

PAYROLL YEAR-END

December 2016

GFC Data Systems

NOTE: you should close-out the year before starting the first payroll for year 2017. You can print W2s (and quarterly reports) later. IF YOU HAVE MORE THAN ONE SET OF PAYROLL FILES DO THE BELOW FOR EACH ONE.

- 1) You should have Payroll program version “**21.6**” (or higher). 4th quarter-end operations (941, Unemployment reports) would normally already be done but the program was changed in the past to be able to print those reports from payroll history. **So as long as you don’t remove 2016 history you can print the 941 and SUI reports later. If you move pay records from history to the Budget reconcile program, make sure this has already been done unless you are retaining 2016 history in which case it could be done later (it is recommended that you always retain the most recent history plus a year prior).**
- 2) If any of your deduction codes are for an “Elective Deferral” plan, a “Defined Benefit” plan, “Dependent Care”, or “Life Ins over Limit” review them using the program “**Maintain Benefit/Dept/Deduct Codes**” to make sure they have a check in the appropriate box since these special deductions should print on the W2 (note: **normally these codes would be in the 9000 or 9900 series**). If you are not sure whether you have any of these type of deductions check with the company you have the plan with. Normally your primary pension plans (OMRF, OPERS, or Police Pension) do not need to be checked because the program tracks that info by storing the amounts in the retirement section of the Payroll Info screen.

The reporting of the “**Cost of Health Insurance**” on the W2 form for employers with 250 or less employees is still optional. This cost would include the amount paid by the employer and employee for major medical health insurance plans. Separate policies for vision and dental coverage may be included in the cost but are not required. See: <https://www.irs.gov/Affordable-Care-Act/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage> for more info. *If you don’t want to report the Cost of Health Insurance go to step 3.* If you do want to report the cost of health insurance the program would need to know which deductions and benefits are for payment of health insurance. Therefore the user should access the applicable deduction and benefit codes (using “**Maintain Benefit/Dept/Deduct Codes**” and check the box “**Deduct/Benft: Cost of Health Insurance**”. If you have not been using benefit codes for health insurance and your city pays all or part of employee’s health insurance, you would have to manually enter the cost amount (see step 5 below)
- 3) Print Trial Balance. To do this:
 - a. From Payroll Main Menu select "**Year-End Routines**".
 - b. Select Trial Balance.
 - c. Print the report as you normally would (all employees together or by fund) for period "Y".
Print sequence ‘Name’ would be best since W2s will print in emp name order
- 4) Build the Yr-End W2 file. (The Yr-End file will later be used to print W2s). To do this:
 - a. While on the Year-End Routines screen, select “**Build Yr-End W2 File**”.
 - b. If you have employees that have multiple payroll numbers that you would like to combine into one year-end record (so only one W2 will print) user may click on “Yes” to combine (the Payroll records being combined must have the same soc sec no and be in funds with the same fed id number). If you don’t have employees with multiple payroll numbers or combining is not desired then leave the “combine” question as “No”.
 - c. Enter 2016 to include history records dated 01/01/16 thru 12/31/16.
 - d. Select “**Begin Build**” (if combining, a confirmation screen will display in which case click on OK to proceed).
- 5) Print Year-End records. To do this:
 - a. While on the Year-End Routines screen select “**Print Yr-End W2 Records**”.
 - b. Recommended sequence would be "Name" order.
 - c. Print as you did your Trial Balance (all employees together or by fund).
 - d. **Compare Year-End W2 Records report totals with Trial Balance reports totals.**
Note: Gross Earnings is not on the Year-End W2 report since it does not print on the W2 form. If an employee shows up on the Trial Balance but not this report, you have probably entered “N” for the “Fed-St Txbl” question on the Payroll Info screen which means there is no taxable earnings. Call GFC Data for assistance if this is not correct.
 - f. Review employees who have Health Insurance, Defined Benft, Elective Deferral, Dependent Care or Grp Life Ins amounts. Since these items (except health insurance) may be unusual to have, confirm that any employee with these amounts should have them.

g. If the Trial Balance and Year-End list do not agree do not proceed and contact GFC Data Systems.

PLEASE NOTE:

1- If on any line "?????" prints for the Ret Code it means that retirement was withheld on a pay record but there was no retirement code specified. A code is needed for the system to know if retirement is pre or post-taxed. User should either edit in the code using "Maintain Year-End W2 Records" or the code can be edited on the History record and the Yr-End Build can be run again.

2- If you want to report the cost of health insurance (which is optional) but you are not using benefit codes to define the amount paid by the employer, you will have to use "Maintain Year-End W2 Records" and "Edit" in the Cost of Insurance Amount. **THIS DOES NOT HAVE TO BE DONE RIGHT NOW - YOU CAN DO IT BEFORE PRINTING W2s.**

3- If Health Ins amounts are on the list but they are not correct or you just don't want to report them you can run the program "Clear Health Ins" (on the "Maintain Year-End W2 Records" screen) to zero the amounts.

