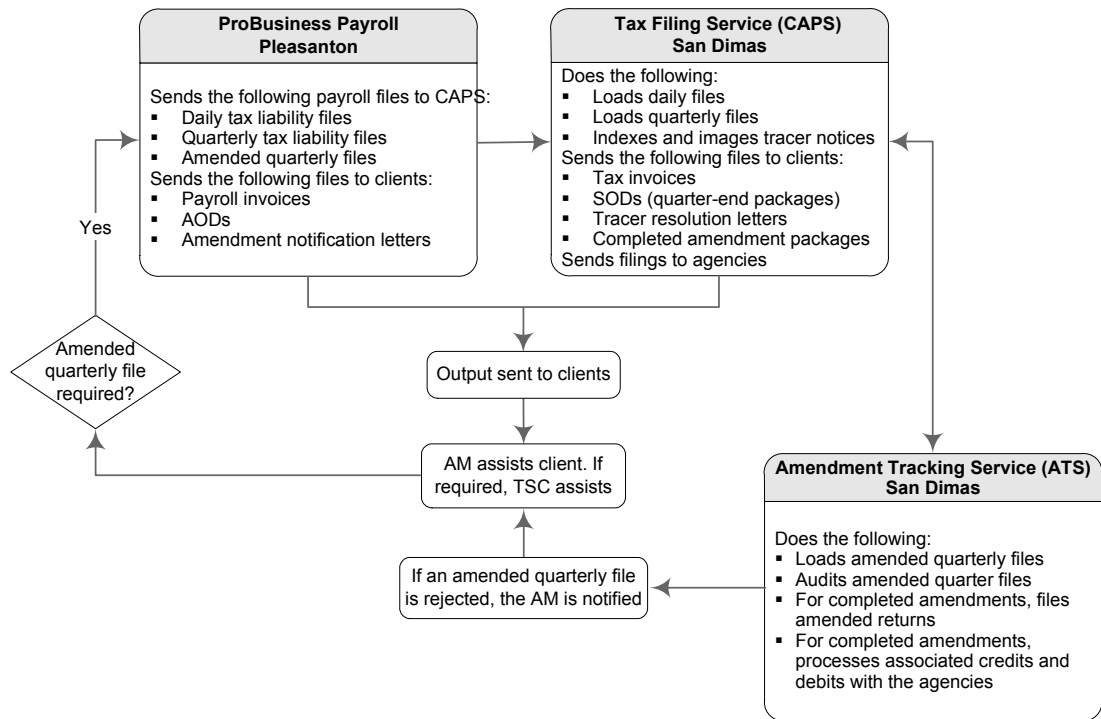


Figure 1-1. Payroll Processing and Tax Liability Processing

Table 1-8 provides definitions of terms related to CAPS. For additional terms and definitions, see the “Glossary.”

Table 1-8. Tax Filing Service Terminology

Term	Definition
<b>Advice of Debit (AOD)</b>	Notification of your payroll and tax liabilities. One AOD is generated by Pleasanton for each paygroup in your company ID.
<b>Branch Company Code (BCC)</b>	A three-character identifier that is combined with the branch code to determine the branch company code. The company code is not the same as the company ID.  <b>Example: ABC</b>

Table 1-8. Tax Filing Service Terminology (cont.)


Term (cont.)	Definition
<b>Company ID</b>	For your payroll processing, the identifier that ADP has assigned to you. The company ID is used for all payroll activity and communication. A company ID can have a maximum of eight characters.  <b>Example: MOTM</b>
<b>Courtesy Funding Notice</b>	For Automated Clearing House (ACH) clients, notification of the funds required for your tax liabilities. A separate notice is generated by CAPS for each BCC.
<b>Funding Methods</b>	There are three methods to fund tax liability. <ul style="list-style-type: none"> <li>• <b>ACH:</b> CAPS initiates the transfer of funds from the client account.</li> <li>• <b>Direct wire:</b> The client initiates a federal wire transfer from the client's account to the CAPS account.</li> <li>• <b>Reverse wire:</b> CAPS initiates the transfer of funds from the client's account to the CAPS account. The transfers occurs on the day it is initiated.</li> </ul>
<b>Impound Account</b>	The bank account you designate to fund your tax liability.
<b>Invoice</b>	Notification of the funds required for your tax liabilities. For each BCC, amounts are totals for all runs that processed on a particular date.
<b>Statement of Account (SOA)</b>	The SOA, which is distributed to wire clients, includes all activity related to tax liabilities that were shown on all invoices you received for the time interval covered by the SOA. The SOA includes information such as payments that were made, and to what agency each payment was applied.
<b>Statement of Deposit (SOD)</b>	Quarterly and annual document that summarizes filings and deposits made to authorized agencies by ADP on your behalf.
<b>Tax Service Coordinator (TSC)</b>	For Client Service Consultants, the initial point of contact about tax-related matters.

## Company IDs and Branch Company Codes

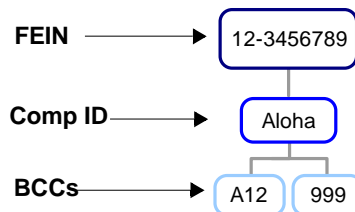
---

For your payroll processing, ADP assigns you a company ID. The company ID is used for all payroll activity and communication.

For tax processing, BCC and its associated FEIN are used for all communication. A BCC can include both alpha and numeric characters. Examples include **WY/ABC**, **WY/A12**, **WY/MX1**, and **WY/111**.

 The first segment of all of your BCCs is **WY** (the branch code). The second segment is the company code.

Typically, a company ID is associated with only one BCC, but it is possible to have more than one BCC associated with a company ID, as shown in [Figure 1-2](#)



**Figure 1-2.** Relationship of BCCs to a Comp ID

## Payroll Tax Liability

---

After each payroll transmission, CAPS sends you the following:

- Notification itemizing your tax liability. Additional information about notification is provided in the following section, “[Notification of Payroll Tax Liability](#).”
- An Advice of Debit (AOD). A separate AOD is generated for each paygroup that processes for a company ID on a particular date.

The liability on your notification usually equals the amounts on your AOD. However, because of quarter and year-end adjustments, tracers, and amendments, the amounts might not match exactly.



## Notification of Payroll Tax Liability

The type of notification you receive depends on whether you are a wire or ACH client, as shown in [Table 1-9](#).

**Table 1-9. Notification of Tax Liabilities**

Funding Method	Type of Notification	Notification Recipient
ACH	A courtesy funding notice.  To receive a notice for your tax liability funding, you must provide a fax number or email address.	Each BCC.
Reverse and Direct Wire	<b>Invoice</b> If you do not provide a fax number or email address, CAPS will send the invoice by U.S. Mail.	Determined by setup and invoicing method.

## Reason Codes

Each tax liability invoice includes one or more reason codes. Reason codes provide information about each invoice item.

**Example:** Reason code 21 identifies a payroll item. The text of reason code 21 is:

*Payroll Impound. Your account is being charged for amounts due for the payroll (or payroll adjustments) associated with the above "payroll check date."*

For a list of the most common reason codes that appear on invoices, see [Appendix A, "Tax Liability Invoice Reason Codes,"](#) on [page A-9](#).

## Adjustments and Amendments

---

This section describes the following:


- [Adjustments](#)
- [Amendments](#)
- [Rejected Amendments](#)

### Adjustments

An adjustment is a correction to an employee's pay, hours, deductions, earnings, taxes, or pay history. Corrections are made by processing an adjustment run in the payroll application.

The following pertain to quarter and year-end adjustments:


- Adjustments processed before the quarter-end cutoff date are included in quarter-end filings.
- Adjustments processed after the quarter-end cutoff date require amendments. If an adjustment is processed after the quarter-end cutoff date, an amended quarterly file will be generated. If an amended quarter file requires an amended return, Amendment Tracking Service (ATS) files all necessary amended files.
- At the end of each quarter, ATS processes all necessary credits or debits with agencies.

 Approximately one week after each quarter close, there is a black-out period during which you cannot process any adjustments for the quarter.

### Amendments

An adjustment payroll is run to correct an employee's payroll amounts. The resulting adjustment initiates an amendment if any of the following conditions exist:

- The adjustment affected taxable wages (QTD or YTD).
- The adjustment occurred after the close of the quarter to which the adjustment pertains.
- An amendment is necessary because the quarterly returns were already filed and the tax liability deposited.
- The adjustment was for a prior year. Out-of-year adjustments always initiates an amendment because returns have already been filed for both the quarter and the year.

 An amendment cannot be processed for any year for which you have negative wages.

The data from quarter and year-end adjustments is automatically gathered based on the sweep schedule for which you are currently set up. If an adjustment necessitates an amendment, amendments are generated. After an amendment is processed, the following occur:

- ADP sends you notification of your tax liabilities, and collects funds. If you are entitled to a refund, the refund process will be initiated.
- Amendment fees will appear on your notification. Fees are collected in a process that is independent of tax liability funding.
- Depending on when the adjustments and amendments were processed, the resulting tax liabilities are posted.

## Rejected Amendments

The validation criteria is more extensive in the ATS system than in the CAPS system. For example, a quarter file might successfully process in the CAPS system with a particular condition, but the same condition would cause an amended quarter file to be rejected by the ATS system.

If an amended quarter file is rejected, your Client Service Consultant will be notified. Client Service Consultants will obtain your approval before correcting the conditions that caused the rejection. The most common reasons why an amended quarter file is rejected is that file includes one or more of the following:

- Previously unfunded or unauthorized amendment requests
- Negative wages such as QTD negative wages for an employee or for the company
- QTD wages that are greater than YTD wages for an employee

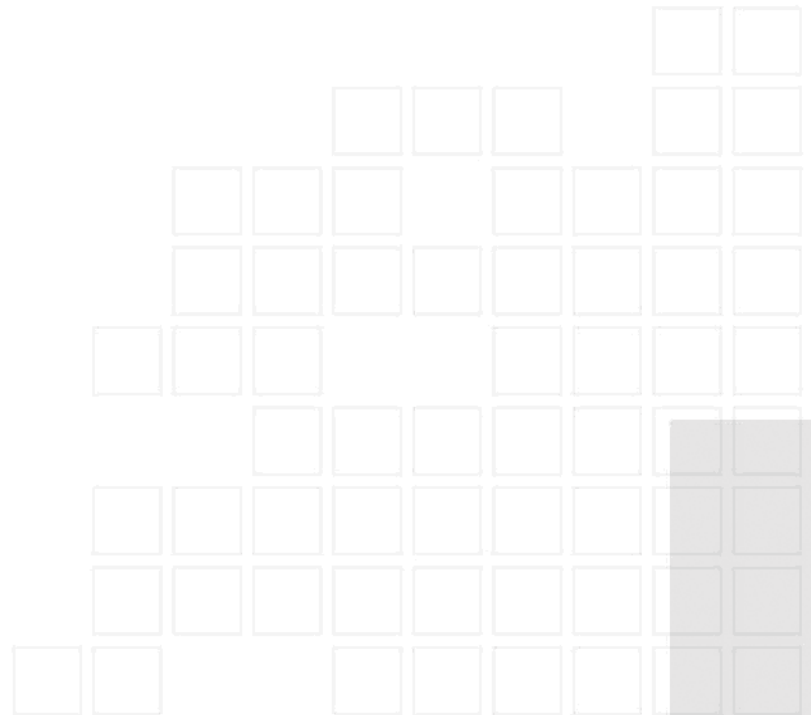
 If a negative amount is not corrected, amended quarter files will continue to be rejected.



# Chapter 2

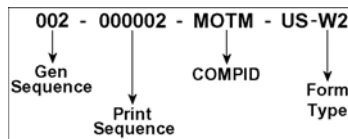
## Understanding Form W-2

<b><u>PAGE</u></b>	<b><u>TOPIC</u></b>
2-2	About Form W-2
2-3	Completing Form W-2
2-15	Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section
2-18	Sorting, Releasing, Reprinting, and Distributing Form W-2s
2-22	Viewing Your Form W-2s
2-23	Reports Generated for Form W-2
2-24	IRS Codes for Box 12 of Form W-2
2-27	Sample Form W-2



# About Form W-2

*Important Tax Document* is printed on the front and back of the pressure-sealed forms released by ADP. The form type is identified below the return address as shown in Figure 2-1.



**Figure 2-1. Return Address on Pressure-Sealed Forms**

ADP prints and files Form W-2 for employees identified as one of three employee types in the **Employee Type** field in the Employee Master window. Table 2-1 lists the three employee types, provides a brief description of each, and lists the tax forms filed by the employer.

**Table 2-1. Employee Types that Receive Form W-2**

Employee Type	Brief Definition	Forms Filed by the Employer
A	Agricultural employee	<ul style="list-style-type: none"> <li>Form W-2 for federal, state, and local taxes</li> <li>Forms 940 and 943</li> <li>Appropriate state and local returns</li> </ul>
E	Regular employee	<ul style="list-style-type: none"> <li>Form W-2 for federal, state, and local taxes</li> </ul>
X	Expatriate	<ul style="list-style-type: none"> <li>Forms 940 and 941</li> <li>Appropriate state and local returns</li> </ul>

Employees of type **A**, **E**, or **X** who live or work in the U.S. receive Form W-2, and those who live or work in U.S. territories receive the territory-specific form. For example, employees of type **A**, **E**, or **X** who live or work in Puerto Rico receive Form W-2PR.

## Tax Filing Information for U.S. Territories

This section provides information about tax filing for U.S. territories.

The U.S. territories are American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands.

ADP produces and files corrected Form W-2cs for all U.S. territories. ADP will begin producing the forms during the month of February. If you expect to produce Form W-2cs, contact your Client Service Consultant for details.

ADP does not process Territory Form W-2cs for periods prior to 2004.

# Completing Form W-2

This section describes how payroll data prints on the Form W-2. This section includes the following sections:

- [Printing Company Name and Address on Form W-2](#)
- [Printing an Employee’s Name](#)
- [Correcting Employee Addresses](#)
- [Understanding the Earnings and Deductions Summary Section](#)
- [Understanding the Box 13 Check Boxes](#)
- [Understanding Box 14](#)
- [Printing Earnings and Deductions on Form W-2](#)

## Printing Company Name and Address on Form W-2

This section describes how the company’s legal name and address information in the Company Master is printed on Form W-2.

The company’s name will print on Form W-2 as it appears in the Company Master window. The Company Master window provides two fields for the company name. If the company’s legal name does not fit in the **Legal** field, your Client Service Consultant will continue entering the name in the **Name** field.

The Company Master provides two fields for the company address. If you need two lines for the company address, you can use both **Address** fields.

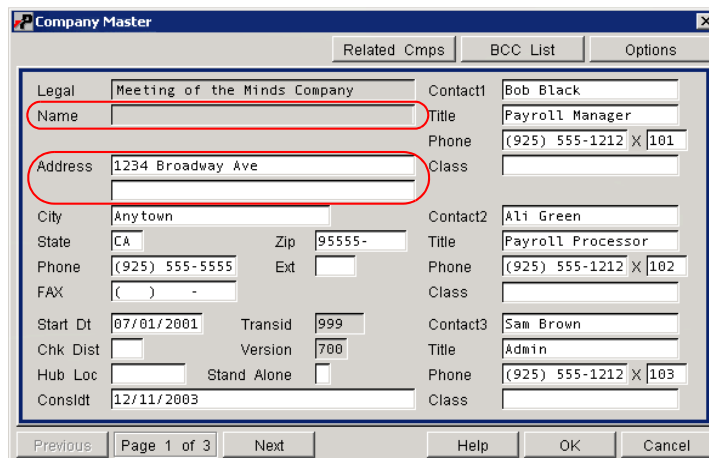
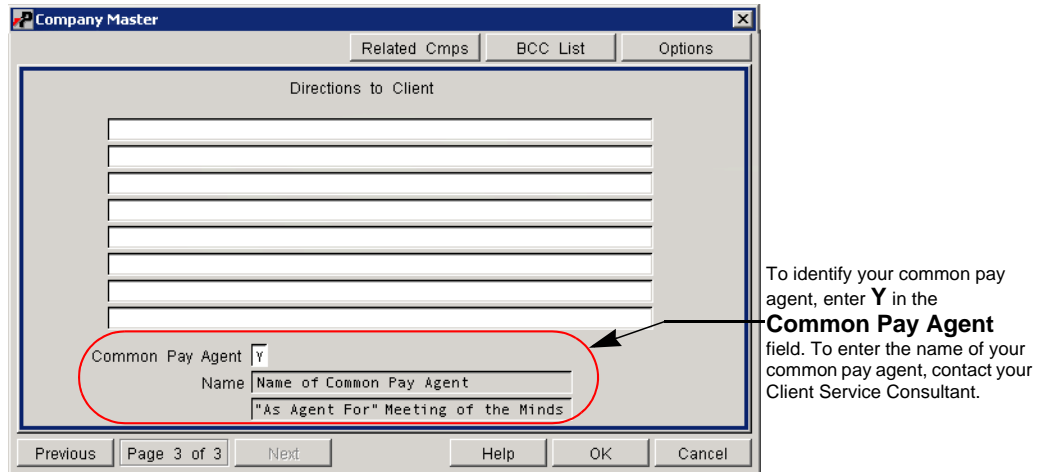


Figure 2-2. Company Master: Two Company Name and Two Address Fields for Form W-2 Printing

### Specifying that Your Company Files Under a Common Pay Agent

If your company files under a common pay agent, use the **Name** fields on page 3 of the Company Master window to provide the name that will print on Forms W-2. If the **Name** fields on page 3 are blank, the name entered on page 1 of the Company Master window will appear on Forms W-2.



**Figure 2-3. Company Master: Name of the Common Pay Agent for a Company for Form W-2 Printing**

☞ If the second field is populated, the first 10 characters will be appended to the information in the **Name** field and will print on Forms W-2.

Table 2-2 shows how information in the Company Master window prints on Form W-2.

**Table 2-2. How the Company Name and Address are Printed Using Data on the Company Master**

Number of Name Fields Used	Number of Address Fields Used	Printed on Form W-2
2	1	<ul style="list-style-type: none"> <li>• Two lines for the company’s legal name</li> <li>• One line for the company address</li> <li>• One line for the city, state, and zip code</li> </ul>
2	2	<ul style="list-style-type: none"> <li>• The two company name lines are joined and printed on the first line</li> <li>• Two lines for the address</li> <li>• One line for the city, state, and zip code</li> </ul>




## Printing an Employee's Name

---

Each employee's name prints on Form W-2 as it appears in the **First, Last, Middle and Suffix** fields on page 1 of the HR/Payroll Master window. Enter each employee's name into the payroll application as shown on the employee's social security card.

The information you enter in the **First** and **Last** fields of either the Employee Master or the HR/Payroll Master window automatically appears in the other window.


 The **Middle** and **Suffix** fields appear only in the HR/Payroll Master window. If you enter an employee's middle name or middle initial in the **First** field, do not enter it again in the **Middle** field because it will print twice on Form W-2. Also, if you enter an employee's suffix in the last field, do not enter it again in the **Suffix** field because it will print twice on the form W-2. For a detailed example, see "About Entering an Employee's Name," on page A-2.

## Correcting Employee Addresses

---

If you create a Form W-2 with an incorrect address for an employee, you are not required to file a W-2c for the employee.

- If the address is corrected after Form W-2s were released, you can either leave the Form W-2 as it is, or you can reissue the original Form W-2 in an envelope showing the correct address.

 The Social Security Administration does not require a Form W-2c to be filed if only an address change is made.

## Understanding the Earnings and Deductions Summary Section

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The summary section of Form W-2 lists the earnings and deductions ADP used to process the employee's check, and provides the corresponding dollar amount. In some cases, an earning or deduction, and the corresponding amount, also appear in boxes on Form W-2. Examples of earnings and deductions that appear in the summary section as well as in one of the boxes on the sample Form W-2 on [page 2-27](#) include the following:

- The amount of the **Award** earning appears in box **14**
- The amount of the **Dependent Care Spending Account** deduction appears in box **10**

### Understanding Box 12

The box 12 section of Form W-2 lists the dollar amount of an item and the Internal Revenue Service (IRS) code for the item. IRS provides the codes you can use for box 12 of Form W-2. The IRS code is printed to the left of the vertical dividing line for each box 12 item that is used.

The following examples refer to the sample Form W-2 on [page 2-27](#).

### Example of an Earning that Prints in Box 12

**J 128.00** appears in box 12b of the sample form. It indicates **\$128.00** of IRS code **J** (*Non-taxable sick pay*).

### Example of a Deduction that Prints in Box 12

**D 82.56** appears in box 12a of the sample form. It indicates **\$82.56** of IRS code **D** (*elective deferrals to a section 401(k) cash or deferred arrangement*).

## Understanding the Box 13 Check Boxes

Box 13 includes the **Statutory employee**, **Retirement plan**, and **Third-party sick pay** check boxes as shown below. The **Statutory** and **Retirement** boxes under W-2/W-4 ADDITIONAL INFORMATION on page 3 of the **HR/Payroll Master** window populate the box 13 check boxes on Form W-2.

13	Statutory employee	Retirement plan	Third-party sick pay
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>


### Statutory Employee Box

This check box indicates an employee who has some attributes of an independent contractor, but has been determined by law to be an employee. For statutory employees, you typically withhold taxes for Social Security and Medicare, but not FIT. An example of a statutory employee is a life insurance salesperson.

### Retirement Plan Box

This check box indicates whether an employee participates in a retirement plan.


This box will be automatically marked if an employee has YTD amounts in a deduction code that is mapped to box 12 using a IRS code benefits code.

 If an employee has YTD amounts in a deduction code that is mapped to box 12 using IRS codes AA, BB, D, E, F, H, or S, the **Retirement plan** check box on Form W-2 is automatically marked, but the **Retirement** field in the Employee Master will *not* be automatically marked.

For a definition of a retirement plan, refer to *Instructions for Forms W-2 and W-3*. For information about IRS regulations regarding retirement, see *IRS publication 590, Individual Retirement Arrangements*.

### Third-Party Sick Pay Box

How sick pay payments are reported depends on whether the payments were made by the employer or by a third party, such as an insurance company. This box will be automatically marked if an employee received third-party sick pay earnings during the calendar year.

 Third-party sick pay earnings are set up with a **T - Third Party Sick Pay** in the **Amount Type** field on page 1 of the Company Earning Detail window.

If you are reporting sick pay paid by a third party, or you are a third-party payer issuing sick pay Forms W-2, the **Third-party sick pay** check box in box 13 of Form W-2 must be marked.

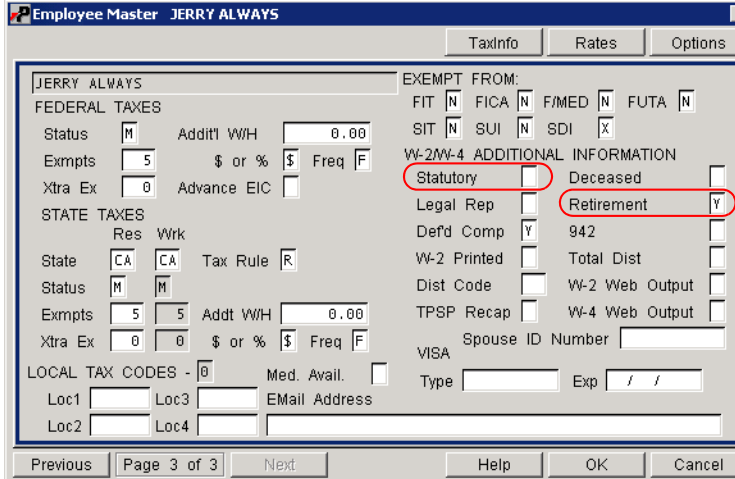
### Auditing Box 13

Use the following procedure to verify that the **Statutory employee** and **Retirement plan** check boxes on Form W-2 will be marked according to the information that is set up in the payroll application.

1. In the Company Menu window, click **File ~ Employee Master ~ double-click employee name ~ Options ~ HR/Payroll Master**.

The HR/Payroll Master window displays.

2. Click **Next** until you are on page 3.



The screenshot shows the 'Employee Master' window for 'JERRY ALWAYS'. The 'W-2/W-4 ADDITIONAL INFORMATION' section is visible, with the following fields and values:

EXEMPT FROM:	
FIT	<input type="checkbox"/> N
FICA	<input type="checkbox"/> N
F/MED	<input type="checkbox"/> N
FUTA	<input type="checkbox"/> N
SIT	<input type="checkbox"/> N
SUI	<input type="checkbox"/> N
SDI	<input checked="" type="checkbox"/> X


  

W-2/W-4 ADDITIONAL INFORMATION	
Statutory	<input checked="" type="checkbox"/> Y
Deceased	<input type="checkbox"/> N
Legal Rep	<input type="checkbox"/> N
Retirement	<input checked="" type="checkbox"/> Y
Def'd Comp	<input checked="" type="checkbox"/> Y
942	<input type="checkbox"/> N
W-2 Printed	<input type="checkbox"/> N
Total Dist	<input type="checkbox"/> N
Dist Code	<input type="checkbox"/> N
W-2 Web Output	<input type="checkbox"/> N
TPSP Recap	<input type="checkbox"/> N
W-4 Web Output	<input type="checkbox"/> N
Spouse ID Number	<input type="text"/>
VISA	<input type="checkbox"/> N
Type	<input type="text"/>
Exp	<input type="text"/>

**Figure 2-4. Employee Master: Statutory and Retirement Check Boxes**

3. Under W-2/W-4 ADDITIONAL INFORMATION, if the employee has been identified by law as being a statutory employee, select **Statutory**.
4. In the **Retirement** field, do one of the following:
  - If the employee was an active participant in a retirement plan during any part of the year, enter **Y**.
  - If the employee made contributions to a non-qualified or Section 457 plan but was not an active participant in a retirement plan, enter **N**.
5. Transmit the masterfile changes.

6. Verify that the W-2 Preview Report accurately reflects the information you entered in the ProBusiness Payroll application.

 If necessary, obtain an updated W-2 Preview Report from your Client Service Consultant.

The **Retirement** box in the payroll application was marked **Yes** for Jerry, but the **Statutory** was left blank. Both pieces of information are reflected on the preview report.

MOTM		W2 Preview Report	
Page 1	Date		
<input type="checkbox"/>	R	<input type="checkbox"/>	T
<input type="checkbox"/>	e	<input type="checkbox"/>	P
<input type="checkbox"/>	t	<input type="checkbox"/>	S
<input type="checkbox"/>	S	<input type="checkbox"/>	a
Employee Data Box 1 - Box 11			
<input checked="" type="checkbox"/>	X	ALWAYS X, JERRY L	569-99-9999 CA
		Div: 4 Dept: 4491 Res: CA Paygp: 1	
		FIT Wages: 548.60	FIT W/H: 24.09
		FICA Wages: 2348.00	FICA W/H: 145.58
		FMED Wages: 2348.00	FMED W/H: 34.05

## Understanding Box 14

Except for reporting the following items, box 14 is strictly an informational box:

- Lease value of a vehicle.
- Employee State Disability Insurance (SDI), Voluntary Disability Insurance (VDI) and SUI amounts.
- Aurora, Denver, and Greenwood Occupational Privilege taxes in Colorado. The ADP tax codes are CO-AUR, CO-DNV, and CO-GRW.
- Boone County School District and Boone County Senior Citizens and Mental Health taxes in Kentucky. The Pleasanton tax codes are KY-BNCS and KY-BNCM.
- Hawaii Temporary Disability Insurance. The Pleasanton tax code is HI-TDI.
- In 2004, New Jersey established the Medical Malpractice Liability Insurance Premium Assistance Fund. For three years, an annual surcharge for each employee who is subject to the New Jersey unemployment compensation law will be collected and allocated to the fund. The surcharge can be paid by the employer or by the employee. If paid by the employee, the amount of the surcharge should appear in box 14.
- Beginning in 2004, the NJ-UHW code will report the following New Jersey taxes in box 14:
  - Unemployment Disability Insurance Tax
  - Workforce Development Partnership Tax
  - Supplemental Workforce Fund Tax
  - Health Care Subsidy Tax
- New York Same Sex Marriage Medical Benefits. The State of New York recognizes same-sex marriage and treats health benefits provided to the spouse as non-taxable income.


For additional information about box 14, see [“Printing Codes in Box 14”](#) on page 2-13.

## Printing Earnings and Deductions on Form W-2

This section describes which codes are printed in the summary section, box 12, and box 14 of Form W-2, and how you can determine whether a code will print.

### Printing Codes in the Summary Section

By default, all non-accrual earnings and employee-paid deductions are set up to print in the summary section of Form W-2.

 You can ask your Client Service Consultant to include a code that does not typically print or to exclude a code from printing.

You can determine whether a code will print by using the payroll application or by looking at your Taxation Analysis reports. For a sample of the earnings report, see [“Sample of the Earnings Taxation Analysis Report”](#) on page 4-47. For a sample of the deduction report, see [“Sample of the Deduction Taxation Analysis Report”](#) on page 4-48.

### Determining Whether an Earning or Deduction Will Print

Whether an earning or deduction prints in the summary section is determined by two fields in the payroll application, as outlined in the following tables.

**Table 2-3. Fields in the Company Earnings Detail Window that Determine Whether an Earning will Print**

Accrual Value	W-2 Mast I/E Value	Earning Prints?
No	Blank	Yes
	D - Default	
	I - Include	
Yes	E - Exclude	No
	I - Include	Yes
	Blank	No
	D - Default	
E - Exclude		

**Table 2-4. Fields in the Company Deduction Window that Determine Whether a Deduction will Print**

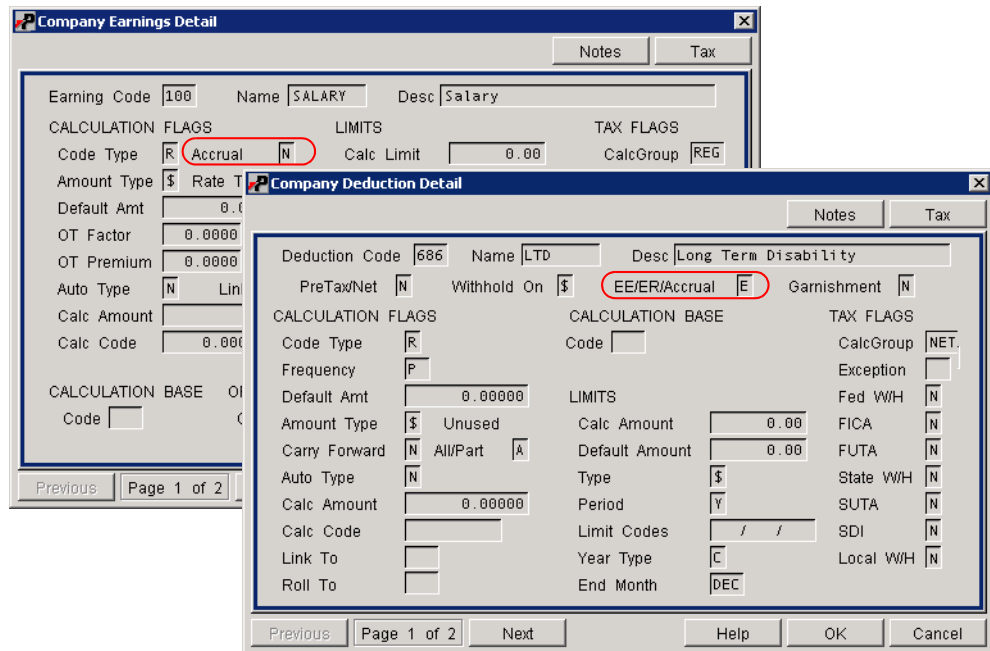
EE/ER/Accrual Value	I/E Value	Deduction Prints?
E (employee-paid)	Blank	Yes
	D - Default	
	I - Include	
	E - Exclude	No

**Table 2-4. Fields in the Company Deduction Window that Determine Whether a Deduction will Print**

EE/ER/Accrual Value	I/E Value	Deduction Prints?
R (employer-paid)	I - Include	Yes
A (accrual-only)	Blank	No
	D - Default	
	E - Exclude	

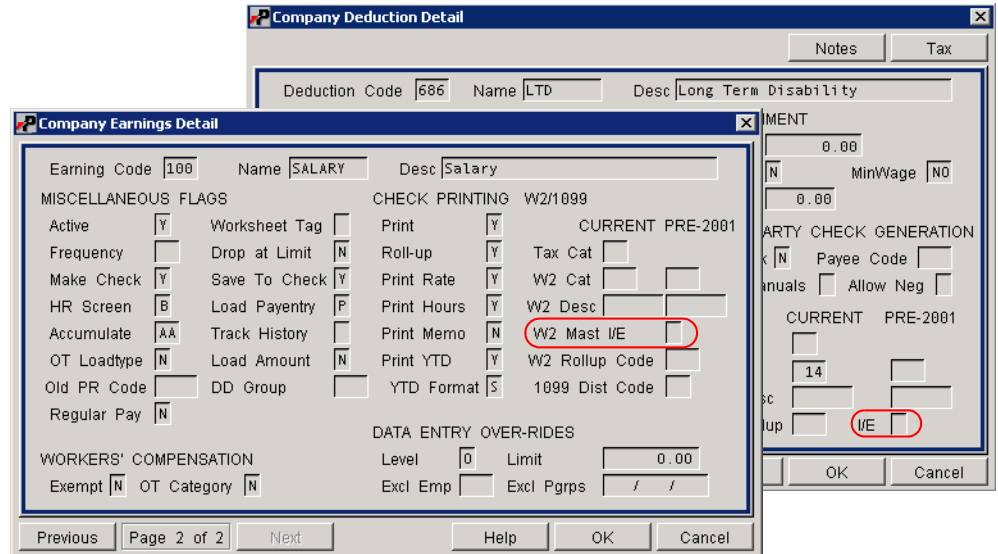
Use this procedure to determine whether a code will print in the summary section.

