



# Get Ready for Year End: A Guide to the Year End Process for Payroll

# Get Ready for YE

## Key Objectives:

- Year End Preparation Steps
- Year End Balancing and Processing
- W2/1099 processing and EFW2 file



# Year End Preparation Steps

# Ordering Forms for W2

## W2 Forms – Recommended Stock

- Blank 8 ½ X 11 with perforations pre-printed instructions on the back of the form with the corresponding envelopes – 4 Up (Quadrants)
- URL for Nelco Forms for the letter size form - <https://www.nelcosolutions.com/4upperfi05-blank-w2-4up-quad-w-inst/>
- Blank self seal form with pre-printed instructions on the back of the form – 4 Up (Quadrants)
- URL For Nelco Forms for the Self Seal form - <https://www.nelcosolutions.com/80640-p-s-14ez-w-2-4up-quad-mw1289/>



# Company Settings for Year End Processing

Configure company settings for the W2/1099 printing under **Admin Icon > Global Setup > Company Setup** and select the **Payroll tab > Printed W2/1099 Options**

- **Set sort order for W2/1099 Printing**

- Employee Full Name
- Employee ID
- SSN
- Employee Last Name

Sort then within cost center

- **Stock** – letter or pressure seal
- **Reverse Print Order** – prints Z-A
- **Default for 3PSP** – Single W2, Separate W2 or Do Not Report

If Third Party Administrator is issuing W2, select **Do Not Report** – 3PSP wages & taxes will not appear on W2

# Electronic Consent for Form W2

## Enable Electronic Consent

- Admin Icon > Company Settings > Global Setup > Company Settings > Payroll Tab

**ELECTRONIC CONSENT**

When you disable electronic consent for W2's, you must change your delivery policy to print all W2's so that employees who have elected electronic consent will have his or her W2 printed.

Enable

Box Text

**Employee security profile** should be checked to ensure employees have access to view W2 in ESS

- On ESS tab, My W2s set to **View**

Security Items ESS

My W2s

# Electronic Consent for Form W2 – Employee Level

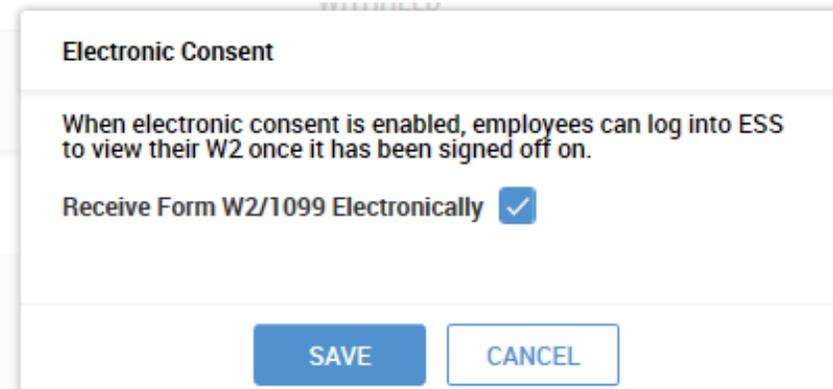
- Employee will log into ESS, Navigate to the Forms W2 and check **Electronic Consent** in the top right-hand corner of the page:

Check the box to

Receive Form W2/1099

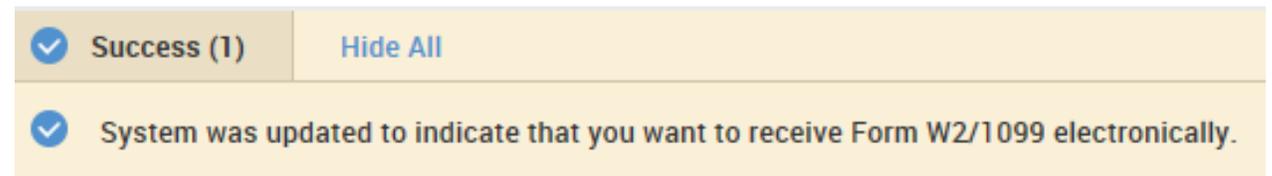
Electronically, then Save

(user must enter their password)



The screenshot shows a dialog box titled "Electronic Consent". Below the title is a descriptive sentence: "When electronic consent is enabled, employees can log into ESS to view their W2 once it has been signed off on." Below this is a checkbox labeled "Receive Form W2/1099 Electronically" which is checked. At the bottom of the dialog are two buttons: "SAVE" and "CANCEL".

