HUMAN RESOURCES

HR–650 1099-R PROCESSING

This document explains how to manage the **ADMINS** Unified Community **(AUC) Human Resources** system at the end of the calendar year. This includes **1099-R** tax reporting for the current calendar year and resetting tables with values for the next calendar year. Excerpt from https://www.irs.gov/forms-pubs/about-form-1099-r:

> *File Form 1099-R for each person to whom you have made a designated distribution or are treated as having made a distribution of $10 or more from:*
> - *Profit-sharing or retirement plans.*
> - *Any individual retirement arrangements (IRAs).*
> - *Annuities, pensions, insurance contracts, survivor income benefit plans.*
> - *Permanent and total disability payments under life insurance contracts.*
> - *Charitable gift annuities, etc.*

IMPORTANT REMINDERS

- Before posting the first payroll of the new year, refer to the section entitled "PREPARING SYSTEM FOR THE NEW YEAR" in section 9 of the W2 processing document.
- The IRS instructions are located at https://www.irs.gov/instructions/i1099r
- All sites must create and submit a Federal **1099-R** file to the Social Security Administration. Electronic filing is done on-line using the IRS FIRE System at https://www.irs.gov/taxtopics/tc804. Refer to IRS Publication 1220 for detailed information.
- All sites can submit test submissions to the IRS FIRE System at https://fire.irs.gov/.
- If the file is not accepted by the IRS/SSA, an email will be sent. Be sure to set up the email client in use it so that correspondence from the government is not identified as spam.
- The examples in the following sections use tax year 2020. **Be sure to use the reporting tax year when running these processes.**

Contents

1. PREPARATION 3

2. ABOUT THE FORMS 3

3. PROCESS OVERVIEW 4

3.1. TABLE SETUP 4
3.2. 1099-R REGISTER 4
3.3. 1099-R ADJUSTMENTS 4
3.4. 1099-R PROCESSING 5

4. TABLE SETUP 5

4.1. PAY CODES 5
4.2. BASE BUCKETS 5
4.2.1. Entering 1099-R Box numbers on Base Buckets 6
4.3. COST CODES 6

4.3.1. *Entering 1099-R Box numbers on Cost Codes* *7*
4.3.2. *Verifying Cost Codes in 1099-R Boxes* *7*
4.4. EMPLOYEE SETTINGS 8
5. RECONCILING YEAR-TO-DATE WAGES/WITHHOLDINGS 9
5.1. RECONCILING THE 1099-R REGISTER 11
6. ADJUSTING 1099-R WAGES/WITHHOLDINGS 11
6.1. CHANGING WAGES FROM NON-TAXABLE TO TAXABLE OR VICE VERSA 11
6.1.1. *Create an Adjustment Shift Code* *12*
6.1.2. *Create a Warrant* *12*
6.1.3. *"No Time" Warrant* *12*
6.2. CREATE MANUAL CHECKS 14
6.3. PRINT THE MANUAL CHECKS 15
6.4. POST THE WARRANT 15
6.5. RECONCILING THE 1099-R REGISTER 15
6.6. BUILD 1099-R FILE 15
7. PROCESSING 1099-R FORMS 15
7.1. RESET 1099-R MENU [Reset 1099 - R Menu] 15
7.2. 1099-R ENTITY TABLE [1099R Entity Table] 16
7.2.1. *Voluntary Social Security Number Truncation Controlled on the Entity Table* *18*
7.2.2. *Truncation as Shown on the Printed 1099-R* *19*
7.3. BUILD 1099-R FILE [Build 1099 - R Files] 19
7.3.1. *Employee 1099-R Register* *22*
7.4. REVIEW PRO-FORMA 1099-R FORMS [Review 1099 - R Forms] 22
7.5. PRINT 1099-R FORMS [Print 1099 - R Forms] 23
7.5.1. *Printing Options – DUPLEX (ADMINS recommends this option)* *24*
7.5.2. *SIMPLEX Printing* *25*
7.6. EMAIL 1099 R FORMS [Email 1099 - R Forms] 26
7.7. CREATE ELECTRONIC FILES [Federal 1099 - R File] 27
7.8. 1099-R FORMS ATTACHMENTS/ARCHIVE [Save 1099R Forms as Employee Attachments/Archive] 29
8. 1099-R REPRINT OR VIEW 31
8.1. EMAIL A SINGLE 1099R FORM TO THE EMPLOYEE 32

1. PREPARATION

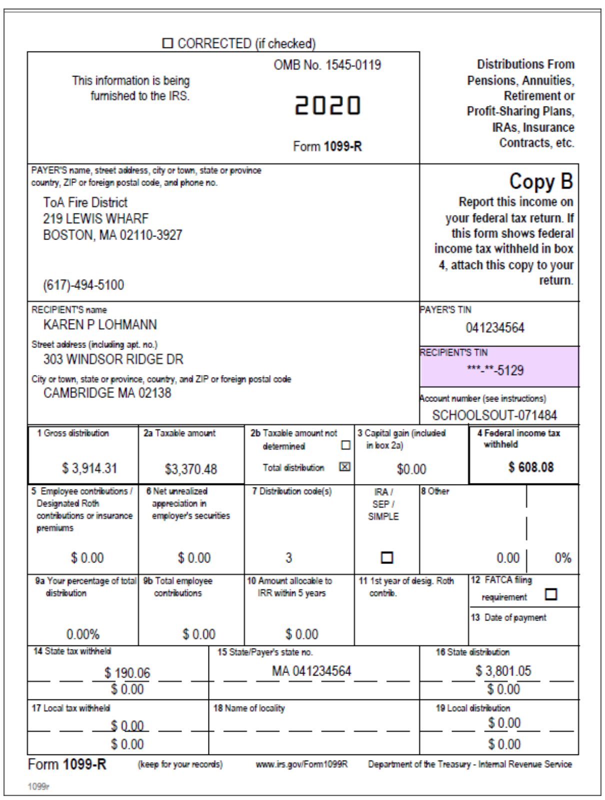
The first step in the process is reconciliation of year-to-date figures. Gather the following materials to expedite the reconciliation process:

- ❑ The annual 945 report,
- ❑ The payroll and deduction registers for checks dated during the calendar year, and
- ❑ Any additional worksheets/spreadsheets used during the year to reconcile year-to-date wages and year-to-date withholdings.

CAUTION!

If the ADMINS Unified Community Human Resources module was deployed during the calendar year, without converting all data, issue **1099-R**s from both AUC and the previous system. If unsure on how to handle this then please contact ADMINS Support for assistance.

2. ABOUT THE FORMS


☐ CORRECTED (if checked)

This information is being furnished to the IRS.
OMB No. 1545-0119
2020
Form 1099-R
Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

PAYER'S name, street address, city or town, state or province country, ZIP or foreign postal code, and phone no.
ToA Fire District
219 LEWIS WHARF
BOSTON, MA 02110-3927
(617)-494-5100

Copy B
Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

RECIPIENT'S name: KAREN P LOHMANN
Street address (including apt. no.): 303 WINDSOR RIDGE DR
City or town, state or province, country, and ZIP or foreign postal code: CAMBRIDGE MA 02138
PAYER'S TIN: 041234564
RECIPIENT'S TIN: ***-**-5129
Account number (see instructions): SCHOOLSOUT-071484

1 Gross distribution: $ 3,914.31
2a Taxable amount: $3,370.48
2b Taxable amount not determined ☐ / Total distribution ☒
3 Capital gain (included in box 2a): $0.00
4 Federal income tax withheld: $ 608.08
5 Employee contributions / Designated Roth contributions or insurance premiums: $ 0.00
6 Net unrealized appreciation in employer's securities: $ 0.00
7 Distribution code(s): 3
IRA / SEP / SIMPLE: ☐
8 Other: 0.00 0%
9a Your percentage of total distribution: 0.00%
9b Total employee contributions: $ 0.00
10 Amount allocable to IRR within 5 years: $ 0.00
11 1st year of desig. Roth contrib.
12 FATCA filing requirement ☐
13 Date of payment
14 State tax withheld: $ 190.06 / $ 0.00
15 State/Payer's state no.: MA 041234564
16 State distribution: $ 3,801.05 / $ 0.00
17 Local tax withheld: $ 0.00 / $ 0.00
18 Name of locality
19 Local distribution: $ 0.00 / $ 0.00

Form 1099-R (keep for your records) www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service
1099r

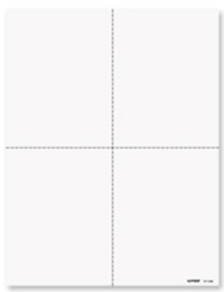
The **AUC** application has two form print options.

- Print 1099-Rs on a blank, 4-part carbonless form (with no backer instructions). This allows ordering a bulk quantity of forms for use year after year.
- Print 1099-Rs on a blank front with pre-printed current year backer information. This requires the purchase of new stock each year.
- The form specifications are shown below, and guidance will be sent each year.
- These are required to print original copies to be distributed to employees.
- Employees may consent to receiving the forms via encrypted, password protected email.
- **AUC** retains an attached copy of each form available on the employee maintenance record. If desired, print an in-house copy of the forms on either perforated or plain stock.

DUPLEX or SIMPLEX?

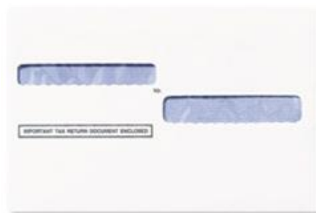
Duplex refers to two-sided printing while Simplex refers to one-sided printing. **ADMINS** recommends printing **1099-R** forms on a printer with duplex capability. This allows the AUC application to print the front and back at the same time. If a duplex printer is not available, print the front copy of all the forms, and then print all the backers reloading the forms.

Form Specifications



4-up
8 ½" x 11" sheets
20# laser paper
1 horizontal and 1 vertical perforation (creating quadrants)
Does not include instructions on the back

Envelope Specifications



5 ¾" x 8 ¾"
24# envelope stock
Cellophane windows
Security tint
Self-stick preferred

Figure 1 – Form Specifications

3. PROCESS OVERVIEW

The **ADMINS Unified Community** (**AUC)** system manages **1099-R** Processing in the following phases. Each of these phases will be described in this document.

3.1. Table Setup

Before processing **1099-R**'s, verify that the following components of the system have been set up properly:

- Entity Table – set up "Company Information" Section 7.2
- Pay Codes – indicate **1099-R** base bucket Section 4.1
- Base Buckets – indicate **1099-R** box #'s Section 4.2.1
- Cost Codes – indicate **1099-R** box #'s Section 4.3
- Employee Settings – other **1099-R** box # information Section 4.4

3.2. 1099-R Register

This is used to reconcile year-to-date amounts before processing **1099-R** steps. This step may be run multiple times. Run this step at any time during the year to continually reconcile year-to-date distributions and withholdings. Refer to section 5 RECONCILING YEAR-TO-DATE WAGES/WITHHOLDINGS.

3.3. 1099-R Adjustments

Process corrections to any wages or withholdings by:

- ❑ Including them in the next set of timesheets, or
- ❑ Issuing a Void/Manual adjustment.

For information on processing corrections, please refer to **section 6, Adjusting 1099-R Wages/Withholdings** in this document.

3.4. 1099-R Processing

This step process builds work files, allows reviewing individual **1099-R**s, prints **1099-R** forms, creates the file to be submitted to the Social Security Administration, and attaches the forms to each employee's record.