- In the Company Menu window, do one of the following:
  - To determine whether an earning prints, click **File ~ Company Master ~ Options ~ Earnings**.
  - To determine whether a deduction prints, click **File ~ Company Master ~ Options ~ Deductions**.
- Double-click a code. Page 1 of the window opens.
- The **Accrual** field appears in the Company Earnings Detail window, and the **EE/ER/Accrual** field appears in the Company Deduction Detail window.



**Figure 2-5. Company Earnings and Deduction Detail: Accruals and Printing a Code on Form W-2**

4. Click **Next**. Page 2 of the window displays.



**Figure 2-6. Company Earnings and Deduction Detail: Include/Exclude Printing a Code in W-2 Summary**

5. In the **W-2 MAST I/E** field of the Company Earnings Detail window and in the **I/E** field of the Company Deduction Detail window, one of the following appears:
  - **Blank**
  - **D - Default**
  - **I - Include**
  - **E - Exclude**
6. Do one of the following:
  - Use [Table 2-3](#) on page 2-9 to determine whether an earning code will print.
  - Use [Table 2-4](#) on page 2-9 to determine whether a deduction code will print.


### Printing Codes in Box 12

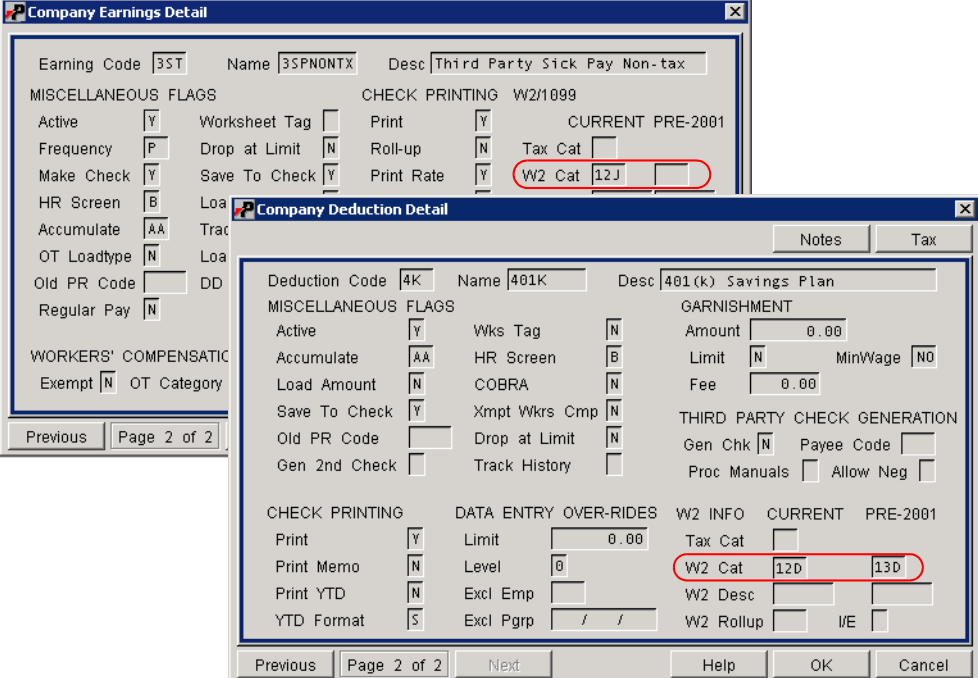
Your Client Service Consultant can set up earning and deduction codes to print in box 12. The box 12 section of Form W-2 lists the dollar amount of an item and the IRS code for the item. The IRS code is printed to the left of the vertical dividing line for each box 12 that is used. For a list of the IRS codes, see [“IRS Codes for Box 12 of Form W-2”](#) on page 2-24.

If there are more than four items in box 12 for an employee, ADP generates an overflow Form W-2 for that employee. For more information about overflow Forms W-2, see [“Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section”](#) on page 2-15.

## Determining Whether a Code Prints in Box 12

- In the Company Menu window, do one of the following to determine whether a code prints in box 12:
  - To determine whether an earning code will print, click **File ~ Company Master ~ Options ~ Earnings**.
  - To determine whether a deduction code will print, click **File ~ Company Master ~ Options ~ Deductions**.

 You can also refer to your taxation analysis reports. See “About the Taxation Analysis Reports” on page 4-42.
- Double-click a code. Click **Next**.



The image shows two overlapping software windows. The top window is titled "Company Earnings Detail" and displays fields for an earning code (35T) and name (3SPN0NTX). Under "CHECK PRINTING W2/1099", the "W2 Cat" field is set to "12J". The bottom window is titled "Company Deduction Detail" and displays fields for a deduction code (4K) and name (401K). Under "W2 INFO", the "W2 Cat" field is set to "12D". Both "W2 Cat" fields are circled in red.

**Figure 2-7. Company Earnings and Deduction Detail: Printing in Box 12 of Form W-2**

- One of the following displays:
  - In the Company Earnings Detail window, under W-2/1099, if **12** appears in **W-2 Cat** field, the code will print in box 12. The IRS code will appear to the right of the 12. In the sample, 12J appears.
  - In the Company Deduction Detail window, under W-2 INFO, if **12** appears in **W-2 Cat** field, the code will print in box 12. The IRS code will appear to the right of 12. In the sample, 12D appears.



## Printing Codes in Box 14

In addition to the codes listed on page 2-8 that is automatically printed in box 14, your Client Service Consultant can set up other codes to print in the box. Examples of codes that might be set up to print in box 14 include union dues, uniform payments, and educational assistance payments.

If there are more than six items in box 14 for an employee, ADP generates an overflow Form W-2 for that employee. For more information about overflow Form W-2, and how to roll up codes, see “Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section” on page 2-15.

### Determining Whether a Code Prints in Box 14

1. In the Company Menu window, do one of the following to determine whether a code prints in box 14.
  - To determine whether an earning code will print, click **File ~ Company Master ~ Options ~ Earnings**.
  - To determine whether a deduction code will print, click **File ~ Company Master ~ Options ~ Deductions**.
2. Double-click a code.
3. Click **Next**. Page 2 of the window displays.

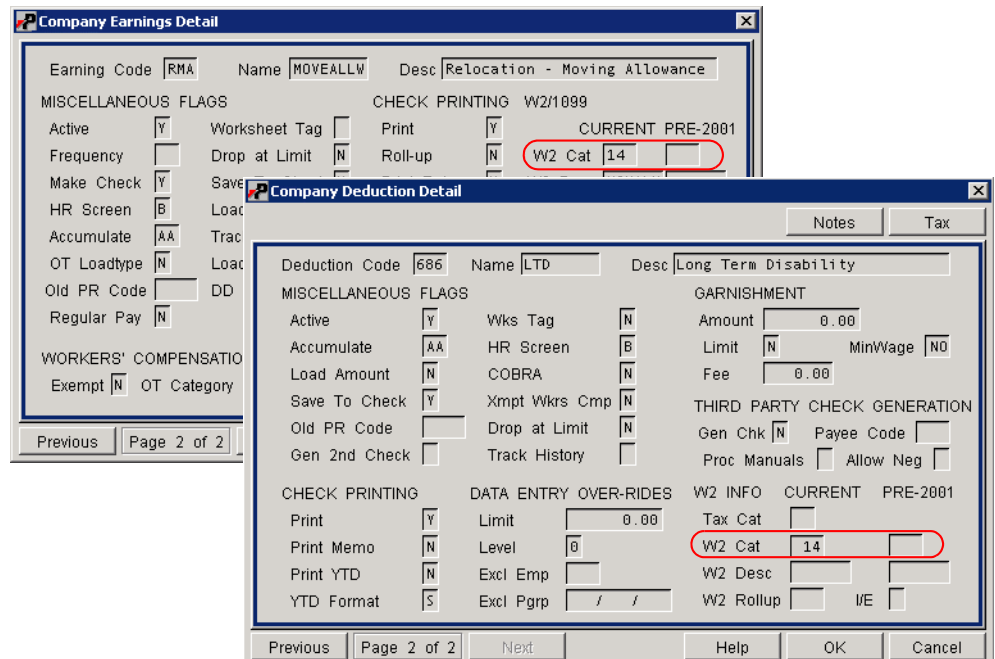


Figure 2-8. Company Earnings Detail and Deduction Detail: Printing a Code in Box 14 of Form W-2

4. One of the following displays:
  - In the Company Earnings Detail window, under W-2/1099, if **14** appears in **W-2 Cat** field, the code will print in box 14.
  - In the Company Deduction Detail window, under W-2 INFO, if **14** appears in **W-2 Cat** field, the code will print in box 14.
5. The description that appears in the **W-2 Desc** field will print adjacent to the dollar amount for the code.

### **Customizing The Codes That Print on Form W-2**

By default, non-accrual earnings and employee paid deductions are automatically printed in the summary section of Form W-2. Contact your Client Service Consultant if you want to do any of the following:

- Print accrual earnings or deductions in the summary section of the W-2.
- Roll up codes to print under one description in the summary section of the W-2. For information about rolling up codes, see [“Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section”](#) on page 2-15.
- Print earnings or deductions in box 12 of Form W-2. For additional information, see [“Printing Codes in Box 12”](#) on page 2-11.
- Print earnings or deductions in box 14 of Form W-2. For additional information, see [“Printing Codes in Box 14”](#) on page 2-13.

# Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section

An additional, or “overflow,” Form W-2 is generated when the number of lines in an area of the Form W-2 exceeds the allotted space. For example, the W-2 Summary section allows 20 lines for earnings and 20 lines for deductions. If an employee has more than 20 earnings or deductions set up to print in the summary section, an overflow W-2 is created. Similarly, box 12 allows up to four lines and box 14 allows six lines. Each overflow form is generated and sent separately.

Table 2-5 indicates the maximum number of lines for specific areas on the Form W-2.

**Table 2-5. Maximum Number of Lines For Areas on the Form W-2**

Area	Maximum Number of Lines
Summary	20 earnings and 20 deductions
Box 12	4
Box 14	6
Box 15	A Form W-2 is generated for each state in which an employee earns wages
Box 20	A Form W-2 is generated for each local jurisdiction in which an employee earns wages


ADP can combine, or “roll up,” earning and deduction codes. When a group of codes is rolled up, the summed amount of the codes print under one description in the summary section of the W-2, thereby decreasing the number of codes that will print in the summary section.

Four child support garnishments can be combined into one roll-up deduction, such as a code with a description of Child Support Garnishments, and the sum of the four garnishments will print on the W-2 adjacent to the roll-up code. Similarly, multiple pre-tax health care deductions can be combined into the **PRE** deduction roll-up code.

To set up your company to roll up earnings or deductions, contact your Client Service Consultant.

## Determining Your Roll-Up Codes

Use the Taxation Analysis reports to determine if a code is a roll-up code. Roll-up codes are listed under the **Roll Code** heading. For a sample of the reports, see the “[Sample of the Earnings Taxation Analysis Report](#)” on page 4-47 and “[Sample of the Deduction Taxation Analysis Report](#)” on page 4-48.

 If you roll codes into another code, the roll-up must be set up to print in the summary section.

## Determining Whether a Roll-Up Code Will Print in the Summary Section

- In the Company Menu window, do one of the following:
  - Click **File ~ Company Master ~ Options ~ Earnings**.
  - Click **File ~ Company Master ~ Options ~ Deductions**.
- Double-click a code. Click **Next**.

The image shows two overlapping software windows. The top window is titled "Company Earnings Detail" and displays various settings for an earning code "OVT" (OVERTIME). Under the "CHECK PRINTING W2/1099" section, the "W2 Mast I/E" field is highlighted with a red box and contains the letter "I". The bottom window is titled "Company Deduction Detail" and displays settings for a deduction code "PRE" (PRETAX). Under the "W2 INFO CURRENT PRE-2001" section, the "W2 Rollup PRE I/E I" field is highlighted with a red box and contains the letter "I".

**Figure 2-9. Company Earnings and Deduction Detail: Printing a Roll-Up Code in W-2 Summary Section**

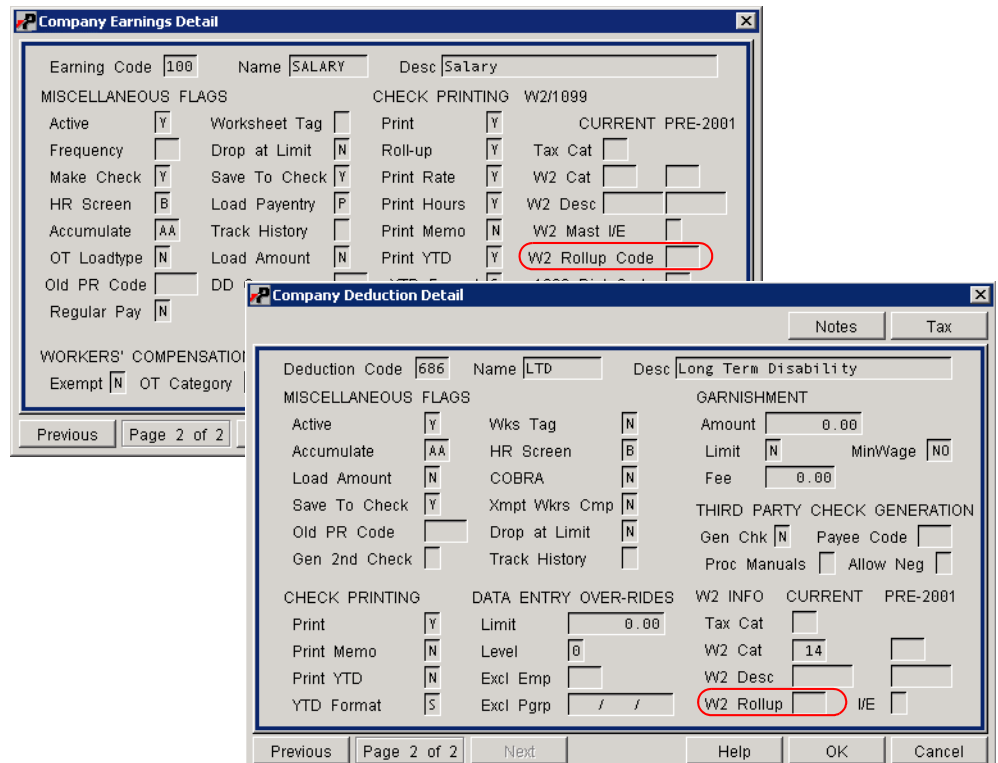
- One of the following displays:
  - In the Company Earnings Detail window, under W-2/1099, if the earning is set up to print in the summary section, **I** appears in the **W-2 Mast I/E** field.
  - In the Company Deduction Detail window, under W-2 INFO, if the deduction is set up to print in the summary section, **I** appears in the **I/E** field.
  - A roll-up code is a designated code used to sum amounts of like earnings or deductions so that only one line item is printed in the W2 Summary sections of Form W-2. The designated code will appear in the **W-2 Rollup Code** field.

## Determining if a Code is Rolled into Another Code

To determine if a code is rolled into another code, use the following procedure or review your Taxation Analysis reports. For a sample of the reports, see “About the Taxation Analysis Reports” on page 4-42.

To verify the roll-up code for an earning:

1. In the Company Menu window, do one of the following:
  - Click **File ~ Company Master ~ Options ~ Earnings**.
  - Click **File ~ Company Master ~ Options ~ Deductions**.
2. Double-click a code. Click **Next**.



**Figure 2-10. Company Earnings and Deduction Detail: Determining if a Code Rolls into Another Code**

3. One of the following displays:
  - In the Company Earnings Detail window, under W-2/1099, if the earning is rolled into another code, the code appears in the **W-2 Rollup Code** field.
  - In the Company Deduction Detail window, under W-2 INFO, if the deduction is rolled into another code, the code appears in the **W-2 Rollup** field.

# Sorting, Releasing, Reprinting, and Distributing Form W-2s

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This section describes sorting, releasing, reprinting, and distributing employee Form W-2s.

## Sorting Form W-2s

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ADP can use the standard alphabetical sorting method or a custom sorting method to process your Form W-2s. [Table 2-6](#) describes both sorting methods. To use a custom sorting method, or to review your current sorting method, contact your Client Service Consultant.


**Table 2-6. Form W-2 Sorting Options**

Sort Method	Description
Standard	Sorted alphabetically by employee last name. This is the default.
Custom	<p>In addition to the standard sort by last name, the following sort options are available:</p> <ul style="list-style-type: none"> <li>• Employee zip code</li> <li>• Alphabetically by department</li> <li>• Alphabetically by employment status (active, inactivated, on leave, or terminated)</li> </ul> <p> You can combine sort options. For example, you can have a custom sort that first sorts by status, then by last name, and then by department.</p>

## Releasing Form W-2s

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You must provide a signed release form or an email authorization to your Client Service Consultant before ADP will print your Form W-2s.

 Your Client Service Consultant will ask you for the names of three to five employees for whom ADP will generate sample Form W-2. Please review and approve the samples before you authorize ADP to print Form W-2s for your entire company.

For a description of specific requirements regarding data submission, see [“About Data Verification,”](#) on page 1-6.

## Delivering Form W-2s

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This section describes how ADP delivers Form W-2s to employers and employees.

### Delivering Employer Forms W-2

ADP produces copies of employer Form W-2 on CD-ROM. The CD-ROM includes historical data as far back as 1996. Instructions for installing and viewing the information are on the face of the CD-ROM.

If you processed adjustments after your Form W-2s were printed, ADP will automatically do one of the following:

- If your company is set up to receive a consolidated CD-ROM for multiple company IDs or you have had activity after the first full W-2 release, ADP will create a second CD-ROM.
- If your company is set up to receive a CD-ROM for each company ID and you had activity, ADP will create a CD-ROM for each specified company ID.

If you have multiple company IDs, and you want the second CD-ROM to be consolidated, inform your Client Service Consultant during your year-end meeting.

### Sending Employee Form W-2s

You can request that ADP use one of the following methods to deliver your Form W-2s:


- Send the Form W-2s to the master distribution location for each company.  

To view the master distribution location, in the Company Menu window, click **File ~ Mail and Couriers**. The Mail and Couriers window opens. If **Y (Yes)** appears in the Master Dist field, the location is the master distribution location.
- Split wrap W-2s to different locations based on the W-2 split value in the Employee Master. If you want to use this delivery method, ask your Client Service Consultant to set up your company for split wrapping your W-2s.
- Mail the Form W-2 directly to each employee's address.
- Internet only - For PRWC clients, the paper W2 can be suppressed.
- Send the employer Form W-2 CD-ROM to one specified location and the employee Form W-2 copies to another specified location.


You may select only one location for delivery of employee Form W-2s.

## Using International Addresses

ADP can print addresses on Forms W-2 and 1099 in compliance with the U.S. Postal Service guidelines for international addressing. If the **Country** field on page 1 of the Employee Master displays any information other than **US, USA, or United States**, the employee's address on Form W-2s will be automatically formatted as follows:

 The following format is available only for Form W-2s, not for paychecks.

First Name Middle Name Last Name Suffix  
Address 1  
Address 2  
City, State, Zip Code  
Country


 If you are sending employee W-2s by U.S. mail and have international employees, contact your Client Service Consultant.

## Tracking Form W-2 Packages and Verifying Delivery


This section describes how to track Form W-2s, and how to verify their delivery.

### Tracking Form W-2 Federal Express and UPS Packages

You can track your Form W-2 Federal Express or UPS packages using the ADP web site.

 This section applies only to tracking those that are shipped using the FedEx or UPS shipping service. To follow up on other methods of delivery, contact your Client Service Consultant.

To track your Form W-2 Federal Express or UPS packages:

1. In your browser address field, enter <https://viproom.adp.com>. The VIP Room login page is displayed.
2. Click **Login**, enter your credentials, and then click **OK**. The VIP Room Home page is displayed.
3. In the Self Service area, click **Shipment Tracking**. The Shipment Tracking page displays a list of your shipments.
4. To find a specific package, click **Search**. The Shipping Tracking page displays the **Compid**, **Dist Code**, and **Tracking Number** fields.
5. In the **Compid** field, type a company ID.  
 Type the company ID exactly as it appears in your reports and other ADP documents.
6. In the **Dist Code** field, type your Form W-2 distribution code.
7. In the **Tracking Number** field, type the tracking number that was provided to you.
8. Click **Go**. The FedEx or UPS Shipping Tracking page displays information about the package you requested.




## Verifying Form W-2 Delivery

A W-2/1099 Delivery Verification form will be included with your output. ADP recommends that you review your data and complete the verification form as soon as possible after receiving your Form W-2s so that if you identify any significant issues, ADP has time to make the necessary adjustments. A signed verification form must be submitted for each company ID.

# Viewing Your Form W-2s

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After installing your Form W-2s from the CD-ROM, you can view and print the W-2s using the payroll application. Use this procedure to view the Form W-2s.

1. Open the company ID you want to work with.
2. From the File menu, select **Employee Master**. The Employee Master window opens.
3. Double-click the employee whose Form W-2 you want to view. The Employee Master detail window displays.
4. Click **Options**. The Select Option window displays.
5. Double-click **View W-2s**. The Select W-2 Tax Year window appears.
  -  If an error message indicates that you do not have access to this feature, check with your system administrator to ensure that the security levels are set correctly.
6. Select the appropriate year and click **OK**. The Select <Year> Employee Form To View window displays.
7. In the Form column, double-click the form you want to view. For example, double-click W-2. The <Year> W-2 window opens, displaying the Form W-2 for the employee you selected.
8. To check wage information, click **Wage Detail**. The Employee Wage Detail window displays.
9. To print a replacement Form W-2, return to the <Year> W-2 window and click **Print**.

The Print W-2 window displays, asking if you want to mark the Form W-2 as reissued.
10. In the Print W-2 window, click **Yes** or **No**.

# Reports Generated for Form W-2

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ADP provides the following five reports for Form W-2:

- **W-2 Preview Report:** The W-2 Preview Report lists all persons who were set up to receive Form W-2 on the date the report was generated. For more information, see [“About the W2 Preview Report”](#) on page 4-11.
- **W-2 Summary Report:** The W-2 Summary Report provides totals of all Form W-2s that ADP will generate for your company. For more information, see [“About the W2 Summary Report”](#) on page 4-16.
- **3PSP W-2 Preview Report:** The 3PSP W-2 Preview Report provides a preview of the Form W-2s generated for third-party sick pay recap employees for the tax year. For more information, see [“About the 3PSP Recap W2 Preview Report”](#) on page 4-20.
- **3PSP W-2 Summary Report:** The 3PSP W-2 Summary Report provides totals of the Form W-2s generated for third-party sick pay recap employees. For more information, see [“About the 3PSP Recap W2 Summary Report”](#) on page 4-23.
- **W-2/1099 Error Report:** The W-2/1099 Error Report lists all persons who have specific data errors. For more information, see [“About the W-2/1099 Error Report”](#) on page 4-40.

# IRS Codes for Box 12 of Form W-2

IRS provides the codes you can use for box 12 of Form W-2. The tables use the descriptions provided by IRS. For additional information, see IRS publication *Instructions for Forms W-2 and W-3*, which you can obtain from the Forms and Publications page of the IRS website.

For additional information about box 12, see “[Understanding Box 12](#)” on page 2-5 and “[Printing Codes in Box 12](#)” on page 2-11.

The IRS codes are listed in the **W-2 Cat** list in Company Earnings Detail and Company Deduction Detail windows.

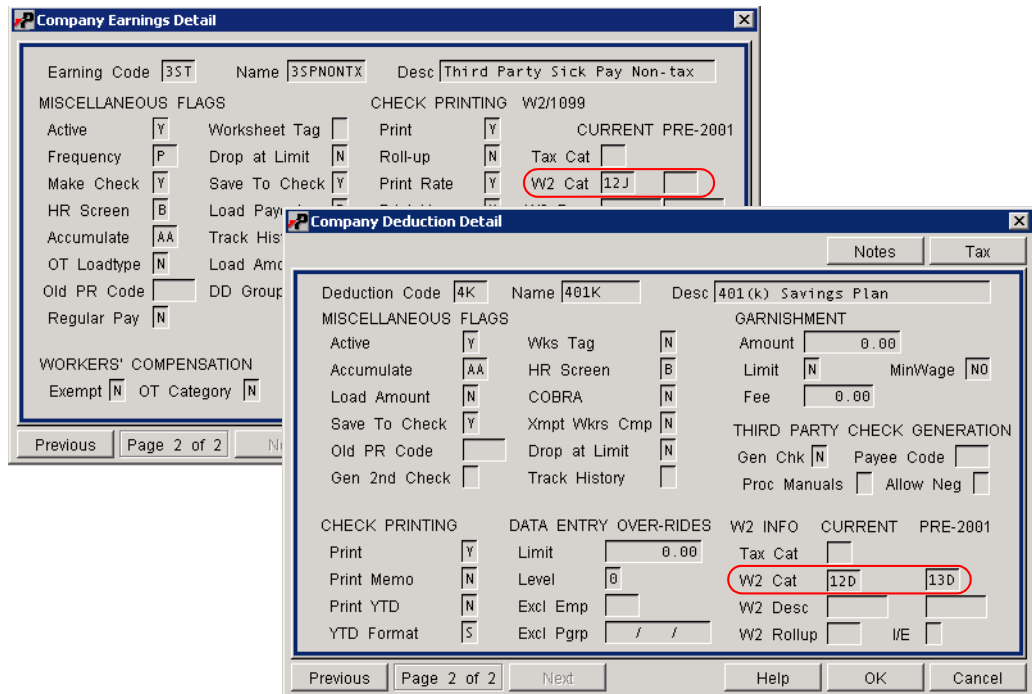


Figure 2-11. Company Earnings Detail and Company Deduction Detail Windows

Table 2-7 provides a brief description of the IRS codes for box 12 of Form W-2.

Table 2-7. Description of the IRS Codes for Box 12 of Form W-2

IRS Codes for Box 12	Description Provided by IRS	For Earnings	For Deductions
AA	Designated Roth contributions to a section 401(k) plan.		Yes
BB	Designated Roth contributions to a section 403(b) plan.		Yes
DD	Cost of employer-sponsored health coverage	Yes	Yes

**Table 2-7. Description of the IRS Codes for Box 12 of Form W-2 (cont.)**

<b>IRS Codes for Box 12</b>	<b>Description Provided by IRS</b>	<b>For Earnings</b>	<b>For Deductions</b>
<b>EE</b>	Designated Roth contributions under a governmental section 457(b) plan.		Yes
<b>A</b>	Uncollected social security or RRTA tax on tips.	Yes	
<b>B</b>	Uncollected Medicare tax on tips.	Yes	
<b>C</b>	Taxable cost of group-term life insurance over \$50,000.	Yes	
<b>D</b>	Elective deferrals under a section 401(k) cash or deferred arrangement (including a SIMPLE 401(k) arrangement).		Yes
<b>E</b>	Elective deferrals under a section 403(b) salary reduction arrangement.		Yes
<b>F</b>	Elective deferrals under a section 408(k)(6) salary reduction SEP.		Yes
<b>G</b>	Elective deferrals and employer contributions (including non-elective deferrals) under a section 457(b) deferred compensation plan (state and local government and tax-exempt employers).		Yes
<b>H</b>	Elective deferrals under section 501(c)(18)(D) tax-exempt organization plan.		Yes
<b>J</b>	Nontaxable sick pay.	Yes	
<b>K</b>	20% excise tax on excess golden parachute payments.	Yes	Yes
<b>L</b>	Substantiated employee business expense reimbursements (federal rate).	Yes	
<b>M</b>	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (for former employees).	Yes	
<b>N</b>	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (for former employees).	Yes	
<b>P</b>	Excludable moving expense reimbursements paid directly to employee.	Yes	
<b>Q</b>	Nontaxable combat pay.	Yes	
<b>R</b>	Employer contributions to an Archer MSA.	Yes	

Table 2-7. Description of the IRS Codes for Box 12 of Form W-2 (cont.)

