

AccuPay After-the-Fact Payroll Instruction Guide

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This Guide contains detailed Data Sheet instructions for AccuPay's After-the-Fact Payroll System. There are separate Guides for our 1099 System, our Corrected Return Service and WinRX (AccuPay's FREE software for use in keying and transmitting returns directly to AccuPay from your office).

The current version of all AccuPay Guides can be obtained from our website www.accupayonline.com.

Note: This Guide is not intended to be legal, accounting, tax or other professional advice. In accordance with your Services Agreement, AccuPay provides printing, computing, and selected E-filing services only.

Table of Contents

ADMINISTRATIVE.....	5
HOW TO CONTACT US.....	5
SERVICE AGREEMENT.....	5
CUSTOMIZING YOUR ACCOUNT.....	5
BILLING POLICY.....	6
PRIVACY STATEMENT.....	6
PROCESSING SCHEDULE.....	7
PROCESSING RETURNS.....	8
ORIGINAL PAYROLL RETURNS.....	8
RECEIVING YOUR RETURNS BACK FROM ACCUPAY.....	9
REPROCESSING RETURNS.....	9
ADDITIONAL SERVICES.....	10
WINRX SOFTWARE.....	10
PRINT BACK SERVICE.....	10
ELECTRONIC W-2 FILING.....	10
E-FILING FOR CALIFORNIA REPORTS.....	11
CORRECTED AND AMENDED RETURNS.....	11
SEE THE SEPARATE CORRECTING PAYROLL RETURNS GUIDE AND CORRECTING 1099 RETURNS GUIDE FOR MORE DETAILS.....	11
INFORMATION RETURN SERVICES.....	11
PRIOR YEAR RETURNS (LATE RETURNS).....	11
GENERAL DATA SHEET INSTRUCTIONS.....	12
WHAT ARE DATA SHEETS?.....	12
ACCOUNT NUMBER AND EMPLOYER NUMBER.....	12
INPUT FIELD SIZES AND VALUES.....	13
EMPLOYER IDENTIFICATION NUMBERS.....	13
EMPLOYEE SOCIAL SECURITY NUMBERS.....	14
LETTER AND NUMBER CODES.....	14
ACCUPAY USE AREAS.....	14
TPQ LINES – TOTAL PRIOR QUARTER LINES.....	14
EMPLOYEE NUMBERS – ASSIGNING, CHANGING, DELETING.....	15

CHANGING PROFORMAED DATA SHEETS	15
PROOF TOTALS	15
DATA SHEET A – EMPLOYER INFORMATION	17
RECORD 0 – CURRENT QUARTER.....	17
RECORD 1 - CALIFORNIA	18
RECORD 3 – EMPLOYER NAME & ADDRESS; RETURN LEVEL OPTIONS.....	20
RECORD 4 – TAX ID NUMBERS.....	22
RECORD 5 – TAX RATES.....	22
STATE CODES	22
RECORD 6 – FORM 940	24
RECORD 7 – FORM 943	25
RECORD 8 – FORM 941 DAILY LIABILITIES	26
RECORD 9 – PAID PREPARER.....	26
APAY USE – ACCUPAY USE AREA.....	26
W-2 ONLY SERVICE.....	27
DATA SHEET A1 – SUPPLEMENTAL YEAR END EMPLOYER INFORMATION.....	29
DATA SHEET A2 – FORM 945 & FORM 943.....	33
DATA SHEET B – EMPLOYEE INFORMATION	35
WAGES	36
WITHHELD FEDERAL AND STATE INCOME TAX.....	36
WITHHELD SOCIAL SECURITY, MEDICARE AND SDI.....	36
SOCIAL SECURITY TIPS.....	37
MEALS AND LODGING.....	37
QUALIFIED PENSION PLAN	37
DELETE EMPLOYEE OPTION.....	37
WAGE EXEMPT CODES	38
CALIFORNIA PIT WITHHOLDING FOR 1099 R RECIPIENTS	39
EMPLOYEE ADDRESS OUTSIDE U.S.	39
DATA SHEET C – EMPLOYEE SUPPLEMENTAL INFORMATION	41
DEFERRED COMPENSATION ARRANGEMENTS.....	41
OTHER COMPENSATION, SICK PAY, ETC.	42
SUBJECT WAGES OVERRIDES	43
DESIGNATED ROTH CONTRIBUTIONS.....	43
DATA SHEET D – EMPLOYEE W-2 INFORMATION	45
W-2 Box 12 GROUP TERM LIFE INS., BUSINESS EXPENSES, HSA, MSA, ETC.	45
ALLOCATED TIPS, DEPENDENT CARE, MISCELLANEOUS W-2 ITEMS.....	46

STATUTORY EMPLOYEES.....	48
USEFUL CHECKLISTS AND SPECIAL SITUTIONS	49
QUARTERLY PROCESSING – CHECKLIST OF COMMONLY REQUIRED ENTRIES.....	49
FIRST QUARTER REMINDERS – CHECK THESE ITEMS BEFORE PROCESSING FIRST QUARTER RETURNS.....	50
FOURTH QUARTER REMINDERS – CHECK THESE ITEMS BEFORE PROCESSING 4TH QUARTER RETURNS.....	51
NEW EMPLOYER CHECKLIST	52
CHECKLIST FOR ADDING NEW EMPLOYEES TO AN EXISTING EMPLOYER.....	54
HOUSEHOLD EMPLOYEE’S FICA AND SDI PAID BY EMPLOYER	54
STATE WAGES DIFFERENT FROM FEDERAL WAGES – HOW TO ENTER.....	55
HEALTH INSURANCE PREMIUMS FOR 2% S CORP SHAREHOLDER/EMPLOYEE – HOW TO ENTER.....	55
WAGE EXEMPT CODES – COMMON USES	56
APAY USE AREAS ON DATA SHEET A.....	57

ADMINISTRATIVE

How to Contact Us

Website: www.accupayonline.com

Email: tech@accupayonline.com

Phone: (925) 945-1660

FAX: (925) 945-6544

Address: 20422 Beach Blvd Ste. 345
Huntington Beach, CA 92648

Mail: P.O. Box 8457
Huntington Beach, CA 92615

Online Supplies: www.accupayonline.com

Service Agreement

You must have a current Service Agreement (Contract) in order to process returns with AccuPay. All Contracts are effective from the date of acceptance by AccuPay through the end of February of the following year as stated on your original Contract.

The Contract may be renewed each year upon payment of the annual renewal fee. See your Contract for details or call us at (925) 945-1660. Renewal packages are automatically sent to all active accounts in early November; prior to the Contract expiration date.

Customizing Your Account

Your account information, Name, Address, Phone, etc. is maintained in AccuPay's Masterfile. You may customize several items in your Masterfile. These features are normally set up when you establish your account but they can be changed at any time.

Ship Method (How you receive your completed returns back from AccuPay). The following delivery options are available:

- Mail
- Print Back (PDF)
- Hold for Pickup
- UPS Ground

Note: You may request special shipping for any one return (different address, method, etc). See [Ship Method](#) in Data Sheet A instructions.

Client Letter: Every return includes a letter which details filing instructions that can be given to your client. The printed letter includes a page border and your return address. Some accounts may wish to photocopy the client instruction letter onto letterhead stock. If you wish to do this, your account can be set up to eliminate either the page border, or both the page border and the return address. To see an example of the client letter, view the sample return on our website.

W-2 Options: Two Masterfile options are available.

- **Default E-file:** You may request that AccuPay file all of your year-end W-2s electronically. With this option, you may still request paper forms for filing with the Social Security Administration (SSA) for selected returns. Form W-2 E-filing is a FREE service.
- **Default Paper:** You may request that AccuPay produce paper W-2s for filing with SSA for all of your returns. With this option, you may still request E-filing for selected returns.

See [Electronic W-2 Filing](#) more information.

E-file DE-9 and DE-9C Option: You may authorize AccuPay to E-file the quarterly California DE-9 and DE-9C Wage Reports and Reconciliation Return directly with the Employment Development Department. This service is available for any timely filed quarterly return. See [E-filing for California Reports](#) for more information.

Final Deposit: Your account may be set up to show any computed balance due as a final deposit for all federal employment tax returns even if the amount due is below the deposit threshold.

Billing Policy

AccuPay Services are billed according to the Fee Schedule furnished with your contract. Any revisions to the Fee Schedule are published prior to the contract renewal period each year. Statements detailing all current charges and credits are mailed at the end of each monthly billing cycle. No statements are mailed if there are no charges to your account for the month.

If you have inquiries about our Billing Policy or questions about your account, please call (925) 945-1660. Payment is due upon receipt of statement. Any balance as of the first of the following month is subject to a late charge of 1.5% per month.

Privacy Statement

AccuPay holds all information submitted by our customers as confidential. This includes all client return data as well as any information you furnish to us in setting up your account.

AccuPay does not disclose any non-public personal information to any third party except as authorized by our customers in the form of electronic filing agreements.

Access to non-public personal information is limited to those AccuPay employees who need the information to provide AccuPay processing and computing services.

Any documents or electronic media containing non-public personal information that is not returned to our customers is shredded before disposal.

Processing Schedule

Daily processing (Monday through Friday) for returns is available during all months. Saturday processing (for expedite PrintBack) is available in January, April, July, and October.

Processing schedules are published quarterly in the AccuPay bulletin. You can also check our website, www.accupayonline.com for the current processing calendar.

PROCESSING RETURNS

This section provides an overview for processing returns with AccuPay.

Original Payroll Returns

There are three ways to submit returns for processing:

Data Sheets

These are custom forms designed for data entry by AccuPay. Data Sheets supplies are available on our website.

Assembling returns:

- Data Sheet A
- Data Sheet A-1, if applicable
- Data Sheet A-2, if applicable
- Data Sheet B (assemble all B sheets together)
- Data Sheet C, if applicable (assemble all C sheets together)
- Data Sheet D, if applicable (assemble all D sheets together)

Attach any notes addressed to AccuPay on top of Data Sheet A.

FAX (925-945-6544), email, or mail completed Data Sheets to the Processing Center.

Note: if you FAX or mail returns in a group, AccuPay will endeavor to ship all of the returns in the group back to you in the same package which will save on your overall shipping costs.

WinRX

This is FREE software that allows you to key returns in your office. Electronic proformas are made available at the start of each quarter so that you key only the current quarter information. Returns processed using WinRX software are eligible for discounts on quarterly processing fees. New returns may also be entered using WinRX. See [WinRX Software](#) for more details.

Alternative Formats

For large returns (over 100 employees), AccuPay can process Excel spreadsheet files. Call (925) 945-1660 for the current format and available pricing discounts.

Note: If you have internal reports that duplicate the wage information reported on data sheets, you may be able to submit these reports in lieu of our data sheets. Contact AccuPay for more details.

Receiving Your Returns Back from AccuPay

Completed returns are sent to you using the Shipping Method in your Masterfile. The actual cost of shipping returns will be charged to your account. See [Customizing Your Account](#) earlier.

You may selectively override your normal shipping method for specific returns. A special handling fee will apply if the shipping department must handle the return outside the normal shipping process. For more information on overriding your ship method, see [Ship Method](#) in the Data Sheet A instructions.

Print Back Service allows you to print PDF returns in your office. AccuPay will calculate and produce a file that can be downloaded using our "GetPrintBack" desktop software. You can view it and print it using free ADOBE software. There are no forms to load.

See [Print Back Service](#) under **Additional Services** for more information.

Reprocessing Returns

You may REPROCESS a return to change or correct a current quarter return as long as the original return has not been filed (either E-filed or via paper). Changes to a prior year return or to a return that has already been filed requires a corrected return instead.

WinRX returns: Simply make the changes in your office and retransmit the return. AccuPay will recognize the second transmission as a reprocess. If the original return was submitted via WinRX, then the reprocess must also be submitted via WinRX.

Data Sheet returns: If the original processing was keyed by AccuPay, then you can request a reprocess by either **telephoning your changes** or by resubmitting the data sheets with changes noted.

If you fax or email a reprocess, CIRCLE your desired changes so they are clearly identified. Include your name and contact number in case we have questions.

For telephone reprocesses, please have the following information available:

- Your account number
- The employer number for the return
- Identify the changes by Data Sheet and, if applicable, Employee Number.

ADDITIONAL SERVICES

WinRX Software

WinRX is our custom software that allows you to key returns in your office and transmit them via the internet to AccuPay for processing. This easy to use program is available at no charge. AccuPay provides electronic proforma files at the start of each tax period so you only key current quarter information. Payroll returns receive a discount on quarterly processing fees from our regular pricing. Additionally, WinRX returns with 25 or fewer employees qualify for \$5.00 (\$10.00 if W-2s are produced) reprocess charges.

