

Working Electronically With the Social Security Administration



Armond Joseph
Employer Service Liaison Officer (ESLO)
Seattle Region

Agenda

- Tax Year 2016 W-2 Reminders
- Social Security Number Verification Service
- Reconciliation Process
- Common Errors to Avoid
- Update on Social Security Statements
- Apply for Social Security Benefits Online –
www.socialsecurity.gov

2016 W-2 Reminders

- Employee FICA Withholding - 6.2%
- Medicare Withholding – 1.45%
 - Wages > \$200K – extra Medicare 0.9%
- Social Security Wage Maximum - \$118,500
- W-2s to Employees – **January 31, 2017**
- W-2 Deadline to SSA
 - Paper – **January 31, 2017**
 - Electronic – **January 31, 2017**

2016 W-2 Reminders continued

On December 12, 2016, SSA online filing systems will start processing approximately 20 million W-2s each day. Previously, we were not processing W-2s at full capacity until mid-February. Keep in mind, the paper process remains the same and employers will mail W-2s to Wilkes-Barre, PA. Wilkes-Barre has prepared for the high volume of paper W-2s.

2016 W-2 Reminders continued

- Extensions of time to file
 - No longer automatic for filings due 01/31
 - You may request **one** 30-day extension
 - Requires submitting Form 8809
- IRS will impose higher penalties apply for
 - Failure to file correct Forms W-2 by the due date,
 - Intentional disregard of filing requirements,
 - Failure to furnish Forms W-2, and
 - Intentional disregard of payee statement requirements

Paper W-2 Filing



- Permitted for less than 250 W-2s
- **Very Expensive to process**
 - **\$0.53 per W-2**
 - **26,000,376 paper W-2s for TY 2013**
 - **That's \$13,780,199.28 in tax payer dollars**
- Common Paper Errors
 - Hand written W-2s
 - Decimal points and cents omitted
 - Incorrect Font and Size – Use 12pt Courier
 - Using colored ink - Use Black Ink
 - Adding dollar signs (\$) to money fields
 - Name fields improperly formatted

Electronic Filing

www.ssa.gov/employer



- Free, fast, and secure
- **Huge Cost Saving for You and SSA**
 - **2 tenths of one cent per W-2**
 - **5 W-2s for one shiny penny**
- Saves time and reduces filing burden
- Immediate online receipt of filing
- More efficient and accurate processing

Electronic Filing

- Register - **Business Services Online (BSO)**
- Recommended for all
- Required for more than 249 W-2s/W-2Cs
- SSA **EFW2 - EFW2C** format required
 - Commercial software package
 - In-house software (specs available)
 - eFiling third party payroll vendors (*ADP, Paychex, Ceridian, QuickBooks, Greatland, etc..*)
 - See vendor list online
- ✓ Or use **W-2 and W-2C Online.....**

W-2 & W-2C Online

- FREE & EASY! No special forms or software
- Direct key data into forms online
 - 50 W-2s per W-3 (prior years available)
 - 5 W-2cs per W-3c (prior 3 years)
- Built-in surface edits
- Ability to print all copies of forms
- Save-make changes-submit-save again
- Data Assist – Employer - Employee name and address info captured for following years



Main Menu

HELP

JOHN PUBLIC

[Logout](#)

Welcome, JOHN PUBLIC
Your password expires on **January 19, 2011**

[Report Wages To Social Security](#)

Submit, download or process W-2s and W-2cs
View submission status, acknowledge resubmission notices or
Request resubmission extensions
View errors and error notices for wage files and/or wage reports submitted by or for your company

[Social Security Number Verification Service](#)

Request online SSN verification, or
Submit files for SSN verification

Manage Account

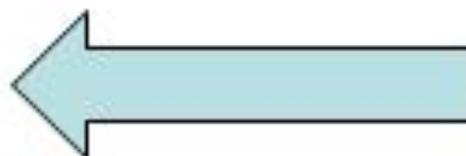
- [View / Edit Account Info](#)
- [Change Password](#)
- [Disable Account](#)

Manage Services

- [View / Edit Services](#)
- [Request New Services](#)
- [View Pending Services](#)
- [Enter Activation Code\(s\)](#)

Manage Employer Information

- [Add/Update Employer Information](#)
- [Remove Employer Information](#)



W-2 Online Example



2 Enter W-2 Information

You are currently working on W-2 number: 1 of 50.