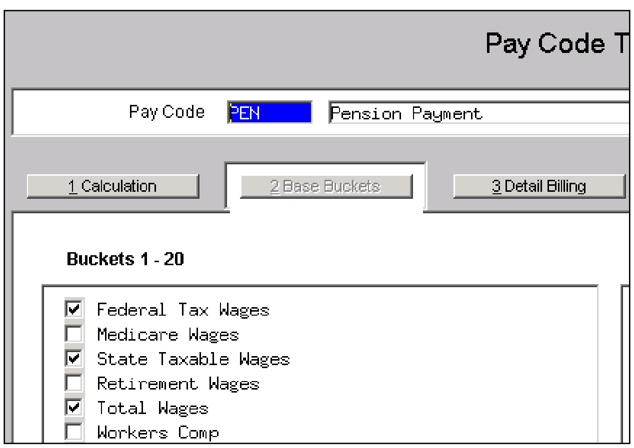
These steps should be completed only after the year-to-date wages and withholdings for the calendar year are reconciled.

4. TABLE SETUP

Before processing **1099-R**s, make sure that the base buckets and deduction codes are properly set up with **1099-R** box indicators. Refer to section 7.2 for the Entity Table ("company" setup).

4.1. Pay Codes

The term **Base Bucket** refers to the accumulation of wages that are updated with every payroll. Each Pay Code and Cost Code potentially affects a Base Bucket. Health insurance premiums may reduce Taxable amounts. Each time the pay code is used, the base bucket is updated with the corresponding wages paid using that pay code:



Each time an employee is paid using this pay code, these base buckets are updated.

The base buckets must have the **1099-R Box** indicators established so the system knows where to print this information on the 1099-R form.

Figure 2 Base Bucket indicators on Pay Code Table

4.2. Base Buckets

Base buckets are associated with a **1099-R Box** to tell the system where the wages will be reported on the **1099-R** Forms. In the example, a **Base Bucket** called **Total Wages** has been created. It has been assigned to Box #1 on the **1099-R** Form. State wages are reported in Box 16-#1, and Federal Taxable Wages are reported in Box 02A.

4.2.1. Entering 1099-R Box numbers on Base Buckets

- Click **Human Resources** ▸ **Tables** ▸ **Base Buckets**
- Click on a cell in the **1099-R Box** column
- Click **LOOKUP** to see a list of available choices
- Select the desired box # from the lookup

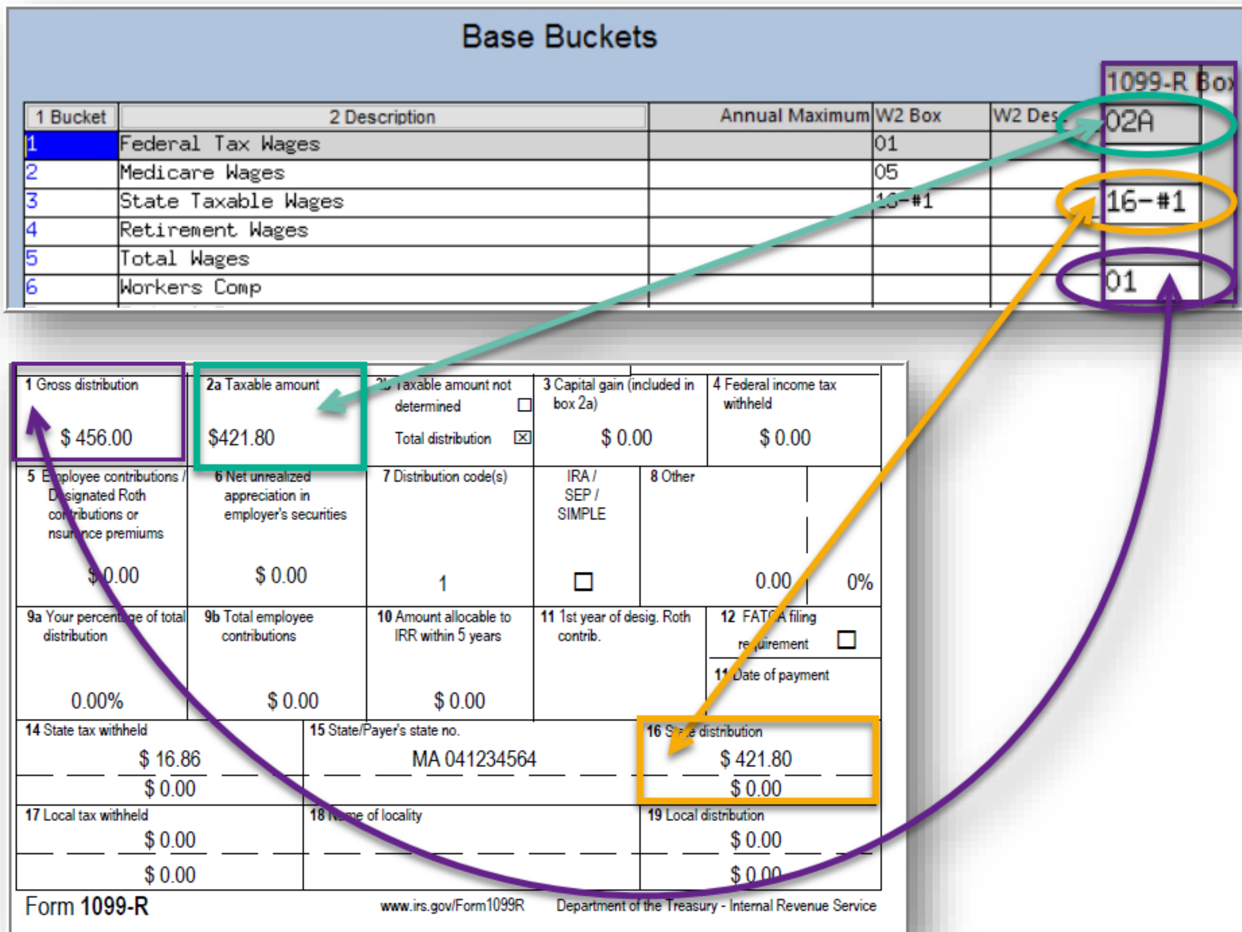


Figure 3 Illustrates the relationship between the Base Bucket Table and the Boxes on the printed form

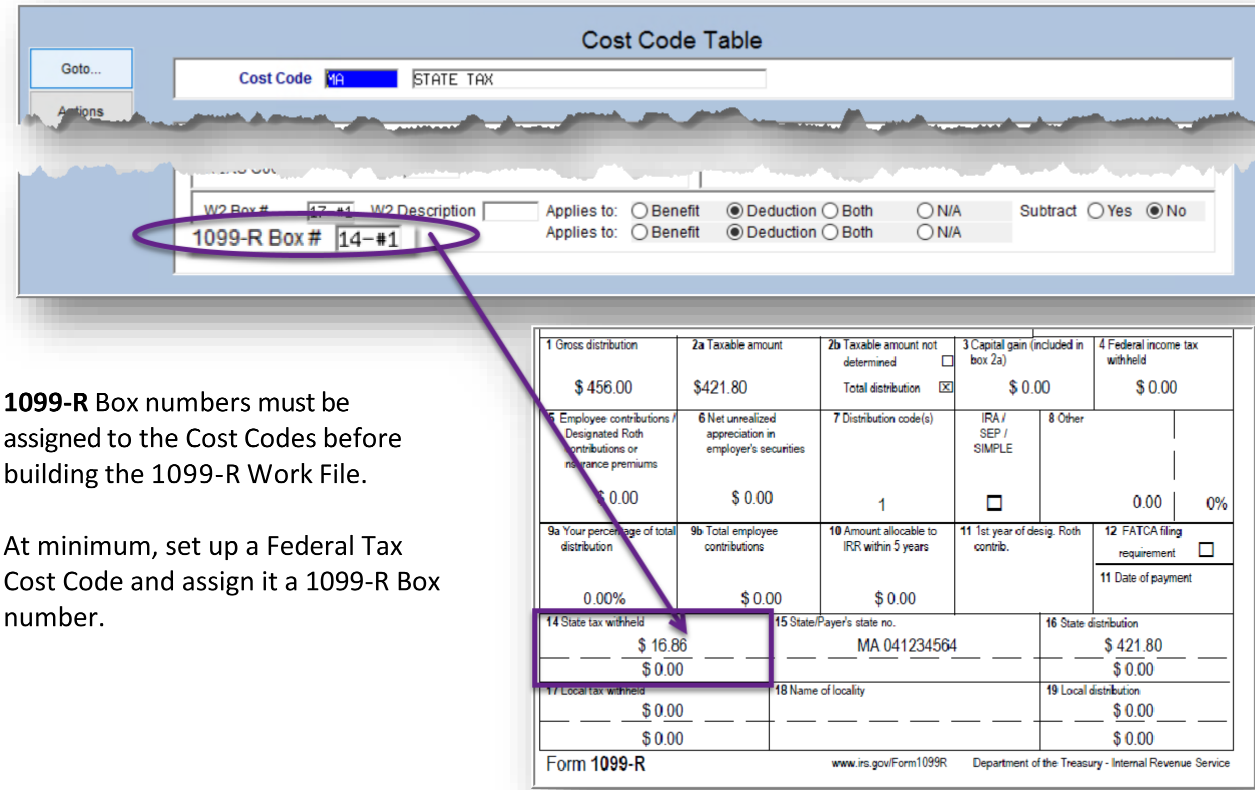
Base buckets are assigned during installation and can be updated as needed. Base bucket amounts for **1099-R** reporting are set during payroll calculation. If a base bucket is changed and affects prior payroll postings, please contact ADMINS for assistance.

4.3. Cost Codes

Cost Codes refer to deductions or employer-paid benefits. A **Cost Code** can also affect a Base Bucket. For example, the amount an employee pays for health care can reduce taxable wages. Like **Pay Codes**, **Cost Codes** are assigned to a **1099-R** Box for the system to know where the deduction/benefit will be reported on the **1099-R** Forms.

4.3.1. Entering 1099-R Box numbers on Cost Codes

- Select **Human Resources ▸ Tables ▸ Cost Codes**
- Select desired record ▸ **Detail**
- Click in the **1099-R Box#** field and press **LOOKUP** to see a list of available choices.
- Select the desired Box # from the Lookup and click **OK**

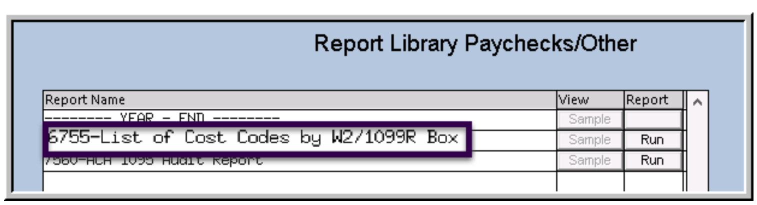


1099-R Box numbers must be assigned to the Cost Codes before building the 1099-R Work File.

