

W2/W3 Instructions

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W2 Instructions

The W2 report will print W2's in the 1 form per page format that is the same as the downloadable PDF W2 format (link: <https://www.irs.gov/pub/irs-pdf/fw2.pdf> (<https://www.irs.gov/pub/irs-pdf/fw2.pdf>)). No form is needed as the layout has been incorporated into the PDF. The one form per page format can be given to the employees if you submit the electronic W2 file to the SSA (social security administration) via BSO (Business Services Online). You need to register to submit the W2 electronic file at this URL: <https://www.ssa.gov/bso/bsowelcome.htm> (<https://www.ssa.gov/bso/bsowelcome.htm>)

We offer several different options for distribution of the W2 Forms along with a Distribution Manager.

- Printing
 1. One per Page – No form required
 2. 4up – Form must be purchased with preprinted W2 forms on the front and instructions on the back
- Email
- Auto-load W2's to employee self-service web portal
- Electronic Filing – Additional Instructions available for States

It is HIGHLY recommended that you compare a W2 from Payroll Now to a previous year's W2.

Any State and Local taxes with special reporting requirements will need to be verified that they are appearing on the W2 as expected.

Payroll Codes Setup

-
ALL payroll codes need to be checked before running W2 to confirm they have the correct W2 options marked.

When payroll codes are setup, it is important to identify the W2 classification of that code. Pay special attention to box 12 and Box 14 codes.

Common codes used for Box 12

Letter code:	Used for:	Description:
D	401(k) contributions	Elective deferrals to a 401(k) cash or deferred arrangement, including SIMPLE 401(k)s
E	403(b) contributions	Elective deferrals made under a 403(b) salary reduction agreement
F	408(k)(6) contributions	Elective deferrals made under a SARSEP
G	457(b) contributions	Elective and nonelective deferrals made to a 457(b) deferred compensation plan
H	501(c)(18)(D) contributions	Elective deferrals to a Section 501(c)(18)(D) tax-exempt organization plan (Included in the "Wages, Tips, Comp." amount in Box 1)
S	408(p) SIMPLE contributions	Deferrals made under a SIMPLE IRA plan
AA	Roth contributions	Designated Roth contributions under a 401(k) plan
BB	Roth contributions	Designated Roth contributions under a 403(b) plan
EE	Roth contributions	Designated Roth contributions under a governmental 457(b) plan (a tax-exempt organization's 457(b) cannot have a designated Roth account)

For example, a 401k Traditional plan has a W2 classification of box 12D while a 401k ROTH plan has a W2 classification of box 12AA.

There are different box classifications for different payroll codes.

In the BENEFIT SETUP section there is a check box for W2 RETIREMENT PLAN.

This needs to be checked for plans that are classified by the IRS as “Retirement Plan” for box 13 of the W2.

Payroll codes that are for employer contributions should be marked as RETIREMENT EMPLOYER CONTRIBUTION.

Any
pretax
health
related

Deduction - HEALTH INS - EE

Payroll Code			
Type:	Deduction	W2 Box 14 Caption:	
Code:	HEALTH INS - EE	W2 State Line Emp. ID Override:	
Description:	Health Insurance	W2 State Line Wages Override:	
Manual Input Allowed:	☐	W2 Tax Do Not Reverse Sign:	☐
Reverse Sign Allowed:	☐	Sorting No.:	200
Process Procedure Code:		State Code:	
W2 Classification:	12DD	Blocked:	☐
		Use Default State Earnings:	☐

Show fewer fields

Benefit Setup	
Skip Expense Allocation Line Creation:	☐
Treat as Earnings:	☐
Use Employer Contribution Earnings Filter:	☐
Employer Contribution Earnings Filter:	
Exclude Employer Contribution Earnings Codes:	
Benefit Category:	
Benefit 834 Code:	
Health Insurance Deduction:	☒
Health Insurance Contribution:	☐
Retirement Employer Contribution:	☐
W2 Retirement Plan:	☐

deductions (health, dental, vision) that are marked for box 12DD, need to have the HEALTH INSURANCE DEDUCTION box marked in the BENEFIT SETUP section of the payroll code.