IRS Codes for Box 12	Description Provided by IRS	For Earnings	For Deductions
<b>S</b>	Employee salary reduction contributions under a section 408(p) SIMPLE.		Yes
<b>T</b>	Adoption benefits.	Yes	Yes
<b>V</b>	Income from exercise of non-statutory stock option(s).	Yes	
<b>W</b>	Employer contributions (including employee contributions through a cafeteria plan) to an employee's Health Savings Account (HSA).	Yes	Yes
<b>Y</b>	Deferrals under a section 409A nonqualified deferred compensation plan.	Yes	Yes
<b>Z</b>	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A.	Yes	

# Sample Form W-2

Social Security No.: <b>569-99-9999</b>		Year To Date Earnings Regular Pay 3200.00 DoubleTime - 2.0x 128.00 Sick Pay 128.00 Commissions 1000.00 Tuition Reimbursement Taxable 3500.00 Bonus 5000.00 Housing/Rental Subsidies 300.00 Auto Fringe Benefit 3000.00 Auto Allowance 100.00 Award 250.00 Expense Reimbursement 128.00 Floating Holiday 350.00 ISO Stock Option Gain 64.00 Jury & Witness Duty 500.00 Office Allowance 160.00 Overtime 750.00 Painting 1088.00 Regular Hourly Pay -64.00 Vacation Pay 64.00		Year To Date Deductions 401(k) Savings Plan 82.56 Pretax Medical Plan 371.00 Pretax Medical (EE) 25.00 After Tax Medical Plan 150.00 Advance 500.00 Auto Fringe Benefit Offset 6000.00 Dependent Care Spending Acct 125.00 Union Dues 50.00 Employee Stock Purchase Plan 64.00 Garnishment # 1 232.43 Group Term Life > \$50,000 25.06 Dental Insurance 15.00 Large Capital Growth Portfolio 82.56 Large Capital Value Portfolio 1000.00 NJ Malpractice Ins Fund-EE W/H 3.00 Relo - Moving Expense Offset 250.00 Stock Option Offset 350.00 United Way 20.00 ER - Large Capital Growth 6.88 ER Match 401k Savings Plan 6.88	
a Employee's social security number 569-99-9999	d Control number	7 Social security tips	1 Wages, tips, other compensation 548.60	2 Federal income tax withheld 24.09	
c Employer's name, address, and ZIP code Meeting of the Minds Company 4125 Hopyard Road Pleasanton, CA 94588		8 Allocated tips	3 Social security wages 21510.00	4 Social security tax withheld 1333.62	
		9 Advance EIC payment	5 Medicare wages and tips 21510.00	6 Medicare tax withheld 311.90	
		10 Dependent care benefits 125.00	12a See instructions for box 12 D     82.56	12b J     128.00	
b Employer identification number (EIN) 99-99999999		11 Nonqualified plans	12c	12d	
e Employee's first name and initial Last Name JERRY ALWAYS 555 SPRINGVIEW CT SAN JOSE, CA 94122		13 Statutory Retirement employee plan Third-Party sick pay	14 Other CA - SDI 253.82 AUTO 6000.00 AWARD 100.00		
f Employee's address and ZIP code 15 State Employer's State ID No CA APPLIED FOR		16 State Wages, tips, etc. 548.60	17 State income tax 4.33	18 Local wages, tips, etc. 19 Local income tax 20 Locality name	

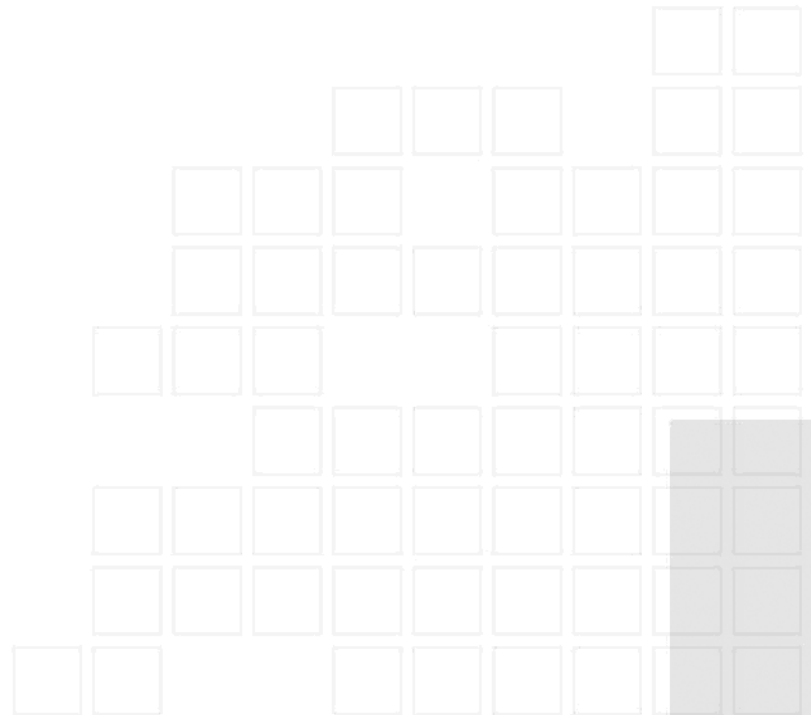
Figure 2-12. Sample Form W-2





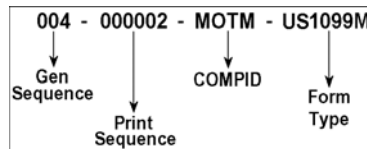
# Understanding Forms 1099-MISC and 1099-R

<b><u>PAGE</u></b>	<b><u>TOPIC</u></b>
3-2	About Form 1099-MISC
3-7	About Form 1099-R
3-15	Completing Forms 1099-MISC and 1099-R
3-18	Sorting, Releasing, and Distributing Forms 1099-MISC and 1099-R
3-21	Viewing Your Forms 1099-MISC and 1099-R



# About Form 1099-MISC


*Important Tax Document* is printed on the front and back of the pressure-sealed forms released by ADP. The form type is identified below the return address as shown in Figure 3-1.



**Figure 3-1. Return Address on Pressure-Sealed Forms**

ADP prints Form 1099-MISC for non-employees, such as consultants, who live or work in the United States, and for beneficiaries of deceased employees.

ADP files the forms with the Social Security Administration. [Table 3-1](#) provides a brief description of the two employee types for which Form 1099-MISC is generated, and shows the tax forms filed by the employer.

 Unless you notify your Client Service Consultant otherwise, ADP will print and file Forms 1099-MISC, 1099-R, and 945.

**Table 3-1. Employee Types for 1099-M**

Employee Type	Brief Description	Forms the Employer Files
<b>C</b>	Independent Contractor	For employee types <b>C</b> and <b>K</b> , the employer files the following forms: <ul style="list-style-type: none"> <li>• 1099-MISC federal and state filings</li> <li>• Form 945</li> <li>• Appropriate state returns</li> </ul>
<b>K</b>	Backup withholding	

Earnings reported on Form 1099-MISC include the following:

- Contractor payments
- Payments made to deceased employees
- Prizes and awards
- Withholding from persons from whom FIT is withheld under the backup withholding rules

## Backup Withholding and Form 945

If a worker has not provided a valid taxpayer identification number, employers are required to withhold 28% of payments, to ensure that taxes will be paid. The employer deposits the withheld taxes to IRS using Form 945.


## Completing Form 1099-MISC

This section describes how data entered in the ADP ProBusiness Payroll prints on Form 1099-MISC.

### Understanding the Boxes on Form 1099-MISC

Table 3-2 describes the mappings to boxes 3, 4, 7, 15a, and 15b on Form 1099-MISC.

**Table 3-2. Description of the Mappings to Boxes, 3, 4, 7, 15a, and 15b of Form 1099-MISC**

Box	Item	Description
3	Earnings	<p><b>Other income:</b> Income that exceeds the amount determined by IRS that is required to be entered on Form 1099-MISC, but is not reportable in other boxes in the form. Examples of box 3 earnings include payments received by a beneficiary of a deceased employee, profits, prizes and awards that are not for services rendered, and other taxable income.</p> <p>Payments made to the estate of a deceased employee must be mapped to box 3 (Other Compensation) on Form 1099-MISC.</p> <p> The payroll system defaults to box 3 if the earning code does not specify a box.</p>
4	Taxes	<p><b>Federal income tax withheld:</b> The amount of backup withholding.</p> <p>If a worker has not provided a valid taxpayer identification number, employers are required to withhold 28% of payments, to ensure that taxes will be paid.</p>
7	Earnings	<p><b>Non-employee compensation:</b> Examples of box 7 earnings include fees, commissions, golden parachute payments, prizes and awards for services performed as a non-employee, and professional fees such as those paid to an accountant or attorney.</p> <p>Map non-employee earnings that do not satisfy the criteria for box 3 to box 7.</p>

**Table 3-2. Description of the Mappings to Boxes, 3, 4, 7, 15a, and 15b of Form 1099-MISC (cont.)**


<b>Box</b>	<b>Item</b>	<b>Description</b>
<b>15a</b>	Earnings Deductions	<b>Section 409A deferrals:</b> For totals of \$600 or more, the amount of total yearly deferrals from all NQDC plans subject to the provisions of section 409A. Includes earnings on current and prior-year deferrals.
<b>15b</b>	Earnings	<b>Section 409A income:</b> Income that does not satisfy the requirements of section 409A. Does not include amounts previously reported as income.  The amount included in box 15b is also included in box 7.

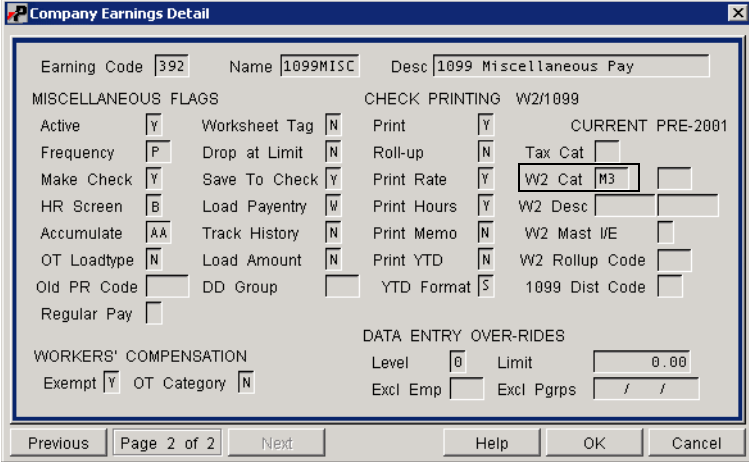
### **Determining if the Amount of an Earning will Print on Form 1099-MISC**

Use the following procedure to determine if the dollar amount of an earning will appear on Form 1099-MISC. If you need to map additional earning codes, contact your Client Service Consultant.

1. In the Company Menu window, click **File ~ Company Master ~ Options ~ Earnings**.
2. Double-click the code you want to view. The Company Earnings window is displayed.
3. Click **Next**. Page 2 is displayed.

4. Under CURRENT, if **M3** or **M7** appears in **W-2 Cat** field, the dollar amount of the earning will appear in Box 3 or 7 on the 1099-MISC respectively.


 If the field is blank, the amount of the earning will be mapped to box 3 when paid to an employee of type **C** or **K**.



The screenshot shows the 'Company Earnings Detail' dialog box with the following fields and values:

- Earning Code: 392
- Name: 1099MISC
- Desc: 1099 Miscellaneous Pay
- MISCELLANEOUS FLAGS:
  - Active:  Y
  - Worksheet Tag:  N
  - Frequency:  P
  - Drop at Limit:  N
  - Make Check:  Y
  - Save To Check:  Y
  - HR Screen:  B
  - Load Payentry:  W
  - Accumulate:  AA
  - Track History:  N
  - OT Loadtype:  N
  - Load Amount:  N
  - Old PR Code:
  - DD Group:
  - Regular Pay:
- CHECK PRINTING W2/1099:
  - Print:  Y
  - Roll-up:  N
  - Print Rate:  Y
  - Print Hours:  Y
  - Print Memo:  N
  - Print YTD:  N
  - YTD Format:  S
- W2/1099:
  - Tax Cat:
  - W2 Cat:  M3
  - W2 Desc:
  - W2 Mast I/E:
  - W2 Rollup Code:
  - 1099 Dist Code:
- WORKERS' COMPENSATION:
  - Exempt:  Y
  - OT Category:  N
  - Level:  0
  - Limit:  0.00
  - Excl Emp:
  - Excl Pgrps:  / /

**Figure 3-2. Company Earnings Detail: Determining if a Code Prints on Form 1099-MISC**

 The Earnings Taxation Analysis report can be used to review the mapping of all earnings codes. A description and example of this report can be found on [page 4-47](#).

## Verifying Form 1099-MISC Delivery

A Form W-2/1099-MISC Delivery Verification will be included with your output. ADP recommends that you review your data and complete the verification form as soon as possible after receiving your Forms W-2 and 1099-MISC. If you identify any issues, ADP has time to make the necessary adjustments.

 Each company must submit a signed Form W-2/1099 Verification form.

## Reports Generated for Form 1099-MISC

ADP provides the following reports for Form 1099-MISC:

- **1099M Preview Report:** The 1099M Preview Report lists all workers who were set up to receive Form 1099-MISC on the date the report was generated. For a sample of the preview report, see [“Sample of the 1099M Preview Report”](#) on page 4-27.
- **1099M Summary Report:** The 1099M Summary Report provides totals of all Forms 1099-MISC that ADP will generate for your company. For a sample of the report, see [“Sample of the 1099M Summary Report”](#) on page 4-30.
- **W-2/1099 Error Report:** The W-2/1099 Error Report lists all persons who have specific data errors. For more information, see [“About the W-2/1099 Error Report”](#) on page 4-40.

# Sample Form 1099-MISC

VOID     CORRECTED

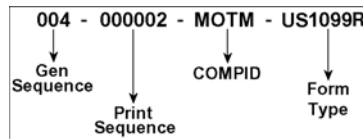
PAYER'S name, street address, city, state, ZIP code, and telephone no.		<b>1</b> Rents		OMB No. 1545-0115  Form <b>1099-MISC</b>	<b>Miscellaneous Income</b>
		\$	<b>2</b> Royalties		
		\$	<b>3</b> Other income		
PAYER'S federal identification number	RECIPIENT'S identification number	\$	<b>4</b> Federal income tax withheld	\$	<b>Copy 1 For State Tax Department</b>
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		\$	<b>5</b> Fishing boat proceeds	<b>6</b> Medical and health care payments	
		\$	<b>7</b> Nonemployee compensation	<b>8</b> Substitute payments in lieu of dividends or interest	
Account number (see instructions)		\$	<b>9</b> Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	<b>10</b> Crop insurance proceeds	
		<b>11</b>	<b>12</b>	<b>13</b> Excess golden parachute payments	<b>14</b> Gross proceeds paid to an attorney
<b>15a</b> Section 409A deferrals	<b>15b</b> Section 409A income	\$	<b>16</b> State tax withheld	<b>17</b> State/Payer's state no.	<b>18</b> State income
\$	\$	\$	\$	\$	\$

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

Figure 3-3. Sample Form 1099-MISC

# About Form 1099-R

*Important Tax Document* is printed on the front and back of the pressure-sealed forms released by ADP. The form type is identified below the return address as shown in Figure 3-4.



**Figure 3-4. Return Address on Pressure-Sealed Forms**

Form 1099-R is generated for two employee types: **R** (Retiree) and **P** (Pensioner).

Table 3-3 provides a description of the two employee types for which Form 1099-R is generated, and lists the tax forms filed by the employer.

**Table 3-3. Employee Types for 1099-R**

Employee Type	Description	Forms the Employer Files
<b>P</b>	A person who receives pension distributions through the company payroll that require issuing Form 1099-R.	For employee types <b>P</b> and <b>R</b> , the employer files the following forms: <ul style="list-style-type: none"> <li>• Form 1099-R federal and state filings</li> <li>• Form 945</li> <li>• Appropriate state returns</li> </ul>
<b>R</b>	A person who receives retirement distributions through the company payroll that require issuing Form 1099-R.	

Death benefits from qualified and non-qualified deferred compensation plans are reported to the estate or beneficiary on Form 1099-R for **all** employee types.

Earnings reported on Form 1099-R include the following:

- Pension distributions
- Annuities
- Profit-sharing and retirement plans (including 457, state, and local plans)
- IRAs
- Insurance contracts

Payments that are totally exempt from tax are not reported on Form 1099-R. However, if part of a distribution is taxable and part is not taxable, the entire distribution is reported.


If you have an Employment Retirement Income Security Act (ERISA) plan, contact your Client Service Consultant.

## Completing Form 1099-R

This section describes Form 1099-R and how data entered in the payroll application prints on the form.

Table 3-4 lists the boxes on Form 1099-R for which ADP provides values, and includes a description of what is entered in each box.

**Table 3-4. Description of the Boxes on Form 1099-R**

Box	Item
1	<p><b>Gross distribution:</b> The gross amount of distributions before income tax or other deductions are withheld for items such as the following:</p> <ul style="list-style-type: none"> <li>• Pension distributions</li> <li>• Annuities</li> <li>• Profit-sharing and retirement plans (including 457, state, and local plans)</li> <li>• IRAs</li> <li>• Insurance contracts</li> </ul>
2a	<p><b>Taxable amount:</b> The taxable portion of the gross amount listed in box 1.</p> <p> Box 2a will have taxable wages populated only if the <b>Exempt from FIT</b> field for an employee is marked with a <b>Y</b> or an <b>N</b>. If the distribution code selected is <b>G, Direct Rollover to a Qualified Plan</b>, box 2a will reflect a zero amount.</p>
4	<p><b>Federal income tax withheld:</b> The amount of FIT withheld.</p>
7	<p><b>Distribution code(s):</b> Distribution codes determine whether 1099-R recipients have reported distributions properly. If a valid distribution code is not included, the IRS will reject Form 1099-R filing. For a complete list of distribution codes, see “<a href="#">Distribution Codes for Box 7 of Form 1099-R</a>,” on page 3-9.</p>
10	<p><b>Amount allocable to IRR within 5 years:</b> The amount of distribution to an in-plan Roth rollover (IRR) made within the 5 year period beginning with the first day of the year in which the rollover was made.</p>
12 - 17	<p>Boxes 12 through 17 are optional. Distributions for up to two states or localities can be reported in these boxes. Information for each state or locality is separated with a broken line.</p> <p><b>Boxes 12 and 15:</b> If state or local income tax was withheld for a distribution, the amount withheld is listed in boxes 12 or 15.</p> <p><b>Box 13:</b> The abbreviated name of the state and the state identification number.</p> <p><b>Box 16:</b> Name of the locality.</p> <p><b>Boxes 14 and 17:</b> Amount of distributions to the state or locality.</p>



## Distribution Codes for Box 7 of Form 1099-R

Use the Box 7 section of Form 1099-R to specify the distribution code to which dollar amounts are reported.

Table 3-5 provides a brief description of the IRS codes for box 7. For the full description, see *Instructions for Forms 1099-R and 5498*. You can obtain the publication from the Forms and Publications page of the IRS website.

For information about determining whether a 1099-R distribution code has been assigned to an earning, see “[Determining Whether a 1099-R Distribution Code is Assigned to an Earning](#)” on page 3-11. For information about an employee-specific 1099-R distribution, see “[Specifying a Person’s Total Distributions for Form 1099-R](#)” on page 3-12.

**Table 3-5. Description of the IRS codes for Box 7 of Form 1099-R**


Distribution Code	Brief Description	Used with Code (if applicable)
1	Early distribution, no known exception	8, B, D, L, or P
2	Early distribution, exception applies (under 59 1/2)	8, B, D, or P
3	Disability	None
4	Death	8, A, B, D, G, H, L, or P
5	Prohibited (improper) use of the account; account is no longer an IRA	None
6	Tax-free exchange of life insurance, annuity, or endowment contracts under section 1035	None
7	Normal distribution	A, B, or D
8	Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2010	1, 2, 4, B, or J
9	Cost of current life insurance protection	None
A	May be eligible for 10-year tax option	4 or 7
B	Designated Roth account distribution that is not a qualified distribution.  Use code E for a section 415 excess	1, 2, 4, 8, D, G, L, or P
D	Annuity payments from nonqualified annuities and distributions from life insurance contracts that may be subject to tax under section 1411.  Use Code D for a distribution from any plan or arrangement not described in sections 401(a), 403(a), 403(b), 408, 408A, or 457(b).	1, 2, 3, 4, or 7

Table 3-5. Description of the IRS codes for Box 7 of Form 1099-R (cont.)



Distribution Code	Brief Description	Used with Code (if applicable)
<b>E</b>	Distributions under Employee Plans Compliance Resolution System (EPCRS)	None
<b>F</b>	Charitable gift annuity	None
<b>G</b>	<ul style="list-style-type: none"> <li>Direct rollover from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan to an eligible retirement plan (another qualified plan, a section 403(b) plan, or an IRA).</li> <li>For certain distributions from conduit IRAs to an employer plan and IRA rollover contributions to an accepting employer plan.</li> </ul>	4 or B
<b>H</b>	Direct rollover of a designated Roth account distribution to a Roth IRA	4
<b>J</b>	<p>Early distribution from a Roth IRA when code Q or code T do not apply.</p> <p> Use code 2 for an IRS levy and code 5 for a prohibited transaction.</p>	8 or P
<b>K</b>	Distribution of IRA assets not having a readily available FMV.	1, 2, 4, 7, or G
<b>L</b>	<p>Loans treated as distributions</p> <p> Do not use code L to report a loan offset</p>	1, 4, or B
<b>N</b>	Recharacterized IRA contribution made for 2010 and recharacterized in 2010	None
<b>P</b>	Excess contributions plus earnings/excess deferrals taxable in 2009	1, 2, 4, B, or J
<b>Q</b>	Qualified distribution from a Roth IRA (59 1/2 or over, disabled or deceased).	None
<b>R</b>	Recharacterized IRA contribution made for 2009 and recharacterized in 2010	None
<b>S</b>	Early distribution from a SIMPLE IRA in the first 2 years, no known exception (under 59 1/2).	None
<b>T</b>	Roth IRA distribution, exception applies (59 1/2 or over, disabled or deceased).	None

Table 3-5. Description of the IRS codes for Box 7 of Form 1099-R (cont.)

Distribution Code	Brief Description	Used with Code (if applicable)
U	Distribution of dividends from an Employee Stock Ownership Plan (ESOP) under section 404(k). These are not eligible rollover distributions. Do not report dividends paid by the corporation directly to plan participants or their beneficiaries. Continue to report those dividends on Form 1099-DIV.	B
W	Purchase of qualified long term care insurance	6

## Determining Whether a 1099-R Distribution Code is Assigned to an Earning

If a distribution code is provided, when the earning code is used during the year, the distribution code will be applied to those earnings and it will automatically populate box 7 of Form 1099-R for employee types R and P.

Use the following procedure to determine whether a 1099-R distribution code has been assigned to an earning:

1. In the Company Menu window, click **File ~ Company Master ~ Options ~ Earnings**.
2. In the Company Earnings window, double-click the name of the earning code to which you want to assign a 1099-R distribution code. Right-click in the **1099 Dist Code** field and double-click the code.

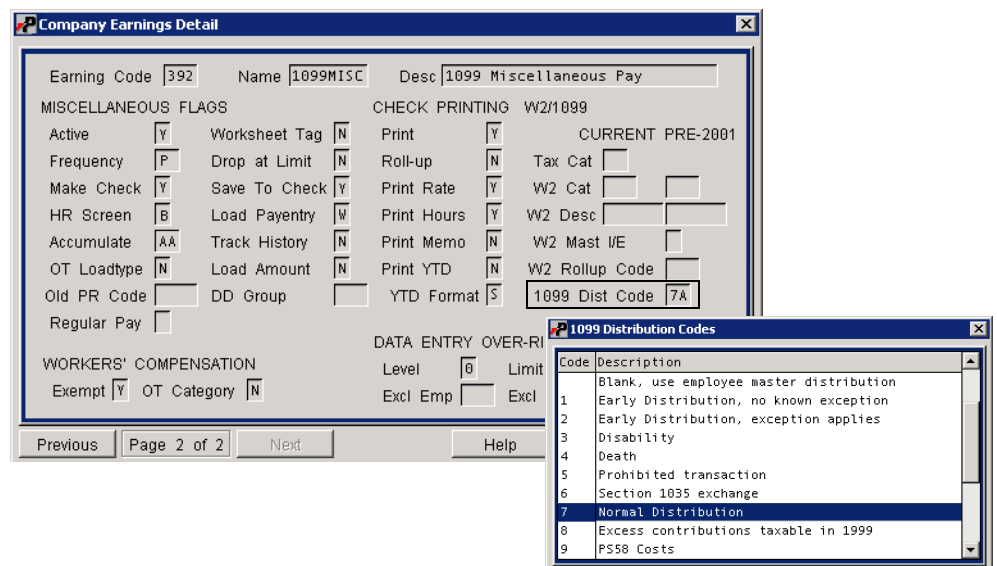



Figure 3-5. Company Earnings Detail: Determining the 1099-R Distribution Code for an Earning Code

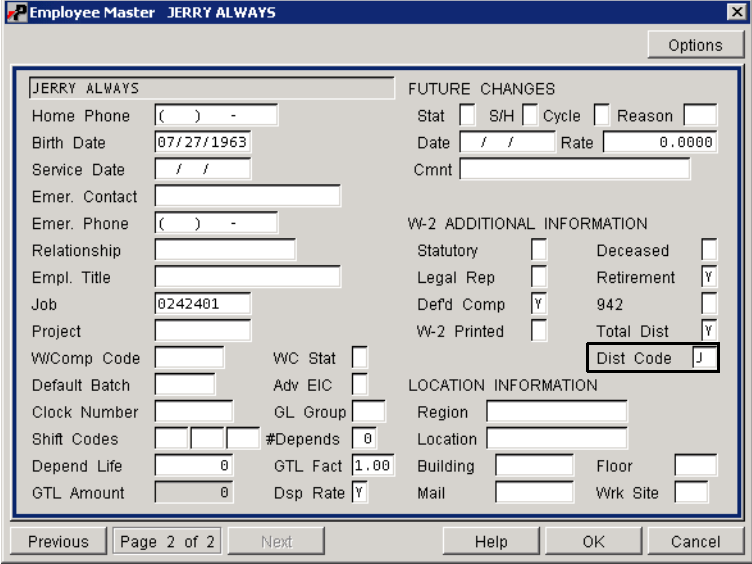
## Specifying a 1099-R Distribution Code for a Person

If you specify a distribution code in the Employee Master window, it will appear on the person's Form 1099-R regardless of the distribution codes that were assigned in the Company Earnings Detail window.

Use this procedure to specify a distribution code for a person.

 If you update the distribution code information for a person after a 1099-R Distribution Report has been generated, you can request an updated report from your Client Service Consultant. For a sample of the report, see “[Sample of the 1099-R Distribution Report](#)” on page 4-36.

1. In the Company Menu window, click **File ~ Employee Master** ~ double-click the person's name. Page 1 of the Employee Master window displays.
2. Click **Next**. Page 2 displays.
3. On page 2 in the Employee Master window, under W-2 ADDITIONAL INFORMATION, right-click in the **Dist Code** field, and select a distribution code.



The screenshot shows the 'Employee Master' window for 'JERRY ALWAYS'. The window is divided into several sections:


- Home Information:** Home Phone, Birth Date (07/27/1963), Service Date, Emer. Contact, Emer. Phone, Relationship, Empl. Title, Job (0242401), Project.
- FUTURE CHANGES:** Stat, S/H, Cycle, Reason, Date, Rate (0.0000), Cmmt.
- W-2 ADDITIONAL INFORMATION:** Statutory, Deceased, Legal Rep, Retirement (checked), Def'd Comp (checked), 942, W-2 Printed, Total Dist (checked), **Dist Code** (highlighted).
- LOCATION INFORMATION:** Region, Location, Building, Floor, Mail, Wrk Site.
- Other Fields:** WC Comp Code, WC Stat, Default Batch, Adv EIC, Clock Number, GL Group, Shift Codes, #Depends (0), Depend Life (0), GTL Fact (1.00), GTL Amount (0), Dsp Rate (checked).

Navigation buttons at the bottom include 'Previous', 'Page 2 of 2', 'Next', 'Help', 'OK', and 'Cancel'.

**Figure 3-6. Employee Master: Specifying a 1099-R Distribution Code for a Person**

## Specifying a Person's Total Distributions for Form 1099-R

Use the Employee Master window to specify whether the Form 1099-R payment represents a total distribution. A total distribution is one or more distributions in a tax year in which the entire balance of a retirement plan account is withdrawn.

 If you enter **Yes** in the **Total Dist** field, the Total Distribution box, box 2b, on Form 1099-R will be marked.

To specify total distributions for Form 1099-R, follow these steps:

1. In the Company Menu window, click **File ~ Employee Master** ~ double-click the person's name. Page 1 of the Employee Master window displays.
2. Click **Next**. Page 2 displays.
3. On page 2 in the Employee Master window, under W-2 ADDITIONAL INFORMATION, in the **Total Dist** field, enter **Yes** or **No**.

The screenshot shows the 'Employee Master' window for 'JERRY ALWAYS'. The window is divided into several sections:

- Home Information:** Home Phone, Birth Date (07/27/1963), Service Date, Emer. Contact, Emer. Phone, Relationship, Empl. Title, Job (0242401), Project.
- W-2 ADDITIONAL INFORMATION:** Statutory, Deceased, Legal Rep, Retirement (Y), Def'd Comp (Y), 942, W-2 Printed, Total Dist (Y), Dist Code (J).
- LOCATION INFORMATION:** Region, Location, Building, Floor, Mail, Wrk Site.
- Other Fields:** WC Stat, Adv EIC, GL Group, #Depends (0), Depend Life (0), GTL Fact (1.00), GTL Amount (0), Dsp Rate (Y).
- FUTURE CHANGES:** Stat, S/H, Cycle, Reason, Date, Rate (0.0000), Cmmt.

Navigation buttons at the bottom include 'Previous', 'Page 2 of 2', 'Next', 'Help', 'OK', and 'Cancel'.

**Figure 3-7. Employee Master: Specifying a Person's Total Distributions for Form 1099-R**

## Reports Generated for Form 1099-R

ADP provides the following reports for Form 1099-R:

- **1099R Preview Report:** The 1099R Preview Report lists all persons who were set up to receive Form 1099-R on the date the report was generated. For a sample of the preview report, see [“Sample of the 1099R Preview Report”](#) on page 4-33.
- **1099-R Distribution Report:** The 1099R Distribution Report itemizes the 1099-R distribution codes for each person for whom ADP will generate a Form 1099-R. For a sample of the distribution report, see [“Sample of the 1099-R Distribution Report”](#) on page 4-36.
- **1099R Summary Report:** The 1099R Summary Report provides totals of all Form 1099-Rs that ADP will generate for your company. For a sample of the report, see [“Sample of the 1099R Summary Report”](#) on page 4-39.
- **W-2/1099 Error Report:** The W-2/1099 Error Report lists all persons who have specific data errors. For more information, see [“About the W-2/1099 Error Report”](#) on page 4-40.

# Sample Form 1099-R

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S name, street address, city, state, and ZIP code		<b>1</b> Gross distribution \$ _____	OMB No. 1545-0119  Form <b>1099-R</b>		
		<b>2a</b> Taxable amount \$ _____			
		<b>2b</b> Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>		<b>Copy 1</b> For State, City, or Local Tax Department
PAYER'S federal identification number	RECIPIENT'S identification number	<b>3</b> Capital gain (included in box 2a) \$ _____	<b>4</b> Federal income tax withheld \$ _____		
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		<b>5</b> Employee contributions / Designated Roth contributions or insurance premiums \$ _____		<b>6</b> Net unrealized appreciation in employer's securities \$ _____	
		<b>7</b> Distribution code(s)	IRA/SEP/SIMPLE <input type="checkbox"/>	<b>8</b> Other \$ _____ %	
		<b>9a</b> Your percentage of total distribution %	<b>9b</b> Total employee contributions \$ _____		
<b>10</b> Amount allocable to IRR within 5 years \$ _____	<b>11</b> 1st year of desig. Roth contrib.	<b>12</b> State tax withheld \$ _____	<b>13</b> State/Payer's state no.	<b>14</b> State distribution \$ _____	
Account number (see instructions)		<b>15</b> Local tax withheld \$ _____	<b>16</b> Name of locality	<b>17</b> Local distribution \$ _____	

Form **1099-R** Department of the Treasury - Internal Revenue Service

Figure 3-8. Sample Form 1099-R

# Completing Forms 1099-MISC and 1099-R

This section describes how to complete the common sections of Forms 1099-MISC and 1099-R. It includes the following:

- [Printing the Company Name on Forms 1099-MISC and 1099-R](#)
- [Identifying Your Company if your Company Files Under a Common Pay Agent](#)
- [Printing a Worker's Name on Forms 1099-MISC and 1099-R](#)
- [Correcting Worker Addresses](#)

## Printing the Company Name on Forms 1099-MISC and 1099-R

The company's name will print on Forms 1099-MISC and 1099-R as it appears in the Company Master window. The Company Master window provides two fields for the company name. If the company's legal name does not fit in the **Legal** field, your Client Service Consultant will continue entering the name in the **Name** field. If you need two lines for the company address, you can use both **Address** fields.

