INTRODUCTION

The purpose of this document is to request that modifications be made to the W-2 process for 2000 tax reporting.

W-2 EXTRACT EDIT

An existing edit checks an employee's year-to-date Earned Income Credit (EIC) Amount (EDB 6099Y). If the amount exceeds $1387.00, warning message 60-128 (TAX EXTRACT: EIC OVER MAXIMUM OF $1387.00, REDUCED TO $1387.00) is displayed on the PPP6010 report, and an EIC amount of $1387.00 is written on the employee's W-2 Extract record.

For the 2000 reporting year, the maximum amount of advance EIC has been increased to $1412.00. Therefore, all references to $1387.00 in this edit and message should be changed to $1412.00.

There are certain circumstances when a nonresident alien comes to the U.S. to work, returns to his/her home country, then is rehired to work outside the U.S. The employee's citizenship code is appropriately changed to 'X' ("Non-Resident alien living and working outside the United States--wages not subject to federal and state withholding tax"). When the W-2 process is run, the forms are not printed for these individuals because they have a reportable amount on their EDB record. Message 60-125 is issued: "X-coded alien has one or more reportable amounts. The severity is 'fatal'." Since the example given above is legitimate, the severity level should be changed to 'warning'. The user can then verify whether or not the employee's record is correct.
LASER FORM W-2

The laser Form W-2 should be modified to change the year from 1999 to 2000.

A sample W-2 form is provided as Attachment 1.

MAGNETIC TAPE

Transmitter Record, Basic Information Record, and Employer Record

The W-2 file should be modified to change the year from 1999 to 2000 in all three records (field name - Payment Year, location 2-5, same for Transmitter Record - Code A, Basic Information Record - Code B, and Employer Record - Code E).