Any employer contributions related to the pretax health deductions that are marked for box 12DD need to have the HEALTH INSURANCE CONTRIBUTION box marked in the BENEFIT SETUP.

Deduction - 401K TRAD - EE			
Payroll Code			
Type:	Deduction	W2 Box 14 Caption:	
Code:	401K TRAD - EE	W2 State Line Emp. ID Override:	
Description:	401K Traditional	W2 State Line Wages Override:	
Manual Input Allowed:	☐	W2 Tax Do Not Reverse Sign:	☐
Reverse Sign Allowed:	☐	Sorting No.:	200
Process Procedure Code:		State Code:	
W2 Classification:	12D	Blocked:	☐
		Use Default State Earnings:	☐

Show fewer fields

Benefit Setup	
Skip Expense Allocation Line Creation:	☐
Treat as Earnings:	☐
Use Employer Contribution Earnings Filter:	☐
Employer Contribution Earnings Filter:	
Exclude Employer Contribution Earnings Codes:	☐
Benefit Category:	
Benefit 834 Code:	
Health Insurance Deduction:	☐
Health Insurance Contribution:	☐
Retirement Employer Contribution:	☐
W2 Retirement Plan:	☒

W2 Distribution List

Search for W2 Distribution Management or locate in Reports > US Tax Reports > W2 Distribution Management - All the Actions needed are in the ribbon. They are all described below.

Year	Payroll Employee No.	First Name	Last Name	Paperless W2 Opt-in	Printed	Sent via Email	Downloaded from Self-Service Web Portal	Signed via Self-Service Web Portal	Distribution Completed
2023	AK-TEST-EMP	AK Test	Employee	☐	☐	☐	☐	☐	☐
2023	CA-TEST-EMP	CA Test	Employee	☐	☐	☐	☐	☐	☐
2023	TX-TEST-EMP	TX Test	Employee	☐	☐	☐	☐	☐	☐

Load W2 Employees - Provides a list of all employees with earnings in the current year. If there are blocked or terminated employees with earnings for the year they will be shown in this list. Once this list is loaded you can begin processing W2's.

Email W2 to Employees – This feature will create password protected files that are sent by email to all employees that have the proper settings marked in their employee card. We suggest printing at least one copy of the W2 as a pdf prior to emailing. This way you can confirm that all copies needed are in the file. Once that is done, you can process all the employees by email.

W2 Downloaded / Signed – This is only valid if you have Web portal. This will provide you with a list of employees that have downloaded their w-2 and signed it digitally if required.

Electronic W2 File Setup – State Specific Filing setup.

W2 Report – Provides multiple ways to print W2's.

Line flags:

Paperless W2 Opt-in: This is located on each employee's card. Administration tab.

Printed: Once W2 is printed, this will show checked if the option in the W2 report 'Set Printed to True in W2 Dist.' is set to true when running the W2 report.

Sent via Email: Will populate if W2's are emailed

Downloaded from Self-Service Web Portal: This will be populated when employees access the portal and download their W2

Signed via Self-Service Web Portal: This will be populated when employees access the portal, download, and sign their W2 if required.

Distribution Completed: This will be populated if any of the other options are filled in. It allows for quick filtering to see who is completed.

Printing Forms

When printing there are two formats available.

1 Form per page with layout – no additional form purchase needed.

4up form – requires the purchase of 4up preprinted W2 forms, the front is preprinted with 4 W2 forms, the back is preprinted with instructions

1 Form per page with layout

All forms can be printed for all employees or just one depending on the filter you pick.

Pages to print are as follows:

Copy 1 – For State, City, or Local Tax Department

Copy B – To Be Filed with Employee's Federal Tax Return

Copy C – For Employee's Records

Copy 2 – To Be Filed with Employee's State, City, or Local Income Tax Return.

Copy D – For Employer

When you select the W2 Form to print it will update the Pages to Print tab with the correct check boxes.

4up Form

Requires the purchase of 4up preprinted front and back form.

