



2013 Alaska Public Employers Conference

**Patti Lightholder
Employer Services Liaison Officer
Social Security Administration
Seattle Region**

2014 At a Glance

FICA tax rate, employers & employees, each	6.20%
Medicare tax rate, employers & employees, each	1.45%
Social Security-maximum taxable wages	\$117,000
Medicare-maximum taxable wages	No limit
First day to submit 2013 electronic wage reports	12/23/2013
Deadline to distribute 2013 W-2s to employees	01/31/2014
First day EWRs processed	02/10/2014
Last day to submit 2013 PAPER wage reports	02/29/2014
Last day to submit 2013 electronic wage reports	03/31/2014

Today's Topics

- **Enhanced Online Capabilities**
- **Electronic Filing of W-2/W-3**
- **Verifying Names and SS Numbers**
- **210 vs. 218 in a Nutshell**
- **Reminders About Rehired Annuitant**
- **Odds and Ends to Consider**

Enhanced Online Capabilities

www.socialsecurity.gov/onlineservices

- **Set Up Your Personal MySSA Account**
- **Complete Your Retirement, Disability, or Medicare Application**
- **Obtain a Social Security Statement**
- **Estimate Your Retirement Benefits**
- **Obtain Many Booklets and Forms**

Business Services Online

www.socialsecurity.gov/employer/bso/bsowelcome.htm

- Register for a User ID and password
- File W-2s electronically
 - Upload Wage File
 - W-2 Online
 - W-2C Online
- Electronic proof of Filing
- Track status of electronic filings
- Verify Employee Names and SSNs

What do I do first? Register!

- **User ID = your electronic signature (not the company's) for use on BSO services**
- **Do not loan it out and do not use another person's BSO User ID**
- **Choose your own password—good for 90 days**
- **Answer personal identifier questions**
- **Employer receives Activation Code for you to use with SSNVS**
- **Need help? Contact BSO Technical Assistance (800-772-2970)**

Online Wage Reporting

What's In It For You?

- Extended due date – March 31st
- Immediate receipt
- Faster processing
- Fewer errors
- More services
- Less costly to employers and SSA



Electronic W-2 and W-2C Choices

- Upload EFW2 or EFW2C file
 - Prepared by your software
 - Proprietary SSA format
 - For large or small filers
- W-2/W-2C Online
 - Ideal for small filers or special needs
 - Blank W-2 displayed via Internet
 - Fill in screens (up to 50 W2s, 25 W2Cs)
 - Save up to 50 W-2 and 50 W-2C online batches
 - Name/SSN verification immediately
 - W-3/W-3C totaled for your records
 - Employee Copies (.pdf) too!
- Both use March 31 e-file deadline

No forms or tax software required!!!



Forms W-2/W-3 Online

Steps: ① Employer Information ② Form(s) W-2 ③ W-2 List ④ W-3 Preview ⑤ Print & Review ⑥ Sign & Submit ⑦ **Submission Confirmation**

⑦ Confirmation Receipt - Your File Was Received

Your wage report was submitted successfully. Thank you for using W-2 Online.

This Wage File Identifier (WFID) is your confirmation number: **KVZ192**

We encourage you to print this page for your records. Your receipt will no longer be available once you leave this page.

! Do not mail us any paper Form(s) W-2 or W-3.

Your Receipt

Employer: DEMO EMPLOYER	Employer EIN: 11-2222222
Tax year: 2010	Payer type: 941 - Regular
Received on: 08/30/2010 04:33 PM Eastern Time	Form type: W-2

Received:	1 Form W-2		
Total wages:	\$1,234.00	Federal income tax withheld:	\$345.00
Social security wages:	\$0.00	Social security tax withheld:	\$0.00
Medicare wages and tips:	\$0.00	Medicare tax withheld:	\$0.00

What You Should Do Next

1. Keep a printout of this page for 4-7 years as proof of your filing date.
2. **Print and distribute** the Form(s) W-2 to your employees if you have not already done so.

! Do not mail us any paper Form(s) W-2 or W-3.

What to Expect

- You can check the status of your submission by selecting the View Submission Status link from the EWR homepage. It may take 4-6 weeks for your wage report to process.
- Please note: If your address or phone number has changed, remember to correct it in IRS records by using the IRS form 941. Contact the IRS for more information.
- If you need to make a correction to this wage report, ensure that the status of the report is COMPLETE. Then you can use the W-2c application to make corrections.

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What is SSNVS?

