

Release 1745

**Online W-2 (OW2), Phase II
Service Request 81615**

**2006 W-2 Reporting Requirements
Service Request 81724**

**Erroneous Data in Total Record of Extract File
Error Report #2005**

**Name Suffix Missing from W-2 Form
Error Report #2055**

**Foreign Country Name Missing on W-2
Error Report #2056**

Detail Design Document

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Prepared by Janet Kennedy

Information Resources & Communications
Office of the President
University of California

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Introduction

Phase II of SR 81615

The Payroll/Personnel System (PPS) needs to be modified to handle an exchange of data between AYSO and PPS to provide AYSO a file with W-2 tax type data to be used to create the online version of the employee's W-2 form and to create a file for the University's third-party vendor to be used in the integration of W-2 data with tax preparation software.

SR 81724

W-2 reporting for 2006 includes modifications to report nonqualified plans, modifications to allow updating of the extract file for the new Electronic W-2 Indicator, modifications to the various reports produced out of the W-2 tax program, and changes to the format of the W-2 form.

Error Reports 2005, 2055 and 2056

Modifications will be made 1) to correct the Total Record on the W-2 Extract File, 2) to include the suffix in the name on the printed W-2 and 3) to include the address line in a foreign address which is currently dropped under certain conditions.

Processing Overview

Online W-2 File

A new file will be generated by the W-2 process to be used by AYSO as its data source for generating the Web Online W-2 images. It will also be the source for the creation of the 3rd party vendor file to be used to integrate W-2 data with tax preparation software. This file will include all employees whether or not they have selected the W-2 Electronic option or have chosen to block their data from being sent to the 3rd party vendor. The split for the latter will be performed by AYSO.

W-2 Print File

Those employees who select the W-2 Electronic option will not receive a printed W-2. They will therefore, not be on this file.

Reports

There will be a new totals report for the OW2 file, similar to the totals report for the *W-2 Forms Printing* (PPP6014). There will also be a new totals report for the employees who select the Electronic form in lieu of the printed form. There will be modifications to all the other totals reports to include a total line for each of the new balances to be maintained, Nonqualified Plan 457 and Nonqualified Plans for Box 11. There will be a new detail report for these new balances titled *Nonqualified Deferred Compensation Plans*.

UPAY Forms

UPAY731, W-2/UI Process PPP600 Program Run Specification, will be modified to include the new OW2 file as an option. The creation of the new OW2 file in the PPP600 run will be optional.

UPAY832, W-Extract Update PPP610 Program Run Specification, will be modified to include an option to update the W-2 Electronic Indicator on the W-2 Extract using the value found on the current EDB.

Copylib Changes

CPFDTXW2

This copy member provides the FD definition for the W-2 Extract file. It will be modified to reflect the change in record length of the file from 999 to 1054. This is to accommodate the new Electronic W-2 Indicator and new 5500 dollar balances and filler for future use.

CPLNKTXW

This copy member provides the interface between PPP600 (main W-2 program), PPTAXW2 (control calling program of the W-2 process) and PPTAXW2F (creates the W-2 forms print file). It contains the information from the SPEC Card which directs the W-2 process. This member will be modified to include a flag to indicate whether or not the OW2 file is to be generated for this run of the W-2 process.

CPLNKW2F

This copy member provides the interface between PPTAXW2 (control calling program of the W-2 process) and the program which produces the W-2 Forms print file, PPTAXW2F. Totals are identified for all items which appear on the total page report for PPTAXW2F. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to this list of totals to be accumulated.

CPLNKW2O

This new copy member will provide the interface between PPTAXW2 (control calling program of the W-2 process) and the new program, PPTAXW2O, which will produce an online W-2 file (OW2 file) containing all the W-2 information needed for AYSO to generate the online W-2 forms and to send a file to a third-party vendor to be used to integrate W-2 data with tax preparation software.

CPLNKW2R

This copy member provides the interface between PPTAXW2 (control calling program of the W-2 process) and the program which produces the W-2 Forms Reports, PPTAXW2R. Totals are identified for all items which appear on the total page report for PPTAXW2R. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to this list of totals to be accumulated.

CPLNKW2T

This copy member provides the interface between PPTAXW2 (control calling program of the W-2 process) and the program which produces the Federal W-2 File, PPTAXW2T. Totals are identified for all items which appear on the total page report for PPTAXW2T. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to this list of totals to be accumulated.