W2 Report

Printer: (Handled by the browser)

Report Layout: 14141213-000001

Options

Additional Copies: 0

W2 Format to Print: 4up

Year: 2023

Set Printed to True in W2 Dist. ☐

Adjust Numbers Down:

Export to W-2 Electronic File ☐

Save to Employee Files ☐

Collapse Multiple Local ☐

Mask Social Security Number ☐

If you print the 4up form and there are multiple states it will print multiple forms for the same employee with only the 1st form showing the federal information.

When printing the 4 up form you may need to adjust the print down you can do this by selecting either 1/32 inch or 1/16 inch. Which can be done in the options Tab. Adjust Numbers Down:

W2 Report

Printer: (Handled by the browser)

Report Layout: 14141213-000001

Options

Additional Copies: 0

W2 Format to Print: Copy B/Copy C/Copy 2 with Instructions

Year: 2023

Set Printed to True in W2 Dist. ☐

Adjust Numbers Down:

Export to W-2 Electronic File ☐

Save to Employee Files ☐

Collapse Multiple Local ☐

Mask Social Security Number ☐

Additional Options:

Check 3rd Party Sick Pay Box ☐

Pages to Print

4up Format (requires preprint...) ☐

Send to... Print Preview & Close Cancel

With the 4up form you have the option to Collapse Multiple Local taxes: When this option is selected MULTIPLE will be displayed when there is more than one local tax so that it will fit on one form.

Unchecked, it will print an additional form for each locality with taxes. On the second form printed the Federal numbers will not be printed.

If you choose to use the W2 Distribution Manager, you will want to put a check in the Box Set Printed to True in W2 Dist so that those employees show as 'Printed' in the W2 distribution list

Once you are ready be sure to print all forms to a PDF first. Then print from the PDF on blank paper or the preprinted forms depending on the layout you have selected.

E-Mailing W2's

There is a small amount of setup that needs to be done prior to emailing forms.

Employee Maintenance

The employee email address must be filled in on the Employee Card.

You will also want to select Paperless w2 Opt-in.

Payroll Employee Card

AK-TEST-EMP · AK Test · Employee

Process Reports Actions Related Reports Automate Fewer options

Local Tax Setup Salary Deductions PTO Hours Federal Withholding Setup State Withholding Setup Cr

General >

Communication

Phone No. 999-999-9999 Emergency Number

Cell Phone No. Emergency Contact

E-Mail info@primopayday.com Emergency Contact 2

Administration

Employee Type Payroll Calendar Code PAYROLL

Payroll Status Active Department Code

Hire Date Customergroup Code

Adjusted Hire Date Expense Allocation Templ...

Reported as New Hire Employee User ID

Inactive Date Manager User ID

Termination Date Salesperson Code

Termination Reason Code Send Check Stub by E-mail

Not Eligible for Rehire E-mail Check Stub from P...

Employee Posting Group ALL Paperless W2 Opt-in

Payroll Division I-9 on File

E-mail Setup

E-Mail must be setup before W2's can be sent. If you are already email check stubs this has already been done. If not, please reach out to Support@integrity-data.com and we will assist you in getting your email setup.

Password Protect

If you choose to assign a password to the w2's, navigate to Payroll Setup > Additional Setup and be sure that Password Protect PDF Email Attachments is selected. This is used for both Check Stubs and W2's. The Password will be social security number without any dashes.

←

Additional Payroll Setup

Payroll Calc. Exclusions | More options

General

Password Protect PDF Email Attach...	☒	Redl
Use Salary Rate if Higher than Pay M...	☒	Supp
Allocate Emp. Tax / Contribution Bas...	☐	SSN
Use Advanced Payroll Code Dimensi...	☒	Skip
Use Advanced Payroll Code Position...	☒	Skip
Reset Payroll Lines on Recalculation	☐	Auto
Sort Payroll Lines Based on Calc. Ord...	☐	Show
Default Emp. Cont. Benefit Category	EMP CONTRIBUTION	Use

Electronic Filing W2 – Federal

The electronic file is in SSA format by default, no additional settings need to be entered.