Fields marked with an asterisk (*) MUST be completed.

a * Employee's social security number 123 - 00 - 8789		For official use only OMB No. 1545-0008	
b Employer identification number 11 - 2222222		1 Wages, tips, other compensation \$ 1,234.00	2 Federal income tax withheld \$ 345.00
c Employer's name, address, and ZIP code DEMO EMPLOYER 123 MAIN STREET MY CITY, MD 21207		3 Social security wages \$	4 Social security tax withheld \$
		5 Medicare wages and tips \$	6 Medicare tax withheld \$
		7 Social security tips \$	8 Allocated tips \$
d Control number		9 Not Applicable	10 Dependent care benefits \$
e Employee's first name, middle initial, last name and suffix * First: JOHN Middle: * Last: PUBLIC Suffix:		11 Nonqualified plans Section 457 distributions or contributions \$ Not section 457 distributions or contributions \$	12a Code: ▼ \$
f Employee's address * Country: United States Address line 1: 1 MAIN STREET Address line 2: * City: MY CITY U.S. address or a foreign address * State/Province: MD * ZIP/Postal code: 21207 ZIP Ext. (U.S. only):		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b Code: ▼ \$
		14 Other Description(1): Amount(1): \$ Description(2): Amount(2): \$ Description(3): Amount(3): \$	12c Code: ▼ \$ 12d Code: ▼ \$
15 Employer's State ID number	16 State wages, tips, etc. \$ 200.00	17 State income tax \$ 1,000.00	18 Local wages, tips, etc. \$ 100.00
			19 Local income tax \$ 500.00
			20 Locality name MY CITY



Cancel Changes Delete this W-2

W-2c Online Example

For official use only
OMB No. 1545-0008

a Employer's name, address, and ZIP code DEMO EMPLOYER MY CITY, MD 12345		c Tax year/Form corrected 2015/ W-2	d Employee's correct social security number 123 - 00 - 6789
b Employer's federal EIN 11 - 222222		e Corrected SSN and/or name <input type="checkbox"/> (Check this box if you are correcting either the employee's name or Social Security Number.) If the employee's name was entered on the W-2 (not left blank), enter it in Box g as it appeared on the W-2, even when submitting a correction for only the SSN.	
f Employee's previously reported social security number - -		g Employee's previously reported name First: Middle: Last: Suffix:	
h Employee's name *First: Middle: Last: Suffix:		i Employee's address and ZIP code Suite/Attn: Street/P.O. box: City: State: Country: United States ZIP: ZIP Ext. (U.S. only):	
Note: Only complete money fields that are being corrected.			
Previously Reported		Correct Information	
1 Wages, tips, other compensation \$100.00	1 Wages, tips, other compensation \$100.00	2 Federal income tax withheld \$	2 Federal income tax withheld \$
3 Social security wages \$	3 Social security wages \$	4 Social security tax withheld \$	4 Social security tax withheld \$
5 Medicare wages and tips \$	5 Medicare wages and tips \$	6 Medicare tax withheld \$	6 Medicare tax withheld \$
7 Social security tips \$	7 Social security tips \$	8 Allocated tips \$	8 Allocated tips \$
		10 Dependent care benefits \$	10 Dependent care benefits \$
11 Nonqualified plans: Section 457 distributions or contributions \$	11 Nonqualified plans: Section 457 distributions or contributions \$	12a Code: <input type="checkbox"/> \$	12a Code: <input type="checkbox"/> \$
Not section 457 distributions or contributions \$	Not section 457 distributions or contributions \$	12b Code: <input type="checkbox"/> \$	12b Code: <input type="checkbox"/> \$
13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12c Code: <input type="checkbox"/> \$	12c Code: <input type="checkbox"/> \$
14 Other Description (1): Amount (1): \$ Description (2): Amount (2): \$ Description (3): Amount (3): \$	14 Other Description (1): Amount (1): \$ Description (2): Amount (2): \$ Description (3): Amount (3): \$	12d Code: <input type="checkbox"/> \$	12d Code: <input type="checkbox"/> \$
State Correction Information			
Previously Reported	Correct Information	Previously Reported	Correct Information
15 State (1) <input type="checkbox"/>	15 State (1) <input type="checkbox"/>	15 State (2) <input type="checkbox"/>	15 State (2) <input type="checkbox"/>