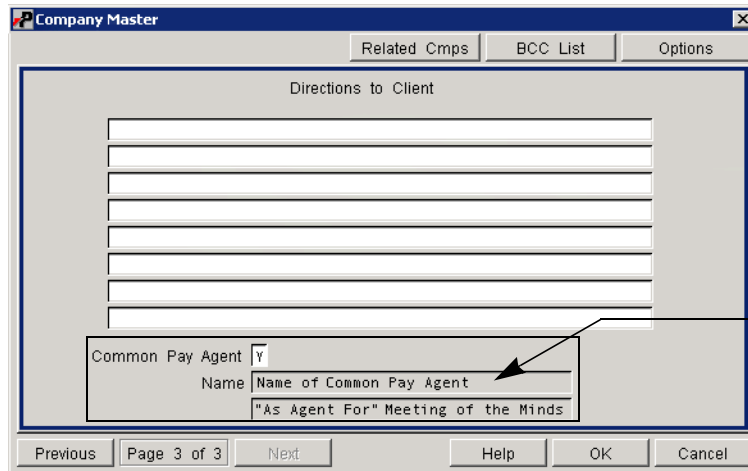
The screenshot shows the 'Company Master' window with the following data:

Field	Value
Legal Name	Meeting of the Minds Company
Address	1234 Broadway Ave
City	Anytown
State	CA
Zip	95555-
Phone	(925) 555-5555
FAX	( ) -
Start Dt	07/01/2001
Chk Dist	
Hub Loc	
Consldt	12/11/2003
Contact1	Bob Black
Contact1 Title	Payroll Manager
Contact1 Phone	(925) 555-1212 X 101
Contact2	Ali Green
Contact2 Title	Payroll Processor
Contact2 Phone	(925) 555-1212 X 102
Contact3	Sam Brown
Contact3 Title	Admin
Contact3 Phone	(925) 555-1212 X 103

Figure 3-9. Company Master: Two Company Name and Two Address Fields for Forms 1099 Printing

## Identifying Your Company if your Company Files Under a Common Pay Agent

If your company files under a common pay agent, use the **Name** fields on page 3 of the Company Master window to provide the name that will print on Forms 1099-MISC and 1099-R. If the **Name** fields on page 3 are blank, the name entered on page 1 of the Company Master window will appear on the forms. When you communicate with the IRS, use the name you provided on page 3 of the Company Master window to identify your company.



To identify your common pay agent, enter **Y** in the **Common Pay Agent** field. To enter the name of your common pay agent, contact your Client Service Consultant.

**Figure 3-10. Company Master: Name of the Common Pay Agent for a Company for Forms 1099 Printing**

If the second field is populated, the first 10 characters will be appended to the information in the **Name** field and will print on Forms 1099-MISC and 1099-R.

Table 3-6 shows how information in the Company Master window prints on Forms 1099.

**Table 3-6. How the Company Name and Address are Printed Using Data on the Company Master**

Number of Name Fields Used	Number of Address Fields Used	Printed on Form 1099-MISC and 1099-R
2	1	<ul style="list-style-type: none"> <li>Two lines for the company’s legal name</li> <li>One line for the company address</li> <li>One line for the city, state, and zip code</li> </ul>
2	2	<ul style="list-style-type: none"> <li>The two company name lines are joined and printed on the first line</li> <li>Two lines for the address</li> <li>One line for the city, state, and zip code</li> </ul>




## Printing a Worker's Name on Forms 1099-MISC and 1099-R

---

Each worker's name prints on Forms 1099-MISC and 1099-R as it appears in the **First**, **Last**, **Middle**, and **Suffix** fields on page 1 of the HR/Payroll Master window. Enter each worker's name into the payroll application as shown on the worker's tax identification card.


The information you enter in the **First** and **Last** fields of either the Employee Master or the HR/Payroll Master window automatically appears in the other window. The **Middle** and **Suffix** field appears only in the HR/Payroll Master window.

 If you enter a worker's middle name or middle initial in the **First** field, do not enter it again in the **Middle** field because it will print twice on Forms 1099-MISC and 1099-R. Also, if you enter an employee's suffix in the **Last** field, do not enter it again in the **Suffix** field because it will print twice on Form 1099-MISC. For a detailed example, see ["About Entering an Employee's Name,"](#) on page A-2.

## Correcting Worker Addresses

---

If you create a Form 1099-MISC or Form 1099-R with an incorrect address for a worker, you are not required to file a corrected form. Instead, create a second Form 1099 with the corrected address.

 Indicate on the corrected form that it is a corrected replacement form.

# Sorting, Releasing, and Distributing Forms 1099-MISC and 1099-R

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This section describes sorting, releasing, and distributing Forms 1099-MISC and 1099-R.

## Sorting Forms 1099-MISC and 1099-R

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ADP can use the standard alphabetical sorting method or a custom sorting method to process your Forms 1099-MISC and 1099-R. [Table 3-7](#) describes both sorting methods. To use a custom sorting method, or to review your current sorting method, contact your Client Service Consultant.


**Table 3-7. Forms 1099-MISC and 1099-R Sorting Options**

Sort Method	Description
Standard	Sorted alphabetically by last name. This is the default.
Custom	<p>In addition to the standard sort by last name, the following sort options are available:</p> <ul style="list-style-type: none"> <li>• Worker zip code</li> <li>• Alphabetically by department</li> <li>• Alphabetically by employment status (active, inactivated, on leave, or terminated)</li> </ul> <p> You can combine sort options. For example, you can have a custom sort that first sorts by status, then by last name, and then by department.</p>

## Releasing Forms 1099-MISC and 1099-R

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You must provide a signed release form or an email authorization to your Client Service Consultant before ADP will print your Forms 1099-MISC and 1099-R.

-  Your Client Service Consultant will ask you for the names of three to five workers for whom ADP will generate sample forms. Please review and approve the samples before you authorize ADP to print Forms 1099-MISC and 1099-R for your entire company.

## Distributing Forms 1099-MISC and 1099-R

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This section describes how ADP distributes Forms 1099-MISC and 1099-R to employers and workers.

### Delivering Employer Forms 1099-MISC and 1099-R

ADP produces employer Forms 1099-MISC and 1099-R on CD-ROM with the **W-2 Viewer** application. Instructions for installing and viewing the information are on the face of the CD-ROM.

If you processed adjustments after the first forms were printed, you can request a second CD-ROM from your Client Service Consultant. See “[Sorting, Releasing, and Distributing Forms 1099-MISC and 1099-R](#)” on page 3-18 for information about timing the release of the forms.



At your site, you can print replacement forms. For more information, see “[Viewing Your Forms 1099-MISC and 1099-R](#)” on page 3-21.


### Sending Worker Forms 1099

You can request that ADP use one of the following methods to deliver your Forms 1099-MISC and 1099-R:


- Send the forms to the master distribution location for each company.
  - 📄 To view the master distribution location, in the Company Menu window, click **File ~ Mail and Couriers**. The Mail and Couriers window opens. If **Y (Yes)** appears in the Master Dist field, the location is the master distribution location.
- Mail the forms directly to each worker’s address.
- Send the employer form CD-ROM to one specified location and the workers’ copies to another specified location.
  - 📄 You may select only one location for delivery of worker forms. ADP does not send workers’ forms to multiple locations.

## Using International Addresses

ADP can print addresses on Forms 1099-MISC and 1099-R according to the U.S. Postal Service guidelines for international addressing. If the **Country** field on page 1 of the **Employee Master** displays any information other than **US, USA, or United States**, the worker's address on Form 1099-MISC and 1099-R will be formatted automatically as follows:

 The following format is available only for Forms 1099-MISC and 1099-R, not for paychecks.


First Name Middle Name Last Name Suffix  
Address 1  
Address 2  
City, State, Zip Code  
Country

 If you are sending employee 1099s by U.S. mail and have international employees, contact your Client Service Consultant.

# Viewing Your Forms 1099-MISC and 1099-R

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After installing your Forms 1099-MISC and 1099-R from the CD-ROM, you can view and print the forms using the payroll application. Use the following procedure to view the Forms 1099:

1. Open the company ID you want to work with.
2. From the **File** menu, select **Employee Master**. The Employee Master window displays.
3. Double-click the worker whose Form 1099 you want to view. The Employee Master detail window displays.
4. Click **Options**. The Select Option window displays.
5. Double-click **View W-2s**. The Select W-2 Tax Year window appears.  
 If an error message indicates that you do not have access to this feature, check with your system administrator to ensure the security levels are set correctly.
6. Select the appropriate year and click **OK**. The Select <Year> Employee Form To View window displays.
7. In the **Form** column, double-click the form you want to view. For example, double-click 1099. The <Year> 1099 window opens displaying the Form 1099 for the worker you selected.
8. To print a replacement Form 1099, click **Print**.




# Understanding Audit Reports

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# Overview of Audit Reports

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At the end of each quarter and at year end, ADP provides you with a set of audit reports to help you generate timely and accurate Forms W-2 and 1099. To identify and correct data errors, please carefully review the reports. By correcting errors before generating Forms W-2 and 1099, you can contribute to an efficient year-end process, and minimize the need for reprinted and corrected forms.

 In an effort to protect employee identities, social security number has been removed from all W-2 audit reports and has been replaced with the Employee ID.

On approximately the 15th of the month following the close of each quarter, the reports are sent to you on CD.



# About the Report Calendar Listing

Your Client Service Consultant uses Report Automation, a function of ADP ProBusiness Payroll application, to produce reports that consolidate information across paygroups or companies. Report Automation is set up to generate reports on a specific date, after all scheduled payrolls for the day have been calculated.

Each report includes information about all payroll runs that are processed after the report was last generated.

The Report Calendar Listing shows the dates when specific reports will be generated. The identification numbers and names of the reports that are attached to a particular calendar are listed on the calendar.

Your Client Service Consultant sends the reports to you by the middle of the 4th quarter. The calendars are not included with your year-end audit reports.

Table 4-1 indicates the conditions for which you use each of the two types of reports and provides a description of each report.

**Table 4-1. Summary of the Two Calendar Report Listings**


Type	Conditions for Use	Description
<b>Date Calendar</b>	Use a date calendar if you want a report to run with the last payroll of a particular date. For example, if you want a report for four paygroups that process on the same day, you would use a date calendar. The date calendar will run after all runs for the specified day have been completed.	Date calendars list the dates on which payrolls are processed and reports generated.  For a sample of a date calendar, see <a href="#">“Sample of the Date Report Calendar Listing”</a> on page 4-5.
<b>Payroll Calendar</b>	Use a payroll calendar if you want a report for a particular payroll.	Payroll calendars list payroll dates, and provide a list of the reports that will be generated with each payroll.  For a sample of a payroll calendar, see <a href="#">“Sample of the Payroll Report Calendar Listing”</a> on page 4-6.

If your company has set up a schedule for reports and you change your transmission dates, notify your Client Service Consultant to adjust your Report Calendar Listings accordingly.

## Using the Report Calendar Listings

Table 4-2 describes the Report Calendar Listings.

**Table 4-2. Description of the Headings on the Report Calendar Listing**

Heading	Description
Top left column	<p>The section at the top left of the listing includes the following information:</p> <ul style="list-style-type: none"> <li>• The name of the report calendar</li> <li>• The frequency at which the calendar is generated and reports are run</li> <li>  The calendar frequency can correspond to the payroll frequency. For a list of frequencies, see <a href="#">“About Frequency Codes,”</a> on page A-5.         </li> <li>• The type of calendar</li> <li>• A description of the calendar</li> </ul>
<b>Reports using this calendar</b>	<p>The <b>Reports using this calendar</b> section lists the reports that use this calendar. The number that identifies the report and the name of the report are listed.</p>
<b>Date Calendar</b>	<p>The <b>Date Calendar</b> section lists the following:</p> <ul style="list-style-type: none"> <li>• The number of the report. For example, a report that runs monthly will run 12 times each year, so 1 through 12 can appear under <b>Number</b>.</li> <li>• The month, quarter, and year that correspond to the date the report is scheduled to run.</li> </ul>
<b>Payroll Calendar</b>	<p>The <b>Payroll Calendar</b> section lists the following:</p> <ul style="list-style-type: none"> <li>• The Company ID, paygroup, and pay period</li> <li>• The start date, end date, and check date for the payroll</li> </ul>

# Sample of the Report Calendar Listings

There are two versions of the Report Calendar Listing. A sample of the date version appears on this page, and a sample of the payroll version appears on the following page.

## Sample of the Date Report Calendar Listing

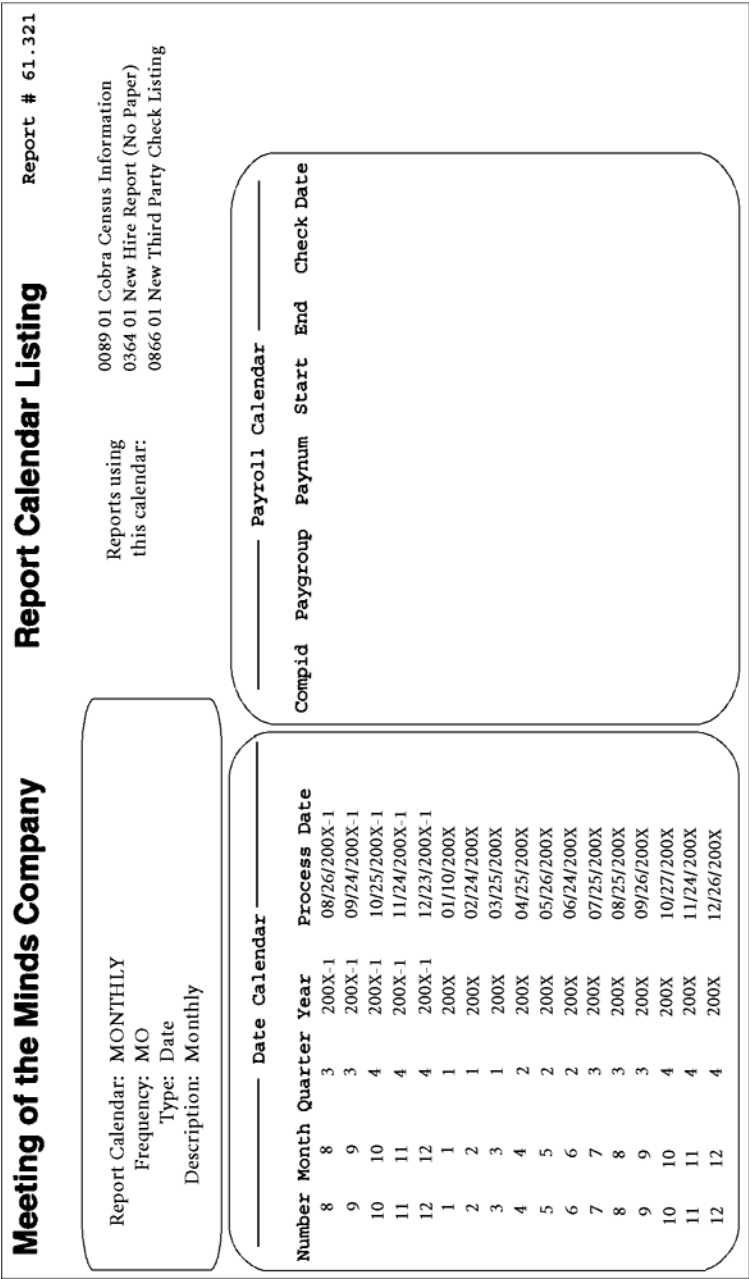


Figure 4-1. Sample of the Date Report Calendar Listing

### Sample of the Payroll Report Calendar Listing

**Meeting of the Minds Company**

Report Calendar: BI-WEEKLY  
 Frequency: BW  
 Type: Payroll  
 Description: Bi-Weekly - Calendar Runs Only

**Report Calendar Listing**

Reports using  
 this calendar:

Report # 61.321

0055 01 New Transactions Listing  
 0201 01 Paid Time Off - EE Sort  
 0320 01 Labor Register (0320)  
 0458 01 Payroll Audit Report  
 0508 01 Bank Reconciliation Register  
 0751 01 ELS-790 Report: Trade (CA)  
 1469 01 New Sheakley Unemployment Disk  
 9001 01 Cash Summary Report - INTERNAL USE (W)

Date Calendar				Payroll Calendar					
Number	Month	Quarter	Year Process Date	Compid	Paygroup	Paynum	Start	End	Check Date
8	4	2	200X	MOTW200X	2	8	04/16/200X	04/30/200X	04/30/200X
9	5	2	200X	MOTW200X	2	9	05/01/200X	05/15/200X	05/14/200X
10	5	2	200X	MOTW200X	2	10	05/16/200X	05/31/200X	05/28/200X
11	6	2	200X	MOTW200X	2	11	06/01/200X	06/15/200X	06/15/200X
12	6	2	200X	MOTW200X	2	12	06/16/200X	06/30/200X	06/30/200X
13	6	2	200X	MOTW200X	2	13	07/01/200X	07/15/200X	07/15/200X
14	7	3	200X	MOTW200X	2	14	07/16/200X	07/31/200X	07/30/200X
15	7	3	200X	MOTW200X	2	15	08/01/200X	08/15/200X	08/13/200X
16	8	3	200X	MOTW200X	2	16	08/16/200X	08/31/200X	08/31/200X
17	8	3	200X	MOTW200X	2	17	09/01/200X	09/15/200X	09/15/200X
18	9	3	200X	MOTW200X	2	18	09/16/200X	09/30/200X	09/30/200X
19	9	3	200X	MOTW200X	2	19	10/01/200X	10/15/200X	10/15/200X
20	10	4	200X	MOTW200X	2	20	10/16/200X	10/31/200X	10/29/200X
21	10	4	200X	MOTW200X	2	21	11/01/200X	11/15/200X	11/15/200X
22	11	4	200X	MOTW200X	2	22	11/16/200X	11/30/200X	11/30/200X
23	11	4	200X	MOTW200X	2	23	12/01/200X	12/15/200X	12/15/200X
24	12	4	200X	MOTW200X	2	24	12/16/200X	12/31/200X	12/30/200X

Figure 4-2. Sample of the Payroll Report Calendar Listing

# About the Annual Payroll Calendar Report

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The Annual Payroll Calendar Report describes all scheduled runs remaining in the tax year and all runs scheduled for 2010. A separate report is generated for each paygroup.

ADP sends you this report in the body of an email. Please review the report and verify the accuracy of the information, particularly the dates. For example, verify that the holidays in the report are consistent with your company's holidays.

For a sample of the report, see [“Sample of the Annual Payroll Calendar Report”](#) on page 4-10.


## Modifying the Annual Payroll Calendar Report


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If you need to modify information in the report, ADP recommends that you return the modified report by the end of November. If you need an updated report that reflects your modifications, contact your Client Service Consultant.

Use the following procedure to modify the report:

1. Copy the content of the report from the body of the email, and paste it into a new Microsoft<sup>®</sup> Office Word document.
2. Activate the Track Changes feature in the Word document.
3. Enter the changes to the report and save the Word document.
4. To return the revised report, attach it to an email and send it to one of the following:
  - Your Client Service Consultant
  - Directly to the Propay email address

 See the Microsoft documentation for more information about track changes.

 **For General Ledger clients**, to ensure that your general ledger is processed successfully, provide your Client Service Consultant with the 2010 general ledger accrual days, general ledger accrual percentages, or both.

To ensure correct payrolls, your client must review the frequencies, periods, check dates, and all other information in the calendar. If any information is incorrect, the payroll may be incorrect.

Your client should modify the soft copy of the calendar (using track changes or by highlighting changes in yellow), and email the modified report to either you or to Propay. Be sure to remind your clients to be specific about pay groups, Company IDs, and dates when they request changes.

After ADP makes the changes, send your client the updated calendar. The client must sign off on the updated calendar and return it to you.

## Using the Annual Payroll Calendar Report

Table 4-3 describes the Annual Payroll Calendar Report.

**Table 4-3. Description of the Headings on the Annual Payroll Calendar Report**



Heading	Description
<b>PayNum</b>	<p>The number of the pay period for that pay group. For example, a bi-weekly pay group has 26 pay periods each year, so 1 through 26 can appear under <b>PayNum</b>.</p> <p>For special payrolls, a letter follows the number. For example, the first special payroll after calendar payroll number 4 is 4A.</p>
<b>Callin</b>	The transmission date, which is the date on which you send payroll data to ADP.
<b>Delivery</b>	The date the payroll output is delivered.
<b>Start</b>	The payroll period start date. This date prints on paychecks and reports.
<b>End</b>	The payroll period end date. This date prints on paychecks and reports.
<b>Check</b>	The check date. This date prints on paychecks and is the effective date for direct deposits.
<b>G/L Per</b>	The general ledger period to which the payroll will post.
<b>Days Accr</b>	The number of days for which general ledger accruals will be calculated. This is based on a seven-day week.
<b>Accr %</b>	The percentage that will be used for calculating general ledger accruals.
<b>Holiday Hrs</b>	<p>Based on the setting in the <b>Generate Holiday</b> field in the <b>Worksheet/Payroll Entry Flags</b> window, one of the following appears:</p> <ul style="list-style-type: none"> <li> <p>If the <b>Generate Holiday</b> field is set to <b>Yes</b>, the number of holiday hours that will be automatically generated to the worksheet. The hours will be applied to the code identified in the Holiday Code field in the <b>Worksheet/Payroll Entry Flags</b> window.</p> <p> In this case, holiday hours are generated for all employees.</p> </li> <li> <p>If the <b>Generate Holiday</b> field is set to <b>P</b>, the number of hours that will be automatically generated to the worksheet. The hours will be applied to the code identified in the Holiday Code field in the <b>Worksheet/Payroll Entry Flags</b> window.</p> <p> In this case, holiday hours are generated for only those employees for whom the <b>PayByExcept</b> field, in the Employee Master window, is set to <b>Yes</b>.</p> </li> <li> <p>If the <b>Generate Holiday</b> field is set to <b>No</b>, <b>0</b> (zero) will always appear.</p> </li> </ul>

Table 4-3. Description of the Headings on the Annual Payroll Calendar Report (cont.)

Heading	Description
Exception	The codes used for special production exceptions.
Frequency Codes	The frequency codes assigned to the payroll. Frequency codes are system-defined codes that trigger earnings, deductions, direct deposits, and reports.

### Understanding the Exception Codes in the Annual Payroll Calendar Report

Exception codes are special instructions used to process a payroll. Only ADP personnel can add a new exception code or modify existing exception codes.

For a list of the exception codes used in the Annual Payroll Calendar Report and a brief description of each code, see [“About Exception Codes,”](#) on page A-7.

### Understanding the Frequency Codes in the Annual Payroll Calendar Report

Frequency codes are system-defined codes that trigger earnings, deductions, direct deposits, and reports.

For a list of the frequency codes used in the Annual Payroll Calendar Report and a brief description of each code, see [“About Frequency Codes,”](#) on page A-5.

# Sample of the Annual Payroll Calendar Report

Page 1 of 2

**Annual Payroll Calendar Report**

ADP National Account Services  
Pleasanton NSC

Prepared: Wednesday, July 19, 2006  
Meeting of the Minds Company

COMPID: MOTM      PAYGROUP: 1

Callin or Delivery falls on Sat. or Sun.  
! Delivery falls on National Holiday  
?H Indicates a bank holiday impacting the 48 hour lead time needed for direct deposit.


Pay Num	Callin	Delivery	Start	End	Check	G/L Per	Days Acor	Acor %	Holiday Pay	Hrs	Tax Cye	Exception	Frequency Codes
14	Wed 07260X	Thu 07270X	Sun 07160X	Mon 07310X	Mon 07310X	7	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
15	Thu 08100X	Fri 08110X	Tue 08010X	Tue 08150X	Tue 08150X	8	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
16	Mon 08280X	Tue 08290X	Wed 08160X	Thu 08310X	Thu 08310X	8	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
17	Tue 09170X	Wed 09180X	Fri 09010X	Fri 09150X	Fri 09150X	8	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
18	Tue 09260X	Wed 09270X	Sat 09160X	Sat 09300X	Fri 09290X	8	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME,LO,LE
19	Tue 10100X	Wed 10110X	Sun 10010X	Sun 10150X	Fri 10130X	10	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME,LO,LE
20	Tue 10260X	Fri 10270X	Mon 10160X	Wed 10310X	Tue 10290X	10	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
21	Fri 11230X	Mon 11240X	Wed 11160X	Thu 11300X	Wed 11280X	11	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
22	Mon 12120X	Wed 12130X	Thu 12010X	Fri 12150X	Fri 12150X	11	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME
23	Tue 12190X	Wed 12200X	Fri 12080X	Sat 12310X	Fri 12290X	12	0	0	0	0	-	DNULPRSFXE	ME,43,ML,ME,LO,LE,YL,YE
24			Sat 12160X	Sun 12310X		12	0	0	0	0	-	DNULPRSFXE	
***** TRANSMISSION DUE BY													
10:00 AM												PST *****	

Figure 4-3. Sample of the Annual Payroll Calendar Report




# About the W2 Preview Report

The W2 Preview Report is a preview of all Form W-2s that ADP will generate for your company. Employees who are identified as one of three employee types in the **Employee Type** field in the Employee Master window receive Form W-2, and are included on the W-2 Preview Report. [Table 4-4](#) lists the three employee types, provides a brief description of each, and lists the tax forms filed by the employer.

 The report lists taxable gross wages and the amount of withholding through the third quarter. ADP produces one W2 Preview Report for the combined states, and a separate report for each of the five U.S. territories.

**Table 4-4. Employee Types for Form W-2s**

Employee Type	Brief Definition	Forms Filed by the Employer
A	Agricultural employee	<ul style="list-style-type: none"> <li>Form W-2 for federal, state, and local taxes</li> <li>Forms 940 and 943</li> <li>Appropriate state and local returns</li> </ul>
E	Regular employee	<ul style="list-style-type: none"> <li>Form W-2 for federal, state, and local taxes</li> </ul>
X	Expatriate	<ul style="list-style-type: none"> <li>Forms 940 and 941</li> <li>Appropriate state and local returns</li> </ul>

 The information will appear on Form W-2 exactly as it appears in this report. If the information is incorrect, contact your Client Service Consultant immediately.

For a sample of the report, see [“Sample of the W2 Preview Report”](#) on page 4-15. For a sample Form W-2, see [“Sample Form W-2”](#) on page 2-27.

## Understanding the W2 Preview Report Cover


The first page of the W2 Preview Report provides information that identifies your company.

MOTM	
Page	Title Date
Company Information	
FEIN .....	APPLIEDFO
Tax Name .....	Name of Common Pay Agent
	"As Agent of" Meeting of the Minds
Address .....	4125 Hopyard Road
	Pleasanton, CA 94588

**Figure 4-4. First Page of W2 Preview Report**

The following company-level information is included:

Name	Description
<b>FEIN</b>	The Federal Employer Identification Number.
<b>Tax Name</b>	One of the following appears:  If your company does not use a common pay agent, the legal name entered on page 1 of the Company Master window appears.  If the name of a common pay agent is entered in the <b>Name</b> field on page 3 of the Company Master window, the name of the common pay agent appears.
<b>Address</b>	The company address, as entered on page 1 of the Company Master window.

 If page 3 of the Company Master window includes information in both the **Legal** and **Name** fields, the name entered in the **Name** fields will print on Form W-2. For more information, see [“Specifying that Your Company Files Under a Common Pay Agent”](#) on page 2-4.

The information will print on Form W-2 exactly as it appears on the first page of the report. If the information is incorrect, contact your Client Service Consultant.

## Using the W2 Preview Report

Table 4-5 describes the W2 Preview Report.

**Table 4-5. Sections of the W-2 Preview Report**

Section	Explanation
<b>Ret</b>	<b>Ret</b> corresponds to the <b>Retirement plan</b> check box in box 13 on Form W-2. This check box is marked if an employee has a non-zero amount associated with a code that is mapped to box 12 using IRS <b>code D, E, or G</b> . For a list and description of the IRS codes, see <a href="#">“IRS Codes for Box 12 of Form W-2”</a> on page 2-24. For more information about the Retirement plan check box, see <a href="#">“Retirement Plan Box”</a> on page 2-6.  If an employee is assigned a deduction code that is mapped to box 12 using IRS <b>codes AA, BB, D, E, F, H, or S</b> , the <b>Retirement plan</b> check box on Form W-2 is automatically marked, but the <b>Retirement</b> field in the Employee Master will not be automatically marked.
<b>TPS</b>	<b>TPS</b> corresponds to the <b>Third-party sick pay</b> check box in box 13 on Form W-2. This check box is marked if an employee is paid an earning that was set up with <b>T - Third Party Sick Pay</b> in the <b>Amount Type</b> field on page 1 of the Company Earning Detail window. The check box is also used by third-party sick pay administrators. For more information about the Third-party sick pay check box, see <a href="#">“Third-Party Sick Pay Box”</a> on page 2-7.
<b>STA</b>	<b>Sta</b> corresponds to the <b>Statutory employee</b> check box in box 13 on Form W-2. For more information about the <b>Statutory employee</b> check box, see <a href="#">“Statutory Employee Box”</a> on page 2-6.

Table 4-5. Sections of the W-2 Preview Report (cont.)

Section	Explanation
<b>Employee Data Box 1 - Box 11</b>	<p>Each employee’s identification number appears next to the employee’s name. Under each employee’s name, the following information appears:</p> <ul style="list-style-type: none"> <li>• The employee’s division, department, residence state, pay group and employee W2 output selection (PRWC paperless W2 clients only).</li> <li>• Applicable wages and withheld taxes. For example, the amount of applicable FIT wages and withheld taxes appear.</li> </ul>
<b>State Totals</b>	<p>The <b>State Totals</b> section lists state wages and taxes. Employees who are subject to taxation in multiple states will have a row for each state. Each row is labeled with the two-character state or territory code.</p>
<b>Local Totals</b>	<p>The <b>Local Totals</b> section lists applicable local codes, and the respective wages and taxes. Employees who are subject to taxation in multiple localities will have a row for each locality. Each row is labeled with the abbreviation for the locality.</p>
<b>Box 12</b>	<p>The <b>Box 12</b> section lists the dollar amount of an item and the IRS code for the item.</p> <p>The IRS code does not indicate to which box 12 (<b>a</b>, <b>b</b>, <b>c</b>, or <b>d</b>) an item will print.</p> <p>If <b>76.80 D</b> appears on the W-2 Preview Report, it represents <b>\$76.80</b> of IRS <b>code D</b> (<i>elective deferrals to a section 401(k) cash or deferred arrangement</i>). The \$76.80 can be mapped to box <b>12a</b>, <b>b</b>, <b>c</b>, or <b>d</b>.</p> <p>If an employee has more than four box 12 codes, ADP will generate an overflow Form W-2. See <a href="#">“Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section”</a> on page 2-15.</p>
<b>Box 14</b>	<p>The <b>Box 14</b> section lists the dollar amount and codes for applicable SDI, VDI, and the local taxes that automatically print in box 14, as well as additional codes that are set up to print in box 14. If you have more than six box 14 codes, ADP will generate an overflow Form W-2. For more information about overflow forms, see <a href="#">“Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section”</a> on page 2-15.</p> <p>For more information about box 14, see <a href="#">“Printing Codes in Box 14”</a> on page 2-13.</p>

## Reviewing the W2 Preview Report

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If possible, please review the following information for every employee:

- Verify that residence and applicable work states are correct.
- Verify the information for employees who live or work in multiple states.
- Verify that the correct items are set up to print in the following boxes of Form W-2:
  - **Box 12:** For any employee, check if there are more than four items set to print in Box 12 of the W-2. If so, the employee will receive multiple Form W-2s. For a list and description of the IRS codes, see “[Distribution Codes for Box 7 of Form 1099-R](#),” on page 3-9.
  - **Box 13:** Check if **Ret** (Retirement plan), **TPS** (Third-party sick pay), and **Sta** (Statutory employee) columns on the W-2 Preview report are marked accurately. For information about the box 13 check boxes, see “[Understanding the Box 13 Check Boxes](#)” on page 2-6.
  - **Box 14:** For any employee, check if there are more than six items set to print in Box 14. If so, the employee will receive multiple Form W-2s. For information about printing codes in box 14, see “[Printing Codes in Box 14](#)” on page 2-13.