Electronic Filing W2 – States

Individual states require different settings. We have prepared a separate document with instructions for individual State filing. All the state settings can be put in the Electronic W2 File Setup table

Select W2 Report

W2 Distribution Management

Search Analyze + New Edit List Delete Process **Reports** More options

W2 Report

	Year ▼	Payroll Employee No. ↑	First Name	Last Name
→	2023	AK-TEST-EMP	AK Test	Employee
	2023	CA-TEST-EMP	CA Test	Employee
	2023	TX-TEST-EMP	TX Test	Employee

If you do not have the additional document regarding state filing, it is attached to the bottom of this article.

Enter the year you want to print W2's for in the Year Box.

Then select Export to W-2 Electronic File. This will bring up the EFW2 Export Request this data needs verified prior to exporting.

W2 Report

Printer: (Handled by the browser) ▼

Report Layout: 14141213-000001 ...

Options

Additional Copies: [Empty Box] ⓘ

W2 Format to Print: Copy B/Copy C/Copy 2 with Instructions ▼

Year: 2023

Set Printed to True in W2 Dist. [Toggle]

Adjust Numbers Down [Empty Box] ▼

Export to W-2 Electronic File [Toggle]

Save to Employee Files [Toggle]

Collapse Multiple Local [Toggle]

Mask Social Security Number [Toggle]

Submitter Record:

Fill in the following fields:

Social Security Administration User ID:

Enter the eight-character BSO User ID assigned to the employee who is attesting to the accuracy of this file. See **Section 5**

([https://www.ssa.gov/employer/efw/20efw2.pdf?](https://www.ssa.gov/employer/efw/20efw2.pdf?_ga=2.214517719.1343105700.1608216211-1921221170.1608216211#zoom=100)

[_ga=2.214517719.1343105700.1608216211-1921221170.1608216211#zoom=100](https://www.ssa.gov/employer/efw/20efw2.pdf?_ga=2.214517719.1343105700.1608216211-1921221170.1608216211#zoom=100)) for

Further information concerning the difference in using the BSO User ID as a signature and using the BSO User ID to access BSO.

Preparer Code: Enter one of the following codes to indicate who prepared this file:

A = Accounting Firm

L = Self-Prepared,

S = Service Bureau

P = Parent Company

O = Other

Note: If more than one code applies, use the code that best describes who prepared this file – normally code L should be selected.

Resubmission – Only check if you are resubmitting the electronic file for a second time.

Resub WFID: Enter the WFID displayed on the notice SSA sent you otherwise you can skip this field

Company & Submitter information will pull from the Company Information Page.

EFW2 Export Request - 2023

Submitter Record

Show more

Preparation

Social Security Admini... XXXXXXXX

Preparer Code L

Software

Software Vendor Code 1724

Software Code 99

Resubmission

Resub Indicator ☒

Resub WFID

Company

Name TLR-TEST COMPANY

Location Address WESTMINSTER

Delivery Address 7122 SOUTH ASHFORD STR

City ATLANTA

State Abbreviation GA

ZIP Code 31772

ZIP Code Extension

Submitter

EIN 123456789

Name TLR-TEST COMPANY

Location Address WESTMINSTER

Delivery Address 7122 SOUTH ASHFORD STR

City ATLANTA

State Abbreviation GA

ZIP Code 31772

ZIP Code Extension

Contact

Name TEST USER

Phone Number 214-555-1212

Extension

Fax

E-Mail * info@primopayday.com

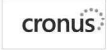
Employer Record

Show more

Company Information

Related ▾

General Show less

Name	TLR-Test Company	SAT ZIP Code		Industrial Classification	
Address	7127 South Ashford Street	Country/Region Code	US	Registration No.	
Address 2	Westminster	Contact Name	Adam Matteson	Picture	
City	Atlanta	Phone No.	+1 425 555 0100		
State	GA	Federal ID No.	12-6456789		
ZIP Code	31772	EOB Number			

The contact information will pull from the Payroll Setup – Tax Form Setup

Payroll Setup

Get Tax Settings Additional Setup More options

Payroll Custom Dimensions >

Pay Matrix Setup >

Check Signatures >

Tax Form Setup

Tax Form Signature	+	Tax Form Title	Support Manager	Tax Form Fax Number	
Tax Form Name	Tammy Rives	Tax Form Phone Number	817-440-4445	Tax Form Rounding	0.00
Social Security Administration User ID		Tax Form Email Address	info@primopayday.com		

