

Before Printing 2006 W-2s Be Sure To...

Before attempting to print 2006 W-2s, be sure to follow this checklist of procedures:

1. Download and install Patch 28.
2. Run System Administrator program 7 to update your Payroll data and print layout files.
3. Run System Administrator program 8, Reorganize, and program 9, Relink, to ensure that your data files are clean and error-free.
4. If you have a company-specific print layout file for your Payroll, go to System Administrator program 11 and copy the new W-2 report format for 2006 into your print layout file. **DO NOT attempt to print W-2s without doing this step**—they will not print correctly if you use last year's format, even if it has been converted in System Administrator program 7.
5. If you have Roth 401(k) or Roth 403(b) deductions, go to Payroll program 50, select the Pre-Tax Deductions option, and set the deductions so that they will print properly on W-2s.

Two new pre-tax deduction types are now to be reported on W-2s; Roth 401(k) and Roth 403(b). These used to be reported with regular 401(k) and 403(b) deductions but this year they have been split out. They now print in box 12 of the W-2 with, respectively, codes AA and BB.

In order to have the Payroll system properly recognize and categorize these deductions, if you have them, you will have to go into Payroll program 50, System Defaults, and select the Pre-Tax Deductions option. For any deduction that is a Roth 401(k) or Roth 403(b), you will need to change the "Code on W-2" field from 1 and 2 to 6 and 7.

6. Go to Payroll program 26 and choose the Set Form Names option to populate the Employee Form Names. Be sure to have a pad handy to write down any names that need to be converted manually.

W-2s now have a separate area set aside where employee name suffixes (Jr., III, etc) are printed separate from the rest of the name. Though using this split name is optional this year, it will be required eventually. It is already a requirement for eFile reporters.

In order to deal with this new W-2 field we have added new fields to the Employee Master for First Name, Middle Name, Surname and Suffix. These are in addition to the regular Employee Name field which will remain and be used for all other purposes in the Payroll module. **In order to print W-2 forms, you MUST fill in these fields—the W-2 printing routine will not generate W-2s using the regular employee name field any longer.**

Before you start cursing us for making you retype all those names, there is good news. We have added a new option in program 26, Tax Forms, called Set Form Names. This option will attempt to automatically fill in the new Form Name fields based on your existing employee names. Assuming you've entered your employee names in one of the two recognized consistent formats:

[Last Name], [First Name] [Middle (*optional*)], [Suffix (*optional*)]

or

[First Name] [Middle Name (*optional*)] [Last Name] [Suffix (*optional*)]

you should be able to use this option to automatically set close to 100% of the new form names fields.

When the new option is run, it presents each proposed form name to you so that you can approve or decline the setting of the name. If you decline any, either because the program was unable to interpret the Employee Name as you wish, or because you wish to get better name information from the employee, you should write down the names that you intend to set manually. **Keep in mind that any employee who doesn't get a form name will print on the W-2 with no name!**

In a test run on a 100 employee payroll we found that we were able to convert all the names, including a few that needed to be dealt with manually, in about ten minutes, so dealing with this new feature should not be an undue burden on even really large payrolls.

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The Set Form Names option of program 26 recognizes names formatted in one of two ways:

OPTION 1

For names in first - middle - last - suffix order. Names will be converted as follows:

Employee Name: John Jacob Astor III
First:John Middle:Jacob Last:Astor Suffix:III

Employee Name: Consuela D. Gomez
First:Consuela Middle:D. Last:Gomez Suffix:(none)

Employee Name: Stanley Lee
First:Stanley Middle:(none) Last:Lee Suffix:(none)

Names that will not be properly recognized are those that have spaces as part of a portion of the name, such as:

Fernando de la Goya
First:Fernando Middle:de Last:la Suffix:Goya

Anna Maria G. Smith
First:Anna Middle:Maria Last:G. Suffix:Smit

Also, names with suffixes that lack a middle name will not be processed correctly:

Charlie Schmidt Jr.
First:Charlie Middle:Schmidt Last:Jr. Suffix:(none)

And initialed names must have a space to process properly:

Won't Work: T.J.Hooker
Will Work : T. J. Hooker

OPTION 2

Choose this option if your employee names are set up as Last, First Middle, Suffix. Names will be converted as follows:

Smithfield, Bruce Edward, Jr.
First:Bruce Middle:Edward Last:Smithfield Suffix:Jr.

von Neumann, Maxwell B.
First:Maxwell Middle:B. Last:von Neumann Suffix:(none)

Benninger, Herschel, III
First:Herschel Middle:None Last:Benninger Suffix:III

LeDoux, Harold
First:Harold Middle:(none) Last:LeDoux Suffix:(none)

Names that will not be properly recognized are those with multiple first names or misplaced suffixes:

Walker, Ann Marie V.
First:Ann Middle:Marie V. Last:Walker Suffix:(none)

Adolphus, Jr., Augustus
First:Jr. Middle:(none) Last:Adolphus Suffix:Augu

7. Go to Payroll program 6, Employees, and enter any Form Names that were not handled in step #6.