Print Back Service

Print Back Service allows you to print returns in your office. AccuPay will calculate and produce a file that can be downloaded using our "GetPrintBack" desktop software. You can view it and print it using free ADOBE software. **There are no forms to load.**

Generally, returns submitted via WinRX by 5:00 PM on regular business days are ready for download by 8:00 AM the next business day.

For WinRX software users, an **EXPEDITE** service is also available. Generally, returns transmitted via WinRX by 9:00 PM during regular business days are ready for download within 2 hours.

See our website, www.accupayonline.com for current Print Back processing schedules.

You must sign up for this service by contacting AccuPay.

Electronic W-2 Filing

AccuPay can produce 'Red' paper W-2s or E-file W-2s with the Social Security Administration. This service is FREE but you must authorize AccuPay to act as your Transmitter. You can setup your account so that W-2s for all returns that qualify are automatically E-filed. See [Customizing Your Account](#) earlier.

This service is available during year-end processing only. Returns must be submitted for processing after January 1 and before the annual AccuPay E-filing deadline, generally mid-March. Returns submitted for processing at other times will automatically receive paper W-2s.

Edits: All returns selected for E-filing must pass a series of edits to ensure that the data being transmitted is complete. Returns with incomplete employer information will NOT be E-filed. Too many invalid or missing employee social security numbers or incorrect social security or Medicare withholding calculations will also cause a return to fail E-filing edits. If a return fails E-file edits, paper W-2s will be produced in lieu of E-filing.

E-filing for California Reports

AccuPay can file the quarterly California DE-9 and DE-9C Wage Report and Reconciliation Return directly with the Employment Development Department. This service is available for any timely filed quarterly return. You must authorize AccuPay to act as your Transmitter. See [Customizing Your Account](#) earlier.

E-filing for DE9 and DE9C is selected on a return by return basis.

As with W-2 E-filing, DE9 and DE9C returns must pass a series of edits to ensure complete data.

Corrected and Amended Returns

If a prior quarter or prior year return must be changed, AccuPay offers the following corrected return services:

Form 941-X to correct a previously filed Form 941.

Form 943-X to correct a previously filed Form 943.

Form 944-X to correct a previously filed Form 944.

Form W-2c & W-3c to correct previously filed W-2s.

California Form DE-9ADJ to report corrections to quarterly DE-9 and DE-9C Wage Reports and Reconciliation Returns.

Corrected 1099 Service to correct previously filed Information Returns.

See the separate [Correcting Payroll Returns Guide](#) and [Correcting 1099 Returns Guide](#) for more details.

Information Return Services

AccuPay also offers Information Return service, including federal and California E-filing for:

Form 1099-NEC Nonemployee Compensation

Form 1098 Home Mortgage Interest

Form 1099-MISC Miscellaneous Income

Form 1099-INT Interest Income

Form 1099-K Payment Card and Third Party Network Transactions

Form 1099-DIV Dividends and Distributions

Form 1099-R Retirement Distributions

Form 1099-S Real Estate Transactions.

See the separate **1099 Instruction Guide** for more details.

Prior Year Returns (Late Returns)

Prior year returns for the two immediately preceding tax years are available. Contact AccuPay regarding the availability of earlier returns.

GENERAL DATA SHEET INSTRUCTIONS

This section provides general information about filling out Data Sheets.

What are Data Sheets?

AccuPay input forms are referred to as data sheets.

Each item of data is identified by referring to:

- Data sheet name _____
- Record number (if present) _____
- Box number (if present) or _____
- Box description.

A ACCUPAY® 05/12/11 27	
EMPLOYER INFORMATION	
Acct. No. 0 0 1 8 0 2 6	
0 Current Quarter	Number of Employees This Quarter
1 California	1st Month 3 2nd Month 3 3rd Month 3 12th Day - 3rd Mth 3
2 Form 941 or 944	Form 941 or Form 944 Deposits 3092.24 941 - Current Quarter 944 - Total for the Year 980.50 941 Monthly Liabilities 1st Month

Record numbers are used only on Data Sheet A and are identified by numbers '0' through '9' along the left margin.

Account Number and Employer Number

In the center of the upper margin of each data sheet there is a space to enter your account number and an employer number.

Acct. No.	8 7 1 8	0 0 6
-----------	---------	-------

The 4-digit account number is assigned to you by AccuPay.

The employer number is a unique 3-digit employer number from 001 through 999 assigned by you. When discussing a return with AccuPay, you will always refer to the account number and the employer number.

Do not reassign employer numbers. This is true even if an employer goes out of business before the end of the year. Once assigned, an employer number may not be reassigned. Prior to each quarter's processing, you will receive a listing of all of your employers along with their respective employer numbers. Consult this list BEFORE assigning employer numbers to new employers. Employers NOT processed in fourth quarter are automatically dropped from your listing of employer numbers for first quarter and thus may be reassigned to a new employer.

Input Field Sizes and Values

Alpha field lengths are defined on the data sheets. Abbreviate where needed to fit within the allowable number of characters.

State Names: Use 2 character USPS abbreviations for state names.

ZIP codes: Use 5-digit number. Extended ZIP codes are optional for the employer address.

Money: All monetary entries must be in dollars and cents. Do not enter the decimal point. Dotted lines are provided on the data sheets to differentiate the dollars and cents columns.

Do not use commas, dashes or tick marks. **Do not use a dash when you mean zero.**

Employer's Name (28 Char)	
13	SHERWOOD FOREST FINANCE CO
No. & Street (22 Char)	
13	6209 WAVERLY LANE
Suite	
35	

	8	11	13	23	33
	EMP NO		Wages	Fed W/H	State W/H
	TPQ ▶		30000:00	4320:00	1112:85
A		10	10 000:00	1440:00	370:95

With the exceptions noted below, AccuPay will handle monetary entries of up to ten (10) digits, including cents.

On **Data Sheet B**, the following fields are exceptions to the 10-digit rule:

Field Definition	Field Limit
Soc. Sec. Tax	6 digits
Medicare Tax	8 digits
Calif. SDI	6 digits
Tips	7 digits
Meals & Lodging	8 digits

On **Data Sheets C & D** all monetary entries are limited to eight (8) digits, including cents.

Employer Identification Numbers

Employer related identification numbers are generally entered with applicable hyphens.

Visit www.irs.gov and search for "EIN online" for a link that allows for online application for Employer Identification Numbers. For California state account number information, visit www.edd.ca.gov and search for "EZREG".

Federal ID No.	37	94-1234567
----------------	----	------------

Primary State ID No.	47	333-4567-1
----------------------	----	------------

Note: AccuPay does not recommend filing returns without proper Federal and State ID numbers.

Employee Social Security Numbers

Enter social security numbers WITHOUT hyphens. Dotted lines are provided to define the format. If an employee's SSN is not known, leave the field blank. Do not enter zeroes, 123456789, or alpha descriptions. SSNs that begin with 8 or 9 are never valid.

Note: Too many missing or invalid social security numbers will prevent E-filing of W-2s.

13	21
Social Security No.	
563:80:2295	

Letter and Number Codes

Specific letter and number codes are used to trigger certain computations, services or conditions.

Use only those codes defined by AccuPay. Specific codes not defined in this manual may be defined in AccuPay bulletins in response to changes in payroll reporting requirements.

ACCUPAY Use Areas

Some areas of the data sheets are used by AccuPay for internal processing purposes or to handle last minute reporting requirement changes. These areas are identified as: **Apy Use**.

Unless instructed via AccuPay bulletins or in this Guide, do not enter data in these areas.

Apy Use
53

TPQ Lines – Total Prior Quarter Lines

Wage and tax information is entered on two lines for each employee on Data Sheets B and C.

TPQ lines represent the totals for this employee for all previous quarters in this calendar year. These narrower lines are placed above the current quarter information. AccuPay automatically computes and updates these lines each quarter.

	8	11	13	23	33
	EMP NO		Wages	Fed W/H	State W/H
	TPQ ▶		30000:00	4320:00	1112:85
A		10	10000:00	1440:00	370:95

The current quarter data is entered below each TPQ line. If you add a new employer to AccuPay in any quarter other than Quarter 1, TPQ lines must be completed manually for the initial processing. These lines will automatically be updated for subsequent quarters.

EMPLOYEE NUMBERS – Assigning, Changing, Deleting

Assign an employee number between '1' and '9998' to each employee on a return.

Employee numbers may be reassigned in the first quarter only. If a previously used employee number is to be assigned to a new employee for the new calendar year, draw a line through the preprinted employee information for that number and write the new employee information just above it. Be sure to complete all applicable columns.

8	11	13	23	33
EMP NO	Wages	Fed W/H	State W/H	
TPQ ▶	18 000.00	4 500.00	600.00	
40	6 500.00	1 650.00	229.50	

If an employee is not expected to receive any compensation during the new calendar year, and the number is not going to be reassigned to a new employee, you may delete the employee. See **Data Sheet B** instructions, [Deleting an Employee](#). DO NOT delete employees who received any current year compensation, even if they no longer work for the employer. Their prior quarter wage data is used in year-end calculations and in preparing W-2s.

Changing Proformaed Data Sheets

With each return processed, you will receive a set of updated proformaed data sheets for use in next quarter's processing.

If you need to change proformaed data, draw a line through the data and enter the new data. If space does not permit entering the revised data in the same box, use an arrow drawn to the box where the revised data belongs.

8	11	13	23	33
EMP NO	Wages	Fed W/H	State W/H	
TPQ ▶	3 350.25	410.00	75.00	
10	6 825.50	250.00	158.25	
	3 500.00		90.00	

Note: If you change money amounts that could affect deposit or liability information previously reported you may need to file corrected reports for the changes to prior quarters. See the [Correcting Payroll Returns Guide](#) for more details.

Proof Totals

Employee Number 9999 may be used to enter proof totals for all Data Sheets B, C and D data. Use of this feature is strongly encouraged as a tool for checking returns.

Enter "9999" as the employee number. Total all current quarter employee data for each column and list it under the appropriate heading.

Note: Proof totals can be entered in the TPQ area too.

Enter proof totals on the employee line below the last employee listed. Use an additional data sheet if necessary.

TPQ ▶	28 750.00	3 000.00	300.00	
C				
30	17 500.00	1 750.00	437.50	
TPQ ▶	1 000.00			
D				
40	725.00			
TPQ ▶				
E				
9999	53 725.00	5 300.00	1 325.00	
TPQ ▶				
F				



DATA SHEET A – EMPLOYER INFORMATION

Overview: Use Data Sheet A to enter employer return level information. Use one Data Sheet A for each employer. If this is a new employer without a proforma, complete the Account Number and Employer Number in the top margin.

Note: If there is a change in either the account number or the employer number, the entire return will be treated as a new return.

RECORD 0 – Current Quarter

Number of Employees This Quarter: Enter the number of employees employed in the primary state for the pay period that includes the 12th day of each month.

Form 941 Number of Employees: Enter the total number of employees for the pay period that includes 12th day of the 3rd month of the current quarter (March 12, June 12, September 12, or December 12).

Terminated Employer: If an employer's business terminates before year-end, enter the date that the final wages were paid. During quarters 1, 2, and 3, any entry here will trigger the printing of all year-end reports, including W-2s.

Confidential Handling:

C	Enter a "C" if Confidential Packaging is desired. Return will be shipped in a separate package marked "CONFIDENTIAL." Note: Any request for PRINT BACK Service will be ignored if "C" is entered. Return will be automatically printed and shipped from the Processing Center. Note: Any returns using this feature should be sent or faxed to AccuPay SEPARATELY so they do not get shipped in a group with your other returns. WinRX users should transmit confidential returns separately as well.
E	Enter "E" if mask confidential information on any E-file confirmation reports. This does NOT affect Print Back Service requests.

Ship Method: This is an override box and will replace your Masterfile shipping for this return. Use it ONLY if you want this return shipped OTHER than by the shipping method in your Masterfile.

For example, enter HOLD or MAIL or UPS or SEE NOTE (use when attaching a note requesting a different delivery address). If this box is used, a Special Handling fee may be charged.

Print Back: Enter "S" to request Print Back service for this return. You must be signed up for Print Back in order to utilize this service. See [Print Back Service](#) for more information.

Note: It is not necessary to complete this box if your Masterfile ship mode is already set up for Print Back as your default.

Alphabetize Proforma: Employee's are normally printed in employee number order on the proforma. Enter "X" to have the employees printed in alphabetical order by last name. (Note: this does not affect employee numbers or the order in which employees are listed on returns or on W-2s.).

W-2 E-File or Paper Option: This option is controlled by your Masterfile and it is not necessary to complete this box unless you want to override the W-2 option for your account. See [W-2 Options](#) under **Customizing Your Account** earlier.

Note: W-2 E-file is available only if you are signed up for this FREE service and is available during 4th quarter processing only.