Employee will receive a Success message:



The screenshot shows a success message notification bar. It has a yellow background and a blue checkmark icon on the left. The text reads: "Success (1) Hide All" followed by "System was updated to indicate that you want to receive Form W2/1099 electronically."

# Delivery Policy for Forms W2/1099

## Set Delivery Policy for W2s/1099 forms

Admin Icon > Company Settings > Profiles/Policies > Delivery

- Click Add, and select W2 (and 1099 separately)
- Select appropriate delivery destination
- Choose to skip printing employees who have electronic consent on file
- Set Employer Copies print options
  - Do not print
  - 4 Employees per page

# Delivery Policy for Forms W2/1099

Admin (gear icon) > Profiles/Policies > Delivery

### DELIVERY POLICY

Name\*

Description

Active

Sort Order

Delivery Destination #1\*

Delivery Destination #2\*

Delivery Destination #3\*

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SETTINGS

Skip Employees With Electronic Consent

Employer Copies

### DELIVERY POLICY

Name\*

Description

Active

Sort Order

Delivery Destination #1\*

Delivery Destination #2\*

Delivery Destination #3\*

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SETTINGS

Skip Employees With Electronic Consent

Employer Copies

# To View Employees' W2 Information

To view employee W2s: Team Icon > Payroll > Forms > W2s

- You may use Add/Remove Columns to add additional columns for each box on the W2 to verify wages, taxes and amounts in boxes 12 and 14 for audit
- Export report as needed for review
- You may preview employee(s) W2s – Employer copy (D) as well as Employee copy (B, 2, C) 
- Employee W2s can be downloaded to PDF and then printed

# Reviewing Social Security Numbers

Social Security Numbers have a large impact to filing tax returns, EE W2 Forms, and Unemployment Claims.



It's important that you understand the risk that comes with an invalid Social Security Number:

- Incorrect data filed with agencies
- W2C will be required when incorrect SSN is on issued form
- Unemployment claims can be denied when the correct SSN was not recorded
- Invalid SSNs cannot be filed with the Social Security Administration and will be removed from filing, which can impact your employee's ability to file their personal tax returns

**It is not best practice to add fake numbers 'on the go' (as a placeholder when adding new employees).**

## Where & how do you audit Social Security Numbers?

Navigate to:

*Team >> Payroll >> Forms >> W2s >> if not in default view, add in SS# Column & use criteria above to search report.*

← W2s

Page 1 of 1 1 - 16 of 16 Rows Saved: [System]

|                          |  |  |  |  |  | SS#         | First Name |
|--------------------------|--|--|--|--|--|-------------|------------|
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1253 |            |
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1252 |            |
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1251 |            |
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1250 |            |
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1245 |            |
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1244 |            |
| <input type="checkbox"/> |  |  |  |  |  | 123-45-6789 |            |
| <input type="checkbox"/> |  |  |  |  |  | 111-11-1246 |            |

Column Search  
starts with  
**111-111-1111**  
CANCEL APPLY

Social Security Invalid Numbers to review when auditing:

Cannot begin with

000 666 900-999

Cannot be among the following

123-45-6789 111-11-1111 \*\*\*-00-\*\*\*\* \*\*\*-\*\*-0000

# Review Employee Names & Addresses for W2s

*Team >> Payroll >> Forms >> W2s*

When an address change occurs after the last payroll of the year for an employee, the new address will not carry over to the W2. This report compares current addresses within the employee information screen against the W2 report and will only return results if there are any differences.