If you cannot review the information for every employee, please review a representative sample of employees. Minimally, ADP recommends that you review the following types of employees:

- Highly compensated employees.
- Employees who moved from one state to another during the tax year. Verify that the appropriate wages are showing for each state.
- Employees who had adjustments or tax changes during the tax year.
- Employees who have an unusual tax setup. For employees who have an unusual tax setup, verify the following:
  - Do the employees’ wages and taxes appear to be correct?
  - For employees who have local taxes, do the local wages and taxes appear correct?
  - Are the employees’ residence and applicable work states correct?

## Sample of the W2 Preview Report


MOTM		W2 Preview Report			Report # 6001,01
Page	1 Date	Check Date	Period Tax year		
R T S	Employee Data, Box 1 - Box 11				
e p t	ALWAYS X, JERRY L				
t S a	Div: 4 Dept: 4491 Res: CA Paygrp: 1 Output: B 5375				
X	FIT Wages: 548.60 FIT W/H: 24.09				
	FICA Wages: 2348.00 FICA W/H: 145.58				
	FMED Wages: 2348.00 FMED W/H: 34.05				
	AMATO, SUSAN 6205 AL 6006.24 227.76 6.24 C				
	Div: 4 Dept: 4000 Res: AL Paygrp: 1 Output: B				
	FIT Wages: 6006.24 FIT W/H: 879.24				
	FICA Wages: 6006.24 FICA W/H: 372.39				
	FMED Wages: 6006.24 FMED W/H: 87.09				
	ANDERSON, JAMES 5954 CA 5854.77 70.08 0.27 C 69.08 CA-SDI				
	Div: 4 Dept: 4100 Res: CA Paygrp: 1 Output: B				
	FIT Wages: 5854.77 FIT W/H: 549.90				
	FICA Wages: 5854.77 FICA W/H: 363.00				
	FMED Wages: 5854.77 FMED W/H: 84.89				
	ANDERSON, JOSEPH 6584 CA 4800.00 65.76 56.64 CA-SDI				
	Div: 4 Dept: 4491 Res: CA Paygrp: 1 Output: B				
	FIT Wages: 4800.00 FIT W/H: 391.74				
	FICA Wages: 4800.00 FICA W/H: 297.60				
	FMED Wages: 4800.00 FMED W/H: 69.60				
	AZIZ, KEITH 2627 CA 4269.21 192.62				
	Div: 5 Dept: 5500 Res: CA Paygrp: 1 Output: B				
	FIT Wages: 4269.21 FIT W/H: 3750.00				
	FICA Wages: 4269.21 FICA W/H: 264.69				
	FMED Wages: 4269.21 FMED W/H: 61.90				
X	BAKER, NORMAN 1057 3.06 C 581.55 D				
	Div: 6 Dept: 6200 Res: MA Paygrp: 1 Output: B				
	FIT Wages: 7729.20 FIT W/H: 1460.76				
	FICA Wages: 8310.75 FICA W/H: 515.27				
	FMED Wages: 8310.75 FMED W/H: 120.51				
X	BALLOU, GERALD 4255 CA 5017.05 203.04 155.76 D 61.04 CA-SDI				
	Div: 6 Dept: 6400 Res: CA Paygrp: 1 Output: B				
	FIT Wages: 5017.05 FIT W/H: 722.91				
	FICA Wages: 5172.81 FICA W/H: 320.71				
	FMED Wages: 5172.81 FMED W/H: 75.01				

Sort Order: Default Sort - Name

Figure 4-5. Sample of the W2 Preview Report

# About the W2 Summary Report

The W2 Summary Report provides totals of all Form W-2s ADP will generate for your company. Employees identified as one of the three employee types described in [Table 4-6](#) receive Form W-2, and are included on the W2 Summary Report.

 The report lists the sum of taxable gross wages and the amount of withholding. The W2 Summary Report includes totals through the third quarter.

For a sample of the report, see “[Sample of the W2 Summary Report](#)” on page 4-19.

**Table 4-6. Employee Types for Form W-2s**

Employee Type	Brief Definition	Forms Filed by the Employer
<b>A</b>	Agricultural employee	<ul style="list-style-type: none"> <li>• Form W-2 for federal, state, and local taxes</li> <li>• Forms 940 and 943</li> <li>• Appropriate state and local returns</li> </ul>
<b>E</b>	Regular employee	<ul style="list-style-type: none"> <li>• Form W-2 for federal, state, and local taxes</li> </ul>
<b>X</b>	Expatriate	<ul style="list-style-type: none"> <li>• Forms 940 and 941</li> <li>• Appropriate state and local returns</li> </ul>

## Using the W2 Summary Report

Table 4-7 describes the W2 Summary Report.

**Table 4-7. Description of the Headings on the W2 Summary Report**



Heading	Description
<b>Left column</b>	<p>The section at the left of the report includes two areas:</p> <ul style="list-style-type: none"> <li>• The top area summarizes employee totals for wages and withheld taxes that are reported in boxes 1 through 11 of Form W-2. For example, the total amount of applicable FIT wages and withheld taxes appear.</li> <li>• The lower area shows the number of employees for whom the box 13 check boxes on Form W-2 will be marked. The three box 13 check boxes are <b>Statutory employee</b>, <b>Retirement plan</b>, and <b>Third-party sick pay</b>.</li> </ul>
<b>State Totals</b>	<p>The <b>State Totals</b> section lists totals for state wages and taxes. Each row is labelled with the two-character state or territory code, and the corresponding total appears.</p> <p>The <b>Cnt</b> heading shows the number of employees who are subject to taxes in each state. Employees who are subject to taxation in multiple states will add to the total count for each state.</p> <p> The sum of state counts might not equal the total number of Form W-2s. Reasons for the mismatch include the following:</p> <ul style="list-style-type: none"> <li>• Some employees are not subject to state taxes (which would decrease the total state count).</li> <li>• Some employees are subject to taxes in more than one state (which would increase the total state count).</li> </ul>
<b>Local Totals</b>	<p>The <b>Local Totals</b> section lists applicable local codes, and the respective total wages and taxes. Each row is labeled with the abbreviation for the locality.</p> <p> The <b>Cnt</b> heading shows the number of employees who are subject to each local tax. As with the state counts, the sum of the local counts might not equal the total number of Form W-2s that were generated.</p>

Table 4-7. Description of the Headings on the W2 Summary Report (cont.)

Heading	Description
<b>Box 12</b>	<p>The <b>Box 12</b> section lists the total dollar amount associated with a specific IRS box 12 code.</p> <p>The IRS code does not indicate to which box 12 (<b>a</b>, <b>b</b>, <b>c</b>, or <b>d</b>) an item will print.</p> <p>If <b>23929.55 D</b> appears on the W-2 Summary Report, it indicates that a total of <b>\$23,929.55</b> of IRS <b>code D</b> (<i>elective deferrals to a section 401(k) cash or deferred arrangement</i>) was mapped to boxes <b>12a</b>, <b>b</b>, <b>c</b>, and <b>d</b>.</p> <p>For a list and description of the IRS codes, see <a href="#">“Distribution Codes for Box 7 of Form 1099-R,”</a> on page 3-9.</p>
<b>Box 14</b>	<p>The <b>Box 14</b> section lists the total dollar amount for applicable SDI, VDI, and local tax codes that automatically print in box 14, as well as additional codes that are set up to print in box 14.</p> <p>The payroll application code, such as <b>025</b>, does not appear. Instead, the description entered in the <b>W-2 Desc</b> field appears. For example, the sum of earning code <b>025</b> appears with the description of <b>MILES</b>. For information about printing codes in box 14, see <a href="#">“Printing Codes in Box 14”</a> on page 2-13.</p>



# Sample of the W2 Summary Report

MOTM		W2 Summary Report		Report # 6002,01	PeriodTax_year																																		
Page 1				Check Date																																			
FIT Wages : 451286.74 FIT Withheld : 55500.42 FICA Wages : 458063.10 FICA Withheld : 28399.94 FIMED Wages : 458063.10 FIMED Withheld : 6641.93 FICA Tips : 0.00 Allocated Tips : 0.00 Adv EIC Payments : 0.00 Dependant Care : 0.00 Non-Qual. Plans : 0.00 Non-Qual. 457 : 0.00		State Totals <table border="1"> <thead> <tr> <th>State</th> <th>Cnt</th> <th>Wages</th> <th>Taxes</th> </tr> </thead> <tbody> <tr> <td>AL</td> <td>2</td> <td>15416.24</td> <td>588.96</td> </tr> <tr> <td>CA</td> <td>80</td> <td>386885.65</td> <td>12885.68</td> </tr> <tr> <td>NJ</td> <td>2</td> <td>13706.25</td> <td>281.29</td> </tr> <tr> <td>NY</td> <td>1</td> <td>6956.25</td> <td>239.70</td> </tr> </tbody> </table>		State	Cnt	Wages	Taxes	AL	2	15416.24	588.96	CA	80	386885.65	12885.68	NJ	2	13706.25	281.29	NY	1	6956.25	239.70	Local Totals <table border="1"> <thead> <tr> <th>Code</th> <th>Cnt</th> <th>Wages</th> <th>Taxes</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>816.75 C</td> <td></td> </tr> <tr> <td></td> <td></td> <td>23929.55 D</td> <td></td> </tr> </tbody> </table>		Code	Cnt	Wages	Taxes			816.75 C				23929.55 D		Box 14 1210.00 AUTO 599.93 MILES 4719.68 CA-SDI 37.50 NJ-SDI 31.88 NJ-UHW 3.60 NY-SDI 222.00 TXFRNG	
State	Cnt	Wages	Taxes																																				
AL	2	15416.24	588.96																																				
CA	80	386885.65	12885.68																																				
NJ	2	13706.25	281.29																																				
NY	1	6956.25	239.70																																				
Code	Cnt	Wages	Taxes																																				
		816.75 C																																					
		23929.55 D																																					
Statutory Emp : 0 Retirement Plan : 43 3rd-Party Sick : 0		Total # of W2's (All States): 92 Total Both: 92 Total Internet-only: 0 Total # of Jurisdictions: 5 Total Paper-only: 0																																					

Figure 4-6. Sample of the W2 Summary Report

# About the 3PSP Recap W2 Preview Report

The 3PSP Recap W2 Preview Report is a preview of all Form W-2s that ADP will generate for your recap employees for the tax year. For a sample of the report, see [“Sample of the 3PSP Recap W2 Preview Report”](#) on page 4-22.


The first page of the 3PSP Recap W2 Preview Report provides information that identifies your company.

MOTM	3PSP Recap W2 Preview Report	Report # 6001,01
Company Information		
FEIN . . . . .	123456789	
Tax Name . . . .	Meeting of the Minds	
Address . . . . .	1234 Main Street Pleasanton, CA 94588	

**Figure 4-7. 3PSP Recap W2 Preview Report**

The following company-level information is included:

Name	Description
<b>FEIN</b>	The Federal Employer Identification Number (FEIN).
<b>Tax Name</b>	One of the following appears: <ul style="list-style-type: none"> <li>• If your company does not use a common pay agent, the legal name entered on page 1 of the Company Master window appears.</li> <li>• If the name of a common pay agent is entered in the <b>Name</b> field on page 3 of the Company Master window, the name of the common pay agent appears.</li> </ul>
<b>Address</b>	The company address, as entered on page 1 of the Company Master window.

 If page 3 of the Company Master window includes information in both the **Legal** and **Name** fields, the name entered in the **Name** fields will print on Form W-2. For more information, see [“Specifying that Your Company Files Under a Common Pay Agent”](#) on page 2-4.

The information will print on Form W-2 exactly as it appears on the first page of the report. If the information is incorrect, contact your Client Service Consultant.

## Using the 3PSP Recap W2 Preview Report

Table 4-8 describes the 3PSP Recap W2 Preview Report.

**Table 4-8. Sections of the 3PSP Recap W-2 Preview Report**

Section	Explanation
<b>Ret</b>	<b>Ret</b> corresponds to the <b>Retirement plan</b> check box in box 13 on Form W-2.
<b>TPS</b>	<b>TPS</b> corresponds to the <b>Third-party sick pay</b> check box in box 13 on Form W-2. This check box is marked if an employee is paid an earning that was set up with <b>T - Third Party Sick Pay</b> in the <b>Amount Type</b> field on page 1 of the Company Earning Detail window. The check box is also used by third-party sick pay administrators. For more information about the <b>Third-party sick pay</b> check box, see <a href="#">“Third-Party Sick Pay Box”</a> on page 2-7.
<b>Sta</b>	<b>Sta</b> corresponds to the <b>Statutory employee</b> check box in box 13 on Form W-2.
<b>Employee Data Box 1 - Box 11</b>	Recap employees are not assigned a social security number or an employee number. The following information also appears: <ul style="list-style-type: none"> <li>• The division, department, residence state, and pay group the recap employee was set up with, if any. None of this information is required.</li> <li>• Applicable wages and withheld taxes for the recap employee.</li> </ul>
<b>State Totals</b>	The <b>State Totals</b> section lists state wages and taxes.
<b>Local Totals</b>	The <b>Local Totals</b> section lists applicable local codes, and the respective wages and taxes.
<b>Box 12</b>	The <b>Box 12</b> section lists the dollar amount of an item and the IRS code for the item.  The IRS code does not indicate to which box <b>12 (a, b, c, or d)</b> an item will print.  If <b>3227.48 J</b> appears on the 3PSP Recap W-2 Preview Report, it represents <b>\$3227.48</b> of IRS <b>code J</b> ( <i>nontaxable sick pay</i> ). The \$3227.48 can be mapped to box <b>12a, b, c, or d</b> .
<b>Box 14</b>	Box 14 should not include any dollar values. If values appear, verify the recap employee’s setup.

## Sample of the 3PSP Recap W2 Preview Report

3PSP Recap W2 Preview Report		Report # 6001,01
TM	Employee Data, Box 1 - Box 11	<---Box 14--->
3	SICK PAY RECAP, JUNE Div: Dept: 202 Res: 00 Paygrp: SM FIT Wages: 0.00 FIT W/H: 0.00 FICA Wages: 3227.48 FICA W/H: 200.10 FMED Wages: 3227.48 FMED W/H: 46.80	<---Box 12--> 3227.48 J 6996.16 J
3	SICK PAY RECAP, DECEMBER Div: 101 Dept: 202 Res: 00 Paygrp: SM FIT Wages: 0.00 FIT W/H: 0.00 FICA Wages: 6996.16 FICA W/H: 433.76 FMED Wages: 6996.16 FMED W/H: 101.44	<---Local Totals---> Code Wages Taxes
		<---State Totals---> State Wages Taxes

Figure 4-8. Sample of the 3PSP Recap W-2 Preview Report

# About the 3PSP Recap W2 Summary Report

The 3PSP Recap W2 Summary Report provides collective totals of all Form W-2s ADP will generate for your recap employees.


 The report lists the sum of taxable gross wages and the amount of withholding.

For a sample of the report, see “[Sample of the 3PSP Recap W2 Summary Report](#)” on page 4-24.

## Using the 3PSP Recap W2 Summary Report

Table 4-9 describes the 3PSP Recap W2 Summary Report.

**Table 4-9. Description of the Headings on the 3PSP Recap W2 Summary Report**

Heading	Description
Left column	<p>The section at the left of the report includes two parts:</p> <ul style="list-style-type: none"> <li>The top part summarizes totals for wages and withheld taxes that are reported in boxes 1 through 11 of Form W-2.</li> <li>The lower part shows the number of recap employees for whom the box 13 check boxes on Form W-2 are marked. The three box 13 check boxes are <b>Statutory employee, Retirement plan, and Third-party sick pay</b>.</li> </ul> <p> Because the report includes data for recap employees only, the number shown for 3rd-Party Sick should equal the total number of W-2s shown next to Total # of W-2's (All States).</p>
<b>State Totals</b>	The <b>State Totals</b> section lists totals for state wages and taxes. Each row is labeled with the two-character state or territory code, and the corresponding total appears.
<b>Local Totals</b>	The <b>Local Totals</b> section lists applicable local codes, and the respective total wages and taxes. Each row is labeled with the abbreviation for the locality.
<b>Box 12</b>	<p>The <b>Box 12</b> section lists the total dollar amount associated with a specific IRS box 12 code.</p> <p>The IRS code does not indicate to which box 12 (a, b, c, or d) an item will print.</p> <p>Example: If <b>17932.81 J</b> appears, it indicates that a total of <b>\$17932.81</b> of IRS code <b>J</b> (<i>nontaxable sick pay</i>) was mapped to boxes <b>12a, b, c, and d</b>.</p>
<b>Box 14</b>	Box 14 should not include any dollar values. If values appear, verify the recap employee's setup.

## Sample of the 3PSP Recap W2 Summary Report

MOTM		3PSP Recap W2 Summary Report		Report # 6002,01
		<-----State Totals----->	<-----Local Totals----->	<---Box 14--->
	State Cnt	Wages Taxes	Code Cnt	Wages Taxes
FIT Wages	:	0.00		
FIT Withheld	:	0.00		
FICA Wages	:	10223.64		
FICA Withheld	:	633.86		
FMED Wages	:	10223.64		
FMED Withheld	:	148.24		
FICA Tips	:	0.00		
Allocated Tips	:	0.00		
Adv EIC Payments	:	0.00		
Dependant Care	:	0.00		
Non-Qual. Plans	:	0.00		
Non-Qual. 457	:	0.00		
Statutory Emp	:	0		
Retirement Plan	:	0		
3rd-Party Sick	:	2		
Total # of W2's (All States):				2
Total # of Jurisdictions:				1

Figure 4-9. Sample of the 3PSP Recap W2 Summary Report


# About the 1099M Preview Report

The 1099M Preview Report is a preview of all Forms 1099-MISC that ADP will generate for your company for the tax year. The report lists gross fees and other non-employee compensation. Workers who are identified as one of two employee types described in [Table 4-10](#) receive Form 1099-MISC, and are included on the 1099M Preview Report.

[Table 4-10](#) lists the two employee types for which Form 1099-MISC are generated, provides a brief description of both, and lists the tax forms filed by the employer.

**Table 4-10. Employee Types for Form 1099-MISC**

Employee Type	Brief Description	Forms the Employer Files
<b>C</b>	Independent Contractor	<ul style="list-style-type: none"> <li>Form 1099-MISC for federal and state taxes</li> <li>Form 945</li> </ul>
<b>K</b>	Backup withholding	<ul style="list-style-type: none"> <li>Appropriate state returns</li> </ul>

 Unless otherwise instructed, ADP will print Form 1099-MISC and will file Form 945 if you have employees identified as type **C**, **K**, or both. If you would like to request an exception, contact your Client Service Consultant.


Information appears on Form 1099-MISC exactly as it appears in this report. If the information is incorrect, contact your Client Service Consultant immediately. If you need to map additional earnings to Form 1099-MISC, contact your Client Service Consultant. For a sample Form 1099-MISC, see [“Sample Form 1099-MISC”](#) on page 3-6.

For a sample of the report, see [“Sample of the 1099M Preview Report”](#) on page 4-27.

## Using the 1099M Preview Report

Table 4-11 describes the 1099M Preview Report.

**Table 4-11. Description of the Headings on the 1099M Preview Report**

Heading	Description
<b>1099 Employee Data</b>	<p>The worker's identifying number and account number that identifies the Form 1099-MISC appear next to the worker's name.</p> <p>Under each worker's name, the following information appears:</p> <ul style="list-style-type: none"> <li>• The worker's division, department, residence state, and pay group.</li> <li>• The GenSeq value identifies the most recent regeneration of payroll changes and requirements into the W-2 Viewer.</li> <li>• Sources of income, fees, and taxes. For information about printing codes on Form 1099-MISC, see <a href="#">"Completing Form 1099-MISC"</a> on page 3-3.</li> </ul> <p> Items correspond to boxes on Form 1099-MISC.</p>
<b>State Totals</b>	An itemization of state wages and taxes, listed by state.
<b>Local Totals</b>	An itemization of local wages and taxes, listed by locale.



# Sample of the 1099M Preview Report

MOTM		1099M Preview Report		Report # 6011,01	PeriodTax year	
Page				Check Date		
N	0	1099 Employee Data				<-----Local Totals----->
E	1					Code Wages Taxes
DOE, JOHN		9477		CA	7200.00	0.00
Div: 4 Dept: 8110 Res: CA Paygp: 1		Account #: 9477				
Rents : 0.00 FIT Withheld :		GenSeq: 001				
Royalties : 0.00 Fishing Boat :		0.00 Payments in lieu : 0.00				
Other Income : 7200.00 Medical Payments:		0.00 Crop Proceeds : 0.00				
		0.00 Gross paid to Atty: 0.00				
		0.00 Excess Golden Para: 0.00				
ESTATE OF, MEL OTT		2348		CA	5538.48	0.00
Div: 4 Dept:		Account #: 2348				
Rents : 0.00 FIT Withheld :		GenSeq: 001				
Royalties : 0.00 Fishing Boat :		0.00 Payments in lieu : 0.00				
Other Income : 5538.48 Medical Payments:		0.00 Crop Proceeds : 0.00				
		0.00 Gross paid to Atty: 0.00				
		0.00 Excess Golden Para: 0.00				
NOTE 1: Direct sales for resale						
Sort Order: Default Sort - Name						

Figure 4-10. Sample of the 1099M Preview Report

# About the 1099M Summary Report

The 1099M Summary Report provides totals of all workers' Forms 1099-MISC. Workers who are identified as one of two employee types in the **Employee Type** field in the Employee Master window receive Form 1099-MISC, and are included on the 1099M Summary Report.

Table 4-12 lists the two employee types for which Form 1099-MISC are generated, provides a brief description of both, and lists the tax forms filed by the employer.

**Table 4-12. Employee Types for Form 1099-MISC**

Employee Type	Brief Description	Forms the Employer Files
<b>C</b>	Independent Contractor	<ul style="list-style-type: none"> <li>Form 1099-MISC for federal and state taxes</li> <li>Form 945</li> </ul>
<b>K</b>	Backup withholding	<ul style="list-style-type: none"> <li>Appropriate state returns</li> </ul>

The report lists totals for gross fees and other non-employee compensation.




Example: On the sample 1099M Summary Report, **12738.48** appears next to the Other Income heading. The **\$12738.48** is the sum of the values for Other Income for the two workers who received Form 1099-MISC. The values for the two workers are **\$7200.00** and **\$5538.48**, as shown on the sample 1099M Preview Report on [page 4-27](#).

For a sample of the report, see "[Sample of the 1099M Summary Report](#)" on page 4-30.

## Using the 1099M Summary Report

Table 4-13 describes the 1099M Summary Report.

**Table 4-13. Description of the Headings on the 1099M Summary Report**

Heading	Description
Left section	<p>The two sections on the left of the 1099M Summary report include the following information:</p> <ul style="list-style-type: none"> <li>• The number of Forms 1099-MISC that were generated                             <ul style="list-style-type: none"> <li> The number corresponds to the number of workers listed on the 1099M Preview Report.</li> </ul> </li> <li>• Sources of income, fees, and taxes                             <ul style="list-style-type: none"> <li> The items correspond to boxes on Form 1099-MISC.</li> </ul> </li> </ul>
State Totals	<p>The <b>State Totals</b> section lists total state wages and taxes. Each row is labeled with the two-character state or territory code, and the corresponding total appears.</p> <p>For each state, the following values are listed:</p> <ul style="list-style-type: none"> <li>• Total wages that are subject to SIT</li> <li>• Total wages that are <i>not</i> subject to SIT</li> <li>• Total wages (the sum of the wages that are subject and not subject to SIT)</li> <li>• The total amount of SIT withheld</li> <li>• The number of workers who are subject to SIT</li> <li>• The number of workers who are <b>not</b> subject to SIT</li> <li>• The sum of the number of workers who are subject to SIT and who are not subject to SIT                             <ul style="list-style-type: none"> <li> Workers who are subject to taxation in multiple states receive a Form 1099-MISC for each state and will add to the count total for each state. The sum of the count totals for each state might not equal the total number of Form 1099s. Reasons for the mismatch include the following:                                     <ul style="list-style-type: none"> <li>• Some workers are not subject to SIT taxes (which would decrease the total SIT count)</li> <li>• Some workers are subject to SIT taxes in more than one state (which would increase the total SIT count)</li> </ul> </li> </ul> </li> </ul>


## Sample of the 1099M Summary Report

MOTM		1099M Summary Report		Report # 6012.01	Period Tax year																														
Page 1				Check Date																															
<b>Total # of 1099M's: 2</b>		<table border="1"> <thead> <tr> <th colspan="2">State Totals</th> <th colspan="2">State Totals</th> <th colspan="2">Local Totals</th> </tr> <tr> <th>SIT</th> <th>No SIT</th> <th>SIT</th> <th>No SIT</th> <th>Code</th> <th>Taxes</th> </tr> <tr> <th>Wages</th> <th>Wages</th> <th>Wages</th> <th>Wages</th> <th></th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>CA</td> <td>0.00</td> <td>12738.48</td> <td>12738.48</td> <td>0.00</td> <td>0</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2</td> </tr> </tbody> </table>				State Totals		State Totals		Local Totals		SIT	No SIT	SIT	No SIT	Code	Taxes	Wages	Wages	Wages	Wages		Count	CA	0.00	12738.48	12738.48	0.00	0						2
State Totals		State Totals		Local Totals																															
SIT	No SIT	SIT	No SIT	Code	Taxes																														
Wages	Wages	Wages	Wages		Count																														
CA	0.00	12738.48	12738.48	0.00	0																														
					2																														
<table border="1"> <tbody> <tr><td>FIT Withheld</td><td>: 0.00</td></tr> <tr><td>Rents</td><td>: 0.00</td></tr> <tr><td>Royalties</td><td>: 0.00</td></tr> <tr><td>Other Income</td><td>: 12738.48</td></tr> <tr><td>Fishing Boat Proceeds</td><td>: 0.00</td></tr> <tr><td>Medical Expense</td><td>: 0.00</td></tr> <tr><td>Non-Employee Compensation</td><td>: 0.00</td></tr> <tr><td>Payments in lieu of dividends</td><td>: 0.00</td></tr> <tr><td>Crop Proceeds</td><td>: 0.00</td></tr> <tr><td>Gross Proceeds Paid to Atty.</td><td>: 0.00</td></tr> <tr><td>Excess Golden Parachute</td><td>: 0.00</td></tr> </tbody> </table>		FIT Withheld	: 0.00	Rents	: 0.00	Royalties	: 0.00	Other Income	: 12738.48	Fishing Boat Proceeds	: 0.00	Medical Expense	: 0.00	Non-Employee Compensation	: 0.00	Payments in lieu of dividends	: 0.00	Crop Proceeds	: 0.00	Gross Proceeds Paid to Atty.	: 0.00	Excess Golden Parachute	: 0.00												
FIT Withheld	: 0.00																																		
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Royalties	: 0.00																																		
Other Income	: 12738.48																																		
Fishing Boat Proceeds	: 0.00																																		
Medical Expense	: 0.00																																		
Non-Employee Compensation	: 0.00																																		
Payments in lieu of dividends	: 0.00																																		
Crop Proceeds	: 0.00																																		
Gross Proceeds Paid to Atty.	: 0.00																																		
Excess Golden Parachute	: 0.00																																		

Figure 4-11. Sample of the 1099M Summary Report

# About the 1099R Preview Report


The 1099R Preview Report is a preview of all Form 1099-Rs that ADP will generate for your company for the tax year. Form 1099-R is generated for persons who are identified as one of two employee types in the Employee Master window. [Table 4-14](#) lists the two employee types for which Form 1099-Rs are generated, provides a description of both, and lists the tax forms filed by the employer.

 Death benefits from qualified and non-qualified deferred compensation plans are reported to the estate or beneficiary on Form 1099-R.

The report lists taxable gross payments, employee contributions, and the amount of withholding that corresponds to Form 1099-R.

**Table 4-14. Employee Types for 1099-R**

Employee Type	Brief Description	Forms the Employer Files
<b>P</b>	A person who receives pension distributions through the company payroll that require issuing Form 1099-R.	For employee types <b>P</b> and <b>R</b> , the employer files the following forms: <ul style="list-style-type: none"> <li>• Form 1099-R federal and state filings</li> <li>• Form 945</li> <li>• Appropriate state returns</li> </ul>
<b>R</b>	A person who receives retirement distributions through the company payroll that require issuing Form 1099-R.	

 Unless otherwise instructed, ADP will print Form 1099-R and will file Form 945 if you have employees identified as type **P**, **R**, or both. If you would like to request an exception, contact your Client Service Consultant.

For a sample of the report, see [“Sample of the 1099R Preview Report”](#) on page 4-33.

For a sample Form 1099-R, see [“Sample Form 1099-R”](#) on page 3-14.

## Using the 1099R Preview Report

Table 4-15 describes the 1099R Preview Report.

**Table 4-15. Description of the Headings on the 1099R Preview Report**

Heading	Description
Notes section	A description of each note appears at the bottom of the report. If a particular note applies to a person, an <b>X</b> appears to the left of the person's name.
<b>1099 Employee Data</b>	<p>The person's identifying number and 1099-R distribution code appears next to the person's name. For a list and description of the distribution codes, see "<a href="#">Distribution Codes for Box 7 of Form 1099-R</a>," on page 3-9.</p> <p>Under each person's name, the following information appears:</p> <ul style="list-style-type: none"> <li>• The person's division, department, residence state, and pay group</li> <li>• The GenSeq value identifies the most recent regeneration of payroll changes and requirements into the W-2 Viewer</li> <li>• Sources of income, taxable amounts, employee contributions, and taxes withheld</li> </ul>
<b>State Totals</b>	An itemization of state wages and taxes, listed by state.
<b>Local Totals</b>	An itemization of local wages and taxes, listed by locale.




# About the 1099-R Distribution Report

The 1099-R Distribution Report itemizes the 1099-R distribution codes for each person for whom ADP will generate a Form 1099-R. Distribution codes are listed for persons who are identified as one of two employee types in the Employee Master window. [Table 4-16](#) lists the two employee types for which Form 1099-Rs are generated, provides a description of both, and lists the tax forms filed by the employer.

**Table 4-16. Employee Types for Form 1099-R**

Employee Type	Brief Description	Forms the Employer Files
<b>P</b>	A person who receives pension distributions through the company payroll that require issuing Form 1099-R.	For employee types <b>P</b> and <b>R</b> , the employer files the following forms: <ul style="list-style-type: none"> <li>• Form 1099-R federal and state filings</li> <li>• Form 945</li> <li>• Appropriate state returns</li> </ul>
<b>R</b>	A person who receives retirement distributions through the company payroll that require issuing Form 1099-R.	

 All Form 1099-Rs must have a distribution code in box 7. If box 7 is blank, your filing will be rejected by the IRS and will be returned. Penalties may apply.

You can use the 1099-R Distribution Report to determine what information is still needed to correctly set up the Employee Master window and generate Form 1099-R.

For a sample of the report, see [“Using the 1099-R Distribution Report”](#) on page 4-35.

For a sample Form 1099-R, see [“Sample Form 1099-R”](#) on page 3-14.



## Using the 1099-R Distribution Report

Table 4-17 describes the 1099-R Distribution Report. It also provides the source of the data.