W-2 Only Service: Use ONLY for those employers that did not have ANY quarterly return processing at any time during the year.

Do NOT use this box to suppress the printing of quarterly and year-end reports when you are requesting a reprint or reprocess of W-2s for a return on which you have already received quarterly reports.

Enter total year-end figures for each employee. AccuPay will prepare only the W-3 and the W-2s. No other year-end forms or quarterly reports will be prepared.

See [Supplemental W-2 Only Instructions](#) for more details.

RECORD 1 - California

California Tax Deposits this Quarter: Enter the deposits, if any, which have been made this quarter.

Note: Annual Household employers filing DE3BHW filers should complete these boxes only at year-end. Any entries prior to Form DE3HW being prepared will not be saved.

DE-9/9C E-file Option: Enter "Q" to have this employer's quarterly DE-9 and DE-9C E-filed. Enter "S" to suppress. NOTE: the state requires e-filing unless a waiver is granted. Once entered, your entry will be proformaed for future processing.

DE-34: Enter "X" to print Form DE-34, California New Employee Report, pre-printed with the Employer's name, address and applicable ID numbers. Then, if needed any time during the quarter, the Employer can simply copy the form, enter the new hire information and mail or fax the form directly to the California EDD.

DE-9 Rounding Option: Enter "R" if you want AccuPay to ignore any DE-9 balance due (or refund) of less than \$1.00. The client instruction letter will state that no payment is required and the message "ROUNDING DIFFERENCE" will print on the DE-9.

Note: If this option is selected, the balance due (or refund) of less than \$1.00 will still print on the form and/or be included in any E-file transmission.

DE88 Deposit Due: Enter the month and day of any final Form DE88 deposit if you want the due date to print in the client instruction letter. If the deposit date field is left blank and a deposit is required, the client letter will not show the deposit due date. Entries will not be used if there is not a final deposit computed.

RECORD 2 – Form 941 or Form 944

Form 941 or Form 944 Deposits: Enter the total **Form 941 deposits for the quarter** or **Form 944 deposits for the year**. Be sure to include any overpayment from a prior period that applies to this return (including any overpayment applied from Form 941-X or Form 944-X).

Note: Form 944 filers should complete this box only at year-end. Any entries prior to Form 944 being prepared will not be saved.

If a Form 941 overpayment from the quarter has been previously calculated by AccuPay, the amount will print as a memo item in the shaded 'Overpayment' box. Any overpayment from a prior quarter that is being applied to the current quarter should be ADDED to the total Form 941 deposits entered in the Form 941 or Form 944 Deposits box.

Any balance due is computed after applying the deposits. If the balance due is under the deposit threshold then a payment voucher will be printed and the balance due shown as a payment with the return.

If the balance due is such that an additional deposit is required, AccuPay will include the final deposit in the total deposits on the return and note the deposit requirement in the client letter.

To force any unpaid liability to be paid with return or to be deposited, use the Balance Due option box on Record 3 on this Data Sheet.

Form 941 Monthly Liabilities: Enter the Form 941 liabilities for the first two months of the quarter. The third month liability is automatically computed as the difference between the total tax liability for the quarter and the tax liability for the first two months. If the liabilities exceed the tax liability computed on Form 941, AccuPay will adjust the monthly liabilities so that they match the tax liability on the return.

If the 941 liability is \$2,500 or more and both these columns are not completed and there are no daily liabilities entered on Record 8, then the total liability is assumed to have arisen in the last month of the quarter.

Note: If monthly liability entries are made here AND Record 8 is also completed (see below), then the Monthly Liability entries will be used as proof totals and compared to the detail of daily liabilities entered in Record 8. Any differences will be noted in the diagnostic report.

Form 944 Filer: Enter "X" if the employer files a Form 944 Annual Return in lieu of the quarterly Form 941.

Seasonal 941 Filer: Enter "X" if the employer files Form 941 and is not required to file quarterly because of the seasonal nature of the business.

Deposit Date in Letter: Enter the month and day of any final Form 941 (or Form 944) deposit if you want the due date to print in the client instruction letter. If the deposit date field is left blank and a deposit is required, the client letter will not show the deposit due date. Entries will not be used if there is not a final deposit computed.

Federal Overpayment Option: Use this box to indicate how any overpayment on Form 941 or Form 944 is to be handled.

Blank	Any overpayment is requested as a refund.
X	Apply overpayment to the next tax period.
S	Leave this section of the return blank. You may then make the determination after receiving the return back from AccuPay.

RECORD 3 – Employer Name & Address; Return Level Options

Enter the employer's name and address information as pre-printed on federal employment tax returns.

	Corporation	Partnership	Individual
Employer Name	Corporation Name	Partnership Name	Individual Name
Trade Name	Trade Name*	Trade Name*	Trade Name*

*Only if different from employer's name.

Note: If the employer's name is too long for Employer Name box, you may enter the employer's name in the Trade Name box and leave the Employer Name box blank.

Suppress Labels: Enter "S" to suppress the printing of tax return filing labels.

Employee Labels: Enter "X" to have a set of employee name and address labels on a standard 1" x 4" label page printed with the return.

FICA/SDI Adjustment Option: AccuPay does not require entries for social security, Medicare and SDI tax withholding. The proper FICA and SDI taxes are computed automatically based on the individual employee's wages and used in the preparation of all quarterly and year-end reports, including W-2s. Uses of the entries in this box are summarized below:

Blank	Any entries for social security, Medicare, and SDI will be ignored. Returns and W-2s will reflect the proper tax based on the employee's taxable compensation.
A	Your entries for social security, Medicare, and SDI will print on the employees' W-2 forms. All other reports will reflect the proper withholding tax based on the employee's taxable compensation.
X	AccuPay compares your entries for each employee's social security, Medicare and SDI tax withheld with the amount computed based on the employee's taxable compensation. AccuPay will adjust each employee's federal and/or state income tax withheld by the amount of any over or under withheld social security, Medicare or SDI tax. Adjustments will be detailed in the diagnostic report and reflected on the next quarter's proforma. For Form 943, 944 and Household employers, these adjustments will be made during year end processing only.

Note: Regardless of the option selected, AccuPay calculates social security, Medicare and SDI on the employment tax returns based on each employee's taxable compensation, using the current year rates and wage limits.

Mask SSN Option: Enter "X" to mask SSN on employee W-2 copies.

Federal Balance Due Options: If a balance due is computed for a federal return, AccuPay will show the liability as a final deposit if the balance due equals or exceeds the deposit threshold for the particular return. Otherwise, the balance due will be shown as paid with the return.

Note: if the employer is identified as an EFTPS (electronic) depositor, any balance due is ALWAYS included as a final deposit.

There are two options that can be entered here:

X	ANY balance due will be shown as being paid with the return. If the employer is an EFTPS depositor, an "X" will be ignored.
F	ANY balance due will be shown as a final deposit.

Mail Employee W-2 Option: Enter "X" for AccuPay to mail employee W-2 copies (additional fee applies, see pricing sheet)

Electronic Depositor: Complete this box to control federal and California electronic deposit options. **Note:** Effective January 1, 2011, all federal tax deposits must be made via EFTPS (i.e. electronically)

Blank	<u>Federal balance due:</u> if over deposit threshold, deposit via EFTPS otherwise pay with return. <u>California balance due:</u> always pay with paper coupon.
F	<u>Federal balance due:</u> deposit ANY balance due via EFTPS. <u>California balance due:</u> always pay with paper coupon.
S	<u>Federal balance due:</u> if over deposit threshold, deposit via EFTPS otherwise pay with return. <u>California balance due:</u> always deposit electronically.
B	<u>Federal balance due:</u> always deposit via EFTPS. <u>California balance due:</u> always deposit electronically.

Federal Deposit State: Enter the U.S. Postal Service abbreviation for the bank branch in the state the employer makes the tax deposits or initiates EFTPS transfers. If left blank, AccuPay assumes the primary state. Enter "MU" if deposits are made or initiated in more than one state.

Third Party Designee Question Option: For WinRX returns, you may complete 3rd party designee information on the Employer's screen. For data sheet returns, AccuPay automatically answers 'NO' to the designee question. Enter "X" to leave the question unanswered to allow you to enter the Designee Information after receiving the return back from AccuPay.

Suppress Form 941/W3 Reconciliation Report: At year-end, AccuPay prepares a reconciliation report between Form 941 and the totals reported on Form W-3. Reviewing this report and resolving any discrepancies can help eliminate future IRS or SSA correspondence. Enter "S" to suppress this one page report.

RECORD 4 – Tax ID Numbers

Federal Employer Identification Number: Enter with the dash.

94-1234567

Primary State Identification Number: Enter the number that is to appear on the quarterly state reports. Format your entry with any applicable dashes.

333-4567-1

Secondary State Identification Number: Leave blank if there is no secondary state. Format your entry with any applicable dashes.

Household Employer's Social Security Number: For Household employers only. Enter WITHOUT dashes.

563:80:2295

RECORD 5 – Tax Rates

Primary State Code: Enter the code from the table below that identifies the employer's primary state. If an employer has employees in only one state, enter that state code here and leave Box 80 blank. If Box 78 is blank, a California DE-9 filer is assumed. This code is also used in preparing W-2s and when computing Form 940.

State Codes					
California	01	Kentucky	18	Minnesota	35
Nevada	02	Ohio	19	Mississippi	36
Washington	03	South Carolina	20	Missouri	37
Wyoming	04	Virginia	21	Montana	38
Texas	05	Idaho	22	Nebraska	39
Georgia	06	Indiana	23	New Hampshire	40
Oregon	07	Arkansas	24	New Jersey	41
Arizona	08	Connecticut	25	New York	42
Colorado	09	Delaware	26	North Dakota	43
Utah	10	Illinois	27	Oklahoma	44
New Mexico	11	Iowa	28	Pennsylvania	45
Hawaii	12	Kansas	29	Rhode Island	46
Alaska	13	Louisiana	30	South Dakota	47
Florida	14	Maine	31	Vermont	48
Alabama	15	Maryland	32	West Virginia	49
North Carolina	16	Massachusetts	33	Wisconsin	50
Tennessee	17	Michigan	34	Washington DC	51

Special California Household Employer Election for Forms DE3B-HW and DE3HW

Use Primary State code '98' to indicate that the California Household Election has been filed with EDD to defer payment of California employment taxes until year-end.

Reminder: Be sure to use the appropriate exempt wage codes when entering the employees. See Data Sheet B instructions.

AccuPay prepares primary state quarterly returns for California and Nevada and facsimiles for Washington and Oregon. For all other states, AccuPay prepares a listing of employees with wages in the current quarter.

Secondary State Code: For ALL secondary states, AccuPay prepares a listing of employees with SUI subject wages in the quarter. This code is also used in the preparation of W-2 forms and the Form 940.

If an employer has employees in **TWO** states, then make the following entries:

1. Complete the primary state code box.
2. Complete the secondary state code box.
3. Enter secondary state contribution rate in the Secondary State SUI box.
4. Identify the out-of-state employees on the Employee Data Sheet B, Wage Code box.

If the employer has employees in **more than two states**, leave the secondary state code and secondary SUI rate boxes blank. AccuPay will print a diagnostic stating that specific sections of Forms 940 and W-2 need to be completed.

Primary State SUI Rate: Enter the primary state contribution rate as a percentage (e.g. 001.500 = 1.5%, 000.002 = 0.002%). The decimal location is pre-printed on the data sheet for you. Review this entry prior to first quarter processing each year.

Note: AccuPay assumes that the experience rate at the end of the year is the correct experience rate for the entire year.

AccuPay's calculations of various subject wages are detailed in the following table:

Summary of Subject Wage Calculations								
Item	FICA	FUTA	CA SDI	CA SUI	NV SUI	OR SUI	WA SUI	Other SUI
D/S B Wages	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
D/S B Tips	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
D/S B Meals & Lodging	No	No	Yes	Yes	Yes	Yes	Yes	Yes
D/S C Other Comp	No	No	No	No	No	No	No	No
D/S C Employer sponsored health coverage	No	No	No	No	No	No	No	No
D/S C Add'l St. Income	No	No	Yes	Yes	Yes	Yes	Yes	Yes
D/S C 3rd Party Sick Pay	Yes	Yes	No	Yes	No	No	No	No
D/S C Emplr Pd Sick Pay	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
D/S C Tips as Wages	No	No	No	No	Yes	No	No	No
D/S D Grp Term Life In	Yes	No	No	No	No	No	No	No

California Employment Training Tax: Enter the Employment Training Tax (ETT) rate.

Secondary State SUI Rate: Enter the state contribution rate for the secondary state. This rate is used in the preparation of the Form 940 at year-end.

Note: If there are employees in more than 2 states, this field blank.

Other Rate: Enter the Washington WTF rate or the Nevada CEP rate.

