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W-2 Checklist To be completed while preparing the 4th Qtr 941

Print a payroll summary report for the 4th qtr and the year. Reports > Payroll > Payroll Summary

Prepare the 4th qtr 941 in pencil or print from QuickBooks and write draft on the top (for your use only)

If using another payroll software, verify the net wages on the annual summary agrees to the net wages on the one-write sheets

Print a set of W-2's on white paper for use in completing the following reconciliation. Payroll menu> Process payroll forms > Federal Forms > W-2

Print the W3 Form on white paper

Retrieve a copy of the Form 941 filed in the 1st 2nd & 3rd quarters

OBJECT: Sum of the 941'S filed for 4 quarters must AGREE TO W-2 company totals

COMPLETE THE FOLLOWING USING YOUR COPY OF THE 941

941 LINE NUMBER	2	3	5A 1	5A 2	5C 1	5C 2
QUARTER	WAGES	FED W/H	FICA WAGE	FICA TAX	MEDICARE WAGE	MEDICARE TAX
1						
2						
3						
4						
TOTAL						
The employers share is 6.2% and the employee's share is 4.2% = 10.4% 4.2%/10.4% = .40384615384 to verify total of Fica on W2s				Divide by 2		Divide by 2
TOTALS FROM W-3						
TOTALS FROM W-2						
BOX NUMBER	1,16*see notes	2	3	4	5	6

Once Printed PROOFREAD W-2's

1. Employer federal ID Box B and State ID Box 15

The ID numbers can be modified in QuickBooks from:

Federal : Company > company information

State: Lists>Payroll Items>State withholding tax item > Ctrl +E> 2nd window

3. Employee's Social Security # Box A

4. Employer's name and address Box C

5. Employee's name and address box E & F

The Employee information may be modified: Lists> Employee list > Highlight name > Ctrl E > Employee Info Tab

If the employee is participating in any **employer retirement plan** check the Retirement plan in box 13. If the employee received sick pay from third party (your state included) disability plan you may be required to report the info on W-2; the taxable amt is incl. In Box 1,3, &5, do not incl in Box 16 (check your State law - NJ excludes this). FICA & Med withholding on the sick pay is included in Box 4 & 6.

Simple Pension- Box 1 will show gross wages LESS an Employee contribution, Box 3&5 will not be reduced by the simple contribution, & box16 might not be reduced(if your state does not recognize simple contributions like NJ & PA) Report Employee contributions in Box 12 w/ code S; Do not report an Employer contribution on Form W-2..

401K - - Employee 401K contributions are excluded from (the employee contribution only) Box 1 &16, Box 3 & 5 (Social Security taxable wages) are not reduced by the contribution

Amts included in Box 1 for S Corp Health or Auto Benefits are reported in Box 14 and labeled

Box 14 - Withholdings for state disability are included with a code of DI (max withholding limit apply- NJ up to \$80.40(.0024x 33,500)

Box 14 - Withholdings for state disability are included with a code of FLI (max withholding limit apply- NJ up to \$33.50(.001x 33,500)

Box 14 - Withholding state unemployment ins is included with a code of SU1 (max withholding limit apply - NJ up to \$142.38 (.00425 x 33,500)

How do I make a year-to-date (YTD) adjustment in QuickBooks?

Employee Menu > Process Payroll Forms> Fed > Choose W 2 form > Select all employees > Click on review W-2. Amounts on the W2 may be changed by right clicking and selecting override any amount. Box 12 and 14, just type in the code and the amount required (see instructions for W-2) If it is necessary to modify Company name or ID numbers: For federal forms go to the company menu > company information > change name, address, federal ID numbers. For state forms >from the list menu > payroll item list > select and edit the state or local tax items to modify the ID numbers. If necessary, modify Employee name and ID numbers. Go to: Employee Center or List/EE > select and edit any employee that needs correction to spelling or ID numbers..

How do I adjust PR withholdings & employer contributions? Employee menu > PR Tax & PR Liabilities > Adjust PR Liabilities

Select which employee is causing the problem, then choose all PR items that need adjustment, enter the amount of the adjustment and click on "Accounts Affected". Make a choice if you want the general ledger to be adjusted as well as the W2s & PR summary reports (this means you have not previously adjusted for the problem at the time you made a tax payment)

Common Items reportable on W2 – Box 12 See W2 instructions at www.irs.gov for a complete instructions

- Code C- Taxable cost of group term life insurance over \$50,000
- Code D – Elective deferrals under a section 401k including a simple 401K
- Code F- elective deferrals under a SEP
- Code J – Nontaxable sick pay
- Code L – Substantiated employee business exp. Reimbursements

- Code R – Employer contributions to an Archer MSA
- Code S – Employee contributions to a Simple
- Code T – Adoption benefits
- Code W- Employer contributions to a Health savings acct.
- Code AA – Designated Roth contributions to a 401K plan
- Code DD – Cost of Employer Sponsored Health Coverage

Common Items reportable on W2 – Box 14- See W2 instructions at www.irs.gov for a complete instructions

- Lease value of vehicle provided to employee and included in Box 1
- State Disability Ins. Tax withheld, Union dues withheld, Uniform payments

- Health insurance premiums deducted
- Educational assistance payments



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