Employer Record:

Tax Year is filled in on the prior screen:

Agent Indicator Code: If applicable, enter one fo the following (normally this is not needed):

- 1 = 2678 Agent (Approved by IRS)
- 2 = Common Paymaster (A corporation that pays an employee who works for two or more related corporations at the same time.)
- 3 = 3504 Agent

Note: Review **Section 2.1 Agent Determination** (https://www.ssa.gov/employer/efw/20efw2.pdf?_ga=2.192560936.345963269.1609338296-152840714.1609338296#zoom=100) in Specification for Filing Forms W-2 Electronically before entering 1,2 or 3 in this field. If more than one code applies, use the one that best describes your status as an agent. Otherwise, fill with a blank.

EFW2 Export Request - 2023

Employer Record

General		Employer		Employer Contact	
Tax Year	2023	Name	TLR-TEST COMPANY	Name	
Agent's Indicator Code		Location Address	WESTMINSTER	Phone Number	
Employer/Agent EIN	123456789	Delivery Address	7122 SOUTH ASHFORD STR	Phone Extension	
Agent for EIN		City	ATLANTA	Fax Number	
Terminating Business Indicator	☒	State Abbreviation	GA	E-Mail	
Establishment Number		ZIP Code	31772		
Other EIN		ZIP Code Extension			
Kind of Employer	N	Foreign State			
Employment Code	R	Foreign Postal Code			
Tax Jurisdiction Code		Country Code			
Third-Party Sick Pay Indicator	☒				
Reporting State Abbreviation					
Reporting State Code					
State Employer Account No. Position	248				
Local Tax Type to Export					

Kind of Employer (default is N):

N = None apply

T = 501c non-govt (Tax Exempt Employer)

S = State/local non-501c (State and Local Governmental Employer)

Y = State/local 501c (State and Local Tax Exempt Employer)

F = Fedal govt (Federal Government)

Employment Code (default is R):

R = Regular (all others) (Form 941)

M = Military (Form 941)

A = Agriculture (Form 943)

F = Regular (Form 944)

X = Railroad (CT-1)

H = Household (Schedule H)

Q = Medicare Qualified Government Employment (Form 941)

Tax Jurisdiction Code:

Blank

P = Puerto Rico

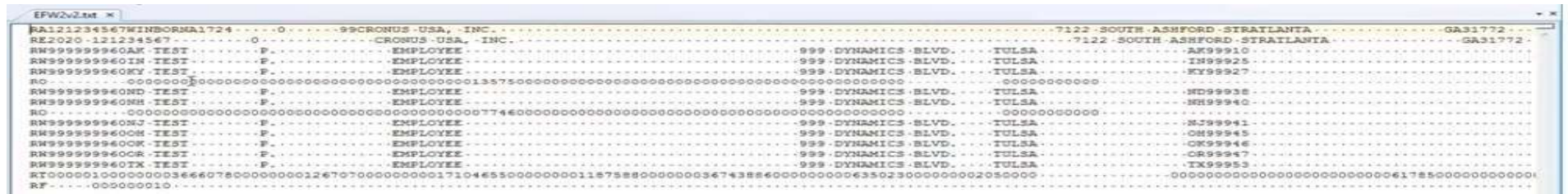
V = Virgin Islands

G = Guam

S = American Samoa

Once all the information is filled in on the EFW2 Export Request – select validate Request this will help to make sure the form is filled out properly. If there is additional information needed you will receive an error message letting you know. Select OK

Sample file:



This option will save the W-2's to the Payroll Files Table. So that it is accessible by the web portal.

Employee No. Prefix: ^

Employee No. Suffix: ^

Be sure that the field “Path to Company Documents” has a file path filled in.

“Path to Employee Documents” also has to be filled in.