Employer Type on W-3: Identify the employer type for Form W-3. Complete only if applicable to this employer. See Form W-3 for more information. In MOST cases, this box will be left blank.

Blank	Not applicable
1	Non-governmental tax exempt (section 501(c)) entity
2	State or local government entity that is NOT a tax exempt (section 501(c)) entity
3	State or local government entity that IS a tax exempt (section 501(c)) entity
4	Federal government entity

RECORD 6 – Form 940

Current Quarter FUTA Deposits: Enter any current quarter deposits.

Total Prior Quarter FUTA Deposits: Enter the total Form 940 deposits made in prior quarters. AccuPay will update this information on the proforma.

Note: AccuPay computes the total FUTA liability each quarter. If the undeposited liability exceeds \$500, AccuPay will include a deposit reminder in the letter and update the deposit information on the proforma.

If the employer's actual year-to-date deposits differ from the proformaed amount, change Total Prior Quarter FUTA Deposits to reflect the actual deposits made.

Quarterly FUTA Liabilities: Each quarter AccuPay prints the FUTA liability on the proforma. New employers being added to AccuPay in other than Quarter 1 should enter this information for the prior quarters.

Note: If a change is made to prior quarter earnings for any employee on either Data Sheet B or C, the corresponding adjustment in FUTA liability must be entered here for the appropriate quarter.

Federal Overpayment Option: Use this box to indicate how any overpayment on Form 940 is to be handled.

Blank	Any overpayment is requested as a refund.
X	Apply overpayment to the next tax period.
S	Leave this section of the return blank. You may then make the determination after receiving the return back from AccuPay.

RECORD 7 – Form 943

Farm Only FICA Option: One of 3 codes should be entered to identify farm employers and is used to control social security and Medicare tax liabilities for agricultural employees.

Blank	Not a Farm employer
X	All wages, including sick pay, are subject to social security and Medicare taxes for all agricultural employees, regardless of the amount of their wages.
R	The farm employer will be paying less than \$2,500 in farm wages in the calendar year and FICA tax withheld from employees earning less than \$150 will be refunded to the employees. A list of employees showing the amount of refund owed to each employee will be prepared.
A	The farm employer will be paying less than \$2,500 in farm wages in the calendar year and FICA tax withheld from employees earning less than \$150 is to be shown as an adjustment on Form 943. A report of over-withheld FICA will be prepared.

Note: You may also selectively exclude specific employees from FICA using the wage exempt codes on Data Sheet B. See Data Sheet B instructions.

Form 940 required for this Farm: Enter "X" if Form 940 is required for an agricultural employer. If left blank, agricultural employees will NOT be included on Form 940.

Number of Farm Employees on March 12: At year-end, enter the number of agricultural employees employed during the pay period that includes March 12.

Total Form 943 Deposits for the Year: Enter the total Form 943 deposits for the year. Be sure to include any overpayment from a prior period that applies to this return (including any overpayment applied from Form 943-X).

Note: Complete this box only at year-end. Any entries prior to Form 943 being prepared will not be saved.

Deposit Due Date for Letter: Enter the month and day of any final Form 943 deposit if you want the due date to print in the client instruction letter. If the deposit date field is left blank and a deposit is required, the client letter will not show the deposit due date. Entries will not be used if there is not a final deposit computed.

Federal Overpayment Option: Use this box to indicate how any overpayment on Form 943 is to be handled.

Blank	Any overpayment is requested as a refund.
X	Apply overpayment to the next tax period.
S	Leave this section of the return blank. You may then make the determination after receiving the return back from AccuPay.

RECORD 8 – Form 941 Daily Liabilities

Record of Daily Liabilities for Form 941, Schedule B: Complete only if this employer is required to file Form 941, Schedule B, Record of Daily Liabilities. If there is any entry in record 8 and Form 941 liability is \$2,500 or more, then Schedule B will be prepared.

For each daily liability, complete a month, day and liability box. Entries may be made in any order. AccuPay will sort in month and day order. Do not enter duplicate dates. Combine liabilities if they occurred on the same day.

AccuPay will adjust for differences between the tax liability computed for the Form 941 and the daily liability input so the total liabilities on Schedule B will match the Form 941 liability. Any adjustment will be noted in the diagnostic report.

RECORD 9 – Employer Contact Information

If AccuPay is electronically filing your W-2/W-3, an email address is required by SSA. Contact information should be a principal/primary person in the company. This could be the owner, sole proprietor, sole shareholder, director, president, or managing partner. Please also provide phone and fax numbers.

RECORD 10 – Paid Preparer

All entries in this area will be proformaed for future processing.

Complete Paid Preparer Section on Federal Return: Enter "X" to have your firm's name, address and Federal EIN from your Masterfile print in the paid preparer section of the federal employment tax returns.

Preparer is Self-employed: Enter "S" to check the self-employed box in the paid preparer section.

PTIN: Enter the Preparer Tax ID number. Note: Do not enter a social security number.

APAY Use – AccuPay Use Area

AccuPay Use Boxes A, B, C, D, E, F, G and H: These fields are used to provide additional information necessary for new and /or rarely used reporting requirements. See [APAY Use Areas on Data Sheet A](#) in the back of this guide or contact your processing center for more information on

1. Overriding Taxable FUTA wages paid before July 1, 2011.
2. Credit reduction override when more than one secondary state is present.
3. Section 3121(q) Notice and Demand for tax due on unreported tips.
4. Identify Form 941 with prior quarter total tax of less than \$2,500 and suppress the reporting of current quarter liability detail.

W-2 ONLY SERVICE

These instructions apply if you are requesting **W-2 Only Service**. W-2 Only is available for both paper and E-filed W-2s.

Data Sheet A

Complete only the following boxes:

Record 0: **Ship Method Override** (if applicable) **PrintBack** **W-2 Filing Option** **W-2 Only Service (enter "W")**

Record 2: **Form 944 filer:** Enter 'X' if applicable.

Record 3: Enter employer's complete **name and address**.
FICA/SDI option: Leave blank and AccuPay will calculate FICA and SDI. Enter "A" if you want to use your entries for social security, Medicare and SDI withholding on the W-2s. The "X to Adjust" option is not available for W-2 only returns.

Record 4: Enter all applicable **tax identification numbers**.

Record 5: **Primary** (and, if applicable, secondary) **state code**.
Employer Type on W-3 (if applicable)

Record 6: **Farm Only FICA Option:** Enter "X" if this is an agricultural employer.

No other entries on Data Sheet A apply.

Data Sheet A-1

Complete only the section entitled **Form W-2 and W-3 Additional Information**, if applicable.

Data Sheet B

Complete the **employee name and address** section. In the wage area, enter total annual amounts in the current quarter line. **Do not enter data in the TPQ area.** Complete only the boxes that apply. Your entries for social security, Medicare and CASDI are used ONLY if "A" is entered on Data Sheet A, Record 3, **FICA/SDI option**.

Data Sheet C

Complete this data sheet only if applicable to the employees being reported. FUTA and SUI overrides to not apply.

Data Sheet D: Complete if applicable. All features are available.

A-1 **SUPPLEMENTAL YEAR-END
EMPLOYER INFORMATION**

Acct. No.

ACCUPAY® Page ____ of ____

Proforma
Option

01

Do not drop inactive employees
from Qtr 1 proforma. Enter "1" if
ALL employee should be saved.

Apay Use

Apay Use

Apay Use

Apay Use

Apay Use

Form 944 ANNUAL FEDERAL RETURN

Form 944 Annual Federal Return in
lieu of quarterly Form 941

Enter the monthly liability here ONLY if total Form 944 liability for the year is **\$2500** or more..

Enter **Total Deposits** for the year
on **D/S A** deposits for Form 941/944

13	Month	21	Liability	31	Month	41	Liability	51	Month	Liability
40	Jan			Apr		Jul		Oct		
41	Feb			May		Aug		Nov		
42	Mar			Jun		Sep		Dec		

Form W-3 and W-2 ADDITIONAL INFORMATION

Form **W-3**

If successor Employer, enter
Predecessor's Federal EIN

02

W-2 **BOX 14**

Customized Descriptions
For D/S D Codes (14 char.)

For D/S D code 9 - Description of Amt

For D/S D code 10 - Description of Amt

W-2 **Meals & Lodging Text**

Blank = Meals/Lodging

1 = Meals

2 = Lodging

Form 940 ADDITIONAL INFORMATION

Form **940**

Printing
Option

03

"1" = Suppress print when no
FUTA wages (all exempt).
"2" = Force print when no
FUTA wages.

If ALL wages are EXEMPT from **SUI**,
enter "1". (FUTA tax rate = 6.2%)

Describe employee "**Other Compensation**" on D/S C:

Fringe benefits exempt from FUTA (default)
Other payments exempt for FUTA, enter "1"
Both Fringe benefits and Other payments exempt from FUTA, enter "2".

Form **940**

Additional Payments Exempt from FUTA.

Enter the **TOTAL EMPLOYER** paid benefits that AccuPay does not list automatically. (For Successor Employer, see below).

Pension/Retirement

04

Dependent Care (override)

Other (additional)

Fringe benefits (additional)

Enter EMPLOYER payments to Pension/Retirement plans (do NOT include employee salary reduction payments).

AccuPay includes up to \$5000 that is listed as Dependent Care on D/S D for each employee. Entry here overrides AccuPay's calculation.

AccuPay includes Wages coded as FUTA Exempt (from D/S B) and FUTA wage overrides (from D/S C). Enter any additional amounts.

Enter other Employer-paid fringe benefits such as medical/accident premiums, HSA, MSA payments that are NOT listed as "Other Compensation"
Do NOT include Meals/Lodgings (from D/S B), Other Compensation (from D/S C), and Group Term Life Ins (from D/S D).

Form **940**

Successor
Employer

Enter "1" to identify Employer
as a Successor Employer.

05

If Predecessor's wages are included in Wages listed for each employee, enter
the amount of FUTA wages (limited to \$7000/employee) that were paid by Predecessor.

Form **940**

LATE RETURNS ONLY

Enter **TOTAL** state SUI contributions made by
Form 940 due date ONLY if ALL contributions will
not be paid by the Form 940 due date.

A **REDUCED** credit for state contributions will be computed on any SUI liability in excess of entries here.

If left blank, AccuPay assumes ALL SUI contributions were paid by Form 940 due date.

35

SECONDARY state

FUTA credit for SUI

(overrides automatic calc.)

DATA SHEET A1 – SUPPLEMENTAL YEAR END EMPLOYER INFORMATION

Overview: Data Sheet A-1 is used when supplemental employer information is needed to complete year-end reports. It should be used only when processing year-end reports or for terminated employers.

TOP LINE

Box 21 Proforma Option: Employees with no wages for the year are normally dropped from the proforma after fourth quarter processing. Enter '1' if NO employees should be dropped from the proforma.

Boxes 31, 41, 51, 61 and 71 APAY USE: These fields are reserved for last minute or special changes to payroll reporting requirements. At this time, the following codes may be used:

Box 31	Result
9	Use only in fourth quarter. Enter '9' to suppress the printing of the W-2 forms when reprocessing a return and a reprint of the W-2 forms is NOT required.
8	California employers are required to inform their employees about the federal Earned Income Tax Credit. AccuPay will include the required notice for all California employees automatically. Enter '8' to SUPPRESS the notice. Note: A sample of our W-2 with the notice is posted on our website.

FORM 944 ANNUAL RETURN

Complete this area only if the employer is a Form 944 filer AND total Form 944 liability is \$2,500 or more. This area should be used only when processing year-end reports or for terminated employers.

FORM W-3 AND W-2 ADDITIONAL INFORMATION

Successor Employer Federal ID Number: If employment tax forms or employment tax deposits were made under another Federal ID Number, enter the OTHER EIN here. This may be used when a successor employer agrees to file all returns, including W-2s for a predecessor employer. This entry will print on Form W-3 and California Form DE-7. Do not duplicate the EIN entered on Data Sheet A.

W-2 Box 14 Customized Descriptions: Data Sheet D is used to enter supplemental information for Form W-2. Entries here will be used as the description associated with amounts entered on Data Sheet D with codes 9 and/or 10. See Data Sheet D for more details.

W-2 BOX 14	For D/S D code 9 - Description of Amt	For D/S D code 10 - Description of Amt
Customized Descriptions	31 44	45 58
For D/S D Codes (14 char.)		

FORM 940 ADDITIONAL INFORMATION

Box 21 Form 940 Printing Options: Form 940 is produced at year end or for terminated employers if there are any employees who are not identified as Agricultural or Household employees or for Agricultural employers requesting Form 940. Box 21 can be used for additional print options.