Social Security Number Verification Service

- Web-based - Name/SSN Verification
 - Name & number matching for wage reporting
 - *Not for screening potential hires*
 - *Not for income tax filing purposes*
- Verification failure not a basis in and of itself for adverse action

Social Security Number Verification Service

Two methods:

- Direct key up to 10 – immediate results
- Upload a file up to 250,000 – next day
- Register at BSO
- Get Activation Code
- Best Practice -Verify entire database once, then verify new hires (all, not selectively)

What to do if SSN Fails Verification

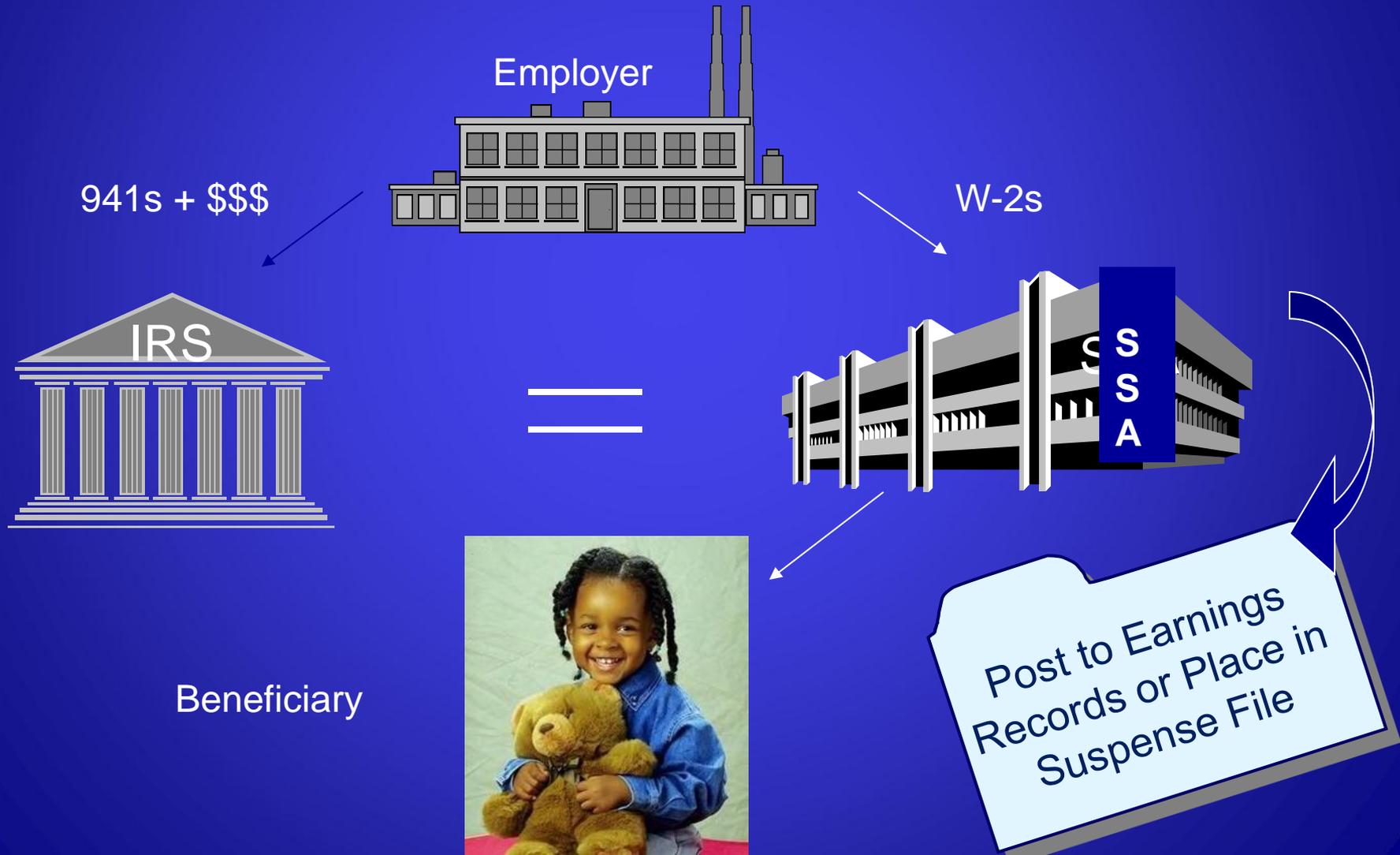
- Double check your entries
- Ask employee to verify the information against SSN card
- Refer employee to SSA field office to inquire about the mismatch
- If unable to correct by W-2 filing time, **report W-2 with the incorrect number from the W-4, even though you know the data is wrong.**
- Document your efforts