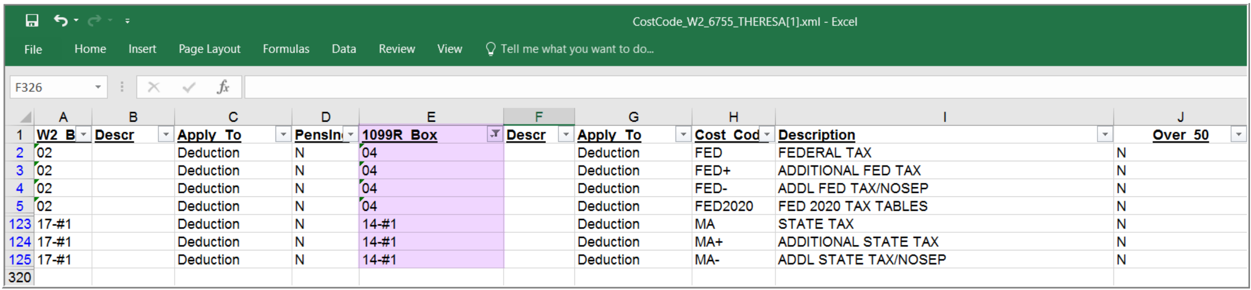
At minimum, set up a Federal Tax Cost Code and assign it a 1099-R Box number.

Figure 4 provides an example of the relationship between the Cost Code table and the box on the printed form

4.3.2. Verifying Cost Codes in 1099-R Boxes



To verify that all cost codes are coded properly for **1099-R** reporting, go to **Human Resources ▸ Year-End Processing ▸ List of Cost Codes by W2/1099-R Box** or run the report from **the Report Library under Paychecks/Other ▸ Year–End**. Check that all cost codes that should be reported on the **1099-R** have been set. Refer to the IRS instructions located at https://www.irs.gov/pub/irs-pdf/i1099r.pdf.



CostCode_W2_6755_THERESA[1].xml - Excel

	W2 B	Descr	Apply To	PensIn	1099R Box	Descr	Apply To	Cost Cod	Description	Over 50
2	02		Deduction	N	04		Deduction	FED	FEDERAL TAX	N
3	02		Deduction	N	04		Deduction	FED+	ADDITIONAL FED TAX	N
4	02		Deduction	N	04		Deduction	FED-	ADDL FED TAX/NOSEP	N
5	02		Deduction	N	04		Deduction	FED2020	FED 2020 TAX TABLES	N
123	17-#1		Deduction	N	14-#1		Deduction	MA	STATE TAX	N
124	17-#1		Deduction	N	14-#1		Deduction	MA+	ADDITIONAL STATE TAX	N
125	17-#1		Deduction	N	14-#1		Deduction	MA-	ADDL STATE TAX/NOSEP	N
320										

Figure 5 List of Cost Codes and 1099-R Box Numbers

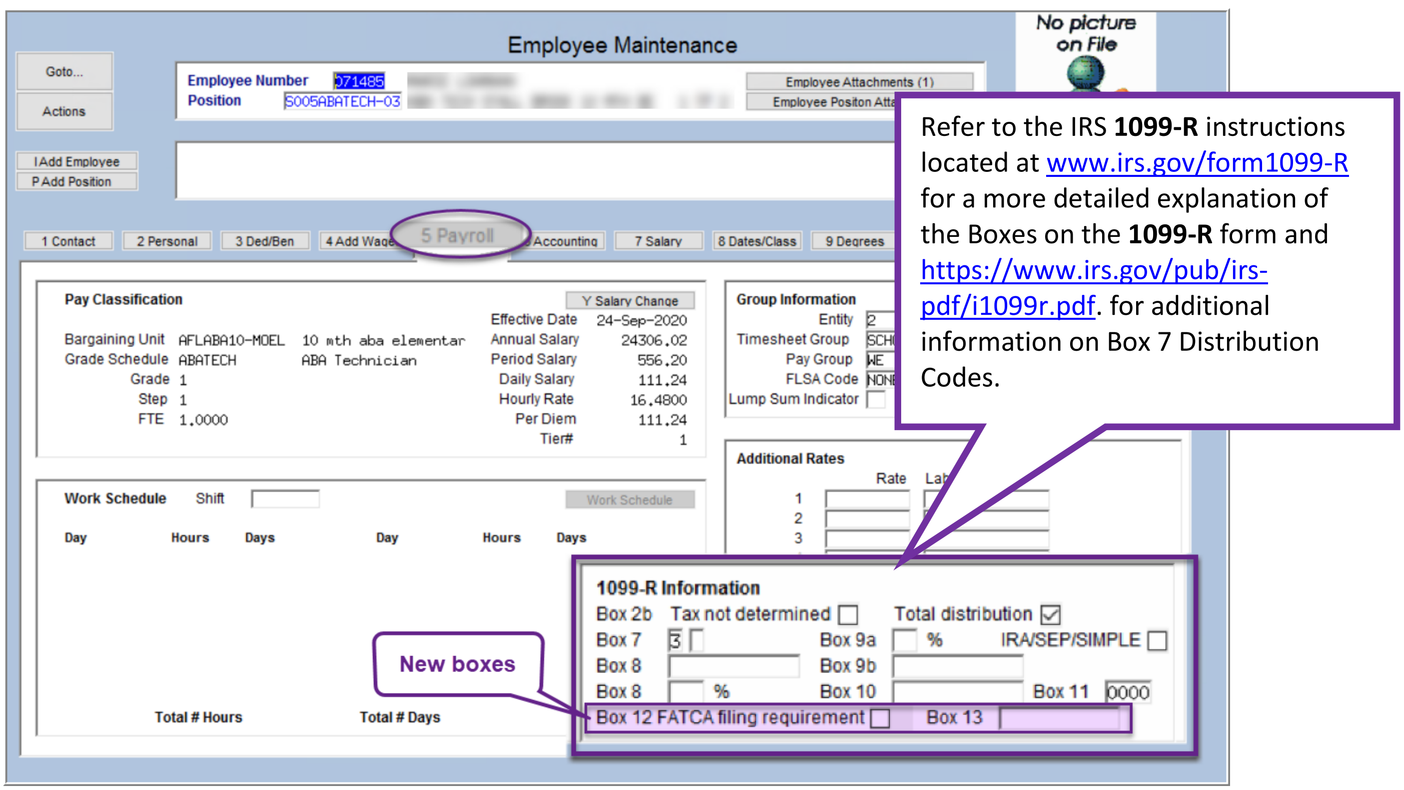
4.4. Employee Settings

Some **1099-R** Box settings are located on the **Employee Maintenance Screen**.

- Select **Human Resources ▸ Maintenance ▸ Employee Maintenance**
- Select desired record **[5 Payroll Tab]**
- Click in the appropriate **1099-R** Box to enter the information
- If Box 2b is checked for "Taxable amount not determined" then Box 2a and Box 4 on the **1099-R** form will be blank
- Box 7 is for distribution codes; up to two codes may be used, at least one code is required.

Click **Lookup** to see the list of available choices. Only specific combinations are allowed, refer to the IRS instructions for box 7 Guide to Distribution Codes. To see this, go to:

Employee Maintenance Screen ▸ [5 Payroll] ▸ Box 12 & Box 13

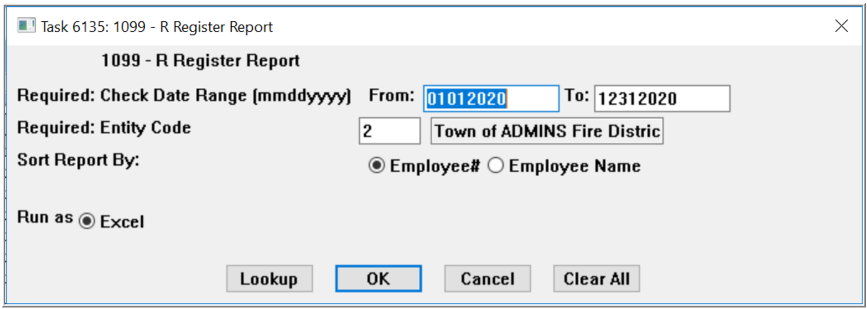


5. RECONCILING YEAR-TO-DATE WAGES/WITHHOLDINGS

Reconcile the year-to-date wages and withholdings before building any **1099-R** files. Go to:

Human Resources ▸ Year-End Processing ▸ 1099-R Register Report

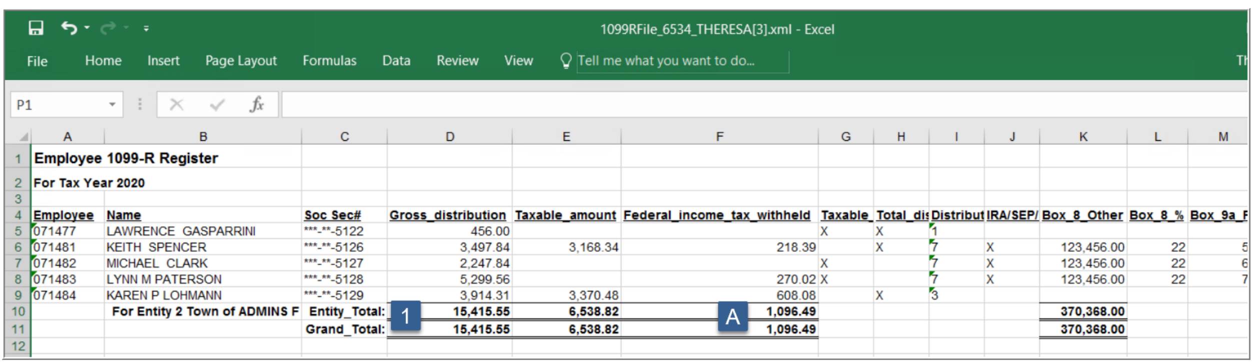
Run this report multiple times during the year, as often as needed, for a specific quarter or year to date. If running this report during the year enter the beginning and end dates of the time being balanced. This will produce an **Excel®** spreadsheet, displayed on-screen.



Be sure to use the correct reporting tax year when running these processes.

Figure 6 The reports produced with the 1099-R register

The report checks to be sure that the basic **1099-R** setup has been performed. The process will not continue if the minimum setup is not complete.