Form 940 ADDITIONAL INFORMATION			
L6 Form 940	Printing Option	*1 = Suppress print when no FUTA wages (all exempt). *2 = Force print when no FUTA wages.	If ALL wages are EXEMPT from SUI, enter "1". (FUTA tax rate = 6.2%)
	☐ 1 ☒ 2		Describe employee "Other Compensation" on DIS C: Fringe benefits exempt from FUTA (default) Other payments exempt for FUTA, enter "1" Both Fringe benefits and Other payments exempt from FUTA, enter "2".

Box 21	Result
1	Suppress the printing of Form 940. For example, an exempt organization not subject to FUTA. Be sure to code all employees as FUTA exempt on Data Sheet B
2	Force the printing of Form 940. For example, if there are no FUTA wages this year, but Form 940 is required because of prior year wages.

Box 31 FUTA Rate Option: If the employer is NOT allowed a credit for payments to the state unemployment fund, enter '1' here. Federal FUTA tax liability will be computed at the full federal rate.

Box 41 Define Other Compensation: Other Compensation that is exempt from FUTA and SUI may be entered on Employee Data Sheet C. Use this box to define the Other Compensation for Form 940 reporting purposes.

Box 41	Result
Blank	On the Form 940, the Other Compensation from Data Sheet C will be defined as Fringe Benefits NOT subject to FUTA.
1	On the Form 940, the Other Compensation from Data Sheet C will be defined as Other Payments NOT subject to FUTA.
2	On the Form 940, the Other Compensation from Data Sheet C will be defined as Fringe Benefits and Other Payments NOT subject to FUTA.

ADDITIONAL PAYMENTS EXEMPT FROM FUTA

Box 21 Pension/Retirement: Enter any EMPLOYER payments to a Pension or Retirement Plan that should be reported as FUTA exempt on Form 940. For example report employer contributions to a SIMPLE or a 401(k) plan here. Do not duplicate employee salary reduction arrangements entered on Employee Data Sheet C.

Pension/Retirement	04		
Dependent Care (override)		31	
Other (additional)		41	
Fringe benefits (additional)		51	

Box 31 Dependent Care: Entry here will override the AccuPay calculation of the first \$5,000 (per employee) of dependent care benefits entered on Employee Data Sheet D.

Box 41 Other Payments: AccuPay automatically computes "Other payments" using: (1) wages coded as FUTA exempt on Data Sheet B and FUTA Wage Overrides on Data Sheet C. Any entry here will be ADDED to the computed value.

Box 51 Fringe Benefits: AccuPay automatically includes Meals and Lodging from Employee Data Sheet B, Other Compensation from Employee Data Sheet C (see **Box 41 Define Other Compensation** earlier) and Taxable Group Term Life Insurance from Employee Data Sheet D. Any entry here will be ADDED to the computed value. For example, contributions to accident or health plans for employees (including certain employer payments to a Health Savings Account or an Archer Medical Savings Account), reimbursements for qualified moving expenses, and benefits excluded under section 125 (cafeteria) plans.

FORM 940 SUCCESSOR EMPLOYER

Box 21 Successor Employer: Enter '1' to identify this employer as a successor employer. A successor employer is one who acquires substantially all the property used in a trade or business of another person (predecessor) or used in a separate unit of a trade or business of a predecessor and IMMEDIATELY after the acquisition, employs one or more people who were employed by the predecessor.

Box 31 Predecessor's Wages: When figuring payments in excess of \$7,000, an employer may take into account payments made by the predecessor to employees who continue to work for the successor employer. See Form 940 instructions for complete information. If the predecessor's wages are included on Employee Data Sheet B, enter the amount of taxable FUTA wages (limited to \$7,000 per employee) that were actually paid by the predecessor.

LATE RETURNS

Box 21 Total SUI Payments: This applies ONLY to late returns. Enter the total SUI payments made by the Form 940 due date **only if ALL the contributions were NOT paid by the Form 940 due date**. AccuPay will compute a reduced credit for SUI payments on the Form 940.

FORM 940 SECONDARY STATE SUI CREDIT OVERRIDE

Box 31 Secondary State SUI Credit Override: If there are employees in more than 2 states, this box can be used to override the FUTA credit for SUI payments made to the secondary states. Entry will be ADDED to the primary state credit automatically computed by AccuPay.

A-2**Form 945**6
12**PENSIONS, ANNUITIES**Acct.
No.

1	2	3	4	5	6	7	8	9	0
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ACCUPAY® Page ____ of ____

Form **945** Annual Return of Fed Income Tax
(Pensions, Annuities, Gambling, etc.)Form **945** Record of Monthly Liability
(If Form 945-A is required, complete
Record of Daily Liability below)Total Federal Withholding from
Pensions, Annuities, Gambling, etc.

13	21	22	23	24	25	26	27	28	29	30	31
----	----	----	----	----	----	----	----	----	----	----	----

Total Fed Backup Withholding

31	32	33	34	35	36	37	38	39	40	41	42
----	----	----	----	----	----	----	----	----	----	----	----

Total Form **945** deposits

41	42	43	44	45	46	47	48	49	50	51	52
----	----	----	----	----	----	----	----	----	----	----	----

Adjustments

51	52	53	54	55	56	57	58	59	60	61	62
----	----	----	----	----	----	----	----	----	----	----	----

Month	Liability
10 Jan	
11 Feb	
12 Mar	

Month	Liability
Apr	
May	
Jun	

Month	Liability
Jul	
Aug	
Sep	

Month	Liability
Oct	
Nov	
Dec	

Form **945-A** Record of Daily Liability (Complete only if semi-weekly depositor)

21 Mth	24 Day	25 Liability	35 Mth	38 Day	39 Liability	49 Mth	52 Day	53 Liability	63 Mth	66 Day	67 Liability	77 Mth	80 Day	81 Liability
30														
31														
32														
33														
34														

Form 943 AGRICULTURAL EMPLOYERForm **943** Agricultural Employer
Record of Monthly LiabilityEnter Total Deposits on D/S A, rec 9.
(If Form 943-A is required, complete
Record of Daily Liability below)

Month	Liability
06 Jan	
07 Feb	
08 Mar	

Month	Liability
Apr	
May	
Jun	

Month	Liability
Jul	
Aug	
Sep	

Month	Liability
Oct	
Nov	
Dec	

Form **943-A** Record of Daily Liability (Complete only if semi-weekly depositor)

21 Mth	24 Day	25 Liability	35 Mth	38 Day	39 Liability	49 Mth	52 Day	53 Liability	63 Mth	66 Day	67 Liability	77 Mth	80 Day	81 Liability
13														
14														
15														
16														
17														
18														
19														

DATA SHEET A2 – FORM 945 & FORM 943

Overview: Data Sheet A-2 is used if Form 945, Annual Return of Withheld Income Tax is required or, for agricultural employers, if monthly or daily liability detail is required.

FORM 945, PENSIONS, ANNUITIES

Form 945 is used to report non-payroll related federal income tax withholding, such as pensions, annuities, and backup withholding. All Form 945 entries are made on this Data Sheet.

If the total liability is less than \$2,500, detail liability entries are not required.

If the employer is a monthly schedule depositor, complete the monthly liability boxes. If there are no entries in this area and no daily liability entries below and total liability is \$2,500 or more, total liability is assumed to have arisen in December.

If the employer is a semi-weekly schedule depositor, complete the daily liability detail boxes. For each daily liability, complete a month, day and liability box. Form 945, Schedule A will be produced if the liability is \$2,500 or more and there are entries here.

FORM 943, AGRICULTURAL EMPLOYER

Form 943 is the annual return used to report agricultural employees. Entries on Data Sheet A and this Data Sheet are used in the preparation of the Form 943. See Data Sheet A, Record 7, Form 943, for basic farm employer entries, including Total Deposits.

If the total liability is less than \$2,500, detail liability entries are not required.

If the employer is a monthly schedule depositor, complete the monthly liability boxes. If there are no entries in this area and no daily liability entries below and total liability is \$2,500 or more, total liability is assumed to have arisen in December.

If the employer is a semi-weekly schedule depositor, complete the daily liability detail boxes. For each daily liability, complete a month, day and liability box. Form 943, Schedule A will be produced if the liability is \$2,500 or more and there are entries here.

B ACCUPAY®
EMPLOYEE INFORMATION

Acct. No.

Page of

	EMP NO	Social Security No.	W-2	First Name (14 characters)	M.I.	Last Name (20 characters)	Address (25 characters)	City (15 characters)	State	Zip
A										
B										
C										
D										
E										
F										
G										

↑ ENTER THE EMPLOYEE NUMBER IN BOTH THE TOP AND BOTTOM SECTIONS. ↓		W-2 BOX (ABOVE); ENTER "X" IF A MID-YEAR W-2 WANTED FOR THIS EMPLOYEE				BOX 77 (BELOW); ENTER "P" EMPLOYEE IS COVERED BY A QUALIFIED PENSION PLAN				WAGE CODE		*F* = EMPLOYEE ADDR IS OUTSIDE USA	
EMP NO	Wages	Fed W/H	State W/H	F.I.C.A. (OASDI 4.2%)	F.I.C.A. (HI 1.45%)	Calif. S.D.I.	Tips	Meals/Lodg	77	78 F	79 S	80	Net Payroll
A	TPQ ▶												
B	TPQ ▶												
C	TPQ ▶												
D	TPQ ▶												
E	TPQ ▶												
F	TPQ ▶												
G	TPQ ▶												

FEDERAL Wage Codes - Box 78-Complete only if one of the following applies: 1 = Exempt from FICA & FUTA 2 = Exempt from FUTA, subject to FICA 3 = Exempt from FICA, subject to FUTA 4 = 941 Employee of Farmer 5 = Household Employee 6 = Household Employee exempt from FUTA	CALIF Employers - Box 79-Complete only if one of the following applies: CA Employees: W = Subject to PIT only P = W/H for 1099R recipient J = Subject SDI, exempt SUI R = Religious exempt SDI, Subj SUI C = Sole stockholder exempt SDI, Subj SUI Out of State: N = Out of state X = Out of state (SUI exempt)	Non-CALIF Employers - (Box 79 codes) E = SUI Exempt N = Out of state X = Out of state (SUI exempt)
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DATA SHEET B – EMPLOYEE INFORMATION

Overview: Use Data Sheet B to enter basic employee information. Use as many B Data Sheets as necessary to list all employees.

If this is a new employer without a proforma, or you are adding additional employees to an existing employer, complete the Account Number and Employer Number in the top margin.

Seven employees can be listed on each Data Sheet B. Name, address and SSN's are listed in the top section. Basic wage and withholding data are listed on corresponding lines in the lower section. The letters 'A' through 'G' are listed down the left-hand side of the data sheet as a guide for entering the employee information.

Place all B sheets immediately after the last employer Data Sheet in the return.

UPPER SECTION - Employee Name Address & SSN

Employee Number: Assign each employee a number between 1 and 9998 (Number 9999 is reserved for proof totals. See [Proof Totals](#) earlier in Data Sheet Notes.).

Note: Do not duplicate or change employee numbers during the payroll year.

Employee information for the following quarter is printed on the proforma in order of ascending employee numbers. Consider leaving gaps in the assigning of employee numbers to allow for insertion of new employees later.

Note: At your option, AccuPay can list employees alphabetically by last name on the proforma. See Data Sheet A instructions for Record 0.

Enter employee numbers both in the top and in the bottom sections of the data sheet.

Social Security Number: Enter without dashes. If unknown, leave this field BLANK. Do not use 123456789, all zeroes, or any other invalid SSN. Numbers that begin with 8 or 9 are NOT valid social security numbers. Do not enter any words such as "APPLIED FOR" or "NONE".

563:80:2295

W-2: Enter "X" to print a W-2 for an employee who terminates employment prior to year end.

Note: Do not delete a terminated employee from the proforma until first quarter of the next calendar year. The employee data must be retained on file and printed on subsequent proformas since it is needed for year-end reports.

Do not use this column if you are processing a fourth quarter return or a return for an employer who is going out of business before the fourth quarter. In these two cases, W-2s are automatically produced for ALL employees.

Employee Name and Address: Enter the employee's name and address information. Do not use extended zip codes. Use the 2-character Postal Service abbreviation for the State box.

LOWER SECTION - Basic Wage and Withholding

Wages

Enter the employee's taxable wages. Review the following tables for the items to include and exclude from your entry here.

Items to include in Wages box	
Deferred Compensation	Do not reduce your entry by any salary reduction deferred compensation arrangements that are subject to FICA, FUTA, SUI and SDI but which are exempt from income tax (e.g. 401k). These amounts should be INCLUDED here AND on Data Sheet C. Taxable compensation will be adjusted when preparing the employer reports and the employee's W-2.
Employer Paid Sick Pay	Generally, all employer paid sick pay should be included here. See also Employee Data Sheet C, Other Compensation.
Fringe Benefits	Fringe benefits subject to FICA, FUTA, SUI and SDI should be included. During fourth quarter processing, additional entries may be required on Data Sheet D for W-2 reporting purposes.