E-Verify (Dept. of Homeland Security)

- Voluntary under federal law, but State law and Executive Order require it for some employers
- Participating employer must verify all new hires
- Web-based system verifies both SSN (SSA database) and Citizenship/Work Authorization status (DHS database)
- Go to www.uscis.gov
click on the E-Verify logo:



RECONCILIATION



Reconciliation Process

- 941s to IRS vs W-3s to SSA
- $W-3 < \text{than } 941$ → SSA sends letter
- $941 < \text{than } W-3$ → IRS sends letter
- Respond to the agency who sent the notice
- In a real tangle? Contact your ESLO

Wrong Tax Year

- Easy mistake – BIG consequences
- Reconciliation issues for the employer and employee
- Requires two sets of W-2Cs to fix:
 - One set to remove monies from incorrect year
 - Another set to post monies to the correct year
- Can be prevented: [Use AccuWage!](#)

Wrong EIN

- Possible reconciliation issues for
 - Employer
 - Mystery Employer (the innocent party)
 - Submitter
- 2678 Agent Reporter Indicated (?)
- Requires two sets of W-2Cs to fix:
 - One set to remove monies off the incorrect EIN
 - Another set to post monies to the correct EIN

Money Fields Out of Balance

- Check totals before submitting W-2s
- Reports will be returned
- Medicare less than FICA?
- W-3C/W-2Cs required to correct
- **Can be prevented: Use AccuWage!**

Multiple Reports

- Two or more sets of W-2 Wage Reports are submitted
 - One Report with Bad W-2s
 - One Report with Good W-2s
- W-3C/W-2Cs required to correct
- Note: *W-2Cs simply removing the bad report could make matters worse!* Discuss with your ESLO.

Name and Number Mismatches

- Matching names and numbers are essential for proper wage postings
- Mismatched wages are posted in the Earnings Suspense File (ESF)
- ITINs are *not* SSNs-does the number begin with a 9?
- Letter sent to individuals
- Correct with W-2Cs

ITIN (Internal Revenue Service)

- Individual Taxpayer Identification Number
 - The 900 Series - Not valid for U.S. employment
- *NEVER* issued if person is authorized to work in the U.S. or eligible for an SSN
- Non-citizen ID number for income tax filing
- Apply for ITIN on IRS Form W-7

No SSN by W-2 Time

- Paper filers
 - Enter “Applied For” on all copies
- Electronic filers
 - “Applied For” on employee and employer copies
 - All zeroes in W-2 Online or EFW2
- File W-2c after employee receives SSN (E-File preferred)