	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Employee 1099-R Register												
2	For Tax Year 2020												
3													
4	Employee	Name	Soc Sec#	Gross_distribution	Taxable_amount	Federal_income_tax_withheld	Taxable_	Total_di	Distribut	IRA/SEP/	Box_8_Other	Box_8_%	Box_9a_F
5	071477	LAWRENCE GASPARRINI	***-**-5122	456.00			X	X	1				
6	071481	KEITH SPENCER	***-**-5126	3,497.84	3,168.34	218.39		X	7	X	123,456.00	22	5
7	071482	MICHAEL CLARK	***-**-5127	2,247.84			X		7	X	123,456.00	22	6
8	071483	LYNN M PATERSON	***-**-5128	5,299.56		270.02	X		7	X	123,456.00	22	7
9	071484	KAREN P LOHMANN	***-**-5129	3,914.31	3,370.48	608.08		X	3				
10		For Entity 2 Town of ADMINS F	Entity_Total:	15,415.55	6,538.82	1,096.49					370,368.00		
11			Grand_Total:	15,415.55	6,538.82	1,096.49					370,368.00		
12													

Figure 7 1099R Register

```
6546-HR1099RBASBUK.REP           Printed 13-Nov-2020 at 13:47:02 by THERESA          Page 1

                                     City of ADMINS
                                List of Base Buckets for 1099 - R

=======   ========================================   ==============   ==========
Code      Description                                Annual Maximum   1099-R Box
=======   ========================================   ==============   ==========
1         Federal Tax Wages                                           02A
3         State Taxable Wages                                         16-#1
5         Total Wages                                                 01

   *** Grand Total *** Number of Records :    3
```

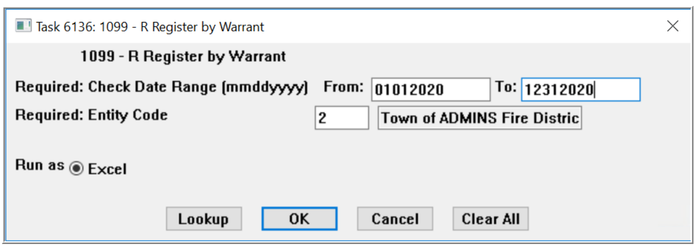
Figure 8 This report will display the *base buckets* that are setup to be reported on the 1099-R Form

```
6545-HRCSTCOD_1099RBOX.REP        Printed 13-Nov-2020 at 13:47:02 by THERESA      Page 1

                                     City of ADMINS
                               List of Cost Codes for 1099 - R
Form 1099-R
|======== ===========|====================================================|
|                    |                                                    |
| Box      Apply To  | Cost Code Description                              |
|======== ===========|====================================================|
| 04       Deduction | FED       FEDERAL TAX                              |
| 04       Deduction | FED+      ADDITIONAL FED TAX                       |
| 04       Deduction | FED-      ADDL FED TAX/NOSEP                       |
| 04       Deduction | FED2020   FED 2020 TAX TABLES                      |
| 14-#1    Deduction | MA        STATE TAX                                |
| 14-#1    Deduction | MA+       ADDITIONAL STATE TAX                     |
| 14-#1    Deduction | MA-       ADDL STATE TAX/NOSEP                     |
```

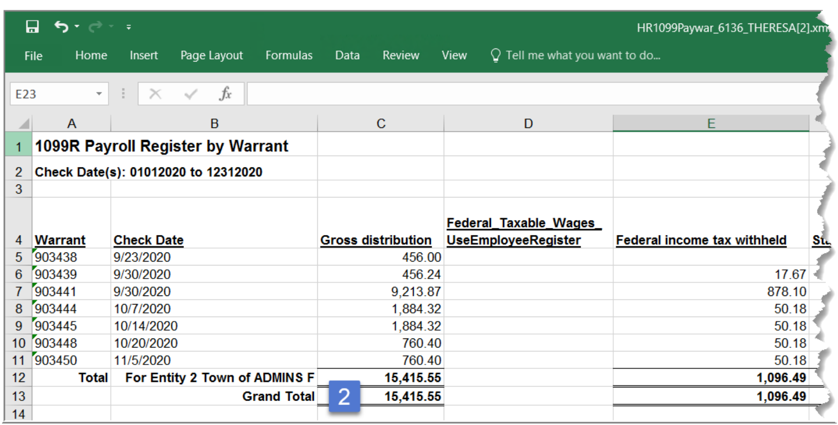
Figure 9 This report will display the *cost codes* that are setup to be reported on the 1099-R Form

There is another report available to reconcile **1099-R** totals, called "**1099-R Register by Warrant**". This report is optional and will give totals by warrant. To run this report, go to:

Human Resources ▸ Year-End Processing ▸ 1099-R Register by Warrant



This will display an **Excel®** spreadsheet. If there are many employees, this report may take a while to run.



	A	B	C	D	E
1	1099R Payroll Register by Warrant				
2	Check Date(s): 01012020 to 12312020				
3					
4	Warrant	Check Date	Gross distribution	Federal_Taxable_Wages_UseEmployeeRegister	Federal income tax withheld
5	903438	9/23/2020	456.00		
6	903439	9/30/2020	456.24		17.67
7	903441	9/30/2020	9,213.87		878.10
8	903444	10/7/2020	1,884.32		50.18
9	903445	10/14/2020	1,884.32		50.18
10	903448	10/20/2020	760.40		50.18
11	903450	11/5/2020	760.40		50.18
12	Total	For Entity 2 Town of ADMINS F	15,415.55		1,096.49
13		Grand Total	15,415.55		1,096.49
14					

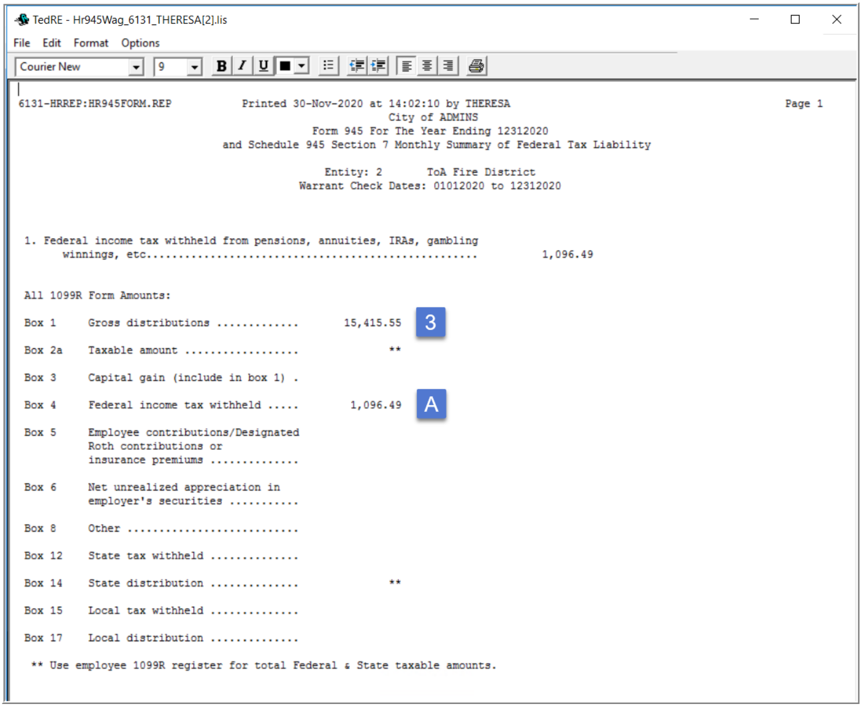
Figure 10 1099-R Register by Warrant Totals

The report displays as shown; note that the Federal Taxable Wages should be taken from the Employee Register – the amounts will not be shown on this report.

The Gross Distribution shown here (2)in Figure 10 matches that on the 1099 Payroll Register by employee (1) in Figure 7, and also in Figure 11 (3).

To run the Form 945 report, go to:

Human Resources ▸ Year-End Processing ▸ Form 945 Federal Annual Report



```
TedRE - Hr945Wag_6131_THERESA[2].lis
File  Edit  Format  Options
Courier New  9

6131-HRREP:HR945FORM.REP          Printed 30-Nov-2020 at 14:02:10 by THERESA                         Page 1
                                                    City of ADMINS
                                          Form 945 For The Year Ending 12312020
                               and Schedule 945 Section 7 Monthly Summary of Federal Tax Liability

                                             Entity: 2       ToA Fire District
                                        Warrant Check Dates: 01012020 to 12312020


 1. Federal income tax withheld from pensions, annuities, IRAs, gambling
       winnings, etc.................................................         1,096.49

 All 1099R Form Amounts:

 Box 1      Gross distributions ............       15,415.55   3

 Box 2a     Taxable amount .................              **

 Box 3      Capital gain (include in box 1) .

 Box 4      Federal income tax withheld .....        1,096.49   A

 Box 5      Employee contributions/Designated
            Roth contributions or
            insurance premiums .............

 Box 6      Net unrealized appreciation in
            employer's securities ..........

 Box 8      Other ..........................

 Box 12     State tax withheld .............

 Box 14     State distribution .............              **

 Box 15     Local tax withheld .............

 Box 17     Local distribution .............

  ** Use employee 1099R register for total Federal & State taxable amounts.
```

Figure 11 The Form 945 Report for the Year

In the example in Figure 11, the Gross Distribution matches the registers, and the Federal Income Tax withheld also matches (designated with an A in Figure 7 and Figure 11.)

5.1. Reconciling the 1099-R Register

The totals for the 945 report and **1099-R** Register should match the totals on payrolls for the year. ADMINS recommends an **Excel®** spreadsheet be updated for every payroll and balanced to the AUC 945 report and the **1099-R** Register. This check and balance provides a method that identifies errors and allows for corrections in a timely manner.

The next section will describe how to adjust and correct any discrepancies.

6. ADJUSTING 1099-R WAGES/WITHHOLDINGS

If discrepancies in wages and/or withholdings need to be corrected before issuing **1099-R**s, make those corrections to the individual employees and post those changes to the paycheck history file. No adjustments or overrides to year-to-date amounts computed by the **1099-R** Register process are allowed because all corrections require an audit trail.

WILL ADJUSTMENTS AUTOMATICALLY BE REFLECTED IN THE 1099-R **FILE?**
No. If corrections are processed, re-build the **1099-R** Work File to include the changes.

6.1. Changing wages from non-taxable to taxable or vice versa

To facilitate the adjustment process, **ADMINS** recommends the following procedure:

- ❑ Create a **shift code** to use for the adjustments

- ❑ Create a **No Time Warrant** for adjustment entries, using the last working date of the reporting year i.e., Dec 31.
- ❑ Process the Adjustments
- ❑ Post the Warrant
- ❑ Re-build the **1099-R** work file
- ❑ Re-balance the **1099-R** Register

6.1.1. Create an Adjustment Shift Code

Create a Shift Code with neither Hours nor Days. This example will call this code **YEAR END**. It only needs to be setup once and can be used year-to-year.

- ❑ Click **Human Resources ▸ Tables ▸ Shift Code**
- ❑ Click **Add New**
- ❑ Create a new code using a regular pay code, with no hours, no days, and no rate

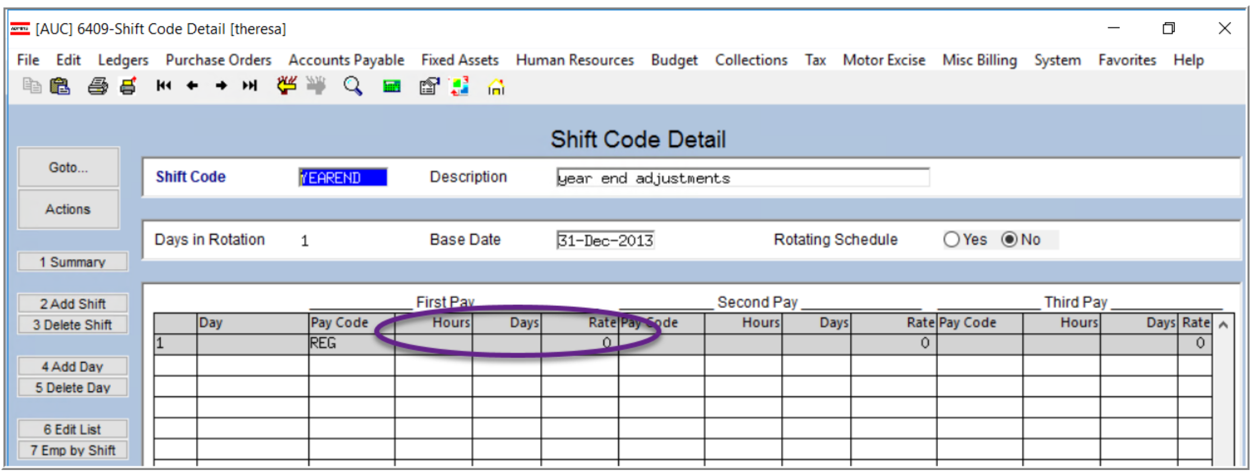
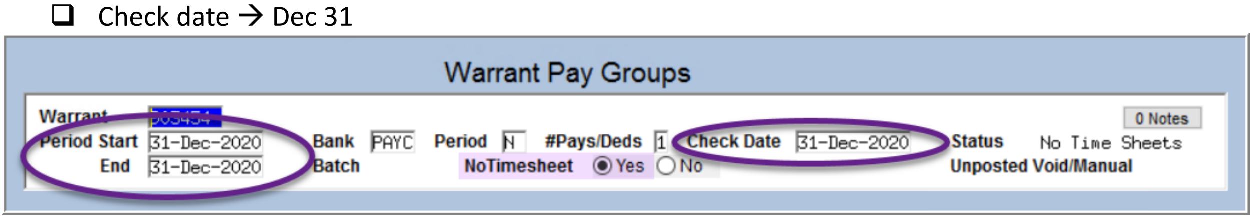