**To correct any discrepancy, you will need to recalculate W2 forms.**

- As you are reviewing all W2 Data Reports, be sure to look at employee names.
- If corrections are needed access the employee information screen to update.
- Diacritical characters should also be removed from employee names and addresses as they will cause issues with tax filings. **á ñ ü**

| First Name  | Last Name   | Year | Employee Address  | Address 1         |
|-------------|-------------|------|---|-------------------|
| starts with | starts with | =    |   | =                 |
|             |             |      |   |                   |
| Bud         | NewYork     | 2020 | 4828 Cliffside Drive<br>Binghamton NY Broome<br>13904 United States | 1 Cliffside Drive |

# Year End Balancing and Processing

# Balancing Wages and Taxes

- **If a code (earning or deduction) should be on a W-2 and is not printing on the form:**
- **If the code was part of a finalized payroll**
  1. In the client company, navigate to the earning or deduction
  2. Update the box assignment for EE or ER; save to update
  3. Recalculate the W2s and verify the update
- **If the code was not part of a finalized payroll**
  1. The amount(s) must be added through a payroll adjustment
  2. Create the appropriate payroll, update the amounts, and finalize
  3. Confirm the change on the updated W-2

# Confirm Earning and Deduction Code Settings for W2s

*Admin >> Payroll Setup >> Earnings/Deductions*

Within Earning or Deduction page >>  
Select Columns >> Add the following  
columns to the page:

- ✦ 1099 Box Type
- ✦ W2 Box Type
- ✦ W2 Box Type # 2

- Verify that all earnings/deductions are reporting to the proper boxes
- If adjustments are needed to the E/D Codes, select the blue pencil and make the change.



The screenshot shows a configuration interface for tax forms. It features a header "TAX FORMS" and a table with two columns: "Tax Forms" and "Box Type". The "Tax Forms" column contains a dropdown menu with "W2" selected. The "Box Type" column contains a dropdown menu with "1 - Wages, Tips, and Other Compensation" selected. A plus sign icon is visible to the right of the "Box Type" dropdown.

# **W2/1099 Processing and Creation of EFW2 File**

# Printing Year End Forms – W2/1099

- Navigate to the Team Icon > Payroll > Forms > W2/1099
- Client has ability to preview W2s/1099s, View Selected, View by State, or Download PDF
- Select the checkbox for all W2s/1099s and click the Download button for the Download Type, choose One Employee Per Page (Copy B,2,C) for Employee copies:

Download Selected Forms ✕

 You are about to download 46 forms. Please select download options below.

Download Type \*

One Employee Per Page (Copy B,2,C) ▼

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# Printing Year End Forms – W2/1099

- Click Download PDF, open the PDF document then you may print the W2s
- For Employer copies: Select checkbox for all W2s/1099s and click the Download button for the Download Type, choose Four Employees Per Page (Copy D) :

Download Selected Forms ✕

i You are about to download 46 forms. Please select download options below.

Download Type \*

Four Employees Per Page (Copy D) ▼

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CANCEL DOWNLOAD PDF

# Year End Filings – Adding EFW2

- **Create EFW2 file – Adding EFW2 product – Client level**

- On the Client level, configure the following fields under  Admin Icon > Our Company > Marketplace > Product Settings for the Year End W2/1099 File

## PRODUCT SPECIFIC CONFIGURATIONS

Contact\*    \*Person to be contacted by SSA concerning processing problems

### W2: RA RECORD SETTINGS [\(VIEW\)](#)

User Identification (User ID)\*

Preferred Method of Problem Notification Code\*

Preparer Code\*

Software Code\*

Software Vendor Code

### 1099: T RECORD SETTINGS

Transmitter Control Code\*

# Year End Filings – Creating the EFW2 File

## To create the EFW2 File

Navigate to Team Icon > Payroll > Quarter/Year End Process > EF W2/1099

Click **‘CREATE EF W2/1099 FILE’**

Create EF W2/1099 File ✕

You are about to create an EFW2/1099 file.

Form <sup>\*</sup>

W2

Form Type <sup>\*</sup>

Federal

Year <sup>\*</sup>

2021

Is Resubmission

Resubmission Wage File Identifier

# When you need assistance....

609.645.7333 press 3 then 4

[Support@EdmundsGovTech.com](mailto:Support@EdmundsGovTech.com)