CPWSXIC2

This copy member defines various Campus Specific constants. Currently the description for EDB5504 is NDIP GROSS YTD which describes the original use for this dollar amount. It is now used to report Interest Income. The description in this copy member will be changed to reflect the change in the use of this dollar balance.

CPWSSTCD

This new copy member provides a list of all state codes, alphanumeric and numeric, to be used in the conversion of the state alpha code to a numeric code required for the third-party vendor file (Refer to Attachment 1).

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CPWSTXTO

This new copy member will provide the record layout for the new online W-2 interface file. This file will contain all the W-2 information needed to generate the online W-2 forms in AYSO and to generate the third-party vendor file to be used to integrate the W-2 data with tax preparation software.

CPWSTXTP

This copy member provides the record layout for the Federal W-2 file. It will be modified to include the following new fields. Though these fields do not pertain to the University, the file needs to be kept in sync with the federal file.

RW Position	Length	Field Description	Data Element #	Comments
441-451	11	Designated Roth Contributions to a Section 401(k) Plan		Zero fill
452-462	11	Designated Roth Contributions to a Section 403(b) Salary Reduction Agreement		Zero fill
463-485	23	Blank		Fill with blanks; reserved for SSA

RT Position	Length	Field Description	Data Element #	Comments
370-384	15	Designated Roth Contributions to a Section 401(k) Plan		Zero fill
385-399	15	Designated Roth Contributions to a Section 403(b) Salary Reduction Agreement		Zero fill
400-512	113	Blank		Fill with blanks; reserved for SSA

CPWSTXW2

This copy member provides the record layout for the current W-2 Extract file. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to this copy member.

CPWSXTRC

This copy member defines various Campus Specific constants. It includes foreign country codes. The Postal Code for Kiribati will be changed from KP to KR.

Program Changes

PPP600

This program is the tax-reporting driver module. It performs an edit of the SPEC Card and calls other programs based upon the activity requested on the SPEC Card (refer to UPAY731). This program will be modified to recognize, edit and pass on the new flag on the form to be used to indicate whether or not the new OW2 file should be created.

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PPP610

This program updates a previously created W-2 Extract file. Totals will be added for the new 457 balances. Also, the SPEC card will be expanded to include an option to update the new W-2 Electronic Indicator found on the PPPPAY EDB table.

PPTAXEDB

This program creates the EDB extract used by the unemployment insurance process and the annual W-2 tax reporting process. This program will be changed to correct the total record (Error Report #2005). Processing of the new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558) will be added to this program. They will be added to the Extract record and to the numerous groups of totals. The *Error and Warnings Messages Report* will include a message and corresponding details for these new balances when they contain a value for a specific employee. If either of the new balances is negative the employee will be flagged as an “exception”, will appear on subsequent reports as an error and will not receive a W-2.

PPTAXW2

This program controls calls to other W-2 programs for generating reports, generating the Federal Tax tape and generating the print file for the printed forms and the microfiche file. This program then prints total reports for each of these W-2 processes. A new process will be added to the program for the generation of the new OW2 file for the AYSO online W-2 forms and the third-party vendor. This will include a call to a new program, PPTAXW2O, and the generation of a new total report for this new function. Determination of whether or not this file is to be created will be made by examination of a new flag on the SPEC card (Column 49). A new set of totals will be accumulated for a new total report, *OW2 File*. There will be another new totals report for all employees who chose to not get a printed W-2 (W-2 Electronic Indicator is set to “Y”).

PPTAXW2F

This program generates the print file for the W-2 forms. This print file is processed with an OGL (Overlay generation Language) definition of the physical form. Together these produce the printed form. This program will be changed to accommodate several changes to the form. The Box b containing the Employer identification number will be moved to the upper left corner of the Employer address box. The Employer name and address will be shifted down one line. In order to accommodate this, the state and zip code will be moved up to the line containing the city. Box 11 will be added for Nonqualified Plans and Box 13 will be changed in location and shape with all check boxes appearing. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to this list of totals to be accumulated and printed on the total page for this program.

This program will also test the new Electronic W-2 Indicator for each employee in order to determine whether or not a W-2 is to be written to the Print file, resulting in a paper W-2 form, for that employee. Using this indicator it will also determine the appropriate totals to add to, the W-2 print totals or the Electronic W-2 only totals.

Error Report #2055 indicates that the Name suffix does not appear on the W-2 print file. Error Report #2056 indicates that for a foreign address where the country is > 23 characters and there is no postal code the country does not print on the W-2. These error conditions will be corrected in this program.