Figure 12 Shift Code created for Year End Adjustment (no hours/no days/no rate)

6.1.2. Create a Warrant

Process a payroll warrant to adjust the year-end figures. Multiple warrants may be used depending on the number of changes to be made. When building the adjustment warrant(s), use these dates:

- ❑ Period beginning date → Dec 31
- ❑ Period ending date → Dec 31
- ❑ Check date → Dec 31



6.1.3. "No Time" Warrant

A **"No Time"** warrant is one in which only void and manual checks will be created. This provides a straightforward way to set up a warrant to process adjustments. Go to:

Human Resources ▸ Payroll Processing ▸ Warrant/Create Timesheet Screen

Create a new warrant using the **[5 Add Warrant]** button on the Warrant/Create Timesheet Screen:

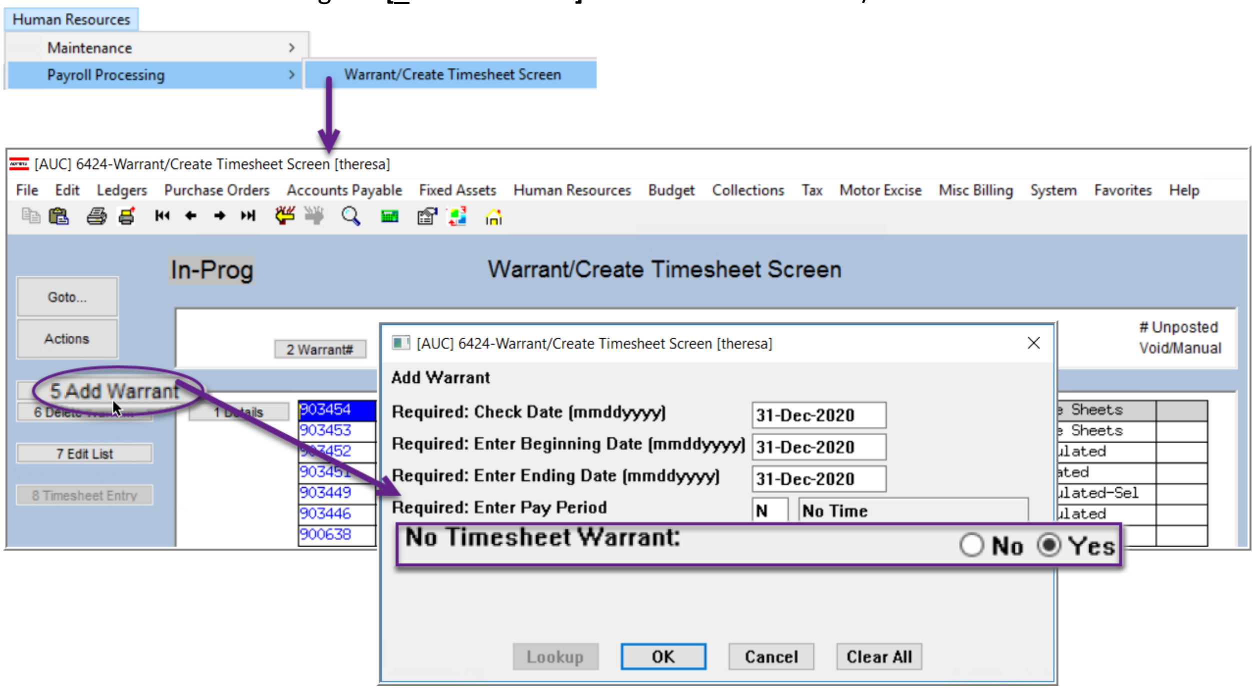


Figure 13 Add Warrant prompt with new option for a No Time Warrant

The Add Warrant prompt includes the option for a **"No Time Warrant: No/Yes"** selection. Select **⦿Yes** to create a **No Time** warrant that will produce a warrant with no timesheets ready to process adjustments.

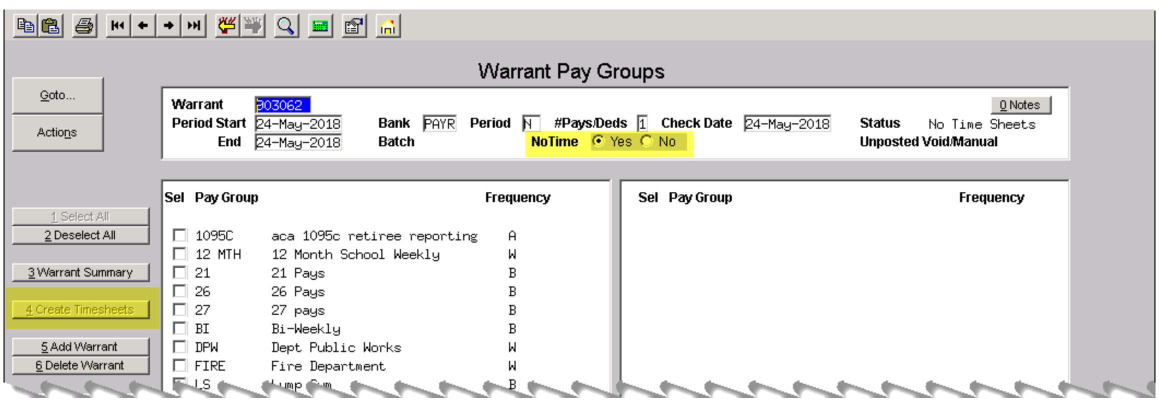
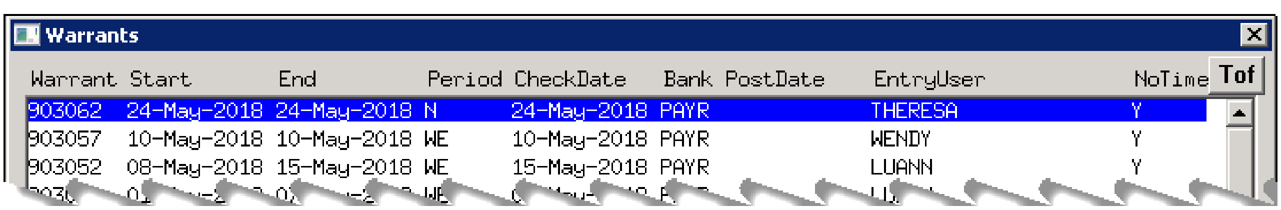
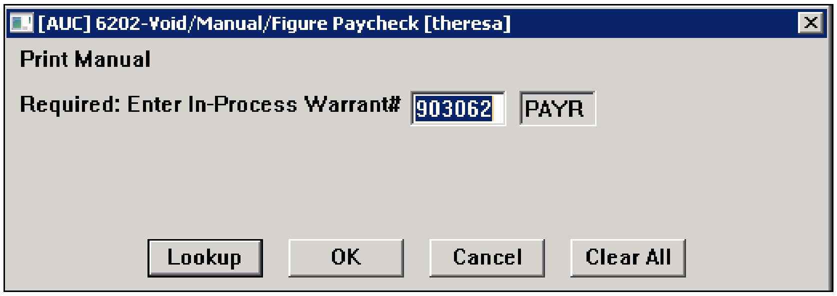


Figure 14 [4 Create Timesheets] button is not available (gray) for No Time warrants

As shown in Figure 14, the No Time warrant is number 903062. Create as many manual and void checks as needed. When printing the adjustment checks, select the **"No Time"** warrant created in the previous step.



Select the warrant # from the lookup for each adjustment check.



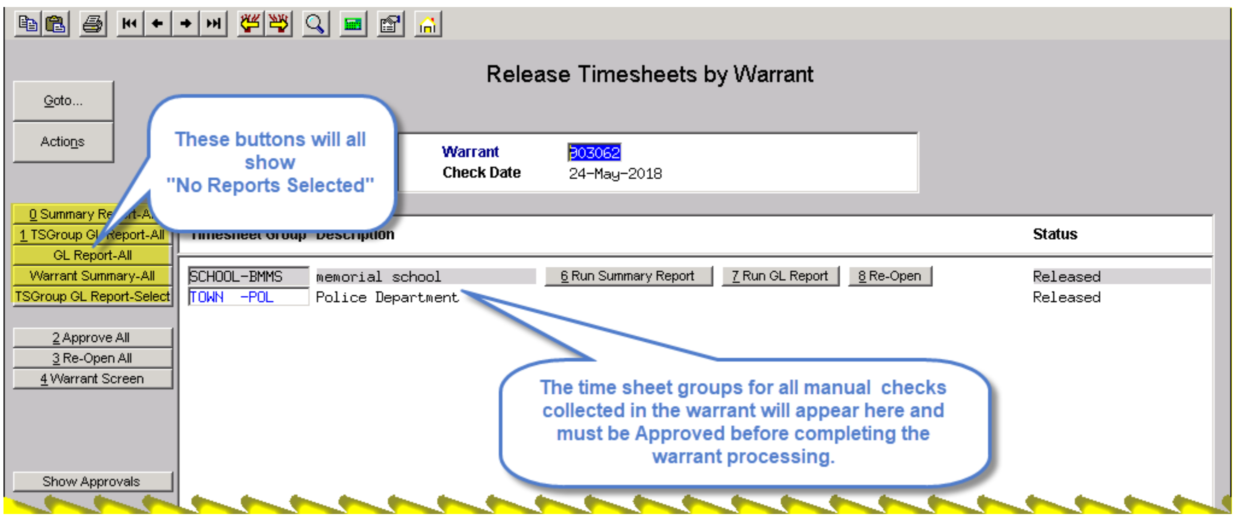
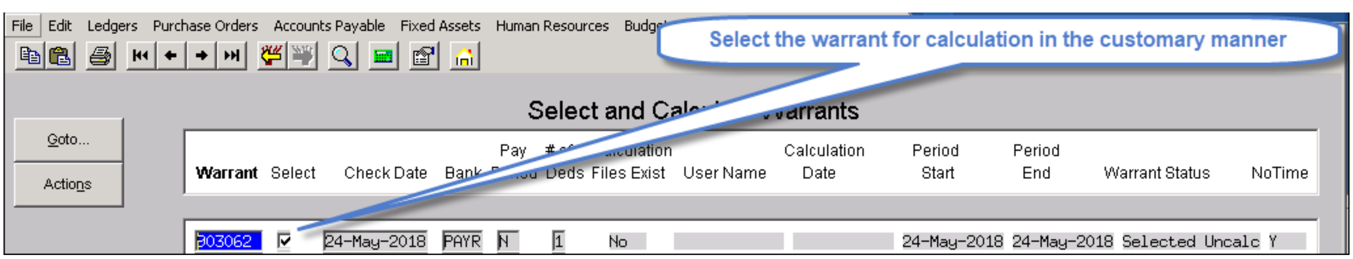


Figure 15 The time sheet groups for all void and manual checks in the warrant will appear here



Proceed with the warrant steps. Informational messages will appear during the “check print”, “print deposit advices” and “create direct deposit file” if there are no records to process.