**Table 4-17. Description of the Headings on the 1099-R Distribution Report**

Heading	Description	Source of Data
<b>Distribution Code</b>	Displays the distribution code for box 7 of Form 1099-R.	The <b>Dist Code</b> field under ADDITIONAL INFORMATION on page 2 of the Employee Master window.  For detailed information about Form 1099-R distribution codes, see <a href="#">“Distribution Codes for Box 7 of Form 1099-R,”</a> on page 3-9.
<b>Total Distribution</b>	Indicates whether the reported amount is a total distribution. If <b>Y</b> appears, the Total Distribution box in box 2b of Form 1099-R will be marked.	The <b>Total Dist</b> field under ADDITIONAL INFORMATION on page 2 of the Employee Master window.

## Sample of the 1099-R Distribution Report

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		1099-R Distribution Report		Report # 6004	
				Check Date	Period
Compid	AM	Name	Distribution Code	Total Distributions	
UC2002		ANDERSON, JAMES			
UC2002		ZEPPORONI, MAX			
UC2002		SMITH, DAVID	07	Y	
UC2002		LANE, MILDRED	1	Y	
UC2002		SABAH, DONALD	2	Y	

Figure 4-13. Sample of the 1099-R Distribution Report

# About the 1099R Summary Report

The 1099R Summary Report provides totals of all Form 1099-Rs that ADP will generate for your company. The report lists taxable gross payments, employee contributions, and the amount of withholding that correspond to Form 1099-R.

On the sample 1099R Summary Report, **1750.77** appears next to **FIT Withheld**. The \$1750.77 is the sum of the values listed on the five individual Form 1099-Rs shown on the 1099R Preview Report on [page 4-33](#).

Persons who are identified as one of two employee types in the Employee Master window receives Form 1099-R, and their data is included in the 1099R Summary Report. [Table 4-18](#) lists the two employee types for which Form 1099-Rs are generated, provides a description of both, and lists the tax forms filed by the employer.

**Table 4-18. Employee Types for Form 1099-R**

Employee Type	Brief Description	Forms the Employer Files
<b>P</b>	A person who receives pension distributions through the company payroll that require issuing Form 1099-R.	For employee types <b>P</b> and <b>R</b> , the employer files the following forms: <ul style="list-style-type: none"> <li>• Form 1099-R federal and state filings</li> <li>• Form 945</li> <li>• Appropriate state returns</li> </ul>
<b>R</b>	A person who receives retirement distributions through the company payroll that require issuing Form 1099-R.	

For a sample of the report, see “[Sample of the 1099R Summary Report](#)” on page 4-39.

## Using the 1099R Summary Report

Table 4-19 describes the 1099R Summary Report.

**Table 4-19. Description of the Headings on the 1099R Summary Report**

Heading	Description
Left section	<p>The two sections on the left of the 1099R Summary report include the following information:</p> <ul style="list-style-type: none"> <li>The number of Form 1099-Rs that were generated <ul style="list-style-type: none"> <li>The number corresponds to the number of workers listed on the 1099-R Preview Report.</li> </ul> </li> <li>Sources of income, taxable amounts, employee contributions, and taxes withheld <ul style="list-style-type: none"> <li>The items correspond to boxes on Form 1099-R.</li> </ul> </li> </ul>
State Totals	<p>The <b>State Totals</b> section lists total state wages and taxes. Each row is labeled with the two-character state or territory code, and the corresponding total appears.</p> <p>For each state, the following values are listed:</p> <ul style="list-style-type: none"> <li>Total wages that are subject to SIT</li> <li>Total wages that are not subject to SIT</li> <li>Total wages (the sum of the wages that are subject and not subject to SIT)</li> <li>The total amount of SIT withheld</li> <li>The number of persons who are subject to SIT</li> <li>The number of persons who are not subject to SIT</li> <li>The sum of the number of workers who are subject to SIT and who are not subject to SIT</li> </ul> <p>Persons who are subject to taxation in multiple states receive a Form 1099-R for each state and will add to the total count for each state. The sum might not equal the total number of Form 1099-Rs. Reasons for the mismatch include the following:</p> <ul style="list-style-type: none"> <li>Some persons are subject to SIT taxes in more than one state, which would increase the total SIT count</li> <li>Some persons are not subject to SIT taxes in any state, which would decrease the total SIT count</li> </ul>
Local Totals	<p>The <b>Local Totals</b> section lists applicable local codes, and the respective total wages and taxes. Each row is labeled with the abbreviation for the locality.</p> <p>The <b>Count</b> heading shows the number of persons who are subject to each local tax.</p>

## Sample of the 1099R Summary Report

MOTM		1099R Summary Report				Report # 6012.01	Period/Tax year		
		Check Date							
		----- State Totals -----		----- Local Totals -----					
		SIT	No SIT	SIT	No SIT	Code	Wages	Taxes	Count
		Wages	Wages	Count	Count				
		CA	14373.18	7683.57	22056.75	482.16	3	2	5
Total # of 1099R's: 5		----- State Totals -----		----- Local Totals -----					
FIT Withheld	: 1750.77								
Gross Distribution	: 22056.75								
Capital Gain	: 0.00								
Taxable amount	: 18515.40								
EE Contributions	: 0.00								
Net Appreciation	: 0.00								
Percent (%)	: 0.00								
% of Total Dist.	: 0.00								
Total EE Contrib.	: 0.00								
Other	: 0.00								

Figure 4-14. Sample of the 1099R Summary Report

# About the W-2/1099 Error Report

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The W-2/1099 Error Report lists employees who appear to have errors such as the following:

- Incorrect social security numbers and employee addresses
- Negative wages
- Information that is required to file the forms, but is missing

For a sample of the report, see [“Sample of the W-2/1099 Error Report”](#) on page 4-41.

## Using the W-2/1099 Error Report

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The report lists employees who potentially have errors such as the following:

- **Addresses:** An address appears to have been incorrectly entered in the Employee Master window. For more information about incorrect employee addresses, see [“Correcting Employee Addresses”](#) on page 2-5.
- **Social security numbers:** A social security number appears to have been incorrectly entered in the Employee Master, or has been applied for by an employee but has not yet been received.

If you change a social security number, you might need to amend tax returns. In addition, an employee with an invalid social security number will appear on the error reports with **000-00-0000** and will be reported to the agencies in the same manner.

- **Negative wages:** ADP cannot file negative year-to-date wages on a Form W-2 with government agencies. You can schedule a special run to correct negative wages. To schedule a special run, contact your Client Service Consultant. For information about negative wages, see [“Negative Wages,”](#) on page 1-8.
- **Missing distribution codes:** All Form 1099-Rs that ADP files on your behalf must include a valid distribution code in box 7. If distribution codes are missing, the agency will be unable to process your filing and will reject it. For a list of valid codes, see [“Distribution Codes for Box 7 of Form 1099-R,”](#) on page 3-9.

To ensure that earnings are accurately mapped to Form 1099-R, you can assign a default 1099 distribution code to an earning. For more information, see [“Determining Whether a 1099-R Distribution Code is Assigned to an Earning”](#) on page 3-11.

 You can override the default distribution code for an employee. For more information, see [“Specifying a 1099-R Distribution Code for a Person”](#) on page 3-12.

## Sample of the W-2/1099 Error Report

MOTM		W2 / 1099 Error Report		Report # 6003.01
			Check Date	Period Tax Year
Form	Emp ID	Employee Name	Error Messages	
1099M	9477	DOE, JOHN	Invalid Social Security Number replaced with 000-00-0000: 9477	
1099R	2155	SEQUEIRA, JESSE	1099R Distribution is blank: Emp ID: 2155	
1099R	5057	SMITH, DAVID	Invalid 1099R Distribution Code: Emp ID: 5057	
1099R	5650	SMYTE, JOHN	1099R Distribution is blank: Emp ID: 5650	
1099R	6555	VASCO, RAMON	1099R Distribution is blank: Emp ID: 6555	
W2	4694	BAPTISTA, JOHN	Applied for SSN replaced with 000-00-0000: BAPTISTA, JOHN	
W2	3075	BRADFORD, GREG	1099R Distribution is blank: Emp ID: 3075	
W2	7507	LIND, CHARLES	Applied for SSN replaced with 000-00-0000: LIND, CHARLES	
W2	5721	ZEPPORONI, MAX	Invalid Employee Address: zip code does not conform to postal standards: 5721	

Figure 4-15. Sample of the W-2/1099 Error Report

# About the Taxation Analysis Reports

The Taxation Analysis reports include the Earnings Taxation Analysis Report and the Deduction Taxation Analysis Report. The reports describe the following:

- The taxability of earning and deduction codes.
- The box on Form W-2 to which a code is mapped:
  - You can map an earning to boxes 7, 8, 9, 10, 11, 12, or 14.
  - You can map a deduction to boxes 10, 12, or 14.
- Whether a code will print in the summary section of Form W-2.
- An indication of the type of code. For example, the deduction report indicates if a deduction code is employee-paid, employer-paid, or is an accumulator.
- Whether a code is rolled into another code.

For a sample of the reports, see “[Sample of the Earnings Taxation Analysis Report](#)” on page 4-47 and “[Sample of the Deduction Taxation Analysis Report](#)” on page 4-48.

 Separate reports are generated for active and inactive codes.

## Using the Taxation Analysis Reports

[Table 4-20](#) describes the Earnings Taxation Analysis Report and the Deduction Taxation Analysis Report.

**Table 4-20. Headings on the Earnings Taxation Analysis and Deduction Taxation Analysis Reports**

Heading	Description
<b>Type</b>	Earning or deduction.
<b>Code</b>	Unique 3-character earning or deduction code, such as <b>REG</b> for regular pay.
<b>Name</b>	Name of the earning or deduction that prints on reports and on the worksheet.
<b>Description</b>	Description of the earning or deduction code that prints on employee paychecks and in the summary section of Form W-2.
<b>Ded Type</b> (only in the Deduction report)	Used only for deductions: <b>N</b> Net deduction. <b>P</b> Pretax deduction.



**Table 4-20. Headings on the Earnings Taxation Analysis and Deduction Taxation Analysis Reports (cont.)**



Heading	Description
<b>Calc Group Code</b>	Unique 3-character code that determines the taxability of the earning or deduction code.   An asterisk (*) following the Calc Group Code indicates a custom tax group specific to your company ID and not maintained by ADP.


Table 4-20. Headings on the Earnings Taxation Analysis and Deduction Taxation Analysis Reports (cont.)

Heading	Description
<b>Federal Wage Box 1</b> <b>FICA Wages Boxes 3, 5</b>	These headings correspond to the boxes on Form W-2 to which the dollar amount for a code is mapped.
<b>State Wages Box 16</b> <b>Local Wages Box 18</b>	<b>Earnings</b> For each earning code, displays one of the following under each heading:
	<b>ADDS</b> Adds to taxable wages and affects taxes.
	<b>SUPP</b> Adds to taxable wages and taxes supplementally.
	<b>N/A</b> No effect on taxable wages.
	<b>TABLE</b> Use individual state and local tax tables.
	Adds to taxable wages as appropriate.
	<b>TAX, NOT W/H</b> Adds to taxable gross but no withholding.
	<b>Deductions</b> For each deduction code, displays one of the following under each heading:
	<b>N/A</b> No effect on taxable wages.
	<b>TABLE</b> Use individual state and local tax tables.
	Reduces taxable wages as appropriate.
	<b>REDUCES</b> Reduces taxable wages.
	<b>Example</b> It is common for a particular code to show more than one value. In the sample report, earning code <b>3SP</b> shows the following:
	<ul style="list-style-type: none"> <li>• <b>Box 1: TAX, NOT W/H</b>              For FIT, the dollar amount of the code adds to taxable gross wages. Taxes are not withheld.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Boxes 3 and 5: ADDS</b>              For Social Security and Medicare, the dollar amount of the code adds to taxable gross wages. Taxes are withheld.</li> </ul>
	<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>📄 The sum of Social Security and Medicare is commonly referred to as FICA.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Box 16: TABLE</b>              For state taxes, the dollar amount of the code adds to the gross wages and the tax tables determine the amount of tax. Taxes are withheld.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Box 18: TABLE</b>              For local taxes, the dollar amount of the code adds to the gross wages and the tax tables determine the amount of tax. Taxes are withheld.</li> </ul>

Table 4-20. Headings on the Earnings Taxation Analysis and Deduction Taxation Analysis Reports (cont.)

Heading	Description
<b>Other W-2 Box/Description</b>	<p>The box on Form W-2 to which the earning or deduction code is mapped is determined by the <b>W-2 Cat</b> field in the Company Earnings Detail and Company Deduction Detail windows.</p> <p>You can map an earning to boxes 7, 8, 9, 10, 11, 12, or 14. You can map a deduction to boxes 10, 12, or 14. If you map an earning or deduction to box 14, you can use the <b>W-2 Desc</b> field to specify a 6-character description to print on Form W-2.</p> <p><b>Example:</b> The <b>RMA</b> earning is mapped to box 14 in the <b>W-2 Desc</b> field of the Company Earnings Detail window. In the sample earning report, the description for the <b>RMA</b> earning is <b>MOVALW</b>; <b>MOVALW</b> was entered in the <b>W-2 Desc</b> field.</p> <p>For information about which local taxes are mapped to box 14 and a sample of the RMA earning, see <a href="#">“Printing Codes in Box 14”</a> on page 2-13.</p>
<b>Incl/Excl/Roll</b>	<p>Indicates whether an earning or deduction prints in the summary section of Form W-2.</p> <p> Whether a code prints is determined by two fields in the payroll application. Because whether a code will print is determined by the setup for the code, the report does not show I for every code that will print. For details about printing codes on Form W-2, see <a href="#">“Printing Codes in the Summary Section”</a> on page 2-9.</p> <p><b>E</b> Exclude the code.</p> <p><b>I</b> Include the code.</p> <p><b>R</b> Roll the code up into another code. The roll-up code is listed under the <b>Roll Code</b> heading.</p> <p>For information about rolling up earnings or deductions, see <a href="#">“Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section”</a> on page 2-15.</p> <p>Blank Follow the rules outlined in <a href="#">“Printing Codes in the Summary Section”</a> on page 2-9.</p>

**Table 4-20. Headings on the Earnings Taxation Analysis and Deduction Taxation Analysis Reports (cont.)**

Heading	Description
<p><b>Memo</b> (Earning report)</p>	<p>Indicates the type of earning, as defined in the <b>Accrual</b> field on page 1 of the Company Earning Detail window. Values in the <b>Accrual</b> field include:</p> <p><b>Yes</b> The earning is an accrual code.</p> <p><b>No</b> The earning is a not an accrual code.</p> <p>One of the following appears under the <b>Memo</b> heading for each earning:</p> <ul style="list-style-type: none"> <li>• If the earning is an accrual, <b>Y</b> appears.</li> <li>• If the earning is not an accrual, nothing appears.</li> </ul> <p> Earning accruals are also referred to as <b>memo codes</b>.</p>
<p><b>Pays</b> (Deduction report)</p>	<p>Indicates the type of deduction, as defined in the <b>EE/ER/Accrual</b> field of the Company Deduction Detail window. Values in the <b>EE/ER/Accrual</b> field include:</p> <p><b>E</b> Employee Paid</p> <p><b>R</b> Employer Paid</p> <p><b>A</b> Accrual Only</p> <p>One of the following appears under the <b>Pays</b> heading for each deduction:</p> <ul style="list-style-type: none"> <li>• If the deduction is employee-paid, nothing appears.</li> <li>• If the deduction is accrual, <b>A</b> appears.</li> <li>• Deductions accruals may also be referred to as <b>memos</b> or <b>accumulators</b>.</li> <li>• If the deduction is employer-paid, <b>R</b> appears.</li> </ul>
<p><b>Roll Code</b></p>	<p>If <b>R</b> appears under the <b>Incl/Excl/Roll</b> heading, the 3-character code for the roll-up code appears. For information about roll-up codes, see <a href="#">“Overflow Form W-2s and Rolling Up Codes to Print in the Summary Section”</a> on page 2-15.</p> <p>Instead of printing all taxable codes, you can roll up related codes under one code. For example, instead of printing lines for a referral bonus, an annual bonus, an incentive bonus, and a holiday bonus, the total for the four bonuses can be rolled into the <b>Bonus</b> code.</p>

# Sample of the Earnings Taxation Analysis Report

Meeting of the Minds Company		EARNINGS TAXATION ANALYSIS									
Page 1		Check Date N/A Period N/A									
TYPE	CODE	NAME	DESCRIPTION	CALC GROUP CODE	FEDERAL WAGES BOX_1	FICA WAGES BOXES_3_5	STATE WAGES BOX_16	LOCAL WAGES BOX_18	OTHER W-2 BOX_2	INCL/EXCL/ROLL	MEMO CODE
** Active Earnings											
EARNING	100	SALARY	Salary	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	105	REGULAR	Regular Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	135	OVERTIME	Overtime - 1.5x	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	140	DBL TIME	Double Time - 2.0x	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	200	PAID TIME	Paid Time Off	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	205	VACATION	Vacation Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	210	SICK	Sick Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	215	HOLIDAY	Holiday Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	300	COMMISSN	Commissions	SUP	ADDS	ADDS	ADDS	ADDS			
EARNING	335	SAL GRSU	Salary Gross Up	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	350	TX TUIT	Tuition Reimbursement	SUP	ADDS	ADDS	ADDS	ADDS			
EARNING	399	DECEASE	Deceased Wage Payment	OCN	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H			
EARNING	3PP	3PARTY	3rd Party Payee	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	3SP	3RD SICK	Third Party Sick Pay	S3P	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H			
EARNING	3ST	3SPNMTX	Third Party Sick Pay Non-tax	NTX	N/A	N/A	N/A	N/A	Box 12/CODE J		
EARNING	400	BONUS	Bonus	SUP	ADDS	ADDS	ADDS	ADDS			
EARNING	555	RENT	Housing/Rental Subsidies	SUP	ADDS	ADDS	ADDS	ADDS			
EARNING	570	3RDSTD-6	3rd Party STD < 6 Months	S3P	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H			
EARNING	571	3RDLTD-6	3rd Party LTD > 6 Months	S3M	ADDS	ADDS	ADDS	ADDS			
EARNING	573	35C EXCL	Excludable 3rd Party Sick Pay	NTX	N/A	N/A	N/A	N/A	Box 12/CODE J		
EARNING	AFB	AUTOFRRG	Auto Fringe Benefit	REG	ADDS	ADDS	ADDS	ADDS	Box 14/AUTO		
EARNING	AUT	AUTOALLOW	Auto Allowance	REG	ADDS	ADDS	ADDS	ADDS	Box 14/AUTO		
EARNING	AWD	AWARD	Award	SUP	ADDS	ADDS	ADDS	ADDS			
EARNING	BNS	BONUS	Bonus Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	COM	COMMISSN	Commission	SUP	ADDS	ADDS	ADDS	ADDS			
EARNING	DBL	DOUBLE	Double Time	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	EXP	EXP REIM	Expense Reimbursement	NTX	N/A	N/A	N/A	N/A			
EARNING	FLT	FLOATHOL	Floating Holiday	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	GEN	GENERAL	General Labor	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	GTL	GRP LIFE	Group Term Life > \$50,000	GTL	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H			
EARNING	HOL	HOLIDAY	Holiday Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	ISO	ISO GAIN	ISO Stock Option Gain	ISO	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H	TAX, NOT W/H			
EARNING	JUR	JURIDUTY	Jury & Witness Duty	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	MET	METAL	Metal Work	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	OFF	OFFICE	Office Allowance	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	OVT	OVERTIME	Overtime	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	PNT	PAINT	Painting	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	RET	RETRO	Retrospective Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	RGU	REGULAR	Regular Hourly Pay	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	RMA	RELOCROS	Relocation - Gross Up	REG	ADDS	ADDS	ADDS	ADDS	Box 14/RELO		
EARNING	RME	MOVE EXP	Relocation - Moving Allowance	REG	ADDS	ADDS	ADDS	ADDS	Box 14/MOVEEXP		
EARNING	SAL	SALARY	Salary	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	SAP	SALESPRO	Sales Promotion - Gross Up	REG	ADDS	ADDS	ADDS	ADDS			
EARNING	SHF	SHIFT10%	3rd Shift Premium	REG	ADDS	ADDS	ADDS	ADDS			

Figure 4-16. Sample of the Earnings Taxation Analysis Report

# Sample of the Deduction Taxation Analysis Report

Meeting of the Minds Company		DEDUCTION TAXATION ANALYSIS										Check Date	Period	INCL/	EXCL/	ROLL
TYPE	CODE	NAME	DESCRIPTION	DED TYPE	CALC GROUP CODE	FEDERAL WAGES BOX_1	FICA WAGES BOXES_3_5	STATE WAGES BOX_16	LOCAL WAGES BOX_18	OTHER W-2 BOX/DESCRIPTION	WZ	ROLL	Pays	CODE		
** Active Deductions																
DEDUCTION	3SP	SICK	3rd Party Sick Pay Offset	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	650	MEDICAL	After Tax Medical Plan	N	MED	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	ADV	ADVANCE	Auto Fringe Benefit Offset	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	AFD	AUTOPFRG	Auto Fringe Benefit Offset	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	DUE	DUES	Union Dues	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	GTL	GRP LIFE	Group Term Life > \$50,000	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K01	LCGP	Large Capital Value Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K02	LCGP	Large Capital Value Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K03	SCGP	Small Capital Value Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K04	SCVP	Small Capital Value Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K05	INTLEQTY	International Equity Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K06	INTLBOND	International Bond Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K07	TOTLRTRN	Total Return Bond Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K08	TERMBOND	Intermediate-Term Bond Portfolio	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K09	MORTSECR	Mortgage Backed Securities	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	K10	USGOVY	U. S. Government Money Market	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	PRE	PRETAX	Pre-tax Medical Deductions	N	NET	N/A	N/A	N/A	N/A	N/A				I		
DEDUCTION	RMO	MOVE EXP	Relo - Moving Expense Offset	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	STK	STOCK	Stock Option Offset	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	TFO	TXFRINGE	Taxable Fringe Benefit Offset	N	NET	N/A	N/A	N/A	N/A	N/A				E		
DEDUCTION	X4K	ER 401K	ER Match 401k Savings Plan	N	NET	N/A	N/A	N/A	N/A	N/A				I		
DEDUCTION	XBH	ER BCHMO	ER Contribution-Blue Cross HMO	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XBP	ER BCPPPO	ER Contribution-Blue Cross PPO	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XDN	ER DENTL	ER Contribution - Dental	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XKA	ER KAISR	ER Contribution - Kaiser Plan	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XKS	ERKAIS>4	ER Contrib-Kaiser (>4 dependt)	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XLF	ERLIFADD	ER Contribution-Life & A.D.&D.	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XLT	ER LTD	ER Contribution - LTD Plan	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XMD	ER MED	ER Medical	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	XSC	SIC ACCR	Sick Accrual To GL	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	XST	ER STD	ER Contribution - STD Plan	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	XVC	VAC ACCR	Vacation Accrual To GL	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	XVS	ER VISION	ER Contribution - Vision	N	NET	N/A	N/A	N/A	N/A	N/A				A		
DEDUCTION	XWC	ER W/C	ER Workers' Compensation	N	NET	N/A	N/A	N/A	N/A	N/A				R		
DEDUCTION	4K	401K PLN	401(K) Savings Plan	P	40P	REDUCES	N/A	TABLE	TABLE	Box 12/Code D				R		
DEDUCTION	600	PIX MED	Pretax Medical Plan	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	601	PIX MED	Pretax Medical Plan	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	610	PMED EE	Pretax Medical (EE)	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	612	PMED EF	Pretax Medical (EF + FW)	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	BGH	BC HMO	Blue Cross HMO Plan	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	BGP	BLCRSPP0	Blue Cross PPO Plan	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	DAV	DENT/VIS	Dental And Vision Plans	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	DEP	DEP CARE	Dependent Care Spending Acct	P	DEP	REDUCES	REDUCES	TABLE	TABLE	Box 10				R		
DEDUCTION	INS	YTD INS	Dental Insurance	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		
DEDUCTION	KAI	KAISR	Kaiser Plan	P	CPP	REDUCES	REDUCES	TABLE	TABLE					R		

TABLE: System validates taxation per state  
 Deduction types: N - Net  
 P/G - Pretax

Figure 4-17. Sample of the Deduction Taxation Analysis Report

# About the Tax Jurisdictions and Rates Report

The Tax Jurisdictions and Rates Report summarizes your tax ID information. You can use the Tax Jurisdictions and Rates Report to do the following:

- Determine the tax IDs that are in Applied For status. Because many tax jurisdictions will not accept filings and deposits from employers with a tax ID in Applied For status, you must clear those Applied For tax IDs prior to year end.
- Identify a tax ID that was set up incorrectly or is no longer needed. If **NO** appears for **YTD History** and **Activity During Year**, your company did not have activity for that jurisdiction during the year.

For a sample of the report, see “[Sample of the Tax Jurisdictions and Rates Report](#)” on page 4-52.

## Using the Tax Jurisdictions and Rates Report

Table 4-21 describes the Tax Jurisdictions and Rates Report.

**Table 4-21. Headings on the Tax Jurisdictions and Rates Report**

Heading	Description
<b>Tax Area</b>	The jurisdiction to which the tax applies, typically a state.
<b>Tax Group</b>	The group under which the tax is filed. Examples include: <b>FED</b> - Federal tax <b>SIT</b> - State Income Tax <b>SUI</b> - State Unemployment Insurance Tax <b>LOC</b> - Local tax
<b>Tax Code</b>	Short name for the tax.
<b>Description</b>	Long name for the tax.
<b>Employee-Employer</b>	Identifies who pays the tax: <b>EE</b> - The tax is an employee-paid tax. <b>ER</b> - The tax is an employer-paid tax.
<b>Active</b>	Indicates whether the tax code is active: <b>Yes</b> - The tax code is active and will process as needed. <b>No</b> - The tax code is not active and will not process.


Table 4-21. Headings on the Tax Jurisdictions and Rates Report (cont.)

Heading	Description
<b>Memo</b>	<p>Indicates how the tax is handled:</p> <p><b>Yes</b> - ADP does not withhold taxes. The taxes are used only for accrual purposes.</p> <p><b>No</b> - ADP withholds and remits the taxes to the agency.</p>
<b>Tax ID</b>	<p>Status of the tax ID that is entered in the Company Taxcode Detail window:</p> <ul style="list-style-type: none"> <li>• If the employer has been issued a tax ID, the ID number appears.</li> <li>• If the employer has applied for an ID but has not yet received it, or if ADP has not yet been informed of the ID, <b>APPLIED FOR</b> appears.</li> </ul> <p>To obtain a tax ID, contact the agency and forward the information to your Client Service Consultant. For more information, see “Tax IDs,” on page 1-6.</p> <p>Be sure to update all IDs before releasing your Form W-2s. If the IDs are not updated, <b>APPLIED FOR</b> might print on the Form W-2s.</p>
<b>Other ID</b>	<p>If applicable, the ID number that is entered in the Company Taxcode Detail window for a common pay agent, successor, or predecessor. If one of these IDs is listed, contact your Client Service Consultant to ensure proper filing.</p>
<b>Tax Rate</b>	<p>Indicates how taxes are calculated:</p> <ul style="list-style-type: none"> <li>• If a flat rate is used, the rate appears.</li> <li>• If a withholding table is used instead of a flat rate, <b>Table</b> appears. For example, FIT taxes are withheld using brackets rather than a flat rate, so <b>Table</b> appears next to <b>FIT</b>.</li> </ul>
<b>Supplemental Rate</b>	<p>The rate used for a line item or payroll (for example, a bonus run) that is flagged for supplemental taxation. If <b>0</b> appears, the jurisdiction does not have a supplemental rate for the particular tax, so regular taxation applies.</p>



Table 4-21. Headings on the Tax Jurisdictions and Rates Report (cont.)

Heading	Description
<b>Update Rate</b>	Identifies if the rate is automatically updated:  <b>Yes</b> - ADP updates the rate automatically.  <b>No</b> - The rate is not updated unless you provide ADP a written request to do so.  To request a rate update, submit one of the following to your Client Service Consultant:  <ul style="list-style-type: none"> <li>• An agency notice indicating the rate change</li> <li>• A tax return form that lists the correct rate</li> </ul>
<b>Limit/Period</b>	The taxable wage limit amount, if any, and the time period over which the limit accumulates.
<b>YTD History</b>	Indicates whether the tax code has wages or withholding greater than zero during the calendar year.
<b>Activity During Year</b>	Indicates whether the tax code had any activity during the year.

 If a tax ID is in error for a particular agency, the tax group with which the tax ID is associated is listed on the last page.

# Sample of the Tax Jurisdictions and Rates Report


MOTM Tax Jurisdictions and Rates												Report # 1182.01	Check Date	PeriodTax Year
Tax Area Group Code	Tax Description	Employee-Employer	Active	Memo	Tax Id/Other Id	Tax Rate	Supplemental Rate	Update Rate	Limit/Period	YTD Hist	Activity During Year			
US FED	AEIC Advanced Earned Income Credit	EE	YES	NO	12-3456789	TABLE	0.00000	YES	0.00 YEARLY	NO	NO			
US FED	FICA Social Security (FICA)	EE	YES	NO	12-3456789	6.20000	0.00000	YES	90000.00 YEARLY	YES	YES			
US FED	FICA Social Security - Employer	ER	YES	NO	12-3456789	6.20000	0.00000	YES	90000.00 YEARLY	YES	YES			
US FED	FIT Federal Income Tax	EE	YES	NO	12-3456789	TABLE	25.00000	YES	0.00 YEARLY	YES	YES			
US FED	FMED Federal Medicare	EE	YES	NO	12-3456789	1.45000	0.00000	YES	0.00 YEARLY	YES	YES			
US FED	FMED Federal Medicare - Employer	ER	YES	NO	12-3456789	1.45000	0.00000	YES	0.00 YEARLY	YES	YES			
US FED	FUTA Federal Unemployment	ER	YES	NO	12-3456789	0.80000	0.00000	YES	7000.00 YEARLY	YES	YES			
AL SIT	SIT Alabama Income Tax	EE	YES	NO	123456654321	TABLE	5.00000	YES	0.00 YEARLY	YES	YES			
AL SIT	SIT Alabama Mercedes Tax Credit	ER	YES	NO	1234566	TABLE	0.00000	YES	0.00 YEARLY	NO	NO			
AL SUI	SUR Employment Security Assessment	ER	YES	NO	12-34567890	0.06000	0.00000	YES	8000.00 YEARLY	YES	YES			
AL SUI	SUTA Alabama Unemployment	ER	YES	NO	12-34567890	2.70000	0.00000	NO	8000.00 YEARLY	YES	YES			
CA SUI	ETF California EE Training Fund	ER	YES	NO	APPLIED FOR	0.10000	0.00000	NO	7000.00 YEARLY	YES	YES			
CA SUI	SDI California State Disability	EE	YES	NO	APPLIED FOR	1.08000	0.00000	YES	79418.00 YEARLY	YES	YES			
CA SIT	SIT California Income Tax	EE	YES	NO	*APPLIED FOR	TABLE	6.00000	YES	0.00 YEARLY	YES	YES			
CA SUI	SUTA California Unemployment	ER	YES	NO	*APPLIED FOR	3.40000	0.00000	NO	7000.00 YEARLY	YES	YES			
NJ SUI	HEAL New Jersey Health Subsidy	EE	YES	NO	APPLIED FOR	0.00000	0.00000	YES	24900.00 YEARLY	YES	YES			

Sort Order: Fed, State, Local, Tax Area, Tax Code, and Pays

Figure 4-18. Sample of the Tax Jurisdictions and Rates Report

# About the Deduction Limit Report

The Deduction Limit Report lists employees who have one or more employee deduction limits set up in the Employee Deduction Detail window. For information about employee limits, see “[Understanding Deduction Limits](#)” on page 4-55.