14/20

EX: C:\WEBPORTALDOCSEMP\

Payroll Setup

Get Tax Settings Additional Setup More options

Tax Form Setup >

Addl. Employer Tax Codes >

Email Setup >

Payroll Users Setup >

Labor Costing Setup >

Self-Service Web Portal

Web Portal Company...	C:\WEBPORTALDOCS\	PTO Approval From ...	Manual
Filter Company Docu...	☐	Web Time Entry Met...	Decimal Hours
Web Portal Employee...	C:\WEBPORTALDOCS\EMP\	Check All Companies...	☐
Employee No. Prefix	^	Web Direct Deposit E...	☐
Employee No. Suffix	^	Filter Web Portal Pay...	☐
Regular Time Approv...	Manual	Skip Check Custom L...	☐
		Copy Web Portal Log...	☐

You can save to Employee Files while you are printing or creating the Electronic File.

Be sure to check the box Save to Employee Files.

Once printed, you can navigate to Departments/NAV Payroll/Setup/Administration/Payroll Files

to confirm that they have been saved. These will then show on the Employee's page of the Web Portal.

W2 Report

Printer

(Handled by the browser)

Report Layout

14141213-000001

Options

Additional Copies

0

W2 Format to Print

Copy B/Copy C/Copy 2 with Instructions

Year

2023

Set Printed to True in W2 Dist.

☒

Adjust Numbers Down

Export to W-2 Electronic File

☒

Save to Employee Files

☒

Collapse Multiple Local

☐

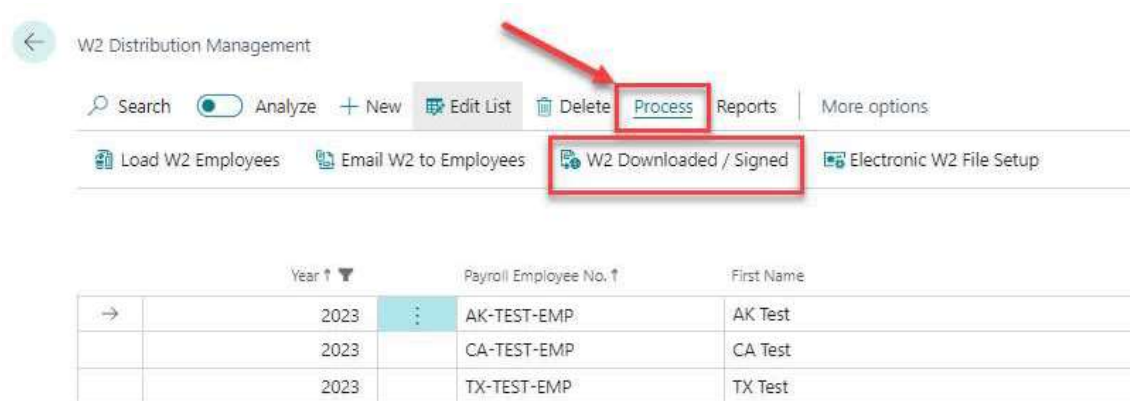
Mask Social Security Number

☒

W2 Downloaded / Signed

This is only valid if you are using the Web Portal.

The W2 File Name Prefix must be filled in so that it knows which document to look at. It will be "W2"



W2 Distribution Management

Search Analyze + New Edit List Delete Process Reports More options

Load W2 Employees Email W2 to Employees W2 Downloaded / Signed Electronic W2 File Setup

	Year ↑ ▼		Payroll Employee No. ↑	First Name
→	2023	⋮	AK-TEST-EMP	AK Test
	2023		CA-TEST-EMP	CA Test
	2023		TX-TEST-EMP	TX Test

Check if W2 Downloaded/Signed



Options

Year

2023

W2 File Name Prefix

w2

Filter: W2 Distribution Management

× Downloaded from Self-Service....

No

▼

× Signed via Self-Service Web P...

No

▼

× Distribution Completed

No

▼

× Payroll Employee No.

▼

× Sent via Email

▼

+ Filter...

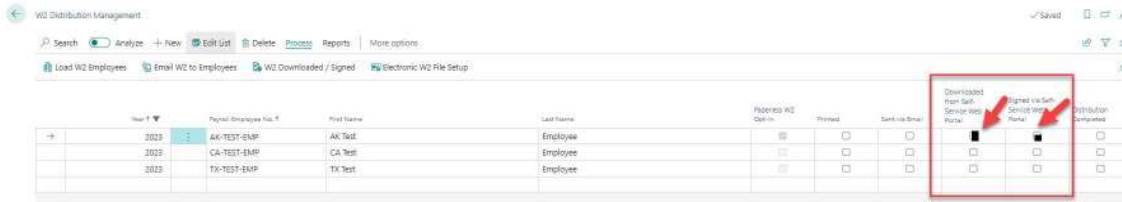
Schedule...