Please note that the *warrant check date* of the timesheets (or void/manual) determines the tax year of the adjustment, i.e., 2018 adjustments should use a check date of 31-Dec-2018.

6.2. Create Manual Checks

Make all adjustments using the Manual Check process. **Please refer to the document HR–430 Manual Checks** in the Help Reference Library. This document explains in detail how to adjust base buckets, change taxable wages or benefits to non-taxable (and vice-versa) and make any other required modifications to the employee history file to reconcile the **1099-R** Register.

6.3. Print the Manual Checks

Print the manual check(s), using the **"No Time"** warrant created for the year-end adjustments. The system will produce a record of the adjustment. If the adjustment was a base bucket adjustment and there will be no gross or net pay, the system will create the adjustment as a "no check" and should be printed on direct deposit advice forms. **ADMINS** recommends printing and keeping a file copy of this adjustment. A copy of this adjustment may be provided to affected employee(s) for review and verification. Manual checks may be printed all at once. Follow the instructions in **HR–430 Manual Checks, Chapter 8 Print Multiple Checks**.

6.4. Post the Warrant

Process and post the warrant to have the adjustments moved to the history files. After the warrant has been posted, rerun the **1099-R** register, and rebuild the **1099-R** file. The changes made with the adjustment warrant will be reflected on the register.

6.5. Reconciling the 1099-R Register

Rerun the **1099-R** register to confirm the new amounts.

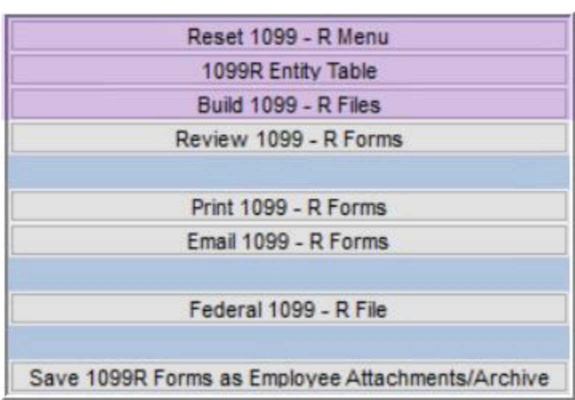
6.6. Build 1099-R File

After all adjustments have been processed proceed to Section 7, Processing **1099-R** Forms. If the **1099-R** files have already been built, run the **[Reset 1099-R Menu]** step and **[Build 1099-R Files]** step in order for the adjustments to be included in the **1099-R** files.

7. PROCESSING 1099-R FORMS

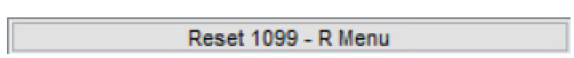
After reconciling the **1099-R** Register continue with the following steps. Go to:

Human Resources ▸ Year-End Processing ▸ 1099-R Processing



The steps menu will be displayed with the first 3 steps available.

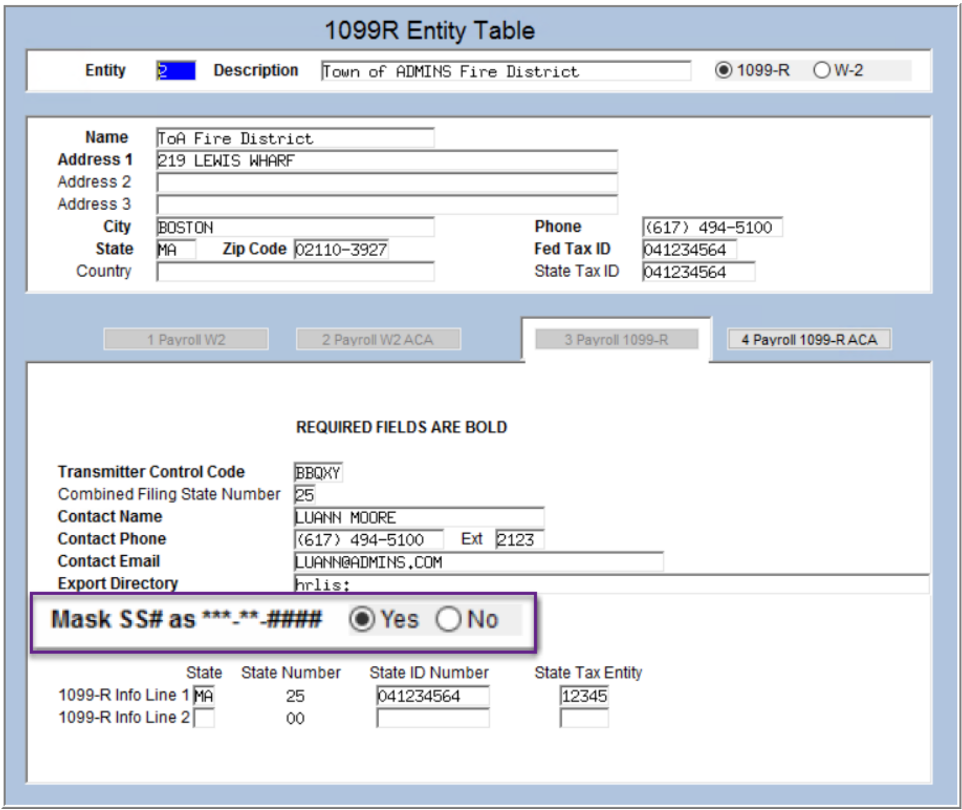
7.1. Reset 1099-R Menu



This option will save, then clear, all previously created work files.

7.2. 1099-R Entity Table

Begin the processing cycle by verifying that the Entity Table has been populated with the required data for the "company". The fields shown with **BOLD** labels require values.

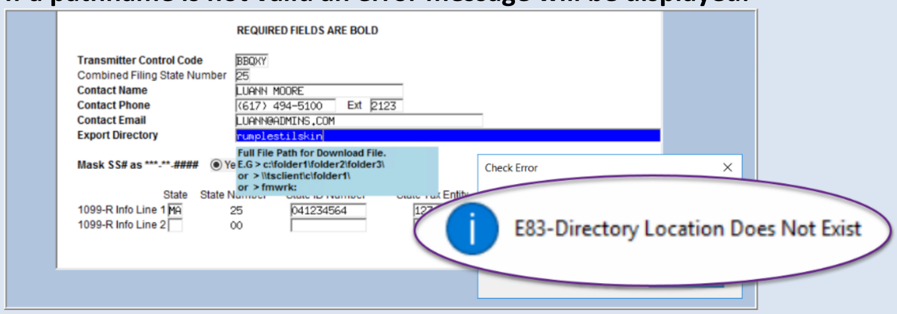
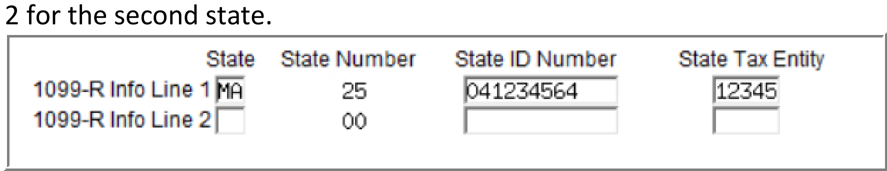


Field Name/Required or Optional	Description
Name	The full name of the site.
Address 1-3 Line 1	The full mailing address of the site.
City, State & Zip Code	The mailing address city, state, and zip code information.
County	The country of the site.
Phone	The primary phone number of the site.
Fed Tax ID	The Federal Tax Identification number assigned to the site by the IRS.
State Tax ID	The State Tax Identification number assigned by the state in which the site resides.

Field Name/Required or Optional	Description
Transmitter Control Code	Filers must obtain a Transmitter Control Code (TCC) from the IRS prior to submitting files electronically. Filers who currently have a TCC for magnetic media filing may use the assigned TCC for electronic filing.
Combined Filling State Number https://www.irs.gov/pub/irs-pdf/p1220.pdf	*Optional.* The Combined Federal/State Filing (CE/SF) Program was established to simplify filing for the taxpayer. The IRS will forward this information to participating sites free of charge for approved filers. Separate reporting to those states is not required. Participating states include: (see Table 1 below)
Contact Employee Name	Enter the name of the employee whom the IRS could contact if there were question or errors with the filing
Contact Phone Number	Enter the phone number for the contact employee
Contact Email	Enter the email address for the contact employee

Table 1: Participating States and Codes*

State	Code	State	Code	State	Code
Alabama	01	Indiana	18	Montana	30
Arizona	04	Kansas	20	Nebraska	31
Arkansas	05	Louisiana	22	New Jersey	34
California	06	Maine	23	New Mexico	35
Colorado	07	Maryland	24	North Carolina	37
Connecticut	08	Massachusetts	25	North Dakota	38
Delaware	10	Michigan	26	Ohio	39
Georgia	13	Minnesota	27	Oklahoma	40
Hawaii	15	Mississippi	28	South Carolina	45
Idaho	16	Missouri	29	Wisconsin	55

Field Name/Required or Optional	Description
Export Directory for IRS File	Enter a valid path location where for storing the electronic file to be transmitted to the IRS. • a folder on the AUC server such as C:\Shared_Folders\ • a folder on the local machine such as \\tsclient\c\temp\ **If a pathname is not valid an error message will be displayed:**  WHAT DO I ENTER FOR THE EXPORT DIRECTORY? **Please contact ADMINS Support for assistance entering the Export Directory value. It is best to choose a directory that ADMINS support staff will be able to access if help is needed during processing.**
Mask SS# as ***-**-####	Select ⦿**Yes** to print the **1099 R** form with the social security numbers masked; select ⦿**No** to print the full social security number on each printed or emailed form. Whichever option is selected, the entire TIN will be provided to the IRS in the electronic filing.
State Information	This information should be entered in line 1 for the primary state and line 2 for the second state. 