- **Employers can verify employee name/SSN**
- **Can only be used for employees, not for recruitment screening or tax filing purposes**
- **Only tells you if employee name & Social Security number match SSA's records – does not prove identity**
- **Direct key up to 10 names/SSNs with immediate results**
- **Upload up to 250,000 names/SSNs per file with next-day results**
- **4 possible “No-Match Codes” plus a death indicator**

Possible Mismatch Codes

VERIFICATION CODES

1 = SSN not in file (never issued to anyone)

3 = Name and SSN match; DOB does not match

5 = Name and SSN does not match, DOB not checked

6 = have employee contact the local security office for more information

DECEASED (PER SSA RECORDS)

If Social Security records indicate any of the names and SSNs submitted for verification belonged to deceased individuals, the page will display a table with the information pertaining to these requests.

What To Do If An SSN Fails Verification

- **Compare the submitted information**
- **View the Social Security card**
- **Ask the employee to verify the information**
- **Refer the employee to the local Social Security office**
- **Document your efforts**

Reminders!

- **A mismatch is not a basis, in and of itself, for you to take any adverse action against an employee, such as laying off, suspending, firing, or discriminating.**
- **Company policy should be applied consistently to all workers.**
- **Any employer that uses the mismatch information to take adverse action against a worker may violate State or Federal law.**
- **The information from SSNVS does not make a statement regarding a worker's immigration status.**

Section 218 vs. Section 210

- 218 is voluntary coverage
- 218 has priority over 210
- Can be FICA and/or Medicare coverage
- 210 is mandatory coverage
- If 218 applies, cannot apply 210
- Can be FICA and/or Medicare coverage

Section 218 of the Act

- 01/01/1951 allowed voluntarily FICA coverage for public employees
- State and SSA enter into a voluntary 218 agreement
- State and SSA modify their agreement to add new public entities
- May require a referendum, if employees covered by public retirement system

Section 210 of the Act

- Employees hired 04/01/1986 or later, **mandatory** Medicare coverage
- Employees hired 07/02/1991 or later, not member of retirement system, **mandatory** FICA and Medicare coverage

Absolute Coverage Confusion

Absolute coverage positions are either:

- All positions in the entity, if there is **no** qualifying retirement system, **OR**
- Only for those positions that are **not** covered by the qualifying retirement system.
- If all positions in the entity are covered by a voluntary absolute coverage modification, and they **later** join a qualifying retirement system, **all positions are still covered** under the 218 modification.

Action Required!

- An entity changes its name or EIN
- Two or more entities merge or join forces in some way
- An entity dissolves
- Part of an entity “spins off” as a new political subdivision
- A retirement system is formed or dissolved

What should you do?

- Gather your documents
 - Name change resolution
 - Joint operating agreements
 - Dissolution documents
 - Formation authority/enabling legislation
- Contact Kay Gouyton for assistance

What is a Rehired Annuitant?

- A retiree who participated in a retirement system
- Who is hired by former employer **OR** an employer who participates in same retirement system
- The retiree receives retirement benefit from the system or has reached retirement age under the retirement system

Most Critical Component

To be a rehired annuitant, the **current** employer must have positions under the **same** retirement system as the system from which the retiree receives a pension.

If these criteria are not met, there is no rehired annuitant situation!

Example—No 218

- Tom retires from Snowville School District and receives an AK PERS pension.
- He is hired by the May County Sewer District, which has positions in the AK PERS system.
- Tom's new job is **not** covered by the AK PERS system.
- Is Tom a rehired annuitant?
- Does Tom have mandatory FICA and Medicare coverage under Section 210?

Example—218 Involved

- Tom retires from Snowville School District and receives an AK TERS pension.
- He is hired by the May County Sewer District, which has positions in the AK PERS system.
- Tom's new job **is** covered by the AK PERS system.
- May County Sewer District had an absolute coverage modification before joining PERS.
- Is Tom a rehired annuitant?

Yes, No, Maybe So?

- Job retired from:
 - 218 agreement? If so, what kind?
 - Qualifying retirement system?
- Job hired into:
 - 218 agreement? If so, what kind?
 - Qualifying retirement system?
 - Retirement system ineligible?
- Each scenario results in a different answer!

SSA Contacts

- **Employer Website**
www.ssa.gov/employer
- **Business Services Online (BSO)**
www.ssa.gov/employer/bsowelcome.htm
- **Employer Reporting Assistance**
800-772-6270
- **BSO Technical Assistance**
888-772-2970
- **Employer Services Liaison Officer**
Patti Lightholder, 206-615-2133