OK

Cancel

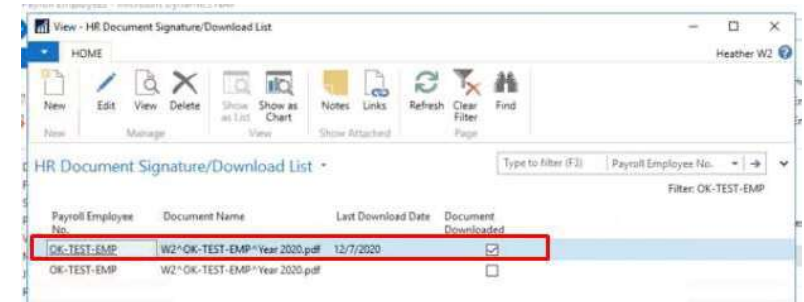
The report will evaluate the employee documents and see if the W2 has been downloaded, signed, or both. The appropriate boxes in W2 distribution management will be set to true for employees that have Downloaded and/or signed the document via the portal.

18/20

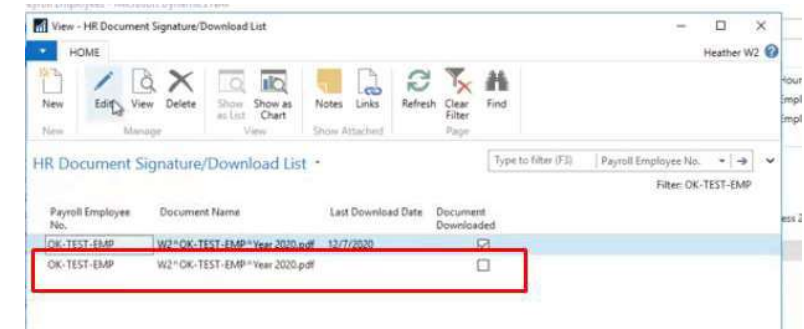
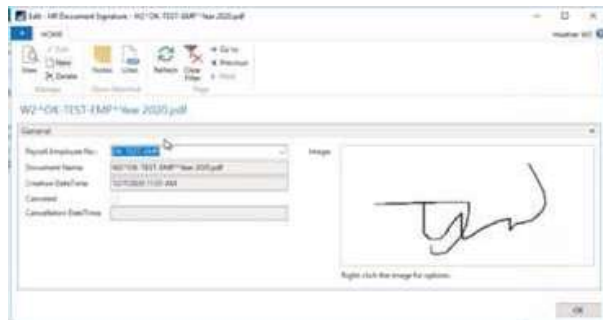


You can see the actual signature by navigating to the Employee Card/Navigate/Employee Signature/Download List.

This shows that the employee has downloaded their W2.



This is the file that has the signature attached. By selecting Edit you will be able to see the file.



The W2 Distribution Management tab will automatically be filled in according to what process you are running.

Helpful Links:

General Instructions for the W2 & W3: <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf> (<https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>)

SSA Specifications for Filing Forms Electronically (EFW2): <https://www.ssa.gov/employer> (<https://www.ssa.gov/employer>)

SSA Specifications for Filing Forms Electronically (EFW2) CORRECTION: https://www.ssa.gov/employer/efw/20efw2c.pdf?_ga=2.225652888.345963269.1609338296-152840714.1609338296#zoom=100 (https://www.ssa.gov/employer/efw/20efw2c.pdf?_ga=2.225652888.345963269.1609338296-152840714.1609338296#zoom=100)

Helpful Hints to Electronic Filing: https://www.ssa.gov/employer/HelpfulHintsEFiling.pdf?_ga=2.95499038.345963269.1609338296-152840714.1609338296 (https://www.ssa.gov/employer/HelpfulHintsEFiling.pdf?_ga=2.95499038.345963269.1609338296-152840714.1609338296)