7.2.1. Voluntary Social Security Number Truncation Controlled on the Entity Table

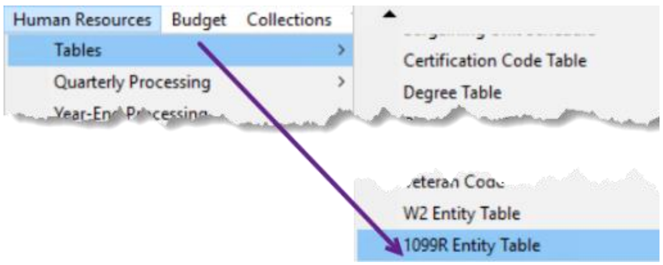
> *"Pursuant to Regulations section 301.6109-4, all filers of Form 1099-R may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in the 2020 General Instructions for Certain Information Returns for more information." See also https://www.irs.gov/pub/irs-pdf/i1099r.pdf.*

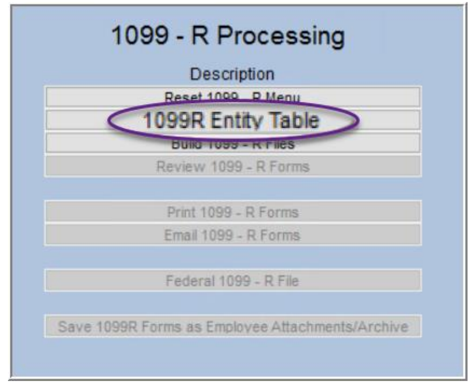
To access the entity table and set the value, go to:

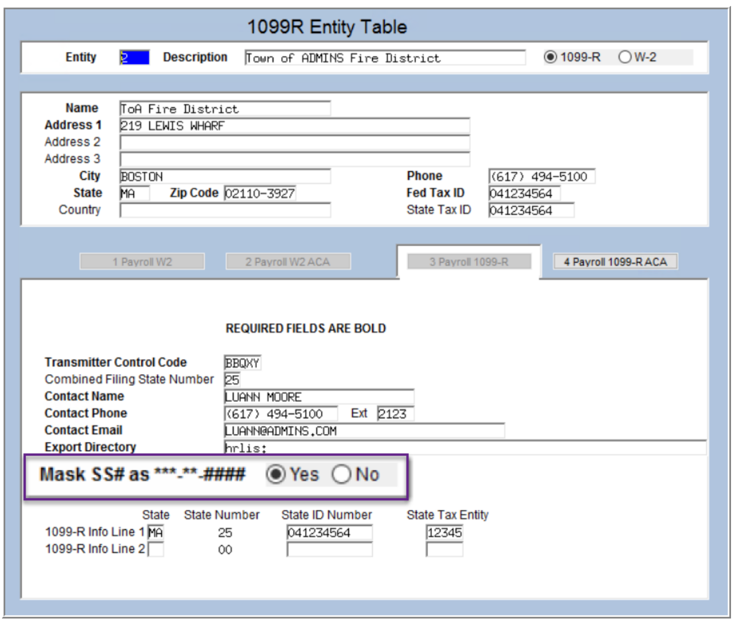
Human Resources → Tables → W2 Entity Table

or access the table from the

Human Resources → Year End Processing → 1099-R Processing → [1099R Entity Table]







To mask the social security numbers on the printed or emailed **1099R** forms, set the **"Mask SS# as ***-**-####"** field to **⦿Yes**.

7.2.2. Truncation as Shown on the Printed 1099-R

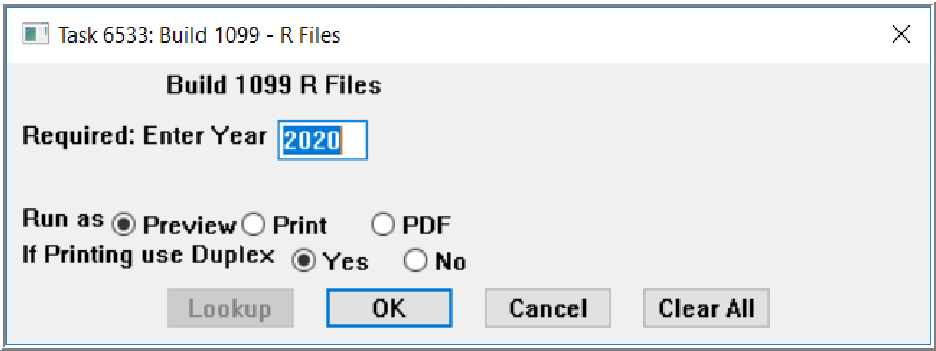
Figure 16 Social Security Number (SSN) Truncation as it will appear on the printed forms issued to employees

A truncated **SSN** shows asterisks for the first five digits and shows the actual last four digits of the **SSN** (***-**-1234) The regulations also call these **Truncated Taxpayer Identification Numbers (TTINs)**.

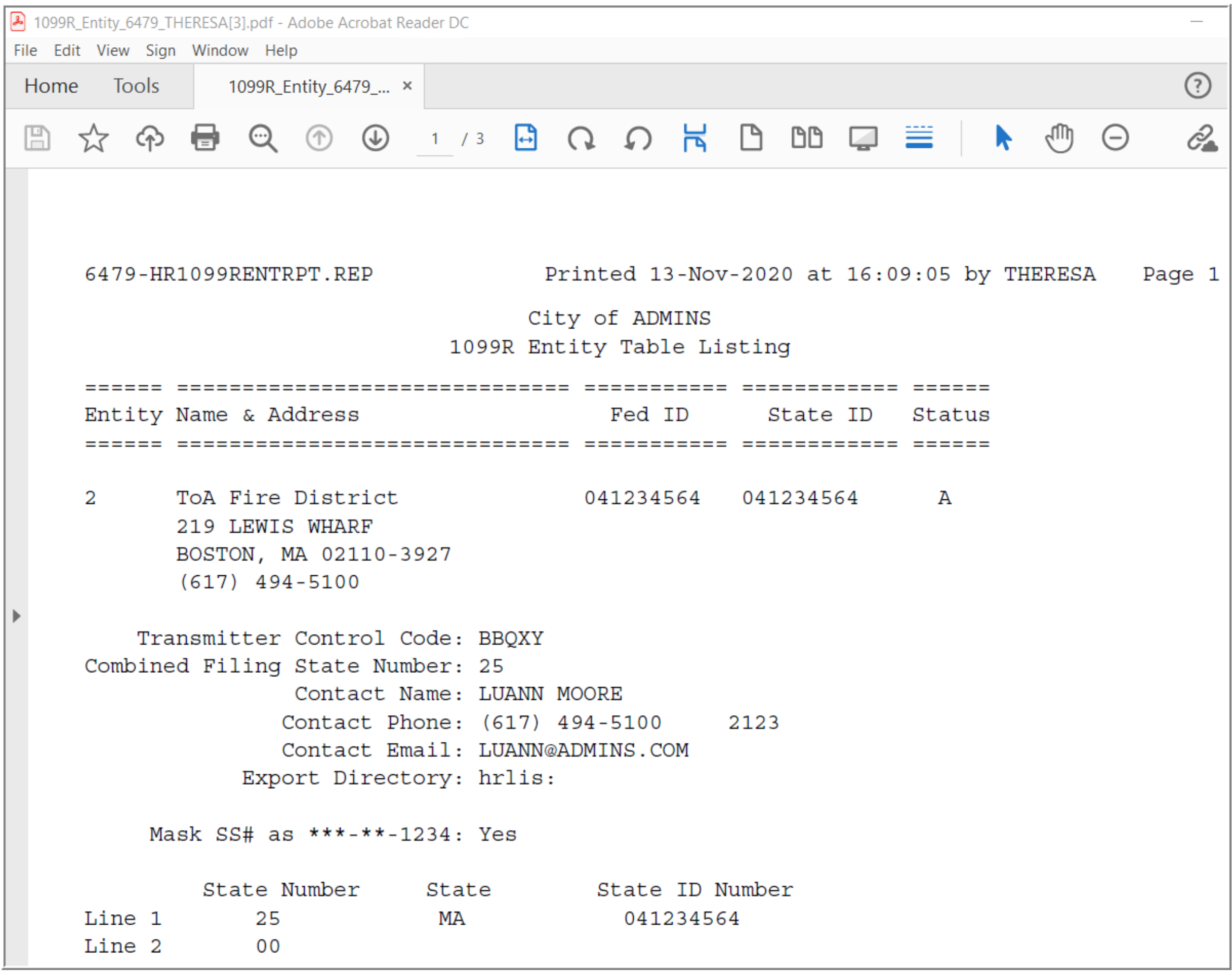
Truncation of **SSNs** is not allowed on the information filed electronically with the Social Security Administration; the full **SSNs** will be included in the electronic filing.

7.3. Build 1099-R File

After verifying that the Entity Table is accurate, build the **1099-R** work file.



The procedure will first gather all checks issued for the calendar year for the people who have the **1099-R** Entity assigned to them and then issue several reports for review. Confirm all information on these reports as it is used on the **1099-R** forms and in the **1099-R** reporting files.




```
6479-HR1099RENTRPT.REP          Printed 13-Nov-2020 at 16:09:05 by THERESA    Page 1

                                     City of ADMINS
                               1099R Entity Table Listing

====== ============================== =========== ============ ======
Entity Name & Address                    Fed ID      State ID   Status
====== ============================== =========== ============ ======

2      ToA Fire District              041234564   041234564      A
       219 LEWIS WHARF
       BOSTON, MA 02110-3927
       (617) 494-5100

    Transmitter Control Code: BBQXY
Combined Filing State Number: 25
                Contact Name: LUANN MOORE
               Contact Phone: (617) 494-5100     2123
               Contact Email: LUANN@ADMINS.COM
            Export Directory: hrlis:

     Mask SS# as ***-**-1234: Yes

         State Number     State        State ID Number
Line 1       25            MA            041234564
Line 2       00
```

Figure 17 Entity Table verification report

If any errors exist, the report will list where to correct them. In the example below, Box 2a would be fixed by entering an adjustment using a correcting warrant. Refer to **Section 6 Adjusting 1099-R Wages/Withholdings**. Box 7 would need to be corrected on the Employee's Record. See **Section 4.4**.

```
6547-HR1099RFILERR.REP          Printed 30-Jan-20    at 17:29:46
                                                                      Town of ADMINS
                                                              Employee 1099R File Error Report

======== ============================== ===========
Employee Name                           SS#
======== ============================== ===========
000012   MARIE R HOLMES                 001-10-1005

Employee 1099-R file errors
Box 2a amount is less than zero.  Enter an adjustment warrant.
Box 7 Distribution Code is missing.  Correct Employee Record.
```

Figure 18 Employee Error Listing

If there are no errors the process will display a report to show the Base Buckets with **1099-R** boxes assigned.

```
6546-HR1099RBASBUK.REP          Printed 23-Nov-2020 at 11:54:04 by THERESA     Page 1
                                                      City of ADMINS
                                               List of Base Buckets for 1099 - R

=======   ========================================   ==============   ==========
Code      Description                                Annual Maximum   1099-R Box
=======   ========================================   ==============   ==========
1         Federal Tax Wages                                           02A
3         State Taxable Wages                                         16-#1
5         Total Wages                                                 01

   *** Grand Total *** Number of Records :    3
```

Next a report will display to show the Cost Codes with **1099-R** boxes assigned.

```
6545-HRCSTCOD_1099RBOX.REP        Printed 23-Nov-2020 at 11:54:04 by THERESA    Page 1
                                                      City of ADMINS
                                                List of Cost Codes for 1099 - R

Form 1099-R
|======== ===========|=====================================================|
|                    |                                                     |
| Box     Apply To   | Cost Code Description                               |
|======== ===========|=====================================================|
| 04      Deduction  | FED        FEDERAL TAX                              |
| 04      Deduction  | FED+       ADDITIONAL FED TAX                       |
| 04      Deduction  | FED-       ADDL FED TAX/NOSEP                       |
| 04      Deduction  | FED2020    FED 2020 TAX TABLES                      |
| 14-#1   Deduction  | MA         STATE TAX                                |
| 14-#1   Deduction  | MA+        ADDITIONAL STATE TAX                     |
| 14-#1   Deduction  | MA-        ADDL STATE TAX/NOSEP                     |
```