Do NOT include these items in Wages box	
Tips	Do not include tips reported to the employer by the employee. These must be separately reported. See Social Security Tips below.
Meals & Lodging	Do not include Meals and Lodging which are exempt from social security and Medicare. See Meals and Lodging below.
Other	Do not include any other compensation that is taxable for income tax purposes but exempt from social security, Medicare, SUI, and SDI withholding. See Data Sheet C.
Third Party Sick Pay	Do not include sick pay that is paid by a third party. See Data Sheet C.
State Only Taxable Items	Do not include compensation that is taxable for the state and nontaxable by the IRS. See Data Sheet C for state only adjustments.

Note: See **Exempt Wage Codes** below for additional information about taxable wages.

Withheld federal and state income tax

Enter federal and state withholding in these columns. Do not include taxes withheld by a third party payer of sick pay. See Data Sheet D.

Withheld social security, Medicare and SDI

There are 3 options with respect to these taxes. The option selected will apply to all three taxes.

1. **Leave the boxes blank.** AccuPay will compute the liabilities based on the employee's taxable compensation. Entries for social security, Medicare and SDI are NOT used in the preparation of the quarterly reports. Also, unless Option 3 (below) is selected, W-2s for these 3 taxes are computed using the employee's taxable compensation.
2. **Enter the amounts withheld** and have AccuPay compare your entries with the program's calculated value. AccuPay will adjust federal (and state) withholding by any over-withhold or under-withheld tax. To elect this option, enter "X" in the [FICA/SDI adjustment option](#) on Data Sheet A or the Employer Screen for WinRX users.

NOTE: This adjustment is performed quarterly for Form 941 employers and for all other employers in 4th quarter.

3. **Enter the amounts withheld** and have AccuPay use them in the preparation of the W-2s. To elect this option, enter "A" in the [FICA/SDI adjustment option](#) on Data Sheet A or the Employer Screen for WinRX users.

Social Security Tips

Enter the taxable tips reported to the employer by the employee. These will be separately reported on Form 941, Form 944, and Form W-2.

Meals and Lodging

Enter meals and/or lodging that are NOT subject to income tax, social security, Medicare, and FUTA BUT taxable for SUI and SDI.

Entries here will be reported separately on the W-2. See Data Sheet A-1 or the WinRX Additional Services and W-2/W-3 screen for alternate descriptions available on the W-2 for this item.

Qualified Pension Plan or Delete Employee Option:

Box 77: This box controls the qualified plan check box on the W-2 form and is used to delete an employee.

Box 77 entry	Result
P	Retirement Plan box will be marked on the employee's W-2. Note: If the employee has 401k, 403(b), 408(k) (6), 501(c) (18) (D) or 408(p) deferrals, qualified plan participation is assumed on the W-2.
D	Delete this employee. This option should be used only when preparing a first quarter return or for employees who have received NO compensation in the current year. Note: Do not delete terminated employees for whom an early W-2 was prepared. These employees must be retained for correct year-end reports.

Wage Exempt Codes

Box 78 Federal Wage Exempt Code: Generally, wages entered in Box 13 are considered subject to social security, Medicare and FUTA taxes. Box 78 may be used to override the taxability of the employee's compensation AND to identify specific employee types.

Box 78 entry	Wages entered in Box 13 are:
1	Exempt from social security, Medicare and FUTA.
2	Exempt from FUTA. Subject to social security and Medicare.
3	Exempt from social security and Medicare. Subject to FUTA.
4	Form 941 employee of Agricultural Employer. Subject to social security, Medicare and FUTA.
5	Household employee subject to social security and Medicare (if wages exceed threshold) and FUTA.
6	Household employee subject to social security and Medicare (if wages exceed threshold). Exempt from FUTA.

Important Notes

- Do not use codes 1, 2, and 3 if the wage override fields are used on Data Sheet C or the WinRX override screen.
- If you wish to report household employees on Forms 941, 944 or 943, do not use codes 5 or 6.
- Wage codes cannot be mixed for the same employee. If a code is changed, the wage code listed in the current quarter will apply to wages in both current and prior quarters.
- During Quarter 1 processing, be sure to delete any exempt wage codes that no longer apply.
- Do not use these codes solely because the employee has exceeded the appropriate wage limit for social security, Medicare, or FUTA.

Box 79 State Wage Exempt Codes: Generally, compensation entered in Wages Box (and any additional [state only compensation entered on Data Sheet C](#)) are considered subject to SUI and, if the primary state is California, SDI. Box 79 may be used to override the taxability of the employee's compensation AND to identify specific employee types.

Certain codes are available ONLY if the primary state is California and other codes are available ONLY if the primary state is NOT California.

Primary State IS California	
Box 79 entry	Compensation entered in the Wages box (and any additional state only compensation entered on Data Sheet C) are:
Blank	California employee subject to SUI and SDI.
W	California employee subject to PIT only.

J	California employee subject to SDI. Exempt from SUI.
R	California employee. Exempt from SDI. Subject to SUI. Note: This code applies ONLY to an employee who has an EDD approved exemption from SDI taxes based on religion under Section 2092 of the California UIC. It does not necessarily refer to clergy.
C	California employee. Sole stockholder subject to SUI. Exempt from SDI.
N	Out of state employee subject to SUI.
X	Out of state employee exempt from SUI.

California PIT withholding for 1099 R recipients

Code “**P**” may be used to report 1099R California PIT withholding on the employer’s Form DE-9C. Enter ONLY the recipient’s name and SSN above and the California PIT withheld in box 33. A W-2 will not be produced for this person.

Primary State is NOT California	
Box 79 entry	Compensation entered in the Wages box (and any additional state only compensation entered on Data Sheet C) are:
Blank	Primary state employee. Subject to SUI.
E	Primary state employee. Exempt from SUI.
N	Out of state employee subject to SUI.
X	Out of state employee exempt from SUI.

Important Notes

- Do not use Box 79 to exempt an employee from SUI if the SUI wage override field is used on Data Sheet C or the WinRX override screen.
- Wage codes cannot be mixed for the same employee. If a code is changed, the wage code listed in the current quarter will apply to wages in both current and prior quarters.
- During Quarter 1 processing, be sure to delete any exempt wage codes that no longer apply.
- Do not use these codes solely because the employee has exceeded the appropriate wage limit for SUI or SDI.

Employee Address Outside U.S.

Box 80 Address outside USA: Enter “F” ONLY if the address listed on the Data Sheet for this employee is outside the United States, its territories and its possessions.

Note: This pertains only to the address shown above, NOT where the employee resides.

Page of [illegible]

REV 03-11

DATA SHEET C – EMPLOYEE SUPPLEMENTAL INFORMATION

Overview: Use Data Sheet C to enter additional employee information relating to deferred compensation arrangements, earned income credits, and other items of income that require special handling for tax purposes. Override boxes are also available for social security wages, Medicare wages, FUTA wages, SUI wages, and SDI wages.

Complete a line on Data Sheet C only for those employees to which the supplemental information applies. One line is allowed per employee.

Place all C Sheets immediately after the last B Sheet in the return.

Employee Number: Enter the employee number in box 8 that corresponds to the number on Data Sheet B for this employee. (Number 9999 is reserved for proof totals. See [Proof Totals](#) earlier in Data Sheet Notes.).

Deferred Compensation Arrangements

Enter the contributions for a deferred compensation plan that are **included in wages entered on Data Sheet B**. Since these contributions are exempt from income tax but subject social security, Medicare, FUTA, SUI and SDI, AccuPay will make the appropriate adjustments. Entries must be limited to the statutory allowable amounts. No adjustments are calculated for excess deferrals.

If an employee has elective deferrals listed with codes 1, 2, 3, 5 or 6, then the retirement plan box on Form W-2 will be checked.

Def. Code Entry	Deferred Compensation Plan Type:
Blank or 1	Elective deferrals to a section 401(k) cash or deferred arrangement. Includes deferrals under a SIMPLE account that is part of a 401(k) plan. Note: See ROTH Contributions box for designated Roth contributions under a section 401(k) plan.
2	Elective deferrals to a section 403(b) salary reduction agreement. Note: See ROTH Contributions box for designated Roth contributions under a section 403(b) plan.
3	Elective deferrals under a section 408(k)(6) salary reduction SEP.
4	Elective deferrals and employer contributions (including non-elective deferrals to a section 457(b) deferred compensation plan).
5	Elective deferrals to a section 501(c)(18)(D) tax exempt organization plan.
6	Employee salary reduction contributions under a section 408(p) SIMPLE. Note: Use code '1' if the SIMPLE is part of a 401(k) arrangement.

Other Compensation, Sick Pay, etc.

Other Amounts: These two amount and code columns can be used to enter additional items that require special handling for employment tax purposes.

- A Other compensation** taxable for federal and state income tax purposes but exempt from social security, Medicare, FUTA, SUI and SDI. Entry will be included in the wages, tips and other compensation line of the employment tax return and in Box 1 of the W-2.
For example: Health insurance premiums for a 2% shareholder-employee of an S corporation are subject to income tax but exempt from social security, Medicare, FUTA, SUI and SDI.
- B Tips as wages.** Use this code only if the primary state is Nevada. The tip amount will be included on the Nevada quarterly wage report. If a Nevada employee is paid less than the minimum wage for SUI, enter only the amount of tips deemed to be wages here.
- C Employer paid sick pay.** Use this code only if the primary state is Washington. For any states other than Washington, any entry for employer paid sick pay will be added to wages and subject to social security, Medicare, FUTA, SUI and SDI.
- D Third party sick pay.** Any entry for third party sick pay is subject to social security, Medicare, FUTA, and California SUI. It will be excluded from California SDI tax. This box should be used ONLY if the third party payer is transferring the liability for the employer's part of the social security and Medicare taxes and for the FUTA tax. AccuPay will compute an adjustment for the employee's part of the social security and Medicare that was deposited by the third party payer.
- M Employer-sponsored health insurance coverage.** Entry does NOT affect any tax computation. Total for the year will print on employees W-2 at year end.
- S Additional state only income subject to state income tax, SUI and SDI.** Any entry will be added to the state wages and used in computing SUI and SDI. **For example:** Employer contributions or employee salary reductions to a Health Savings Account for California employers are exempt from federal income tax, social security, and Medicare but subject to California income tax, SUI and SDI.

Note: [State wage exempt codes entered on Data Sheet B](#) apply to any entry here. For example, if wages are coded SUI exempt, any entry here is also treated as SUI exempt.
- F Future use** - do not use at this time.
- G Future use** – do not use at this time.

Subject Wages Overrides

Wage Overrides: AccuPay automatically computes social security wages, Medicare wages, federal unemployment wages, state unemployment wages and California SDI wages for each employee based on entries on the Data Sheets. These calculations are summarized in the [Subject Wage Calculation Table](#) in the Data Sheet A instructions.

There are instances where you may wish to override one or more of these automatic computations (e.g., successor employer, family employee reaches age 19, etc.).

Note: Each taxable wage category is automatically limited to the appropriate statutory wage base. Do not use the overrides solely because the employee has reached the appropriate wage limit.

Important Override Rules

- Each entry overrides only the wages for that field. For example, an override for social security wages will NOT override the computation of Medicare wages. See tips below.
- Because of separate reporting on Forms 941 and 944, tips will be ADDED to the any wage override entry.
- Do not limit overrides by any statutory limits. Enter subject wages. AccuPay will automatically apply the statutory limitations.
- If any of these overrides are used, then any wage exempt codes on Data Sheet B that affect the overridden wage amount will be ignored.
- If an OVERRIDE box is used in one quarter, it should be used for ALL QUARTERS for that box for both TPQ and current quarter fields. An amount entered as a current quarter override will be added to any prior quarter override and proformaed as a TPQ override for next quarter. Continue to use that override box for the remainder of the year.
- ZERO may be used as an override in any of these fields.

SUI and SDI Overrides for California Employers

Subject wages are always computed without regard to wage limits and include wages subject to (1) SUI and SDI, (2) SUI only and (3) SDI only. AccuPay performs separate calculations to determine wages subject to SUI and wages subject to SDI. For most employees, both calculations will result in the same wage total (that is, the employee's wages are subject to both SUI and SDI). On Form DE-9 and DE-9C, when overrides for SDI and/or SUI subject wages are used and they are different, the larger amount prints as subject wages.

Designated Roth Contributions

Designated Roth Contributions: Enter the designated Roth Contributions under a 401(k) or 403(b) plan. No limits are applied to entries in these boxes.

Designated Roth Contributions do NOT reduce taxable wages and will NOT reduce Box 1 on the W-2 at year-end. They are subject to all employment taxes, including income tax withholding.

Note: Only the employee's contributions (not employer matching contributions) are eligible for a Designated Roth account.