Resubmission Requests

Electronic Reports

- Critical errors
- You have 14 days to acknowledge the notice
- Use AccuWage and/or SSNVS
- Resubmit through BSO — 45 days

Paper Reports

- New process from Wilkes-Barre
- You have 14 days to acknowledge the notice
- Resubmit electronically/paper – 45 days

Social Security Statement



- **NOW AVAILABLE ONLINE!**
- *My Social Security* Account Required
- Provides lifetime earnings summary
- Provides Social Security benefit estimates
- Printable version available Online
- Use to check accuracy of earnings and to create your own benefit estimate using online benefit calculators
- **Learn more at www.socialsecurity.gov**

Social Security Statement



cont.

In September 2014 we began mailing Statements again to:

- Workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60
- Who are not receiving Social Security benefits, and...
- Do not yet have a my Social Security account.
- We mail the Statements three months prior to the workers' birthday.

Apply Online for Benefits!

www.socialsecurity.gov

- Retirement and Disability
- Easier - just like a personal interview
 - Online help screens available
 - Apply when it's convenient for you
 - Start, Pause, and Resume at any time
- Electronic signature
- **Secure! Safe! Confidential!**

You May Be Able To Apply for A Replacement Card Online

You can use *My Social Security* to apply for a replacement Social Security card online if you:

- Are a U.S. citizen age 18 or older with a U.S. mailing address ;
- Are not requesting a name change or any other change to your card; and
- Have a valid driver's license or a state-issued identification card from one of the following:
 - District of Columbia (driver's license only);
 - Iowa;
 - Kentucky;
 - Michigan;
 - Nebraska;
 - New Mexico;
 - Washington; or
 - Wisconsin (driver's license only).

Need Help?

- www.socialsecurity.gov/employer
- FAQs
- Tutorials
- Demonstrations
- BSO/SSNVS handbooks
- IRS/SSA instructions
- Employer line – 800-772-6270
- BSO assistance – 888-772-2970

Employer Services Liaison Officers

Boston-CT, ME, MA, NH, RI, VT

Regina Bachini

617-565-2895 / Fax: 617-565-4814

regina.bachini@ssa.gov

BOS.RO.CPS.ESLO@ssa.gov

New York-NJ, NY, PR, VI

Vacant

(Acting) Angela Caruso

212-264-1117 / Fax: 212-264-2071

NY.RO.CPS.ESLO@ssa.gov

Philadelphia-DE, DC, MD, PA, VA, WV

Bernard Daniels

215-597-2354 / Fax: 215-597-2989

bernard.a.daniels@ssa.gov

Atlanta-AL, FL, GA, KY, MS, NC, SC, TN

Kirk Jockell

404-562-1315 / Fax: 404-562-1313

kirk.jockell@ssa.gov

Chicago-IL, IN, MI, MN, OH, WI

Paul Dieterle

312-575-4244 / Fax: 312-575-4245

paul.dieterle@ssa.gov

CH.RO.CRSISSI.ESLO@ssa.gov

Kansas City-IA, KS, MO, NE

Kelli Chappelow

816-936-5657 / Fax: 816-936-5951

kelli.chappelow@ssa.gov

KC.MO.RO.CPS.ESLO@ssa.gov

Denver-CO, MT, ND, SD, UT, WY

(Acting Tracy Tweten)

303-244-0839

DEN.ESLO@ssa.gov

Dallas-AR, LA, NM, OK, TX

Kelli Chappelow

816-936-5657 / Fax: 816-936-5951

kelli.chappelow@ssa.gov

KC.MO.RO.CPS.ESLO@ssa.gov

San Francisco-AZ, CA, GU, HI, NV, AS

(Acting) Joanna Garcia

(Backup) Glenn Haas

510-970-8247 / Fax: 510-970-8101

SF.CA.RO.CPS.ESLO@ssa.gov

Seattle-AK, ID, OR, WA

Armond Joseph

206-615-2125 / Fax: 206-615-2643

SEA.RO.CPS.ESLO@ssa.gov