 To prevent terminated employees from appearing on the Deduction Limit Report, for each deduction assigned to a terminated employee, enter an end date in the **Expiration Date** field of the Employee Deduction Detail window. Contact your Client Service Consultant for additional information.

Review each limit that appears on the Deduction Limit Report, as well as the time period over which the limit accumulates.

For a sample of the report, see “[Sample of the Deduction Limit Report](#)” on page 4-58.

## Using the Deduction Limit Report

Table 4-22 describes the Deduction Limit Report.

**Table 4-22. Description of the Headings on the Deduction Limit Report**

Heading	Description	Source of Data
<b>Status</b>	The employee’s current status. The default sort method is by status.	<b>Status</b> field on page 1 of the Employee Master window. Valid values are: <b>A</b> Active <b>I</b> Inactive <b>L</b> On Leave <b>T</b> Terminated
<b>Limit</b>	The maximum amount that can be withheld during the time period shown under <b>Period</b> .	<b>Limit</b> field under <b>LIMITS</b> in the Employee Deduction Detail window.

Table 4-22. Description of the Headings on the Deduction Limit Report (cont.)

Heading	Description	Source of Data
<b>Period</b>	The time period over which the deduction accumulates toward the limit. For a list of system-defined time periods, see <a href="#">“About Time Periods,”</a> on page A-4.	<b>Period</b> field under <b>LIMITS</b> in the Employee Deduction Detail window.
<b>Taken</b>	<p>The dollar amount withheld for the employee.</p> <p>Verify all deductions with calendar limits in a tax year. You may need to delete the deductions or enter new limits prior to the first payroll calculation in the coming year.</p> <p>When a limit is reached, you can do one of the following:</p> <ul style="list-style-type: none"> <li>• Manually delete individual deductions from the Employee Deduction Detail window.</li> <li>• Contact your Client Service Consultant to set up an option to drop deductions when a limit is reached.</li> <li>• Contact your Client Service Consultant to run a utility to mass delete specific deduction codes.</li> </ul> <p>Running this utility will delete the specified code for all employees.</p>	<b>Withheld</b> field under <b>LIMITS</b> in the Employee Deduction Detail window.

# Understanding Deduction Limits


## Viewing Company-Level Deduction Limits

Use the following procedure to view a company-level deduction limit:

1. In the Company Menu window, from the **File** menu, click **Options ~ Deductions**.
2. Double-click the deduction code you want to view.

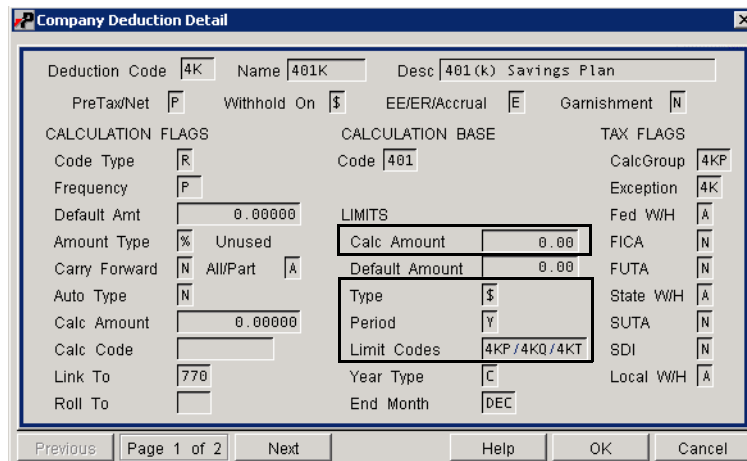
The Company Deduction Detail window displays.

3. Do one of the following:
  - Verify the limit in the **Limit Amount** field.
  - Verify the information in the **Limit Codes** field.

 The limit codes in the **Limit Codes** field determine the maximum amounts of one or more deduction limits. In this case, the three applied limit codes are 4KP, 4KQ, and 4KT, which impose the following limit amounts:

- The **4KP** limit imposes the annual contribution limit.
- The **4KQ** limit imposes the eligible gross compensation limit.
- The **4KT** limit imposes the cumulative annual contribution limit for all plans in which an employee is enrolled. The limit includes employee and employer contributions.

For a list of limit codes, and a description and the amount of the limit, see “[About Limits](#),” on page A-3.




**Figure 4-19. Company Deduction Detail Window**

**Example:** A limit can also be applied to a deduction by typing the amount in the **Calc Amount** field in the Company Deduction Detail window.

The mandated annual limit would be applied if the following values are set:

- The mandated annual limit was entered in the **Calc Amount** field for the 4K deduction
- \$ in the **Type** field
- Y in the **Period** field
- No limit codes were entered in the **Limit Codes** field

 The value in the **Type** field determines whether a limit is based on a dollar amount or by another determinant (dollar and percentage are the most common values). The **Period** field determines the time period over which the amount specified in the **Calc Amount** field applies.


For a list and description of time periods, see “[About Time Periods](#),” on page A-4.

## Employee-Level Limits

If a limit defined for a deduction at the company level has been overridden at the employee level, the limit is considered to be an employee limit.

### Example of an Employee Deduction Limit

Larry Always appears on the report with a 401(k) limit. Between January and March, Larry worked at another company and had 401(k) deductions withheld that totaled **\$1,700**. To prevent Larry from exceeding the annual contribution limit set in the tax year, you can set him up with an adjusted limit.

 You must delete this employee-specific limit after the last payroll of the year so that Larry's 401(k) deduction limit is not capped at the adjusted limit the following calendar year.

### Viewing an Employee's Deduction Limit

Use the following procedure to view an employee deduction limit for an employee:

1. In the Company Menu window, from the **File** menu, select **Employee Master**.
2. From the Employee Master window, select the employee's name, and then click **Options ~ Deductions**.

The Employee Deductions window opens, displaying the deductions assigned to the employee.

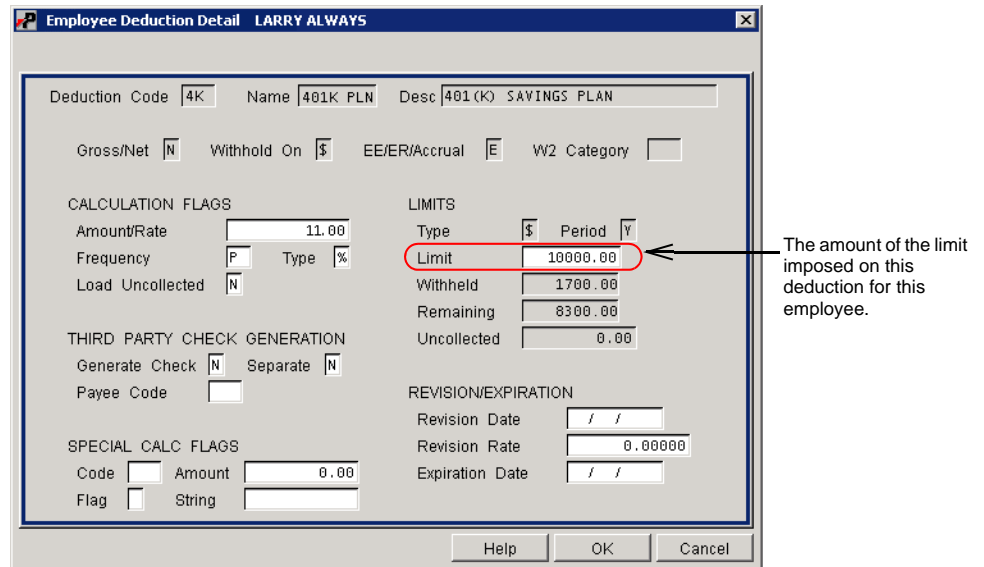
3. Double-click the deduction you want to view.

The Employee Deduction Detail window displays.

Under **LIMITS**, information about the deduction limit appears. The amount of the limit imposed on Larry for this deduction appears in the **Limit** field. If a non-zero number appears in the **Limit** field, the limit is an employee limit. In this case, **10000.00** appears. The value in the **Type** field determines that the limit is based on a dollar amount. The **Period** field determines that the limit accumulates over a yearly time period. Therefore, the limit is **\$10,000.00** for the calendar year.

You can use the Company Deduction Detail window and the description of limits codes, in “About Limits,” on page A-3, to determine the amount of the limits imposed on the 4K deduction code.

Because this is an employee limit, the 4K deduction will appear on the Deduction Limit Report for Larry Always.



**Figure 4-20. Employee Deduction Detail Window: Example of an Employee Deduction Limit**

The source of data for the Period, Limit, and Taken values that appear in the Deduction Limit Report correspond to values in the Employee Deduction Detail window.

## Sample of the Deduction Limit Report

Meeting of the Minds Company		Deduction Limit Report		Report # 0937,01			
Page 1		Check Date		Period			
EMPLOYEE ID	EMPLOYEE NAME	DED CODE	STATUS	DEDUCTION NAME	LIMIT	PERIOD	TAKEN
<b>Employee Status: Active</b>							
4507	HOUSTON, DEBORAH	4K	A	401(K) Savings Plan	9000.00	Y	692.31
4498	IBRAHIM, KHALID	4K	A	401(K) Savings Plan	5100.00	Y	313.86
4417	JOHNSON, RUSTY	4K	A	401(K) Savings Plan	8700.00	Y	1024.62
4103	OHMAN, KRIS	4K	A	401(K) Savings Plan	7938.00	Y	623.07
4438	VASCO, RAMON	4K	A	401(K) Savings Plan	3354.00	Y	60.00
4644	AMATO, SUSAN	ADV	A	401(K) Savings Plan Advance	1000.00	A	1000.00
4578	ROBERTSON, JULIA	GB1	A	Garnishment # 1	6000.00	A	5295.35
4244	ALWAYS, LARRY	4K	A	401(K) Savings Plan	10000.00	Y	1700.00
4477	AZIZ, KETH	UMY	A	United Way	20.00	Y	0.00

Taken amounts will clear at the end of the calendar year  
 Taken amounts will accumulate until the limit is reached  
 Indicates limit per pay period  
 Indicates limit per month

Figure 4-21. Sample of the Deduction Limit Report



# About the Supplemental Pay Limit Report

The Supplemental Pay Limit Report lists all of the employees who have one or more supplemental earning limits set up in the Supplemental Pay Detail window.

For a sample report, see “[Sample of the Supplemental Pay Limit Report](#)” on page 4-62.

## Using the Supplemental Pay Limit Report

[Table 4-23](#) describes the Supplemental Pay Limit Report.

**Table 4-23. Headings on the Supplemental Pay Limit Report**

Heading	Description	Source of Data
<b>Status</b>	The employee’s current status. The default sort method is by status.	<b>Status</b> field on page 1 of the Employee Master window. Valid values are: <b>A</b> - Active <b>I</b> - Inactive <b>L</b> - On Leave <b>T</b> - Terminated
<b>Limit</b>	The maximum amount that can be paid using a particular earning code over the specified time period.	<b>Limit</b> field under <b>SUPPLEMENTAL LIMITS</b> in the Supplemental Pay Detail window.

Table 4-23. Headings on the Supplemental Pay Limit Report (cont.)

Heading	Description	Source of Data
<b>Period</b>	The time period over which this supplemental earning accumulates toward the limit. For a list of system-defined time periods, see “About Time Periods,” on page A-4.	<b>Period</b> field under <b>SUPPLEMENTAL LIMITS</b> in the Supplemental Pay Detail window.
<b>Earned</b>	<p>The amount of supplemental pay.</p> <p>Verify all supplemental earning codes with calendar limits during the tax year. You may need to delete a supplemental earning code or enter new limits before the first payroll calculates in 2010 to avoid overpaying an employee.</p> <p>When a limit is reached, you can do one of the following:</p> <ul style="list-style-type: none"> <li>• Manually delete supplemental pay records containing limits.</li> <li>• Contact your Client Service Consultant to set up an option to drop supplemental pay when a limit is reached. With this option, you no longer need to delete individual records from the Employee Supplemental Pay Detail window.</li> <li>• Contact your Client Service Consultant to run a utility to mass delete specific earning codes.</li> </ul> <p>Running this utility will delete the specified code for all employees.</p>	<b>Earned</b> field under <b>SUPPLEMENTAL LIMITS</b> in the Supplemental Pay Detail window.

## Viewing a Supplemental Pay Limit

To view a limit in the Supplemental Pay Detail window, follow these steps:

1. In the Company Menu window, from the **File** menu, select **Employee Master**. The Employee Master window displays.
2. From the Employee Master window, select the employee’s name, and then click **Options ~ Supplemental Pay**.

The Employee Supplemental Pay window opens, displaying the supplemental pay codes assigned to the employee.

- Double-click the supplemental pay code you want to view. The Supplemental Pay Detail window displays.

Under SUPPLEMENTAL LIMITS, information about the supplemental pay limit appears.

**Supplemental Pay Detail - JERRY ALWAYS**

Earning Code: 012    Name: CAR    Desc: Car Allowance

**CALCULATION FLAGS/AMOUNT**  
 Frequency: ML  
 Amount/Rate: 0.0000  
 Amount Type: \$

**PAYROLL ENTRY**  
 WS/PayEntry: P    Auto Alloc: Y    Tax:   
 New Check: 1    Direct Dep: Y

SUPPLEMENTAL LIMITS	
Limit	1000.00    Type: \$
Earned	0.00    Period: Y
Remaining	1000.00

**REVISION/EXPIRATION**  
 Revision Date: / /  
 Revision Amount: 0.0000  
 Expiration Date: / /

	Current	Defaults
GL_Grp		
Div.		002
Dept.		5572
Job		0242401
Proj.		WA001
Rate	0.0000	41.6490
Comp		
Shifts		
Batch		01

Buttons: Help, OK, Cancel

**Figure 4-22. Supplemental Pay Detail Window**

- The **Period**, **Limit**, and **Earned** values that appear in the Supplemental Pay Limit Report correspond to values in the Supplemental Pay Detail window.

## Sample of the Supplemental Pay Limit Report

Meeting of the Minds Company		Supp Pay Limit Report		Report # 1289.01				
Page 2	EMPLOYEE	EMPLOYEE NAME	SUP CODE	STATUS	SUPP PAY NAME	SUPPAY FREQUENCY	LIMIT PERIOD	EARNED
<b>Employee Status: Active</b>								
4564	GARNISHMENT, GARY	555	A	Housing/Rental Subsidies	P	1000.00	Y	
4583	DAUGHERTY, SUSAN	AFB	A	Auto Fringe Benefit	P	1000.00	Y	
4564	GARNISHMENT, GARY	AFB	A	Auto Fringe Benefit	P	6000.00	Y	
4157	INGLIS, STEWART	TFB	A	Taxable Fringe Benefit	MT	5000.00	Y	97.00


If YTD Earned is blank, it is zero.

- Earned amounts will clear at the end of the calendar year
- Earned amounts will accumulate until the limit is reached
- Indicates limit per pay period
- Indicates limit per month

Figure 4-23. Sample of the Supplemental Pay Limit Report

# About the Negative Wages Report

The Negative Wages Report lists employees who have negative total taxable wages, negative taxable wages, or the amount of withheld taxes was negative for the quarter. Negative wages indicate problems with your payroll information. These items should be researched and resolved. If negative wages exist, you might have under-deposited taxes for that quarter.

 ADP cannot file negative year-to-date wages with government agencies.

If an amendment is necessary for any quarter, and negatives exist, you must resolve the negatives before the amendment can be processed.

For details about negative wages, see “[Negative Wages](#),” on page 1-8.

For a sample of the report, see “[Sample of the Negative Wages Report](#)” on page 4-64.

## Using the Negative Wages Report

[Table 4-24](#) describes the Negative Wages Report.

**Table 4-24. Sections of the Negative Wages Report**

Section	Description
<b>Employee data</b>	<p>Under each employee’s name, the following information appears:</p> <ul style="list-style-type: none"> <li>The employee’s identification number.</li> <li>The employee’s employment status, as entered in the <b>Status</b> field of the <b>Employee Master</b> window. Possible values include: <ul style="list-style-type: none"> <li><b>A</b> Active</li> <li><b>I</b> Inactive</li> <li><b>L</b> Leave of Absence</li> <li><b>T</b> Terminated</li> </ul> </li> <li>A list of tax jurisdictions.</li> </ul>
<b>Quarter1 through Quarter 4</b>	<p>For a particular quarter and tax jurisdiction, applicable negative taxable gross wages, negative taxable wages, and negative taxes withheld. For example, the amount of negative FIT wages, negative wages subject to FIT, and negative withheld taxes appear.</p>
<b>YTD</b>	<p>The sum of an employee’s negative wages and taxes for each quarter.</p>

# Sample of the Negative Wages Report

Meeting of the Minds Company		Negative Wages Report												
Page 1	Account Manager:	Report # 0395,01						Check Date						Period
Name	ID	Status	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Gross	Taxable	Tax	
			Gross	Taxable	Gross	Taxable	Gross	Taxable	Gross	Taxable				
Taxarea														
RALSTON, JORDAN	5763	A												
US FICA-EE			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
US FICA-ER			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
US FIT			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
US FMed-EE			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
US FMed-ER			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
US FUTA			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
CA CA-ETF			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
CA CA-SOI			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
CA CA-SIT			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
CA CA-SUTA			-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00	-3400.00
SHATLUCK, RAYMOND	4485	A												
US FICA-EE			-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36
US FICA-ER			-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36
US FIT			-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82
US FMed-EE			-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36
US FMed-ER			-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36	-10778.36
US FUTA			-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22
CA CA-ETF			-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22
CA CA-SOI			-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22
CA CA-SIT			-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82	-9916.82
CA CA-SUTA			-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22	-10769.22
THOMPSON, LISA	9367	A												
US FICA-EE			-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61
US FICA-ER			-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61
US FMed-EE			-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61
US FMed-ER			-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61	-2941.61
TREDWELL, MIKE	4351	A												
CA CA-ETF			-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20
CA CA-SOI			-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20
CA CA-SIT			-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20
CA CA-SUTA			-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20	-1603.20
TYLER, BILL	4200	A												
US FICA-EE			-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60
US FICA-ER			-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60
US FIT			-714.60	-714.60	-714.60	-714.60	-714.60	-714.60	-714.60	-714.60	-714.60	-714.60	-714.60	-714.60
US FMed-EE			-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60
US FMed-ER			-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60
US FUTA			-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60
CA CA-ETF			-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60	-764.60

Figure 4-24. Sample of the Negative Wages Report

# About the PTO Roll Logic Report

Use the PTO Roll Logic Report to determine how PTO ending balances will roll for your PTO plans.

For a sample of the report, see “[Sample of the PTO Roll Logic Report](#)” on page 4-70.

[Table 4-25](#) provides explanations of PTO terms and concepts.

**Table 4-25. Paid Time Off Terminology**

Term	Explanation
<b>Balance</b>	<p>The total amount of paid time off an employee has accumulated.</p> $\text{balance} = \text{beginning balance} + \text{accrued} - \text{taken}$ <p>For example, an employee rolls 5 hours of paid time off from the prior year. During the current year, the employee accrues 80 hours and takes 40 hours. In this case, the balance is 45 hours: <math>45 = 5 + 80 - 40</math>.</p> <p>Each time a transaction occurs, the balance is recomputed based on the formula shown above.</p>
<b>Period-To-Date</b>	<p>In PTO, period-to-date refers to the plan period, not the pay period. The plan period is the time interval since a plan last rolled.</p> <p>Because employees in a given plan do not necessarily roll on the same date, the Period-to-Date (PTD) roll is employee-specific.</p>
<b>Period-to-Date Roll</b>	<p>Period-to-Date (PTD) roll rules determine when a PTD roll occurs. For example, vacation plans commonly roll on the anniversary of an employee's adjusted hire date. In this case, for each employee enrolled in the plan, when the plan rolls, the PTD accrued and taken amounts are set to zero and the prior balance is carried forward to become the new beginning balance.</p>
<b>Roll</b>	<p>A roll is a type of processing that carries forward paid time off, usually between years. At the time of a roll, accrued and taken amounts are set to zero, and the prior balance becomes the new beginning balance.</p>
<b>Taken</b>	<p>The amount of paid time off an employee uses. Depending on the plan setup, Taken can be measured in hours or dollars.</p>

## Understanding Roll Options

---

There are five options for rolling PTD data:

- **Anniversary Date:** The plan rolls on the anniversary of the employee's adjusted hire date.

When a plan rolls on the anniversary date, rolls occur at different times for different employees. For example, if Joe Smith has an adjusted hire date of May 13, his PTD data rolls on the payroll that contains May 13. Similarly, if Martha Chang has an adjusted hire date of July 27, her PTD data will roll on the payroll that contains July 27.

- **Specific Date:** The plan rolls on the date you specify.

Sick plans that give grants commonly roll on January 1 of each year. In this case, the PTD data for all employees enrolled in a plan rolls on January 1 regardless of employee anniversaries or tier changes.

- **Never:** The plan never rolls.
- **Tier Anniversary:** The plan rolls each time an employee changes tiers and on the anniversary of the last tier change.
- **Tier Change Only:** The plan rolls only when an employee changes tiers.

## Viewing the Setup for PTO Rolls

---

The labels on the PTO Roll Logic report correspond to fields in the Plan Detail window.

Use the following procedure to view the Plan detail window:

1. From the Company Master window, click **Options**. The Select Option window displays.
2. Double-click **Paid Time Off**. The Company Paid Time Off Plans window displays.
3. Select a plan. In the example under [Step 4](#), **Vacation** was selected. The Plan Detail window displays.



4. Click **Next**. Page 2 of the Plan Detail window displays.

The screenshot shows the 'Plan Detail' window for a 'VACATION' plan. The window is divided into several sections:

- Plan Information:** Plan: VAC, Name: VACATION, Group: VAC, Desc: Vacation Plan.
- Rolls:**
  - Roll When: A
  - Roll On:
  - Roll Date:
  - Roll Accrued Only: N
  - Zero Out Negatives: N
  - Roll To:
- Limits:**
  - Limit Carry Over: N
  - Limit Balance: Y
  - Limit PTD Accrued: N
  - Limit Begbal+Accrued: N
  - Limit To:
- YTD Rolls:**
  - YTD Roll Date: 01/01
  - Roll YTD Based On: P
  - Roll YTD Order: T
- Include These Plans When Computing Limits:**
- Worksheet Calculations:**
  - Move Excess WKS hours to:
  - Validate When Elig Amt <: 0.000

Navigation buttons at the bottom include: Previous, Page 2 of 2, Next, Help, OK, and Cancel.

Figure 4-25. PTO Plan Detail Window

## Using the PTO Roll Logic Report

Table 4-26 describes the contents of the PTO Roll Logic Report.

Table 4-26. Labels on the PTO Roll Logic Report

Label	Description
Roll When	<p><b>Roll When</b> shows when the PTD roll occurs. One of the following appears:</p> <ul style="list-style-type: none"> <li>• <b>Anniversary</b></li> <li>• <b>Specific Date</b></li> <li>• <b>Never</b></li> <li>• <b>Tier Anniversary</b></li> <li>• <b>Tier Change Only</b></li> </ul> <p> The most common entries are Anniversary and Specific Date.</p> <p>For more information about rolls, see “<a href="#">Understanding Roll Options</a>” on page 4-66.</p>
Roll On	<p><b>Roll On</b> shows one of the following:</p> <ul style="list-style-type: none"> <li>• For plans that roll on a specific date, <b>Specific Date</b> appears.</li> <li>• For plans that roll using any other <b>Roll When</b> option, nothing appears.</li> </ul>

Table 4-26. Labels on the PTO Roll Logic Report (cont.)

Label (cont.)	Description
<b>Roll Date</b>	<p><b>Roll Date</b> shows the month and day the PTD roll will occur. One of the following appears:</p> <ul style="list-style-type: none"> <li>• If <b>Roll When</b> is Specific Date, <b>Roll Date</b> shows the date the PTD roll occurs. The date displays in mm/dd format.</li> <li>• If <b>Roll When</b> is not Specific Date, <b>Roll Date</b> displays <b>n/a</b>.</li> </ul>
<b>Roll To</b>	<p>When the PTD roll occurs, some plans roll the balance to another plan. In <b>Roll To</b>, one of the following appears:</p> <ul style="list-style-type: none"> <li>• If the plan rolls balances to another plan, the 3-character code of the other plan appears.</li> <li>• If the plan does not roll balances to another plan, <b>n/a</b> appears in <b>Roll To</b>.</li> </ul>
<b>Zero Negatives</b>	<p><b>Zero Negatives</b> indicates whether negative balances are set to zero when the PTD roll occurs. One of the following appears:</p> <p><b>Yes</b> Negative balances are set to zero when PTD data rolls, so the beginning balance for the next plan year is never negative.</p> <p><b>No</b> Negative balances are carried forward into the next plan year, so the beginning balance for the next plan year can be negative.</p>
<b>Limit Carryover</b>	<p><b>Limit Carryover</b> indicates whether a limit is applied to the amount of paid time off employees can carry over into the next plan year when the PTD roll occurs. One of the following appears:</p> <p><b>Yes</b> A maximum has been set on the amount of paid time off that can be carried forward during the roll. To verify the limit amounts, check the plan's tiers.</p> <p><b>No</b> No limit has been set.</p>
<b>Roll Limit To</b>	<p>If the plan transfers paid time off to another plan when a limit is reached, the code of the limit-to plan appears. The limit-to plan is the plan to which the amount is transferred.</p> <p>Consider a company that has a VAC plan that limits vacation balances to 120 hours, but the company wants to give back "lost" time under certain circumstances. The company has set up another plan, the BNK plan, to which additional accruals are transferred. In this case, on the PTO Roll Logic Report, BNK appears next to the Roll Limit To label.</p>
<b>Roll YTD Based on</b>	<p><b>Roll YTD Based On</b> indicates the basis of the YTD roll. One of the following appears:</p> <p><b>Period End Date</b> The YTD roll occurs during the payroll that includes 01/01.</p> <p><b>Check Date</b> The YTD roll occurs during the first payroll that has a check date on or after 01/01.</p>

Table 4-26. Labels on the PTO Roll Logic Report (cont.)

Label (cont.)	Description
<p><b>Roll YTD Order</b></p>	<p><b>Roll YTD Order</b> shows the order in which Taken amounts are processed during YTD rolls. One of the following appears:</p> <p><b>Process Taken First</b> Process taken amounts before the YTD rolls.</p> <p><b>Process Rolls First</b> Process YTD rolls before taken amounts.</p> <p>Regardless of whether Taken is processed before or after the roll occurs, the ending balance will be the same.</p>
<p><b>YTD Roll Date</b></p>	<p>The date that the Year-to-Date (YTD) roll occurs. For each employee enrolled in the plan, when the plan rolls, the YTD accrued and taken amounts are set to zero and the prior balance is carried forward to become the new beginning balance.</p>

## Sample of the PTO Roll Logic Report

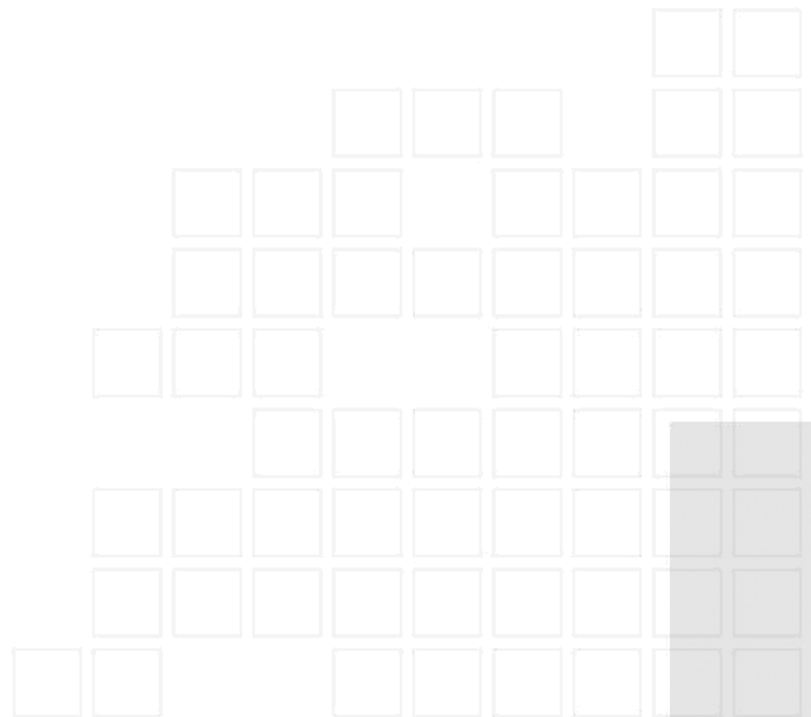
Meeting of the Minds Company		PTO Roll Logic Report		Report # 1290_01	Period
				Check Date	
PLAN	ROLL INFORMATION	LIMIT ROLL INFORMATION			
FLT	FLOAT HOL - Floating Holiday (Personal)				
	ROLL WHEN Specific Date	LIMIT CARRYOVER	Yes		
	ROLL ON Specified Month/Day	ROLL LIMIT TO	n/a		
	ROLL DATE 07/01				
	ROLL TO n/a	ROLL YTD BASED ON	Period End Date		
	ZERO NEGATIVES No	ROLL YTD ORDER	Process Rolls First		
		YTD ROLL DATE	07/01		
SAB	SABBATICAL Sabbatical Plan				
	ROLL WHEN Never	LIMIT CARRYOVER	No		
	ROLL ON	ROLL LIMIT TO	n/a		
	ROLL DATE n/a				
	ROLL TO n/a	ROLL YTD BASED ON	Period End Date		
	ZERO NEGATIVES No	ROLL YTD ORDER	Process Rolls First		
		YTD ROLL DATE	01/01		
SIC	Sick Plan				
	ROLL WHEN Specific Date	LIMIT CARRYOVER	No		
	ROLL ON Specified Month/Day	ROLL LIMIT TO	n/a		
	ROLL DATE 01/01				
	ROLL TO n/a	ROLL YTD BASED ON	Period End Date		
	ZERO NEGATIVES No	ROLL YTD ORDER	Process Rolls First		
		YTD ROLL DATE	01/01		
VAC	VACATION Vacation Plan				
	ROLL WHEN Anniversary	LIMIT CARRYOVER	No		
	ROLL ON	ROLL LIMIT TO	n/a		
	ROLL DATE n/a				
	ROLL TO n/a	ROLL YTD BASED ON	Period End Date		
	ZERO NEGATIVES No	ROLL YTD ORDER	Process Taken First		
		YTD ROLL DATE	01/01		
VPT	PT VAC Part Time Vacation				
	ROLL WHEN Anniversary	LIMIT CARRYOVER	No		
	ROLL ON	ROLL LIMIT TO	n/a		
	ROLL DATE n/a				
	ROLL TO n/a	ROLL YTD BASED ON	Period End Date		
	ZERO NEGATIVES No	ROLL YTD ORDER	Process Rolls First		
		YTD ROLL DATE	01/01		

Figure 4-26. Sample of the PTO Roll Logic Report

# Appendix A

# Supplementary Reference Material

<b><u>PAGE</u></b>	<b><u>TOPIC</u></b>
A-2	About Entering an Employee's Name
A-3	About Limits
A-4	About Time Periods
A-5	About Frequency Codes
A-7	About Exception Codes
A-8	State Codes and Abbreviations
A-9	Tax Liability Invoice Reason Codes



# About Entering an Employee's Name




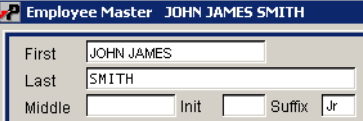
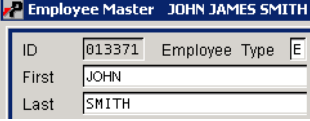

The information you enter in the **First** and **Last** fields of either the Employee Master or the HR/Payroll Master window, automatically, appears in the other window. The **Middle** and **Suffix** fields appear only in the HR/Payroll Master window. If you enter an employee's middle name, middle initial, or suffix in the First field, do not enter it again in the **Middle** field or **Suffix** fields.