Note: Designate a 401(k) or 403(b) plan by entering "1" for 401(k) or "2" for 403(b) in Deferred Code box.

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Page of

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Columns 13 & 23 are carried to Form **W-2**, **box 12** with code below:

CODE for col. 21 & 31

EXPLANATION

- A - Uncollected social security tax on tips
- B - Uncollected Medicare tax on tips
- C - Cost of group term life insurance over \$50,000 (Subject to FICA. Entry will be added to W-2 boxes 1, 3 and 5)
- J - Nontaxable sick pay
- K - 20% excise tax on excess golden parachute payments
- L - Substantiated employee business expenses (nontaxable)
- M - Uncollected soc. sec. tax on life insurance for FORMER employee
- N - Uncollected Medicare tax on life insurance for FORMER employee
- P - Excludable moving expense reimbursements
- Q - Nontaxable combat pay
- R - Employer contributions to an Archer MSA
- T - Adoption assistance
- V - Income from the exercise of nonstatutory stock options
- W - Employer contributions to a Health Savings Account
- Y - Deferrals under sec 409A nonqualified plan
- Z - Income under sec 409A nonqualified plan

Columns 33 & 43 are carried to Form **W-2** box 8, 10, 11 or 14.

CODE for col. 41 & 51

EXPLANATION

- 1 - Employee's share of Allocated Tips. Do not duplicate **(W-2 box 8)**
- 2 - Dependent care benefits **(W-2 box 10)**
- 3 - Nonqualified plan distributions **(W-2 box 11)**
- 4 - Educational assistance payments **(W-2 box 14)**
- 5 - Meals **(W-2 box 14)** Code may be used to replace
"Meals/Lodging" description for amounts entered on D/S B.
If an amount is entered here, it will be ADDED to the D/S B
amount and reported on the W-2. Do not duplicate entries.
- 6 - Lodging **(W-2 box 14)** Same as above.
- 7 - Union dues **(W-2 box 14)**
- 8 - Health insurance premiums **(W-2 box 14)**
- 9 - Customized description from D/S A-1 **(W-2 box 14)**
- 10 - Customized description from D/S A-1 **(W-2 box 14)**
- 11 - Auto value **(W-2 box 14)**
- 12 - Parsonage **(W-2 box 14)**
- 13 - S-Corp Health Ins 2% S/H **(W-2 box 14)**

Columns 53 & 61:

Enter the federal and state income tax withheld by third-party sick pay payers. Entries will be added to withholding from D/S B and carried to W-2, W-3 and California DE-7.

Columns 69:

Enter one of the following codes if it applies:

- 1 = Statutory employee
2 = Deceased employee
3 = Legal representative

Columns 70 & 78:

Apay Use boxes. Use only as directed.

REV 10-13

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Use this Data Sheet to provide additional information for year-end W-2 preparation.

DATA SHEET D – EMPLOYEE W-2 INFORMATION

Overview: Use Data Sheet D to enter additional detail for information on an employee's W-2. Complete Data Sheet D only when W-2s are being prepared for year-end processing, terminated employers, and when requesting mid-year W-2s for employees.

Complete a line on Data Sheet D only for those employees to which the supplemental W-2 information applies. One line is allowed per employee.

Place all D Sheets immediately after the last C Sheet in the return.

Employee Number: Enter the employee number in box 8 that corresponds to the number on Data Sheet B for this employee. (Number 9999 is reserved for proof totals. See [Proof Totals](#) earlier in Data Sheet Notes.).

W-2 Box 12 Group Term Life Ins., Business Expenses, HSA, MSA, etc.

Entries for W-2, Box 12: Use these two combination code and amount boxes to enter information to appear in Box 12 of the W-2 form.

Note: except as noted in the code descriptions below, NO AMOUNTS are carried to other boxes on the W-2 and entries DO NOT affect employment tax calculations.

Code	The corresponding amount represents:
A	Uncollected social security tax on tips. Enter the employee's social security tax on tips that the employer could not collect because the employee did not have enough funds from which to deduct it.
B	Uncollected Medicare tax on tips. Enter the employee's Medicare tax on tips that the employer could not collect because the employee did not have enough funds from which to deduct it.
C	Taxable Cost of Group Term Life Insurance over \$50,000. Entry will be used in computing taxable employee wages, social security wages, up to the current wage limit and Medicare wages (Boxes 1, 3, and 5 on Form W-2) and the corresponding lines on Forms 941, 944 and 943.
J	Nontaxable Sick Pay. Enter any sick pay that is not taxable that was paid by a third-party. Do not include nontaxable disability payments made directly by a state.
K	Excise Tax on Golden Parachute Payments. Enter the 20% excise tax that applies to golden parachute payments. If the excess payments are considered wages, then also include the excise tax as federal withholding on Data Sheet B.
L	Substantiated Employee Business Expense Reimbursements. Use only if the employee is reimbursed for business expenses using a per diem or mileage allowance and the amount reimbursed EXCEEDS the amount treated as substantiated under IRS rules. Enter only the substantiated nontaxable part here. Any reimbursement that is more than the amount treated as substantiated should be included as wages on Data Sheet B.
M	Uncollected Social Security Tax on the Taxable Cost of Group Term Life Insurance over \$50,000. Use this code only for former

	employees.
N	Uncollected Medicare Tax on the Taxable Cost of Group Term Life Insurance over \$50,000. Use this code only for former employees.
P	Excludable Moving Expenses: Enter any employer reimbursements paid directly to an employee for qualified (deductible) moving expenses.
Q	Nontaxable Combat Pay. This applies to military employers only.
R	Employer Contributions to an Archer MSA. Enter the employer's contributions to a Medical Savings Account for this employee.
T	Adoption benefits. Show the employer's payments or reimbursements furnished to this employee under an adoption assistance program. No limits or adjustments are applied to this entry.
V	Income from the exercise of a non-statutory stock option. Enter the spread (that is, the fair market value of the stock over the exercised price of option(s) granted to the employee). Entry here will not be used elsewhere. The taxable portion should ALSO be entered on Data Sheet B as wages.
W	Employer Contributions to a Health Savings Account (HSA). Enter any employer contributions (including employee elections under a section 125 cafeteria plan) to an HSA. Entry here will NOT be used elsewhere. See Data Sheet C instructions for Other Amounts (Code "S") for state taxability issues.
Y	Deferrals under a section 409a nonqualified deferred contribution plan. Enter any current year deferrals under a section 409a plan. Entry here will NOT be used elsewhere.
Z	Income under a section 409a nonqualified deferred contribution plan. Enter any income under a section 409a plan. Entry here will NOT be used elsewhere. Enter any taxable portion on Data Sheets B or C as necessary.
FF	Permitted benefits under a qualified small employer health reimbursement arrangement (QSEHRA). Entry here will NOT be used elsewhere.

Allocated Tips, Dependent Care, Miscellaneous W-2 Items

Entries for W-2, Boxes 8, 10, 11 or 14: Use these two combination code and amount boxes to enter information to appear in the boxes indicated on the W-2 form.

Note: Except as noted in the code descriptions below, NO AMOUNTS are carried to other boxes on the W-2 and entries DO NOT affect employment tax calculations.

Code	The corresponding amount represents:
1	Allocated Tips. This applies food and beverage establishments only. Enter employee's allocated tips. Entry will appear in W-2, Box 8.
2	Dependent Care Benefits. Enter the total dependent care benefits paid or incurred by the employer on behalf of this employee (including those in excess of \$5,000). Entry will appear in W-2, Box 10. The first \$5,000 for each employee will be included in the computation of FUTA exempt payments on Form 940.
3	Nonqualified Plan Distribution. Enter distributions from a nonqualified plan or a nongovernmental section 457(b) plan. No limits or adjustments are applied to this entry. Entry will NOT be used elsewhere and will print in W-2, Box 11. See IRS W3/W2 Instructions for additional details.
4	Educational Assistance Payments. Entry will NOT be used elsewhere and will print in W-2, Box 14 as an informational item.
5	Meals. Entry will be ADDED to any Data Sheet B entry for Meals & Lodging and reported in Box 14 of the W-2. The Data Sheet D amount will NOT be used elsewhere (it will NOT be used in the computation of SUI and SDI wages).
6	Lodging. Entry will be ADDED to any Data Sheet B entry for Meals & Lodging and reported in Box 14 of the W-2. The Data Sheet D amount will NOT be used elsewhere (it will NOT be used in the computation of SUI and SDI wages).
7	Union Dues. Entry will NOT be used elsewhere and will print in W-2, Box 14 as an informational item.
8	Health Insurance Premiums. Entry will NOT be used elsewhere and will print in W-2, Box 14 as an informational item. If any part is taxable, (for example, 2% shareholder-employee of an S corporation- see #13 below), the taxable portion must be entered elsewhere. See Data Sheet C instructions.
9 & 10	Customized Description. Enter the amount to be printed with your customized description entered for Code 9 and/or Code 10 on Data Sheet A-1. W-2 BOX 14 Customized Descriptions For D/S D Codes (14 char.) For D/S D code 9 - Description of Amt 81 44 For D/S D code 10 - Description of Amt 45 58
11	Auto Value. Entry will NOT be used elsewhere and will print in W-2, Box 14 as an informational item. If any part is taxable, that portion should be included on Data Sheet B Wages (if subject to income tax, social security, Medicare, FUTA, SUI and SDI) or on Data Sheet C as Other Compensation if subject ONLY to income tax.
12	Parsonage. Entry will NOT be used elsewhere and will print in W-2, Box 14 as an informational item. If any part is taxable, that portion should be included on Data Sheet B Wages (if subject to income tax, social security, Medicare, FUTA, SUI and SDI) or on Data Sheet C as Other Compensation if subject ONLY to income tax.
13	S-Corp Health Insurance for 2% Shareholder. Entry will print in W-2, box 14. Use code 13 with the amount in the Box 14 column. Amount also needs to be entered as "other compensation" on Data Sheet C (see instructions).

Statutory Employees

Enter one of the following informational codes.

Code	Result:
1	Statutory employee means that the employee's earnings are subject to social security and Medicare withholding taxes BUT not to income tax withholding. The Statutory Employee box will be checked on Form W-2
2	Deceased employee. Entry has no effect on printed output.
3	Legal representative. Entry has no effect on printed output.

Apay Use Amount and Code: Reserved for special reporting requirements. As of the date of this Manual, the following entries are acceptable.

Code	Result:
T	Leave the Box 70 blank. AccuPay will check the Third Party Sick Pay box on the W-2. Use this only if the Third Party Paid Sick Pay is NOT entered on Data Sheet C.

USEFUL CHECKLISTS AND SPECIAL SITUTIONS

This section of the Guide contains useful checklists for processing and special situations.

Quarterly Processing – checklist of commonly required entries

Note: this checklist deals with items most commonly used and is NOT all inclusive.

Data Sheet A	Record 0: ☐ Enter <u>number of employees</u> on the 12th of each month. Record 1: ☐ Enter any <u>current quarter state deposits</u>. ☐ Enter final deposit due date (used only if final deposit computed). Record 2: ☐ Enter any current quarter <u>Form 941 deposits</u>. ☐ Enter <u>monthly Form 941 liabilities</u> if required.	☐ Enter final deposit due date (used only if final deposit computed). Record 6: ☐ Enter any <u>current quarter Form 940 deposits</u>. ☐ Review proformaed <u>total prior quarter Form 940 deposits</u> for accuracy. ☐ Review proformaed <u>Form 940 liabilities</u> for accuracy. Leave current quarter liability blank. Record 8: ☐ Enter <u>daily Form 941 liabilities</u> if required.
Data Sheet B	☐ Enter all <u>current quarter wage and withholding</u> information. Do not delete employees with data in the TPQ area. ☐ Review <u>prior quarter (TPQ) wage and withholding</u> for accuracy. ☐ Request <u>mid-year W-2s</u> for terminated employees. ☐ Use employee number 9999 for <u>proof totals</u>.	
Data Sheet C	☐ Enter <u>current quarter deferred compensation information</u>. ☐ Review <u>prior quarter (TPQ)</u> area for accuracy. ☐ Use employee number 9999 for <u>proof totals</u>.	

First Quarter Reminders – check these items BEFORE processing first quarter returns

Note: this checklist deals with items most commonly used and is NOT all inclusive.

