

Office of Operations
2015 Fall Conference
December 8-9

Partners In Excellence

Year End Processing

Michele Leone



Office of the New York State Comptroller
Thomas P. DiNapoli, Comptroller

Office of Operations

John Traylor, Executive Deputy Comptroller

Division of Payroll, Accounting and Revenue Services

Chris Gorka, Deputy Comptroller

Dave Hasso, Assistant Comptroller

Robin Rabii, Director, Bureau of State Payroll Services

Topics

- OSC Process for Year End Processing and Form W-2, 1042-S and 1099-Misc.
- Requirements for creating Tax Statements.
- Information needed to produce the Tax Statements.
- Where information is obtained from.
- How the information is used.
- Producing Tax Statements.
- Keeping you informed.



Year End Processing

- Each year's process starts with creating a project plan, labeled with the year listing each task, the requirement date(s), and the production date(s).
 - Year End Kick off meeting begins the process.
 - Meetings are scheduled with Systems Support Group (SSG), Chief Information Office (CIO) and other partners.
 - Project Plan is created.
 - Tasks needed to produce Year End Statements are identified and listed.



Requirements for Tax Statements

- The Internal Revenue Service (IRS) requires employers to file a Form W-2 (Wage and Tax Statement) if:
 - Employee is paid \$600 or more for the year for services performed.
 - Income, social security or Medicare tax was withheld.
 - Income tax would have been withheld if the employee claimed no more than one withholding allowance.



Requirements to Produce Tax Statements

The IRS requires every withholding agent to file an information return of Form 1042-S (Foreign Person's U.S. Source Income Subject to Withholding) to:

- Report amounts paid to a foreign person during a preceding tax year. Filing must occur even if you do not withhold.



Requirements to Produce Tax Statements

- The IRS also requires employers to issue a Form 1099-Misc. if you have paid at least \$600 to an individual or estate.



Information Needed to Produce Tax Statements

- Taxable Income
- Reportable Income
- Fringe Benefits
- Accurate Social Security Numbers



Where Information is Obtained

Data Gathering

- PayServ

Data Collection from our Business Partners

- MetLife
- Department of Civil Service
- GOER
- Unions



Where Information is Obtained

Monitoring pertinent websites

- Internal Revenue Service (IRS)
- Social Security Administration (SSA)
- New York State Taxation and Finance
- Other State Taxing Authorities



Agency Actions

- Data Quality
- Correcting bad Social Security Numbers
- Obtaining Missing Social Security Numbers
- Correct Local Wage (NYC) and Tax Reporting
- Review Control-D Reports
 - NPAY752 – Social Security Name and Number Verification



How Information is Used

- Maintained in Payroll System
- Populate Boxes on Tax Statements
- Reported to Social Security Administration
- Used By Internal Revenue Service to compare with Employee Income Tax Returns
- Reported to Other State Taxing Authorities



Year-end paper: Turning this....



... into this!

Copy C-For EMPLOYEE'S RECORDS (See Notice to Employee on the back of Copy B.)

OMB No. 1545-0008

Dept. of the Treasury - IRS
Visit the IRS website at www.irs.gov/efile.

Form **W-2 Wage and Tax Statement** **2015**

c Employer's name, address, and ZIP code
CITY UNIVERSITY OF NEW YORK
535 EAST 80TH ST.
NEW YORK, NY 11112

e Employee's name, address, and ZIP code
JOE M. PLOYEE
1122 MAIN ST.
NEW YORK, NY 11112

		7 Social security tips	1 Wages, tips, other compensation 97,490.41	2 Federal income tax withheld 12,454.63						
		8 Allocated tips	3 Social security wages 105,258.24	4 Social security tax withheld 4,420.85						
		9	5 Medicare wages and tips 105,258.24	6 Medicare tax withheld 1,526.24						
		10 Dependent care benefits	11 Nonqualified plans	12a E 17,500.00						
		13 <table border="1"> <tr> <td>Statutory employee</td> <td>Retirement plan</td> <td>Third-party sick pay</td> </tr> <tr> <td></td> <td>X</td> <td></td> </tr> </table>	Statutory employee	Retirement plan	Third-party sick pay		X		14 Other IRC125 202.26	12b DD 16,613.93
Statutory employee	Retirement plan	Third-party sick pay								
	X									
		b Employer identification number (EIN) 13-3893536	12c							
		a Employee's social security number 000-00-0000	12d							
15 State NY	Employer's state ID number	16 State wages, tips, etc. 97,490.41	17 State income tax 5,361.76	18 Local wages, tips, etc. 97,9490.41	19 Local income tax 2,5550.00	20 Locality name NYC				



Keeping You Informed

Bulletins and Other Communication:

- Personal Use of Employer Provided Vehicles (#1424)
- Verification Agency Return Address (#1432)
- Taxable Expense (#1434)
- Verification of Employee Social Security Numbers and Names (#1435)



Keeping You Informed

Bulletins and Other Communication

- Certification Licensure Exam Reimbursement Fee (#1436)
- Educational Assistance (#1437)
- Prepaid Legal
- Retirement Plan Checkbox on Form W-2
- Form W-2 (Wage and Tax Statement) for Tax Year 2015

- **Watch the PayServ Bulletin Board for notices**
- Regarding issuance of W-2s



Recap/Questions

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- Producing Tax Statements
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Contact Information

Please contact the Tax and Compliance Mailbox at:
TaxandCompliance@osc.state.ny.us