PPTAXW2O (new)

This new program will perform a new function within the W-2 process. It will create the new OW2 file that will be used by AYSO as the data source for generation of the online W-2 forms and will be used to interface with a third-party vendor for integration of W-2 data with tax preparation software. All employees receiving a W-2 will appear on this new file. AYSO will interrogate the Block W-2 Data to 3rd Party Indicator on the Web in order to

determine for each employee if that employee is to be sent to the third-party vendor. If not, the employee is dropped from this file after the file is used to generate the online W-2 forms.

PPTAXW2R

This program generates the reports for the W-2 forms. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to the list of totals to be accumulated and printed on the total page for this program. Employees with these new balances will be flagged as having such on certain reports. A new report will be generated to identify the employees with a non-zero balance in either of the two new dollar balance elements. Existing reports will be modified to include the new balances in the total pages. For those reports which indicate whether or not an employee will be receiving a W-2, they will be changed to indicate whether that W-2 is a printed form or an OW2 form. For more details see the REPORTS section below and refer to SR 81724, 2006 W-2 Reporting, Attachment 4.

PPTAXW2T

This program produces the Federal W-2 File. The new balances, Nonqualified Plan 457 (EDB5557) and Nonqualified Plans for Box 11 (EDB5558), will be added to the list of totals to be accumulated and printed on the total page for this program. Modifications will also include writing the Nonqualified Plan 457 (EDB5557) to the RW detail record and accumulating a total of all Nonqualified Plan 457 amounts for the RT record.

Reports

PPP6014/PPPTAXW2/mmddyy (new) OW2 File

This is a new totals report generated by the W-2 process. It will be a one page report very similar to the “W-2 Forms Printing” report. The title of the new report will be “OW2 File”. This report will be generated by PPTAXW2, the same program which generates the other total reports. (Refer to SR 81724, 2006 W-2 Reporting, Attachment 4).

PPP6014/PPPTAXW2/mmddyy (new) Electronic only W-2 Forms

This is a new totals report generated by the W-2 process. It will be a one page report very similar to the “W-2 Forms Printing” report. The title of the new report will be “Electronic W-2 Forms” and it will print the same totals. This report will be generated by PPTAXW2, the same program which generates the other total reports (Refer to SR 81724, 2006 W-2 Reporting, Attachment 4).

PPP6021/PPPTAXW2R/mmddyy (new) Nonqualified Deferred Compensation Plans

This is a new detail report generated by the W-2 process. It will be very similar to the “Social Security Tip Income” report. The title of the new report will be “Nonqualified Deferred Compensation Plans”. This report will identify employees with YTD balances for either the Nonqualified Plan 457 (EDB5557) or the Nonqualified Plans for Box 11 (EDB5558) data elements. (Refer to SR 81724, 2006 W-2 Reporting, Attachment 3).

Modify Existing Reports

The following reports need to be modified to include the new Nonqualified Plans reporting:

PPP6007	W-2 Confirmation and Summary
PPP6008	Non-Resident Exempt Alien Report
PPP6009	W-2 Exceptions List
PPP6010	Error and Warning Messages

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PPP6011	Campus Summary
PPP6014	Totals Reporting
PPP6017	W-2 Out-of-State Report
PPP6019	W-2 Editing Error Conditions List
PPP6020	Social Security Tip Income
PPP6102	Match to PPP6011/PPTAXEDB Totals

In the reports that include the employee detail (PPP6007, PPP6008, PPP6009, PPP6017, PPP6019, and PPP6020), the record will be flagged if the employee has data in the new NQP data element: ***Exception – NQP Reportable Income.

The employee detail portion of these reports will not be modified to include the NQP totals. It is not necessary to flag the PPP6020, the Social Security Tip Income report, because no employee record appearing on this report would have a nonqualified plan.

NQP totals will be reflected on all the total pages as with all other totals. When necessary, on total pages the space between the E.I.C. Payment, Federal Tax, and OASDI Tax lines will be removed in order to make room for the two new totals so that a second page is not required.

Modify reports PPP6008, PPP6017, PPP6019, and PPP6020 to indicate if the employee has selected an electronic W-2. If the value of EDB1166 = "Y" then print "OW2" rather than "Yes" under the W2 heading of these reports. Report PPP6009, the W-2 Exceptions List, does not need to be modified since these records are all fatal records and no W-2 form is generated.

