

# Reminders and Changes for Tax Year 2014 Reporting

## **AccuWage**

- AccuWage is free software from the Social Security Administration (SSA) that allows you to check W-2 (Wage and Tax Statement) and W-2c (Corrected Wage and Tax Statement) reports for correctness before you send them to Social Security.
- You should check your files with AccuWage before you submit your file. As we implement our redesign efforts, discussed below, we will be performing additional edits during file upload. If we detect an error during the upload process, you will be directed to AccuWage to determine the problem.
- The link to download the software is located at [www.ssa.gov/employer](http://www.ssa.gov/employer) under W-2 Filing Assistance.
- AccuWage for Tax Year 2014 combines both applications for checking W-2 files and W-2c correction files. Previously, there were separate software applications.

## **BSO Registrations**

- Remember to update your password so you are ready for the filing season. If it has been over 90 days since your last Business Services Online (BSO) logon, you will be required to change your password at your next attempt. You can update your password by entering your expired password then selecting a new password.

## **Opening of Filing Season**

- SSA's Business Services Online (BSO) will open the TY2014 W-2/W-2c filing season on 12/08/2014. All electronic wage reporting services will be available including Wage File Upload, W-2 Online, W-2c Online, SSNVS and the Special Wage Payment utility.
- W-2 Online and W-2c Online allow you to prepare your W-2's and W-2c's online for free. You can even print all needed copies on plain paper.
- Files submitted in December and early January will begin processing in mid—late January using SSA's redesigned systems.

- Employer or submitters should check the submission status of files submitted to Social Security to determine if the file processed. Refer to the [Electronic W-2/W2C Filing Handbook](#) for the listing of submission statuses.

### **Upcoming Changes – SSA’s Earnings Redesign Effort**

SSA is in the final phases of a multi-year effort to modernize its systems for processing earnings information. This initiative will update, simplify, and streamline the processing of earnings reports, taking advantage of modern technology, ensuring efficiency and consistency in service, improving the flow and speed of earnings processes, and reducing manual processes. Earnings information processed by SSA is used by the Internal Revenue Service (IRS) to determine tax liability and by the Centers for Medicare and Medicaid Services to determine eligibility and calculate premiums. This effort will ensure the accuracy of the earnings records, the accuracy of paying benefits, and reduce improper payments.

Below are processing changes you should be aware of:

- It is important to review your files before submitting them to Social Security. Use AccuWage! Previously, there was a short time period for you to delete an incorrectly submitted file before we processed it. SSA’s new redesigned processes will be so fast that the time for SSA to return or delete an incorrect file before it is processed will be less than 24 hours.
- Third party sick pay recap reporting is shifting to the IRS.
  - This change is for Third Party Sick Pay **RECAP** reporting only; individual employee sick pay W-2 reporting remains unchanged.
  - In 2015 for Tax Year 2014, employers and third party insurers should **no longer send paper third party sick pay RECAP reports to SSA’s Wilkes-Barre Data Operations Center.**
  - The employer third party sick pay RECAP reports now go to IRS on IRS Form 8922. The form is available on IRS’ website and contains information on where to submit the form. More information on sick pay reporting, including third party sick pay RECAP reporting, can be obtained from IRS Publication 15-A, Employer’s Supplemental Tax Guide (scheduled for release in December for TY2014).

- SSA will now perform a small subset of the AccuWage checks during file upload. The checks will include high level checks on the Employer Record (RE/RCE record) and high level formatting checks (such as checking for; Invalid Record Identifier Codes, Invalid record sequence, Invalid record length, extraneous data following the Final Record (RF/RCF record). Any errors detected will constitute a badly formed file and will be an unsuccessful upload attempt and not considered officially filed with SSA. The user will not receive a Wage File Identifier (WFID) and should use AccuWage to identify the problem.
- SSA will now reject an electronically filed report during processing when one or more W-2s contain money amounts in fields that are not valid for the indicated tax jurisdiction, tax year and/or employment type. SSA will reject the entire report and notify the submitter to correct the error and resubmit the report.
- SSA will now reject either paper reports or electronic reports during processing if one or more W-2s contain one or more of the reporting errors listed below. SSA will reject the entire report and notify the submitter to correct the error and resubmit the report. SSA will reject electronic and paper wage reports that contain any of the following conditions:
  - Medicare wages and tips are less than the sum of social security wages and social security tips,
  - Social security tax is greater than zero; social security wages and social security tips are equal to zero, and/or
  - Medicare tax is greater than zero; Medicare wages and tips are equal to zero.
- SSA will now reject either paper or electronic reports for **household employers** during processing if one or more W-2s contain one of the reporting errors listed below. SSA will reject the entire household report and notify the submitter to correct the error and resubmit the report. SSA will reject electronic and paper household employer wage reports that contain any of the following conditions:
  - The sum of social security wages and social security tips is less than the minimum yearly earnings subject to social security and Medicare tax withholding for a household employee, and/or
  - The Medicare wages and tips are less than the minimum yearly earnings subject to social security and Medicare tax withholding for a household employee.