Data Sheet A	Record 0: ☐ Enter <u>number of employees</u> on the 12th of each month. Record 1: ☐ Enter any <u>current quarter state deposits</u>. ☐ Enter final deposit due date (used only if final deposit computed). Record 2: ☐ Enter any current quarter <u>Form 941 deposits</u>. ☐ Enter <u>monthly Form 941 liabilities</u> if required. ☐ Confirm Form 944 filing requirement, if applicable. ☐ Enter final deposit due date (used only if final deposit computed).	Record 5 ☐ Check <u>SUI and ETT rates</u>. Check California rates by calling the EDD (916)653-7795. Have the employer's state account number available. Record 6: ☐ Enter any <u>current quarter Form 940 deposits</u>. ☐ Review proformaed <u>total prior quarter Form 940 deposits</u> for accuracy. ☐ Review proformaed <u>Form 940 liabilities</u> for accuracy. Leave current quarter liability blank. Record 8: Enter <u>daily Form 941 liabilities</u> if required.
Data Sheet B	☐ Enter all <u>current quarter wage and withholding</u> information. ☐ Review <u>qualified pension plan</u> box for accuracy. Delete or add code as necessary. ☐ Review <u>exempt wage codes</u> for accuracy. Delete or revise as necessary. ☐ Delete any employees who no longer work for this employer. Enter a "D" in the Qualified Pension Plan box. ☐ Use employee number 9999 for <u>proof totals</u>.	
Data Sheet C	☐ Enter <u>current quarter deferred compensation</u> information. ☐ Use employee number 9999 for <u>proof totals</u>.	

Fourth Quarter Reminders – check these items BEFORE processing 4th quarter returns

Note: this checklist deals with items most commonly used and is NOT all inclusive.

Data Sheet A	Record 0: ☐ Enter <u>number of employees</u> on the 12th of each month. Record 1: ☐ Enter any <u>current quarter state deposits</u>. ☐ Enter final deposit due date (used only if final deposit computed). Record 2: ☐ Enter any current quarter <u>Form 941 deposits</u>. ☐ Enter <u>monthly Form 941 liabilities</u> if required. ☐ Enter final deposit due date (used only if final deposit computed).	Record 4: ☐ Replace "APPLIED FOR" entries with correct tax ID numbers. ☐ Enter <u>monthly Form 941 liabilities</u> if required. ☐ Enter final deposit due date (used only if final deposit computed). Record 6: ☐ Enter any <u>current quarter Form 940 deposits</u>. ☐ Review proformaed <u>total prior quarter Form 940 deposits</u> for accuracy. ☐ Review proformaed <u>Form 940 liabilities</u> for accuracy. Leave current quarter liability blank. Record 8: ☐ Enter <u>daily Form 941 liabilities</u> if required.
Data Sheet B	☐ Update employee <u>names and addresses</u> for mid-year changes. ☐ Enter any missing <u>social security numbers</u>. If not known, leave blank. ☐ Enter all <u>current quarter wage and withholding</u> information. Do not delete employees with TPQ data. ☐ Review <u>prior quarter (TPQ) wage and withholding</u> for accuracy. ☐ Review <u>qualified pension plan</u> box for accuracy. Delete or add code as necessary. ☐ Use employee number 9999 for <u>proof totals</u>.	
Data Sheet C	☐ Enter <u>current quarter deferred compensation information</u>. ☐ Review prior quarter (TPQ) area for accuracy. ☐ Use employee number 9999 for <u>proof totals</u>.	

New Employer Checklist

Note: this checklist deals with items most commonly used and is NOT all inclusive.

Data Sheet A

- ☐ Record 0, Number of employees on the 12th of each month.
- ☐ Record 1 Enter any current quarter state deposits.
- ☐ Record 1, Request E-filing for DE9 & DE-9C if applicable.
- ☐ Record 1, Enter DE88 deposit due date for client letter. AccuPay uses only if needed.
- ☐ Record 2, Enter any current quarter Form 941 deposits.
- ☐ Record 2, Enter monthly Form 941 liabilities if required.
- ☐ Record 2, Check Form 944 filer box if applicable.
- ☐ Record 2, Enter Form 941 deposit due date for client letter. AccuPay uses only if needed.
- ☐ Record 3, Enter employer's complete name and address. Trade name and extended ZIP code are optional.
- ☐ Record 3, Select FICA/SDI adjustment option if applicable. See [details](#) in Data Sheet A for info.
- ☐ Record 3, Enter electronic depositor code if applicable.
- ☐ Record 3, Enter the state where federal tax deposits are made or initiated.
- ☐ Record 4, Enter federal EIN, including the dash (e.g. 94-1234567).
- ☐ Record 4, Enter primary state account number, including dashes (e.g. California format = 123-4567-8).
- ☐ Record 4, Enter secondary state account number, including dashes.
- ☐ Record 4, Enter household employer's SSN for use on Schedule H if applicable (no dashes).
- ☐ Record 5, Enter primary state code. Enter "01" for California DE-9 filer.
- ☐ Record 5, Enter secondary state code if applicable.
- ☐ Record 5, Enter primary state SUI rate and California ETT rate (if California employer).
- ☐ Record 5, Enter secondary state rates if applicable.
- ☐ Record 6, Enter any Form 940 deposits for current quarter and TPQ if applicable.
- ☐ Record 6, Enter any prior quarter Form 940 liabilities. Leave current quarter liability blank.
- ☐ Record 7, Complete if employer is a farmer.

	☐ Record 8, Enter <u>daily Form 941 liabilities</u> if required. ☐ Record 9, Enter <u>paid preparer information</u> .
Data Sheet B	<u>Top Section – Name, Address, and SSN area:</u> ☐ <u>Employee Number</u> : Assign each employee a unique 4 digit number (0001 through 9998) ☐ <u>Name, address, and SSN</u> : Complete all boxes. Middle initial is optional. If the SSN is not known, leave it blank. ☐ <u>W-2</u> : Complete ONLY if you are requesting an early W-2 for an employee who terminates employment before year end.
	<u>Lower Section – Basic wage and withholding information:</u> ☐ <u>Employee Number</u> : Enter the corresponding number from the top section for this employee. ☐ <u>Wages and federal and state income tax withheld</u> : Normally completed for all employees. ☐ <u>Social security, Medicare and SDI tax withheld</u> : Complete if applicable. See the Data Sheet A, FICA/SDI Option for complete details. In many cases, they will be left blank. ☐ <u>Box 77 Qualified Plan</u> : Enter 'P' if employee is covered by a qualified pension plan (answers retirement plan box on the W-2)
Data Sheet C	☐ <u>Deferred Compensation</u> : Complete the amount and code boxes as applicable. Codes are defined on the Data Sheet. ☐ <u>Other Amounts</u> : Complete an amount box and code box as applicable. Use these boxes to enter compensation not entered on Data Sheet B or C that is subject to special taxation or reporting such as sick pay and earned income credit payments. ☐ <u>Designated Roth Contributions</u> : Complete as necessary.
Data Sheet D	Provides additional detail for W-2 reporting, Use only: 1. At year end or 2. For EMPLOYER'S who go out of business before year end or 3. For EMPLOYEE'S who terminate employment before year end and who request an early W-2. See Data Sheet D instructions for complete details.

Checklist for Adding New Employees to an Existing Employer

Note: this checklist deals with items most commonly used and is NOT all inclusive.

Data Sheet B	Top Section – Name, Address, and SSN area: ☐ <u>Employee Number:</u> Assign the NEW employee an UNUSED 4-digit number ☐ <u>Name, address, and SSN:</u> Complete all boxes. Middle initial is optional. If the SSN is not known, leave it blank. Lower Section – Basic wage and withholding information: ☐ <u>Employee Number:</u> Enter the corresponding number from the top section for this employee. ☐ Enter current quarter <u>wage and withholding data.</u> ☐ Box 77 <u>Qualified Plan:</u> Enter 'P' if new employee is covered by a qualified pension plan. ☐ Boxes 78 and 79 <u>Wage Codes:</u> Review for special situations such as household or agricultural employees.
Data Sheet C	☐ <u>Deferred Compensation:</u> Complete the amount and code boxes as applicable.

Household Employee's FICA and SDI Paid by Employer

If the employer pays the employee's share of social security and Medicare taxes, this amount is taxable ONLY for income tax purposes. If an employer pays the employee's SDI tax, this amount is taxable for social security, Medicare, FUTA, SUI, ETT and SDI as well as for income tax purposes.

Example: Cash wages = \$2000.00	Example	Worksheet
1. Cash Wages	2000.00	
2. Subtract SDI rate (0.01 for 2014) from 1.00	0.99	
3. Divide step 1 by step 2	2020.20	
4. Multiply step 3 by employee FICA rate (.0765 for 2014)	154.54	
Enter Step 3 results on Data Sheet B as <u>Wages</u> . Enter Step 4 results on Data Sheet C as <u>Other Compensation</u> with code "A"		

State Wages Different from Federal Wages – how to enter

Example: Employer contributions or employee salary reductions to a Health Savings Account for California employers are exempt from federal income tax, social security, and Medicare but subject to California income tax, SUI and SDI.

1. Federal & State Compensation: Enter compensation that is taxable to both federal and state as normal on Data Sheets B, C, and D.
2. Additional State Only Compensation: Enter on Data Sheet C, Other Amount, with code "S". Income will be added to state wages taxable for income tax, SUI and SDI and be included on the DE-9 and DE-9C and in state wages on the W-2. Note: state wage exempt codes on Data Sheet B will also apply to this entry. For example, if wages are coded as exempt from SDI on Data Sheet B, then any entry for additional state only compensation will also be treated as SDI exempt
3. At year end, an additional entry may be required on Data Sheet D (in this example, "W" code for HSA contributions).

Health Insurance Premiums for 2% S-Corp Shareholder/Employee – how to enter

Employer provided coverage under accident or health plans or medical expense reimbursements are normally not taxable for income, social security, Medicare, FUTA, SUI and SDI.

Exception for 2% shareholder-employees of an S Corporation: Such payments are taxable for income tax.

1. Data Sheet B - Enter the Wages, excluding the Health Insurance Premiums.
2. Data Sheet C - Enter the taxable premiums on Data Sheet C, Other Amount, with code "A". Income will be added to federal and state income tax wages but excluded from social security, Medicare, FUTA, SUI, and SDI
3. Data Sheet D - At year end, enter the total premiums paid as an informational item in W-2, Box 14.

Wage Exempt Codes – common uses

Use of Wage Exempt Codes for SPECIAL TYPES of employees	Federal Code	State Code
One spouse employed by another: Not subject to FUTA, SUI and SDI	2	W
Child UNDER age 18 employed by parents: Not subject to social security, Medicare, FUTA, SUI and SDI	1	W
Child UNDER age 21 employed by parents: Not subject to FUTA	2	Blank
Household worker Note: Use federal wage code 5 or 6 to identify a household worker. AccuPay automatically excludes a household worker with annual wages less than the statutory threshold from social security and Medicare. Wages for all household services are less than \$750 in all quarters. Not subject to FUTA, SUI and SDI	6	W
Wages for all household services are at least \$750 in any quarter but are less than \$1,000 in any quarter Not subject to FUTA or SUI	6	J
Wages are at least \$1,000 in any quarter Subject to FUTA, SUI and SDI	5	Blank
Officer of Corporation - Sole shareholder and exclusion for SDI (DE 459) filed.	Blank	C

APAY Use Areas on Data Sheet A

9	Paid Preparer	*X* to complete Paid Preparer Section on Federal Forms ☐ *S* if preparer is self-employed ☐		PTIN				Preparer's Name (31 Characters)			
	Apay Use	A	B	C	D	E	F	G	H		

1EMPIA-A

These fields at the bottom of Data Sheet A are used to provide additional information necessary for new and /or rarely used reporting requirements. Currently these fields are used as follows.

Secondary States Credit Reduction Override.

AccuPay automatically identifies FUTA credit reduction states based on the Primary and Secondary State Codes entered on Data Sheet A, Record 5. If the employer has employees in more than 2 states, then the FUTA credit reduction for the secondary states should be manually entered as follows:

Apay Use	A	B	C

1EMPIA-A

Enter '2' in **Box A and** FUTA credit reduction amount for the secondary states in **Box B**. Entry will be added to any primary state credit reduction amount and used in preparing Form 940 and Form 940, Schedule A.

Section 3121(q) Notice and Demand – Tax Due on Unreported Tips on Form 941 or Form 944

Enter '1' (one) in **Box A** and the amount of the 3121(q) Notice and Demand in **Box B**. The entry in Box B will be reported as an additional tax on Form 941. For Form 941, enter the amount for the current quarter. For Form 944, enter the total for the year. AccuPay does not apply any limits to any entries.

Prior quarter Form 941 (line 10) is LESS than \$2500

If the total tax after adjustments (line 10 of Form 941) for the preceding quarter is less than \$2,500 and the employer did not incur a \$100,000 next-day deposit obligation this quarter, then liability detail is not required to be reported. Enter '9' in **Box A** and '0' (zero) in **Box B**. AccuPay will check the first box on Line 17, Form 941 and NOT detail liabilities even if liability data is entered. Do NOT use this feature if you want to display liability detail. See Form 941 instructions for complete details.