



DEPARTMENT OF ADMINISTRATION
Division of Accounts and Reports

BILL GRAVES
Governor

DAN STANLEY
Secretary of Administration

SHIRLEY A. MOSES
Director of Accounts and Reports
900 S.W. Jackson, Room 351S
Landon State Office Building
Topeka, KS 66612-1224
(913) 296-2311
FAX (913) 296-6841

INFORMATIONAL CIRCULAR NO: 97-P-016

DATE: January 16, 1997

SUBJECT: W-2 WAGE AND TAX STATEMENTS FOR CALENDAR YEAR 1996

EFFECTIVE DATE: Immediately

A & R CONTACT: Payroll Services - (913) 296-3146

APPROVAL:

SUMMARY: Information Pertaining to Employee 1996 W-2 Statements

The final version of the KTXPR55 W-2 Listing has been generated. The KTXPR55 report contains all information *printed* on the 1996 W-2 Wage and Tax Statement for each employee of your agency. Agencies which are on-line users of SHARP will find the report in your agency mailbox on the MVS dated January 13, 1997. The KTXPR55 W-2 Listing will be distributed to paper user agencies via the normal report distribution process.

The KTXPR55 W-2 listing is sorted as follows: 1) by department number, 2) alphabetically by last name, and 3) by social security number (SSN). Totals are included for each 10-digit department number as well as a grand total summary for the entire agency. The '***DIST. TOTAL***' represents the total number of 1996 W-2's that were printed for your agency. The Department of Administration will be preparing a STARS voucher to bill each agency for the applicable costs associated with mailing the 1996 W-2's.

In those instances where an employee has worked for more than one department, one W-2 form has been prepared which includes earnings and deductions for all departments. The W-2 information for these employees will appear on the KTXPR55 W-2 listing for the department in which the employee was last paid.

In situations where the address information is not correct or is not sufficient for postal delivery, the W-2 form will be mailed to the agency for distribution to the employee. The return address for all W-2 forms mailed this year will be the agency address.

1996 W-2 WAGE AND TAX STATEMENT

Box 1 (Federal) Wages, Tips, Other Compensation =

Gross Wages from the Check Stub and shown on Earnings Summary section:

- KPERS Contributions, Box 14 KPER
- Tax Sheltered Annuity Contributions
- Voluntary Tax Sheltered Annuity Contributions, Box 13E
- Deferred Compensation
- Federal Employees Thrift Savings Plan, Box 13D
- Before Tax Group Health Insurance Premiums, Box 14 NTGH
- Health Care Flexible Spending Account, Box 14 HLTH
- Dependent Care Flexible Spending Account, Box 10
- + Cost of Group Term Life Insurance Over \$50,000, Box 13C
- + Athletic Season Tickets
- + Awards-Taxable
- + Club Dues-Taxable
- + Fringe Benefit Income
- + Moving Expense-Taxable
- + Malpractice Insurance-Taxable
- + Non-cash Awards
- + Vehicle Usage-Taxable

Box 2 Federal Income Tax Withheld =

Federal Tax Withholdings

Box 3 Social Security Wages =

Gross Wages from Warrant Stub and shown on Earnings Summary section

- Before Tax Group Health Insurance Premiums, Box 14 NTGH
- Health Care Flexible Spending Account, Box 14 HLTH
- Dependent Care Flexible Spending Account, Box 10
- + Kansas Public Employee Deferred Compensation Plan (KPEDCP)
- + Cost of Group Term Life Insurance Over \$50,000, Box 13C
- + Athletic Season Tickets
- + Awards-Taxable
- + Club Dues-Taxable
- + Fringe Benefit Income
- + Moving Expense-Taxable
- + Malpractice Insurance-Taxable
- + Non-cash Awards
- + Vehicle Usage-Taxable

Box 4 Social Security Tax Withheld =

Social Security Withholding (6.2% of Social Security Wages)

Box 5 Medicare Wages and Tips =

Gross Wages from Warrant Stub and shown on Earnings Summary section

- Before Tax Group Health Insurance Premiums, Box 14 NTGH
- Health Care Flexible Spending Account, Box 14 HLTH
- Dependent Care Flexible Spending Account, Box 10
- + Kansas Public Employee Deferred Compensation Plan (KPEDCP)
- + Cost of Group Term Life Insurance Over \$50,000, Box 13C
- + Athletic Season Tickets
- + Awards-Taxable
- + Club Dues-Taxable
- + Fringe Benefit Income
- + Moving Expense-Taxable
- + Malpractice Insurance-Taxable
- + Non-cash Awards
- + Vehicle Usage-Taxable

Box 6 Medicare Tax Withheld =

Medicare Withholding (1.45% of Medicare Wages and Tips)

Box 9 Advance EIC Payment =

Advanced Earned Income Credit Payments during 1996

Box 10 Dependent Care Benefits =

Contributions to a Dependent Care Flexible Spending Account, under Section 125 of IRC.