## Example of Entering an Employee's Middle Name

You hire a new employee. At the time of hire, he provided the following information:

<b>Name on social security card</b>	<b>John James Smith Jr</b>
<b>Names</b>	<b>First name:</b> John <b>Middle name:</b> James <b>Last name:</b> Smith <b>Suffix:</b> Jr
<b>Preferred Name</b>	John James

The following three sets of screen shots show how you can enter his names in the Employee Master and HR/Payroll Master windows, and the name that will print on Form W-2.

Employee Master	HR/Payroll Master	This Prints on Form W-2
		John James Smith
		John James Smith Jr
		John James James Smith Jr

# About Limits

Table A-1 provides a description of the limit codes included in the ADP ProBusiness Payroll application.

**Table A-1. Limits**

<b>Code</b>	<b>Description</b>	<b>Qualifying Employees</b>
<b>43B</b>	403(b) Plan Limit	Public school system and tax-exempt organizations
<b>45G</b>	457 Plan Limit	State and local governments, and tax-exempt organizations
<b>4KP</b>	Pre-Tax 401(k) Limit	Not applicable
<b>4PT</b>	Pre-Tax Puerto Rico 401(k) Limit	Not applicable
<b>4KQ</b>	Eligible YTD Gross Compensation	Not applicable
<b>4KT</b>	Combined limit for all contributions (employee pre-tax, employee post-tax, and employer matches) to all 401(k) plans	Not applicable
<b>CU1 (401k)</b>	401(k), 403(b), and 457 Catchup Limit	Individuals aged 50 or above by the year end
<b>CU2 (403b)</b>	401(k), 403(b), and 457 Catchup Limit	Individuals aged 50 or above by the year end
<b>4PC</b>	Puerto Rico 401(k) Catchup Limit	Individuals age 50 or above by end of year

# About Time Periods

A time period is a time interval that is used to accumulate and store a history of employee earnings and deductions, and to apply limits. Time periods are described in [Table A-2](#).

**Table A-2. Time Periods**

<b>Code</b>	<b>Description for Earning Limits</b>	<b>Description for Deduction Limits</b>
<b>A</b>	<b>Absolute limit.</b> The maximum amount that can be earned for a particular earning code. Earned amounts carry over from year to year, and accumulate until the limit is reached. When an employee reaches an absolute limit, the employee will no longer be paid under that earning code.	<b>Absolute limit.</b> The maximum amount that can be withheld for a particular deduction code. Withheld amounts carry over from year to year and accumulate until the limit is reached. When an employee reaches an absolute limit, withholding will stop for that deduction. A loan repayment is an example of a deduction with an absolute limit.
<b>M</b>	<b>Monthly limit.</b> The maximum monthly amount that can be paid for a particular earning code.	<b>Monthly limit.</b> The maximum monthly amount that can be withheld for a particular deduction code.
<b>P</b>	<b>Pay period limit.</b> The maximum amount that can be paid each pay period, for a particular earning code.	<b>Pay period limit.</b> The maximum amount that can be withheld during a pay period, for a particular deduction code.
<b>Q</b>	<b>Quarter-to-date limit.</b> For a particular earning code, the maximum amount that can be paid each quarter.	<b>Quarter-to-date limit.</b> For a particular deduction code, the maximum amount that can be withheld during a quarter.
<b>Y</b>	<b>Year-to-date limit.</b> For a particular earning code, the maximum amount that can be paid each year.	<b>Year-to-date limit.</b> For a particular deduction code, the maximum amount that can be withheld each year. Dependent care and 401(k) deductions are examples of deductions with annual limits.



# About Frequency Codes

Frequency codes trigger earnings, deductions, direct deposits, ACH, PTO, third-party checks, and some reports. Only ADP personnel can add new or modify existing frequency codes. [Table A-3](#) lists the frequency codes and provides a brief description of each code.

**Table A-3. Frequency Codes**

Code	Description	Determined By
P	Every payroll	Not applicable
A1	Alternating, odd payrolls	Check date, starting with the first check date of the year
A2	Alternating, even payrolls	Check date, starting with the second check date of the year
M1	First payroll in the month	Check date
M2	Second payroll in the month	Check date
M3	Third payroll in the month	Check date
M4	Fourth payroll in the month	Check date
MB	First pay period beginning in the month	Period start date
ME	Last pay period ending in the month	Period end date
MF	First check date of the month	Check date
ML	Last payroll in the month	Check date
C1	First and second payrolls in the month	Check date
C2	First and third payrolls in the month	Check date
C3	Second and fourth payrolls in the month	Check date
C4	First, second, third, and fourth payrolls in the month	Check date
QB	First pay period beginning in the quarter	Period start date
QE	Last pay period ending in the quarter	Period end date
QF	First payroll in the quarter	Check date
QL	Last payroll in the quarter	Check date
X1-9	User-defined pay periods	Check date
Y1-9	User-defined yearly periods such as every two years	Check date
YB	First pay period beginning in the year	Period start date
YE	Last pay period ending in the year	Period end date

**Table A-3. Frequency Codes (cont.)**

<b>Code</b>	<b>Description</b>	<b>Determined By</b>
<b>YF</b>	First payroll of the year	Check date
<b>YL</b>	Last payroll of the year	Check date

# About Exception Codes

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Exception codes are special instructions used to process a payroll. Only ADP personnel can add new or modify existing exception codes. [Table A-4](#) lists the available exception codes and provides a brief example of each code.

**Table A-4. Exception Codes**

Code	Description
CCX	Counter to Counter
DDS	Direct Deposit Exceptions
DWL	Timed Download
FXE	Federal Express East
FXW	Federal Express West
INE	Check Inserts: Pre-Folded
INO	Check Inserts: Pro-Folded
REM	EOM (End of Month) Bank Reconciliation Transmission
RPR	EPR (Every Payroll) Bank Reconciliation Transmission
RPS	Positive Pay Bank Reconciliation Transmission
RSP	SPC Calendar Bank Reconciliation
SDR	Same Day Bank Reconciliation
USM	U.S. Mail

# State Codes and Abbreviations

The following table lists each state, and the code and abbreviation for each state.

 Puerto Rico and Washington, D.C. are included.

01	Alabama	AL	19	Louisiana	LA	37	Oklahoma	OK
02	Alaska	AK	20	Maine	ME	38	Oregon	OR
03	Arizona	AZ	21	Maryland	MD	39	Pennsylvania	PA
04	Arkansas	AR	22	Massachusetts	MA	40	Rhode Island	RI
05	California	CA	23	Michigan	MI	41	South Carolina	SC
06	Colorado	CO	24	Minnesota	MN	42	South Dakota	SD
07	Connecticut	CT	25	Mississippi	MS	43	Tennessee	TN
08	Delaware	DE	26	Missouri	MO	44	Texas	TX
09	D.C.	DC	27	Montana	MT	45	Utah	UT
10	Florida	FL	28	Nebraska	NE	46	Vermont	VT
11	Georgia	GA	29	Nevada	NV	47	Virginia	VA
12	Hawaii	HI	30	New Hampshire	NH	48	Washington	WA
13	Idaho	ID	31	New Jersey	NJ	49	West Virginia	WV
14	Illinois	IL	32	New Mexico	NM	50	Wisconsin	WI
15	Indiana	IN	33	New York	NY	51	Wyoming	WY
16	Iowa	IA	34	North Carolina	NC	52	Puerto Rico	PR
17	Kansas	KS	35	North Dakota	ND			
18	Kentucky	KY	36	Ohio	OH			

# Tax Liability Invoice Reason Codes

Following are examples of the most common reason codes that appear on invoices:

Reason Code	Description	Comments
01	<p><b>No File to File</b></p> <p>ADP was recently authorized to file on your behalf to the above-referenced jurisdiction, retroactive to the beginning of the quarter. As this tax was not impounded at the time your payrolls were processed, your account is being charged at this time. Please reference your payroll reports for details.</p>	
02	<p><b>File to No File</b></p> <p>ADP is no longer authorized to file on your behalf to the above-referenced jurisdiction. You may be responsible for deposits of existing tax liability. Please contact your client service representative to determine responsibility.</p>	
03	<p><b>SUI Rate Change</b></p> <p>ADP has been notified of a change in your contribution rate for state unemployment insurance for the above-referenced state(s). An adjustment to your account is necessary as the change in contribution rate is retroactive to the beginning of the quarter associated with the above “payroll check date.”</p>	
07	<p><b>City Adjustments</b></p> <p>Funds are being collected for tax liability. These funds are not impounded at the time your payrolls are processed as they are calculated per employee at the time each remittance is due.</p>	

<b>Reason Code</b>	<b>Description</b>	<b>Comments</b>
<b>10</b>	<p><b>Term Refund</b></p> <p>As you have requested, your tax service with ADP has been terminated and underdeposited monies are refunded herein. The timely depositing of those funds and the filing of associated returns is your responsibility. Your Statement of Deposit will be mailed to you under separate cover in approximately three weeks after the end of the tax quarter. If you have received a debit invoice, this is an adjustment to a previous entry and we apologize for any inconvenience this may have caused you. This is to offset the credit you have already received. If we may be of assistance to you in the future, please contact your client service representative.</p>	
<b>15</b>	<p><b>Co. Made Deposit</b></p> <p>We have adjusted our records to include taxes previously deposited by your company. You are either being refunded for any overpaid taxes from outstanding underdeposited liabilities, or the credit has reduced the referenced net payroll impound.</p>	
<b>21</b>	<p><b>Payroll Impound</b></p> <p>Your account is being charged for amounts due for the payroll (or payroll adjustments) associated with the above “payroll check date.”</p>	
<b>26</b>	<p><b>Deleted Payroll</b></p> <p>Your recent invalid payroll has been deleted from our files. This adjustment is to refund the amounts collected or to charge back the refund you received for a credit payroll. Please reference your payroll reports for details.</p>	
<b>34</b>	<p><b>W-2 Adjustment</b></p> <p>Your year-to-date state or local income tax liability (including SDI and unemployment tax or the state of California) differs from the total tax deposited during the year. This indicates that adjustments were made that changed your year-to-date tax liability. The difference between the total tax deposited by ADP and the total year-to-date state or local liability is being charged or refunded to you at this time. Please reference your tax reports and any adjustment forms you may have submitted for details.</p>	Typically related to year-end balancing.
<b>37</b>	<p><b>Tax Due to Amend</b></p> <p>Your amendment request has been processed, and the resulting taxes due are referenced above by tax type. Please review your tax records or details. Copies of amendments prepared on your behalf will be forwarded to you shortly.</p>	


Reason Code	Description	Comments
39	<p><b>OOB Tax Due</b></p> <p>Payroll tax liabilities exceed taxes impounded during the quarter. In order to file the associated tax reports in accordance with agency requirements, your account is being charged at this time for the additional taxes due. Please contact your client service representative for clarification as necessary.</p>	Typically associated with year-end adjustments.
40	<p><b>OOB Refund Due</b></p> <p>Tax monies impounded during the referenced quarter exceeded payroll tax liabilities. This excess of taxes impounded is being refunded to you at this time. Please contact your client service representative for clarification as necessary.</p>	Typically associated with year-end adjustments.
44	<p><b>OB Sys Bal to PR</b></p> <p>Payroll tax liabilities exceed taxes impounded during the quarter. In order to file the associated tax reports in accordance with agency requirements, your account is being charged at this time for the additional taxes due. Please contact your client service representative for clarification as necessary.</p>	Typically associated with quarter-end adjustments.
46	<p><b>SUI Rate Tracer</b></p> <p>Additional tax contributions are due to the above referenced state unemployment agency, as one or more State Unemployment Insurance (SUI) reports was filed at an incorrect SUI rate. ADP will pay these funds to the agency on your behalf, and copies of correspondence concerning this matter will be forward to you shortly.</p>	
74	<p><b>Agency to Refund</b></p> <p>Your account is currently being charged or credited for taxes that were overpaid as a result of an adjustment or rerun payroll for which you were previously credited. The adjustment or rerun payroll was not processed in time to prevent taxes from earlier payrolls from being deposited with the appropriate tax agency. Consequently, the tax agency will issue a refund to you for the amount of the taxes overpaid. A credit listed above indicates that taxes have been overpaid at the ID number level. Other company codes which share the ID number in question are overpaid. The credits and debits are separated for your record keeping. Please refer to your statistical summaries for details.</p>	

<b>Reason Code</b>	<b>Description</b>	<b>Comments</b>
79	<p><b>P&amp;I Add'l SUI</b></p> <p>State Unemployment Insurance (SUI) taxes were underpaid for the quarter referenced above. The state unemployment agency has assessed penalties and/or interest on the late deposit of additional contributions due. Our records indicate that ADP was not notified of the change in your unemployment contribution rate in time to correct your return, therefore, your account will be debited for the penalty and/or interest due. In future, please notify your client services representative of any changes to your payroll tax filing requirements as soon as you become aware of them in order to avoid future penalty and/or interest assessments.</p>	
83	<p><b>SUI Rate Recalc</b></p> <p>Because of a State Unemployment Insurance (SUI) rate change during the quarter, additional SUI tax is due for payrolls not calculated at the correct rate.</p>	
D1	<p><b>CA. VPDI</b></p> <p>This charge is your employer-paid California Voluntary Disability plan assessment, the assessment amount is calculated at the end of each quarter, by multiplying the current assessment rate by California Disability (DI) taxable wages. Please refer to your payroll reports for verification.</p>	



# Glossary





<b>401(k) Plan</b>	An employer-sponsored qualified plan that allows employees to contribute tax-deferred income to a savings, profit-sharing, or stock-bonus plan. Employee contributions may be partially matched by the employer. Distribution of the funds taken before the specified age will trigger a penalty tax.
<b>403(b) Plan</b>	A qualified plan offered by non-profit organizations such as universities and some charitable organizations. Contributions and earnings are tax-deferred until withdrawal. Upon withdrawal, the distributions are taxed as ordinary income. Also known as tax-sheltered annuities or tax-deferred annuities.
<b>457 Plan</b>	A non-qualified deferred compensation program made available to federal, state, and employees of political subdivisions. Contributions and earnings are tax-deferred until withdrawal. Upon withdrawal, the distributions are taxed as ordinary income.
<b>Agency</b>	See <i>Jurisdiction</i> .
<b>Amendment</b>	A corrected version of a previously filed quarterly or annual tax return.
<b>Applied For</b>	A tax ID that has been requested from an agency but has not yet been received.
<b>Archived Check</b>	A check created at a client site and transmitted to ADP, but not yet processed. Examples of checks that might be archived include checks that are entered or voided out-of-quarter or out-of-year.
<b>Backup Withholding</b>	Usually, Federal Income Tax (FIT) withheld from workers for whom no Tax Identification Number has been filed. Employers are required to deposit and report this withholding with their federal payroll taxes on Form 945.
<b>Branch Code (BCC)</b>	Unique identifier based on the Branch Code and Company Code that Tax Filing Service assigns to each client company. The BCC replaces the Company ID for tax purposes only.

<b>Cafeteria Plan</b>	<p>A plan that employers offer to employees that includes a choice of benefits. The following benefits can be included in a cafeteria plan: medical, dental, vision, accident and life insurance, dependent care assistance, adoption assistance, and a 401(k) plan. Employer contributions are not taxable, and employees can purchase benefits on a pre-tax basis.</p> <p>Also known as a <i>flexible benefits plan</i>.</p>
<b>Common Pay Agent (CPA)</b>	<p>An entity that has been approved to make one combined payment and file one combined tax return for multiple entities.</p> <p>The following can be consolidated under one FEIN:</p> <ul style="list-style-type: none"> <li>• Wage payments</li> <li>• Withholding and depositing of federal, state, and local taxes</li> <li>• FUTA deposits</li> <li>• Filing federal, state, and local returns</li> </ul> <p> Using a CPA does not affect the legal integrity of each FEIN, and is not applicable for state unemployment tax.</p> <p>Also known as a <i>Reporting Agent</i>.</p>
<b>CPA</b>	See <i>Common Pay Agent</i> .
<b>CSR</b>	See <i>Customer Service Representative</i> .
<b>Customer Service Representative (CSR)</b>	A client's direct contact with ADP. If you are instructed to contact your CSR, you should contact your ADP Client Service Consultant.
<b>Direct Wire</b>	Funding method by which the client initiates a wire transfer from the client's account to the Tax Filing Service account on the agreed-upon funding date.
<b>Disposable Earnings</b>	<p>The amount remaining after legally required deductions are taken from the gross pay. Examples of such deductions include the following:</p> <ul style="list-style-type: none"> <li>• Federal, state, and local taxes</li> <li>• The employee's share of State Unemployment Insurance and Social Security</li> <li>• Withholding for employee retirement systems</li> </ul> <p>Deductions not required by law are usually not subtracted from gross earnings when calculating disposable earnings. Examples include voluntary wage assignments, union dues, health and life insurance, contributions to charitable causes, and retirement plan contributions (except those required by law).</p>

<b>Distribution</b>	Money a taxpayer withdraws from a retirement plan. All distributions must be reported on Form 1099-R. Whether the withdrawn funds are taxable depends on the type of retirement account from which the funds are withdrawn.
<b>Earned Income Credit</b>	A federal tax credit for taxpayers who earn less than a specified amount.
<b>EFT</b>	See <i>Electronic Funds Transfer</i> .
<b>Electronic Funds Transfer (EFT)</b>	Any transfer of funds that is initiated through an electronic terminal, telecommunications instrument, computer, or magnetic tape, to order, instruct, or authorize a financial institution to debit or credit an account.
<b>Federal Employer Identification Number (FEIN)</b>	Federal Employer Identification Number. The identification number assigned to employers by the Internal Revenue Service. The FEIN is a 9-digit number formatted as 12-3456789. Some states use the FEIN as the EIN.
<b>FEIN</b>	See <i>Federal Employer Identification Number</i> .
<b>Federal Income Tax (FIT)</b>	FIT is a withholding tax levied against employee wages. The amount of withholding varies with the amount of earnings, frequency of pay, number of exemptions claimed, and marital status.
<b>Federal Unemployment Tax Act (FUTA)</b>	FUTA is an unemployment tax levied against employers at a tax rate of 6.2%. The tax is assessed on the first \$7,000 of non-exempt wages paid to each employee. Employers are allowed a tentative credit for unemployment contributions paid to state agencies of up to 5.4%, thereby reducing the FUTA rate to 0.8%.
<b>FICA</b>	Mandated by the <i>Federal Insurance Contributions Act</i> , FICA consists of payments to the Social Security retirement supplement system and the Medicare hospital insurance program. FICA includes employee-paid and an employer-paid portions.
<b>FIT</b>	See <i>Federal Income Tax</i> .
<b>Form 940</b>	<i>Employer's Annual Federal Unemployment (FUTA) Tax Return</i> . Form 940 reconciles the employer's payment of FUTA taxes during the year. The return shows calculation of the full unemployment tax liability for the year and credit for unemployment taxes paid to individual states. Form 940 is filed annually.

<b>Form 941</b>	<p><i>Employer's Quarterly Federal Tax Return.</i> Form 941 lists taxable wages and taxes, and all FIT, Social Security, and Medicare liabilities that are incurred during the quarter. When an employer has a tax liability of \$100,000 or more in any eight month period, Schedule B is attached to Form 941 (as well as Forms 941E and 943). Schedule B shows a breakdown for daily tax liabilities.</p> <p>Form 941 is filed quarterly.</p>
<b>Form 941PR</b>	<p><i>Employer's Quarterly Tax Return.</i> Form 941PR lists taxable wages and taxes, and all FIT, Social Security, and Medicare liabilities that are incurred during the quarter. It is filed by employers whose principal place of business is in Puerto Rico.</p> <p>Form 941PR is filed quarterly.</p>
<b>Form 943</b>	<p><i>Employer's Annual Tax Return for Agricultural Employees.</i> Form 943 lists monthly liabilities, and taxable wages and taxes. The Form 943A detail listing is attached to Form 943 whenever a client had \$3,000 or more liability in any one month.</p> <p>Form 943 is filed annually.</p>
<b>Form 945</b>	<p><i>Annual Return of Withheld Federal Income Tax.</i> The form used to report non-payroll information such as pensions, annuities, IRAs, and backup withholdings.</p> <p>Form 945 is filed annually.</p>
<b>Form 945A</b>	<p><i>Annual Record of Federal Tax Liability.</i> A worksheet produced in quarters 1, 2, and 3 for reference purposes. Year-to-date totals will be displayed on the 945 worksheet to help clients reconcile deposits each quarter. Both a file and a reference copy will be produced and will be included in the client's filing and reference sets.</p> <p>Form 945A is filed annually.</p>
<b>Form 1099-MISC</b>	<p><i>Miscellaneous Income.</i> The annual statement provided to workers that lists compensation other than wages from the previous year. Form 1099-MISC is typically issued to non-employees such as independent contractors, but it can be issued to employees.</p> <p>Form 1099-MISC is filed annually.</p>
<b>Form 499R2/W-2PR</b>	<p><i>Withholding Statement, Commonwealth of Puerto Rico.</i> This withholding statement is the Puerto Rico equivalent of the U.S. Forms W-2.</p>

<b>Form 1099-R</b>	<p><i>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</i> A statement of disbursements and applicable taxes from any employee or non-employee retirement plan, such as an IRA account.</p> <p>Form 1099-R is filed annually.</p>
<b>Form W-2</b>	<p><i>Wage and Tax Statement.</i> The annual statement provided to employees that lists earnings, deductions, and tips from the previous year. This form also reflects state and federal taxes, social security, Medicare wages, and tips withheld. Form W-2 is filed with federal, state, and local agencies.</p> <p>Form W-2 is filed annually.</p>
<b>Form W-2c</b>	<p><i>Corrected Wage and Tax Statement.</i> The form used to report corrections to amounts previously reported on an employee's Form W-2.</p>
<b>Form W-3</b>	<p><i>Transmittal of Income and Tax Statements.</i> The "cover letter" for Forms W-2 summarizes total wages and taxes withheld for the year.</p> <p>Form W-3 is filed annually.</p>
<b>Form W-4</b>	<p><i>Employee's Withholding Allowance Certificate.</i> Filed by employees so the employer can withhold the correct amount of federal income tax. Employees can file a new Form W-4 at any time.</p>
<b>Form W-5</b>	<p><i>Earned Income Credit Advance Payment Certificate.</i> The form employees submit to initiate advance payment of the earned income tax credit (EIC). The form expires on December 31.</p>
<b>Forward Accrual</b>	<p>An estimate of a cost that is incurred in the current general ledger period for which the company will not have accurate numbers until the next pay period.</p> <p><b>Example:</b> A company has monthly general ledger periods but bi-weekly pay cycles. A particular pay period is from January 24 through February 6 but the general ledger periods are January 1 through 31 and February 1 through 28. Therefore, the pay period is split across two general ledger periods. In this case, estimated payroll costs for the period January 24 to 31 are posted to the general ledger, as forward accruals, during the January general ledger period. Costs incurred between February 1 and 6 are posted to the general ledger in the February period.</p>

<b>Fringe Benefit</b>	Employee compensation other than wages, tips, and salaries. Fringe benefits can be cash and non-cash, taxable, and non-taxable. The value of taxable fringe benefits must be reported on Form W-2, and the taxes must be withheld. Examples include health insurance, life insurance, and pension plans.
<b>FUTA</b>	See <i>Federal Unemployment Tax Act</i> .
<b>Garnishment</b>	<p>An amount withheld from an employee's pay and remitted to another party, such as a creditor. Typical garnishments include the following:</p> <ul style="list-style-type: none"><li>• Court orders such as child support</li><li>• IRS or state tax collection levies</li><li>• Federal agency administrative garnishments for non-tax debts owed to the federal government</li></ul> <p> Garnished amounts are considered to be taxable income.</p>
<b>General Ledger Accrual Days</b>	<p>When there is a general ledger forward accrual, the accrual days is the number of days in the split pay cycle that correspond to the earlier general ledger period.</p> <p> Typically, general ledger accrual days are business days, not calendar days.</p>
<b>General Ledger Accrual Period</b>	<p>When the end of a general ledger period falls in the middle of a pay cycle, the portion of the pay cycle in the earlier general ledger period is the accrual period. Estimated costs for the accrual period are posted to the general ledger before the end of the pay cycle.</p> <p> For an example of an accrual period, see the definition of <a href="#">Forward Accrual</a>.</p>
<b>General Ledger Accrual Percent</b>	<p>When there is a general ledger forward accrual, the general ledger accrual percent is the percent of the split pay cycle that corresponds to the earlier general ledger period.</p> <p> The general ledger accrual percent is used for calculations.</p>

<b>Individual Retirement Account (IRA)</b>	<p>A retirement account to which individuals may contribute money based on the amount of earnings (such as wages) up to IRS-established limits. Contribution and withdrawal rules are based on the type of IRA. Two common types of IRAs are:</p> <ul style="list-style-type: none"> <li>• <b>Traditional IRA:</b> A traditional IRA allows employees to contribute money annually based on the amount of earnings or up to IRS-established limits, some of which are age-related. Contributions may be tax-deductible, partially deductible, or non-deductible, depending on the employee's income and whether the employee is covered by a retirement plan at work. Taxes are deferred on traditional IRA earnings.</li> <li>• <b>Roth IRA:</b> A Roth IRA is an alternative to a traditional IRA. For persons who are at least age 59 1/2 at the time of withdrawal, withdrawals are tax-free if the account has been open for at least five years. Contributions to a Roth are not tax deductible.</li> </ul>
<b>IRA</b>	See <i>Individual Retirement Account</i> .
<b>Jurisdiction</b>	Any governmental taxing institution.
<b>Magnetic Filing</b>	Use of filing forms using a computerized or electronic filing method with government agencies, such as magnetic tape, diskette, cartridge, or electronic filing from one computer to another.
<b>Medicare</b>	The Medicare program funds the federal health program for people over 65. Employee-paid and employer-paid payroll taxes pay for the program.
<b>Memo Code</b>	<p>Earnings or deductions that do not affect the gross or net on the employee's check. Memo codes are typically used for reporting or general ledger tracking purposes.</p> <p><b>Example:</b> A client has three deduction codes that are used for three different employee stock option purchase plans. Each deduction has a year-to-date limit of \$10,000. The client wants to apply a YTD limit of \$25,000 to the summed total of the three deductions. A memo code is used to enforce the combined limit.</p>
<b>Negative Wages</b>	Prior quarter or year adjustments entered in the current quarter that result in negative quarter-to-date or year-to-date wages, or both.
<b>Nil Activity</b>	Refers to returns that are filed with no reported liability. Nil returns may be required by agencies to keep the employer's tax identification number active on the agency records.

<b>Other Income</b>	Additional earnings other than wages that must be reflected on an individual's annual tax document. Some Other Income for employees can be included on Form W-2, but is often reported on Forms 1099-M and 1099-R.
<b>Qualified Retirement Plan</b>	A retirement plan approved by the IRS that allows for tax-deferred accumulation of investment income.
<b>Reclose</b>	When the payroll region forwards new close tapes to adjust liabilities for a company after the quarter close is processed in Tax & Financial Services.
<b>Reporting Agent</b>	See <i>Common Pay Agent</i> .
<b>Reversal</b>	Any ACH entry or file that is sent within the required deadlines to correct or reverse erroneous entries or files.
<b>Reverse Wire</b>	Funding method by which ADP initiates a request to debit the client's bank and transfer the funds to the Tax Filing Service's account.
<b>Roth IRA</b>	See <i>IRA</i> .
<b>SDI</b>	See <i>State Disability Insurance</i> .
<b>SIT</b>	See <i>State Income Tax</i> .
<b>Social Security Number</b>	An ID that is used to identify people who are entitled to work or who are entitled to receive benefits. The social security number is used to accumulate and disburse taxes and benefits.
<b>Social Security Tax</b>	The portion of FICA taxes that are allocated to the federal retirement fund. Employers and employees each pay 6.2% of the taxable wages, up to the annual limit.
<b>State Disability Insurance (SDI)</b>	A compensation plan established by states to provide payment to employees who are unable to work due to illness or injury. Some states require both employee and employer contributions to the fund.
<b>State Income Tax (SIT)</b>	A withholding tax deducted from an employee's wages as required by the state. The amount of withholding varies with the amount of earnings, frequency of pay, number of claimed exemptions, and marital status.



<b>State Unemployment Insurance (SUI)</b>	A tax that is paid to the state unemployment agency on a quarterly basis. The amount of tax due is determined by an experience rate that is assigned to the employer and by a taxable wage limit that is established by the agency. Depending on the state's rules, SUI can be paid by the employee, the employer, or both.
<b>Statement of Deposit (SOD)</b>	Quarterly and annual documents that summarize filings and deposits made by ADP on a client's behalf to authorized jurisdictions. Generated by Tax Filing Service.
<b>Statutory Employee</b>	A worker who is treated as an employee for Social Security and Medicare tax purposes and as self-employed for income tax purposes.
<b>SUI</b>	See <i>State Unemployment Insurance</i> .
<b>Tax Deferred</b>	The postponement of taxes on income or other earnings to a later year, usually by recognizing the income or gain at a later time. For example, some retirement plan earnings may be taxed when the owner takes distributions. Tax deferral only delays tax liability; it does not eliminate it.
<b>Taxable Wages</b>	The amount of wages and compensation that is subject to a tax type.
<b>Third-Party Sick Pay (3PSP)</b>	A disability insurance benefit that may provide employees with partial or full wage benefit payment while on long-term medical leave.
<b>Total Distribution</b>	One or more distributions in a tax year in which the entire balance of a retirement plan account is withdrawn.
<b>Tracer</b>	An agency or client inquiry set up for research and response from the Tracer department.
<b>Traditional IRA</b>	See <i>IRA</i> .
<b>VDI</b>	See <i>Voluntary Disability Insurance</i> .
<b>Voluntary Disability Insurance (VDI)</b>	A state option allowing employers and individuals to purchase private disability insurance instead of a State Disability Insurance (SDI) plan. The employer or an insurance carrier administers VDI.

<b>Voluntary SUI Contributions</b>	Additional monies paid into an employer experience rated SUI account, other than quarterly payments. A voluntary contribution can allow the employer to obtain a more favorable tax rate. In most states the contribution will increase the reserve balance of the account while other states credit the contribution to erase previous charges. Nearly half of the states allow employers to make a voluntary contribution payment to their experience rated account. From year to year, additional states may also allow a voluntary contribution.
<b>Wage Detail</b>	Typically refers to the Employee Quarterly Wage Detail Report that employers file with SUI returns.
<b>Wages</b>	Employee earnings. In addition to typical wages, an employee may receive other compensation, such as tips and fringe benefits, that are subject to employee paid or employer paid taxes. An employee may choose to have a portion of his or her wages deducted for retirement or investment plans. That portion may be exempt from some taxes.
<b>Wire Transfer</b>	A banking arrangement with which an ADP client can transfer monies for tax liabilities directly to ADP's tax impound account. For a reverse wire transfer, ADP initiates the request to the client's bank to debit the client's account. For a direct wire transfer, the client initiates the request.
<b>Withholding</b>	The method by which taxes are taken out of employee wages or other income as the money is earned but before an employee receives the paycheck. The withheld taxes are deposited in an IRS account and the employee is credited for the amount when he or she files taxes.

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