Modify report PPP6017, W-2 Out-of-State report. Add the totals of the out-of-state grosses and taxes for states 2 and 3 to the total page for this report.

Control Table Changes

System Messages Table (PPPMMSG)

A new error message, number 60019, will be added for an invalid OW2 flag on the SPEC card for PPP600.

A new message, number 61117, will be added for PPP610 to indicate on the SPEC card that the Electronic W-2 Indicator is to be updated on the Extract file.

A new message, number 60137, will be added for report PPP6010, *Error and Warning Messages* report, to be used to indicate that an employee has NQP reportable income.

JCL Changes

PPP600

The JCL for PPP600 will need to be changed to include the new OW2 file created out of the W-2 process (DDname = OW2) and a new file for the new report of all employees with NQP dollar amounts (DDname = PTNQP). Also, the Extract file (DDname is W2FILET) will have the record length expanded from 999 to 1054 in order to accommodate the new balances in this release and an additional 40 bytes of filler for future use.

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PPP610

The JCL for PPP600 will need to be changed to include the new flag on the SPEC card (Column 19) to indicate if the new Electronic W-2 Indicator is to be updated on the W-2 Extract file with the value found on the EDB.

New file transmitted from Campus

OW2 file (Online W-2 file)

The new OW2 file will be transmitted to UCOP after it is created in the W-2 process executed at the campus. The format of the file name must be as follows and it must be sent to the vsftp.ucop.edu server.

/ftphome/ftpusr*/put/esi/ow2, where

‘*’ is the one-character campus ID

UPAY Forms Update

UPAY731 W-2/UI Processes – PPP600 Program Run Specification

A box will be added to the end of the W-2 Processing portion of the specification record in column 49 for the new OW2 file. It will contain one of the following possible values. (Refer to SR 81615, OW2 File, Attachment 7).

“Y”	Produce OW2 file
“N”	No OW2 file
Blank	Default to “N”

UPAY832 W2 Extract Update – PPP610 Program Run Specification

A box will be added to the end of the W-2 Processing portion of the specification record in column 19 for the option to update the Electronic W-2 Indicator. It will contain one of the following possible values. (Refer to SR 81724, 2006 W-2 Reporting, Attachment 2).

“Y”	Update the Electronic W-2 Indicator
Blank	Do not update the W-2 election indicators

W-2 Laser Form Update

Modifications will be made to the OGL (Overlay Generation Language) program which overlays the W-2 print file with the physical form. The following changes will be made. (Refer to SR 81724, 2006 W-2 Reporting, Attachment 1).

- Change year from 2005 to 2006
- Add Box 11 for Nonqualified Plans
- Change Box 13 to include three check boxes and appear at different location on form
- Move Box b, Employer Fed Id to upper left corner of Box c, Employer name and address
- Shift employer name and address down one line putting state and zip on line with city
- In Box e add Suffix after Employee’s name

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- Enlarge Box 12 for future use
- In Box 14 add commas to dollar display for Other Income
- Change several preprinted text lines in order to accommodate the above box changes

Attachments

Attachment 1 – United States – Postal Abbreviations and Numeric Codes

Alabama	01	AL	Montana	30	MT
Alaska	02	AK	Nebraska	31	NE
Arizona	04	AZ	Nevada	32	NV
Arkansas	05	AR	New Hampshire	33	NH
California	06	CA	New Jersey	34	NJ
Colorado	08	CO	New Mexico	35	NM
Connecticut	09	CT	New York	36	NY
Delaware	10	DE	North Carolina	37	NC
District of Columbia	11	DC	North Dakota	38	ND
Florida	12	FL	Ohio	39	OH
Georgia	13	GA	Oklahoma	40	OK
Hawaii	15	HI	Oregon	41	OR
Idaho	16	ID	Pennsylvania	42	PA
Illinois	17	IL	Rhode Island	44	RI
Indiana	18	IN	South Carolina	45	SC
Iowa	19	IA	South Dakota	46	SD
Kansas	20	KS	Tennessee	47	TN
Kentucky	21	KY	Texas	48	TX
Louisiana	22	LA	Utah	49	UT
Maine	23	ME	Vermont	50	VT
Maryland	24	MD	Virginia	51	VA
Massachusetts	25	MA	Washington	53	WA
Michigan	26	MI	West Virginia	54	WV
Minnesota	27	MN	Wisconsin	55	WI
Mississippi	28	MS	Wyoming	56	WY
Missouri	29	MO			