6) Make a year-end backup to CD or flash drive. This backup should be kept for at least a year. If you do only "system" or "on-line" backups and the backups will be kept for a while then that should be satisfactory. Otherwise the Payroll folder(s) (ex: Payrl.win) should be copied to an external device.

7) If you are going to remove history in step 8 then print History Records for the time period you are going to remove. If you are not going to remove history go to **step 9 (do not remove 2015 or 2016 history).**

To print history:

a. While on the "Year-End Routines" menu choose "Print History"

b. **Fund#:** Enter a fund# or leave fund blank and enter the beg/end values desired.

c. **Beg/End Dates:** Enter the date ranges you are going to remove in step 8.

d. **Print Each Detail Record:** Enter "Y" to include each detail check.

e. **Include Deduction Checks:** leave unchecked.

f. **Format:** Enter "A" to print an abbreviated format or "F" for full format

Note: "A" prints one line per check... date, ck number, gross, net, and taxes;

"F" prints several lines per check including all deductions and benefits

g. **Grand Totals Only:** Enter "N"

h. **One Emp Per Page:** Enter "Y" to print one employee per page or "N" to print as many employees per page as will fit.

i. Click on "Print" to begin.

8) User may delete History Records. **If you would like to leave employee's past pay records in the History file you may skip this step and go to step 9 (it is recommended to keep at least two years of history).** If older history should be removed do the following:

a. While on the "Year-End Routines" screen select "Delete History"

b. Enter the range of dates to delete. For example you may have four years of history and want to delete two old years but keep the past two years. In this case user would enter beg/end dates of 01/01/13 to 12/31/14 which would retain 2015 and 2016.

c. Select "Begin" to begin deleting. Then click on "OK" to confirm

9) Zero-out the YTD earnings/wh on the Payroll Information records. To do this:

a. While on the "Year-End Routines" screen select "Zero Earnings".

b. Enter "Y" if you want terminated Payroll Info records to be deleted. **NOTE:** if entering "Y", Payroll Info records with history will not be removed.

Enter "Y" if you want Employee Info records with no Payroll Info record to be deleted. "N" will leave all Employee Info records in the system. Removing the Employee Info record will remove the employee's name and address info.

c. Click on "Begin" to start. Then click on "OK" to confirm.

NOTE: a list prints showing earnings being zeroed out. Deleted records are also noted on the list.

10. Exit back to Main Menu.

11. The **IRS and Oklahoma Tax Commission publish new tax rates/brackets each year so the ones for 2017 will be sent to you in late December. If already received load the rates now.**

12. You have until the end of January 2017 to print W2s. The information to print on the W2s is in the Year-End file. When ready to print W2s go to page 3.

PRINTING W2s

Confirm the version on the Payroll Manager screen is "21.6" or higher. **If you want to report the Cost of Health Insurance on the W2 and the amounts are not correct, edit in the amounts now using "Maintain Yr-End W2 Records" which is found under "Year-End Routines"** (reporting the Cost of Health Insurance is still optional if there are 250 or fewer employees). If the **"Build Yr-End W2 File"** created Health Insurance amounts but they are not correct or you just don't want to report them then you can zero out these amounts by using the command "Clear Health Ins" that is on the **"Maintain Year-End W2 Records"** screen.

- 1) Confirm that values in the Setup and Fund Code files are correct. To do this:
 - a. From Payroll Main Menu select **"Setup/Tax Information"**.
 - b. From sub-menu select **"System Parameter Info"**.
 - c. Click on the question **"Format"** (under W2 section). **Make sure "1" is the value.**
 - d. If you are using a different printer than last year then please read the following:

The question **"# Lines above"** determines how many lines the form will advance before print begins. This value would normally be **"0"** or **"1"**. If you printed W2s last year using the same printer leave value as is. If you've never printed W2s using this printer enter **"0"** (you may need to change this value later).
 - e. If you are using a different printer than last year then please read the following:

The question **"Left margin adj"** determines how many spaces the print will move to the right when printing W2s. This value would normally be **"0"** or **"1"**. If you printed W2s last year using the same printer leave value as is. If you've never printed W2s using this printer enter **"1"** (you may need to change this value later).
 - f. There is a question **"Font Size"** which allows user to control the size of the print on the W2 form. If you have printed W2s before using this printer then leave the value as is. If not then enter **"R"** for regular size print (you may need to change this value later).
 - g. If you have a deferred retirement or defined benefit deduction (such OMRF or OPERS which shelters earnings from fed/state taxes) click on to the question **"Deferred Retirement/Defined Benft Desc"** and type the description that you want to print next to the amount on the W2 form box 14 (ex: "Govt Pickup" or "Exempt Ret" or "Req 414h").
 - h. If you have a Flexible Medical Spending Acct deduction (which shelters earnings from taxes) click on to the question **"Flexible Medical Spending Acct Desc"** and type the description that you want to print next to the amount on the the W2 form box 14 (ex: FLXM or FMSA).
 - i. If you have an elective deferral deduction (such as 403b or 457b plan) click on to the question **"Elective Deferral Code"** and enter the IRS code that applies to this plan (probably "E" or "G" - you may have to call the company that administers the plan to get this info - this does not apply to your regular OMRF, OPERS or Police retirement plans).
 - j. If you have life insurance coverage paid by an employer over an IRS limit the amount should be reported on the W2 form box 12 with an IRS code. If so click on **"Grp Ins > Limit Code"** and enter the code. If no code is entered then **"C"** will be used.
 - k. If you have health insurance costs, the amounts will be printed on the W2 form box 12 with an IRS code. If so click on **"Health Ins Code"** and enter the code. If no code is entered **"DD"** will be used.
 - l. Click on **"Save and Exit"** to save.
- 2) If you will be printing the W3 **transmittal** form then click on **"Setup/Tax Information"**.

From sub-menu select **"W3/Electronic Filing Parameter Info"**.

(some questions on this screen are for e-filing. If you are e-filing see separate instructions on how to answer those questions)

Contact Name: enter name of person to contact should SSA have questions about the W2s being sent

Phone No: enter phone# SSA should use to contact your city - do not enter dashes

Email Addr: enter the email address SSA should use to contact your city

Fax No: enter fax# SSA should use to contact your city - do not enter dashes

Kind of Employer: enter "S"

Click on **"Save and Exit"** to save.
- 3)
 - a) From Payroll Main Menu screen select **Fund Codes**.
 - b) Enter any fund codes that will be used to print city name/id numbers on W2s. Confirm name and id numbers are correct. (Id numbers should have no dashes). If corrections are necessary, click on "Edit" and correct.
 - c) Exit program.

- 4) a. From Payroll Main Menu select “**Year-End Routines**” (or **Lists/Reports**)
- b. Select “**Print W2s**”.
- c. **Before printing W2 forms, you can first go thru the below steps printing W2s to paper to get a feel for the program.**
- d. **When ready to print forms, load W2 forms:**
 Load first of five parts in printer (if e-filing you will not print copy A - see separate instructions on e-filing).
 Make sure forms are loaded with the correct side up and correct end in.

e. Answer questions as follows:

Question	Response
Print W2s for: From Fund#	If printing W2s for a single fund or range of funds, enter the begin fund#. If all employees are reported together leave fund# blank to indicate all funds.
Thru Fund#	If printing W2s for a single fund or range of funds, enter the ending fund#.
Get Name/Id From What Fund#	Enter fund# to get city name/address and federal/state id#s from.
Beg Last/First Name	If printing a full range then leave the begin last and first name blank . If performing a re-print, then enter the begin last and first name.
End Last/First Name	If printing a full range then leave the ending last and first name as "z's". If performing a re-print, then enter the ending last and first name.
Print Final Total	If printing a full range then enter "Y" to print a grand total W2. If performing a partial re-print, enter "N".
Perform Alignment Test	Enter "Y" to print 2 W2s to help user align the forms. When forms are aligned enter "N". NOTE: if the print on the alignment W2 is too high or low or too far left or right, exit the W2 program and go to “Setup/Tax Information” and choose “System Parameter Info”. Reduce or increase the W2 “# Lines Above” and/or the W2 “Left Margin Adj” values by 1 or 2 so that the print will be moved higher or lower or left or right. If after changing the “# Lines Above” and testing the alignment again, the print is too high in the W2 boxes and moving the print down a full line would make it too far down, then go back to Setup-System Parameter Info and change the W2 Font Size to “S” which will make the print less tall making the print be in the middle of the boxes. If the print is too low but moving the print up a full line would make it print too far up then change the W2 Font Size to “L” and the print will be taller.
Printer Selection	This should be correct if user has the correct printer number for W2s in the printer setup screen. However, user may choose another printer number if necessary. The “Calc Totals” option is for when user does not want to print W2s but instead just calculate the totals for printing a W3 transmittal form.

Click on “Print W2s” to begin.

Upon completing the first W2 pass, you will have to load the next part and print again printing all parts. NOTE: unless you are e-filing you should print 5 sets of W2s in all (four if e-filing). Copy A goes to SSA, Copy D is kept by employer, while Copy B, Copy C, and Copy 2 go to the employee.

After printing W2s, user may print a W3 transmittal form (**note the transmittal form is not needed if e-filing**). To do this place your W3 transmittal form in your printer. Make sure forms are loaded with the correct side up and correct end in. Click on “**Print W3 Transmittal Form**” and then click on “**Print W3**”. The totals and city info is for the last W2 run that was just run. If you are returning from printing W2s in an earlier session and now want to print the W3 you will have to enter the fund number info and other questions just as you did when printing the W2s but choose the “**Calc Totals**” option to calculate the W2 totals and then you may print the W3 form.