Box 12 Benefits Included in Box 1 =

Fringe benefits reported by the agency during 1996, including:

- Athletic Season Tickets
- Awards-Taxable
- Club Dues-Taxable
- Fringe Benefit Income
- Moving Expense-Taxable
- Malpractice Insurance-Taxable
- Vehicle Usage-Taxable

Box 13C = Cost of group-term life insurance coverage in excess of \$50,000 provided to employee by employer

Box 13D = Federal Employees Thrift Savings Plan (TSP)

Box 13E = Contributions to a Voluntary Tax Sheltered Annuity (VTSA), under Section 403(b) of the Internal Revenue Code (IRC)

Box 13G = Contributions to the Kansas Deferred Compensation Plan + Kansas Public Employees Deferred Compensation Plan, under Section 457 of the IRC

Box 13P = Excludable moving expense reimbursements

Box 13Q = National Guard Basic Allowance and Subsistence Pay

Box 14 KPER = Contributions to Kansas Public Employees Retirement System

Box 14 NTGH = Before Tax Group Health Insurance Premiums, under Section 125 of IRC

Box 14 FEDR = Federal Employees Pension Plan (CSRS/FERS) Contributions (only eligible employees at KSU)

Box 14 HLTH = Contributions to a Health Care Flexible Spending Account, under Section 125 of IRC

Box 15 Pension Plan =

“X” indicates that the employee is eligible or currently participating in KPERs, a tax sheltered annuity plan, Federal Employees Pension Plan (CSRS/FERS), or the Federal Employees Thrift Savings Plan.

Box 15 Deferred Compensation =

“X” indicates that the employee is participating in a voluntary tax sheltered annuity plan (VTSA), Deferred Compensation, Kansas Public Employees Deferred Compensation Plan (KPEDCP), or Federal Employees Thrift Savings Plan.

Box 17 State Wages, Tips, Etc. (State Taxable Wages) =

Gross Wages from Warrant Stub and shown on Earnings Summary Section

- Tax Sheltered Annuity Contribution
- Voluntary Tax Sheltered Contributions (VTSA)
- Deferred Compensation
- Federal Employees Thrift Savings Plan, Box 13D
- Before Tax Group Health Insurance Premiums, Box 14 NTGH
- Health Care Flexible Spending Account, Box 14 HLTH
- Dependent Care Flexible Spending Account, Box 10

- + Cost of Group Term Life Insurance Over \$50,000, Box 13C
- + Athletic Season Tickets
- + Awards-Taxable
- + Club Dues-Taxable
- + Fringe Benefit Income
- + Moving Expense-Taxable
- + Malpractice Insurance-Taxable
- + Non-cash Awards
- + Vehicle Usage-Taxable

Box 18 State Income Tax =
State Tax Withholdings

Box 20 Local Wages, tips, etc = Same as Federal Wages, Box 1

Box 21 Local Income Tax = Local Income Tax Withholding

All 1996 W-2's which are considered undeliverable to the employees and are returned to the agency by the U.S. Postal Service should be retained by the agency until **April 15, 1997**. At that time, they should be sorted in alphabetical order by last name, first name, middle initial within department number and returned to the Division of Accounts and Reports, Payroll Services.

In cases where the 1996 W-2 Wage and Tax Statement form does not agree with your records, please send a **copy** of the form to this office with an explanation. For all cases where the social security number is incorrect, please include a copy of the employee's social security card with the explanation. State agencies **are not authorized** to make changes on the W-2 forms. The Social Security Administration and the Kansas Department of Revenue must be notified of corrections made by the Department of Administration.

Duplicate laser printed W-2's for calendar year 1996 will be printed for distribution to the agencies on each Monday, beginning February 17, 1997 and continuing through April 14, 1997. Pursuant to Informational Circular Number 1228 dated December 6, 1993, agencies will be billed \$2.00 for each duplicate W-2 requested. The agencies are requested to submit one blanket request for duplicate 1996 W-2's for each printing. Requests received in the Division of Accounts and Reports, Payroll Services, by noon of each **Thursday** will be printed for distribution the following **Monday**. The requests should be in social security number order and should include each employee's name and employee ID in addition to the SSN. Requests for duplicate W-2's for years prior to 1996 should be submitted separately. Duplicate 1042S form requests should also be submitted separately.

Attachment A, which defines what items must be added (+) or subtracted (-) to arrive at the amounts shown on the W-2 form, has been included to assist agencies in answering questions regarding the W-2 forms. On-line agencies may also want to consider utilizing the SHARP KPAY318, 'Year-to-Date Balances' report to assist in answering W-2 related questions. See Accounts and Reports Informational Circular No. 97-P-005 dated October 31, 1996 for additional information regarding the KPAY318.

Some agencies will also be receiving Forms 4782, Employee Moving Expense Information, for employees of their agency who have an amount reported in Box 13P of Form W-2. Any amounts reported in Box 13P are reflected on the KTXPR55 report. Forms 4782 will be mailed on January 15, 1997 to the appropriate agencies. Please distribute each form to the appropriate employee as soon as possible. The employee will need the form to file with their tax return.

Please note that the on-cycle paychecks dated December 28, 1996 and the off-cycle paychecks dated December 31, 1996 are included in the 1996 W-2 amounts.

Questions regarding this Informational Circular should be directed to the Division of Accounts and Reports, Payroll Services, at (913) 296-3146.

SAM:JJM:sj

Attachment