7.3.1. Employee 1099-R Register

Employee 1099-R Register

For Tax Year 2020

Employee	Name	Soc Sec#	Gross_distribut	Taxable_amoun	Federal_income	Taxable_amt_n	Total_distributi	Distribution_Cc	IRA/SEP/SIMPL	Box_8_Other	Box_8_%	Box_9a_Percen	Box_9b_Total_	Box_10_Amt_al
071477	LAWRENCE GA	***-**-5122	456.00			X	X	1						
071481	KEITH SPENCE	***-**-5126	3,497.84	3,168.34	218.39		X	7	X	123,456.00	22	50	6,400.00	5,432.00
071482	MICHAEL CLAF	***-**-5127	2,247.84			X		7	X	123,456.00	22	65		
071483	LYNN M PATER	***-**-5128	5,299.56		270.02	X		7	X	123,456.00	22	75	5,200.00	12,345.00
071484	KAREN P LOHM	***-**-5129	3,914.31	3,370.48	608.08		X	3						
For Entity 2 Town of ADMINS F		**Entity_Total:**	**15,415.55**	**6,538.82**	**1,096.49**					**370,368.00**			**11,600.00**	**17,777.00**
		Grand_Total:	**15,415.55**	**6,538.82**	**1,096.49**					**370,368.00**			**11,600.00**	**17,777.00**

Box_11_1st_ye	Box_12_FATCA	Box_13_Date_c	State_No_1	State_distributi	State_tax_withl	State_No_2	State_distributi	State tax withh	Locality_Name_	Local_distributi	Local_Taxes_1	Locality_Name_	Local_distributi	Local_Taxes_2
0000			MA 041234564	421.80	16.86									
2019	X	4/30/2020	MA 041234564	3,497.84	153.74									
0000	X	6/30/3030	MA 041234564	224.18										
2019	X	12/31/2020	MA 041234564	4,994.08	228.93									
0000			MA 041234564	3,801.05	190.06									
				12,938.95	**589.59**									
				12,938.95	**589.59**									

Figure 19 Employee 1099-R Register (available in Excel® format)

Payroll 1099R Register

Check Date(s): 01012018 to 12312018

Emp No	Employee Name	Soc Sec Number	Gross distribution	Federal income tax withheld
071243	WAKELY, LYNN	001-10-4888	1,372.78	115.70
071244	CHATTERTON, KAREN	001-10-4889	822.32	54.01
071245	PATERSON, MARIE	001-10-4890	3,956.23	305.10
071248	BLACK, MICHAEL	001-10-4893	240.50	8.95
071263	ECHEVERRY, MICHAEL III	001-10-4908	69.37	
	For Entity 2 TOWN OF ADMINS	**Entity Total:**	**6,461.20**	**483.76**
		Grand Total:	**6,461.20**	**483.76**

Figure 20 1099R Register (for sites with no State W/H tax)

7.4. Review Pro-Forma 1099-R Forms

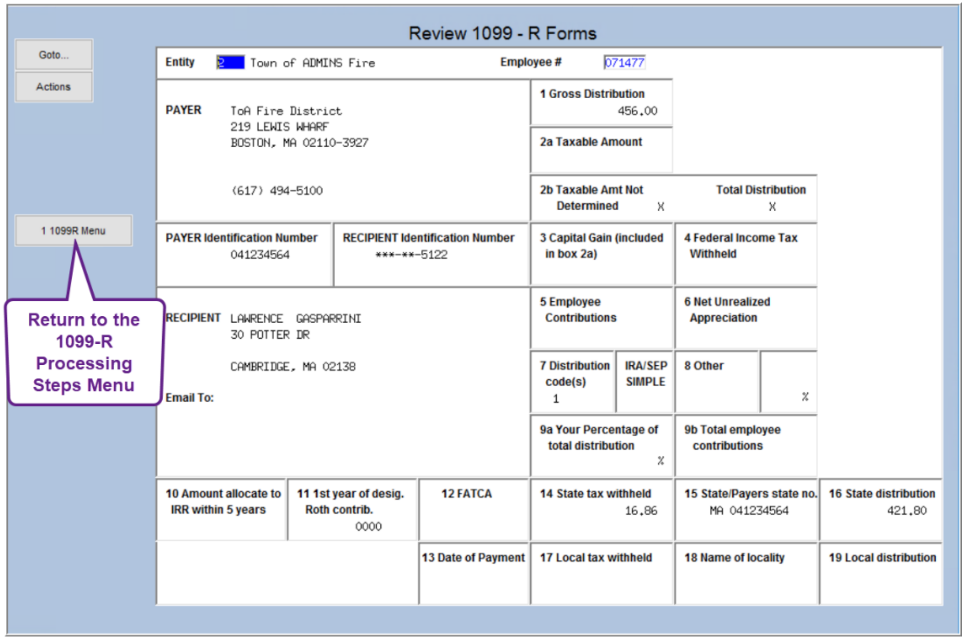
Review 1099 - R Forms

The system provides a screen to preview **1099-R** forms for employees. No changes to the data may be made in this screen. To access an employee's **1099-R**,

- ❑ Click **Review 1099-R Forms** from the steps menu
- ❑ Enter the **Calendar Year** being processed
- ❑ Enter the **Entity** code
- ❑ Move to the Employee# field and enter the desired **Employee #**

Press **[F3]** or right click to select from a list of employees. A lookup menu will appear to select employees by Name or Employee Number

1: Employees By Name/Entity
2: Employees By Entity/Employee Number



The screen displays a representation of the 1099-R form information. No changes may be made on this form; it is for informational purposes only. Refer to section 6 of this document if changes are required.

Figure 21 On-screen display of where the 1099-R data will print when the forms are produced

Scroll through the records to review as needed. When done, click the button labeled **[1 1099-R Menu]** on the left-hand side of the screen or use the **Alt|1** keyboard combination to return to the steps menu and continue processing.

7.5. Print 1099-R Forms

If a printer capable of duplex (i.e., two-sided) printing is available, please use that printer. For any questions about the forms please refer to section 2 entitled "About the Forms". **ADMINS** will send an email each November with advice on purchasing stock and envelopes.

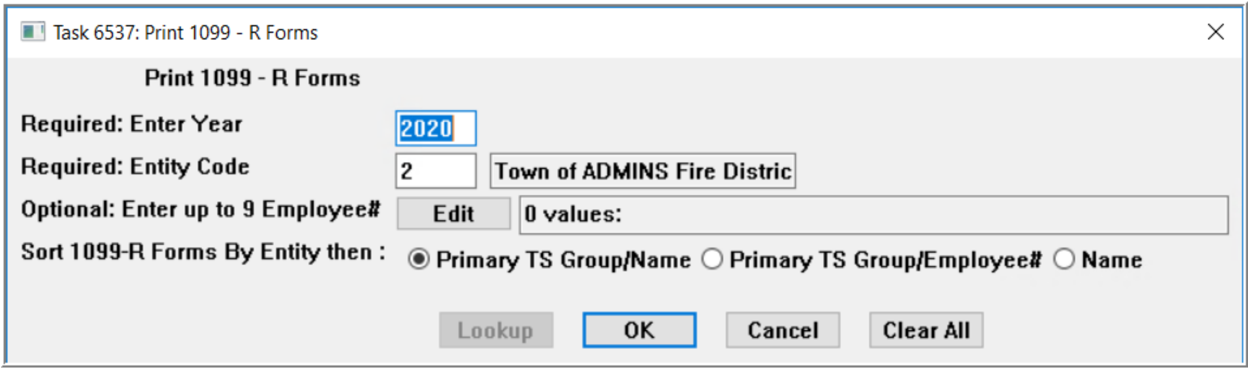
The **1099-R** forms will be printed by Entity first. If a site has multiple taxing entities, then each entity will print in its own group. This means that all Entity 1 forms will print, then all Entity 2 forms, and so on.

When printing, three sort orders of the **1099-R** forms are available within the tax entity. The forms may be printed sorted by:

- ❑ Entity then Primary Timesheet Group then Employee Last Name, First Name, or
- ❑ Entity then Primary Timesheet Group then Employee#, or
- ❑ Entity then Employee Last Name, First Name.

To begin,

- ❑ Load the form stock into the printer
- ❑ Click the **[Print 1099-R Forms]** button from the **1099-R** Processing Menu
- ❑ Fill in the fields in this prompt.

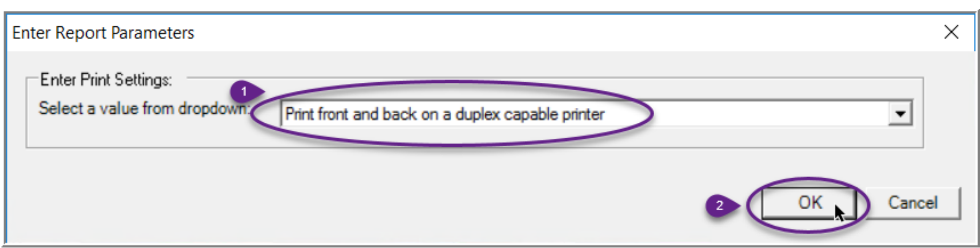


The **ADMINS Crystal Report Viewer (AdmCrv)** countdown will appear while the forms are being generated.

Do not close this box – please wait for the process to finish.

7.5.1. Printing Options – DUPLEX (ADMINS recommends this option)

The **Enter Print Settings** prompt will appear. Select "**Print front and back on a duplex capable printer**" and click **[OK]**.



This screen will appear and display the **1099-R** forms. To print, click the **printer icon:**

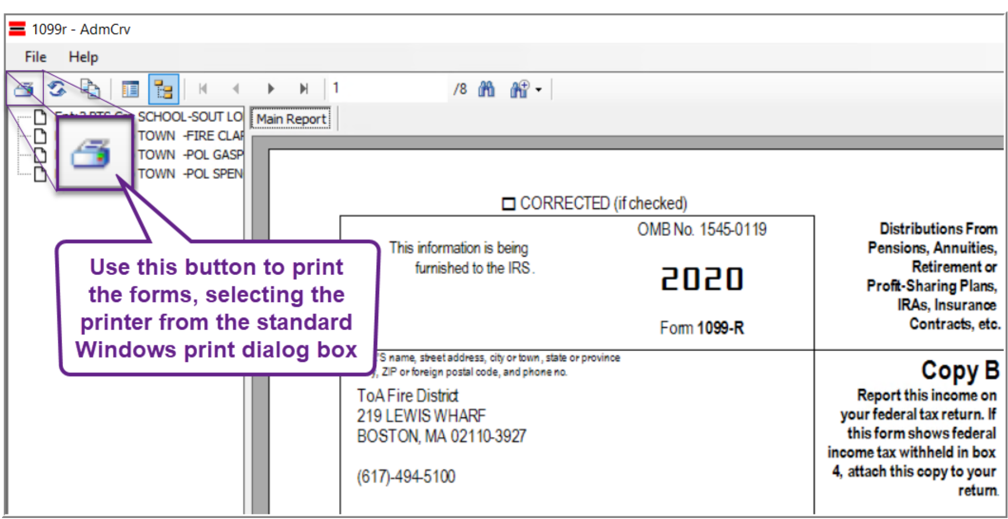


Figure 22 Preview the 1099-R Forms before sending them to the printer

To print, click the  **printer icon.** Select the **desired printer** from the standard **Windows®** print dialog:

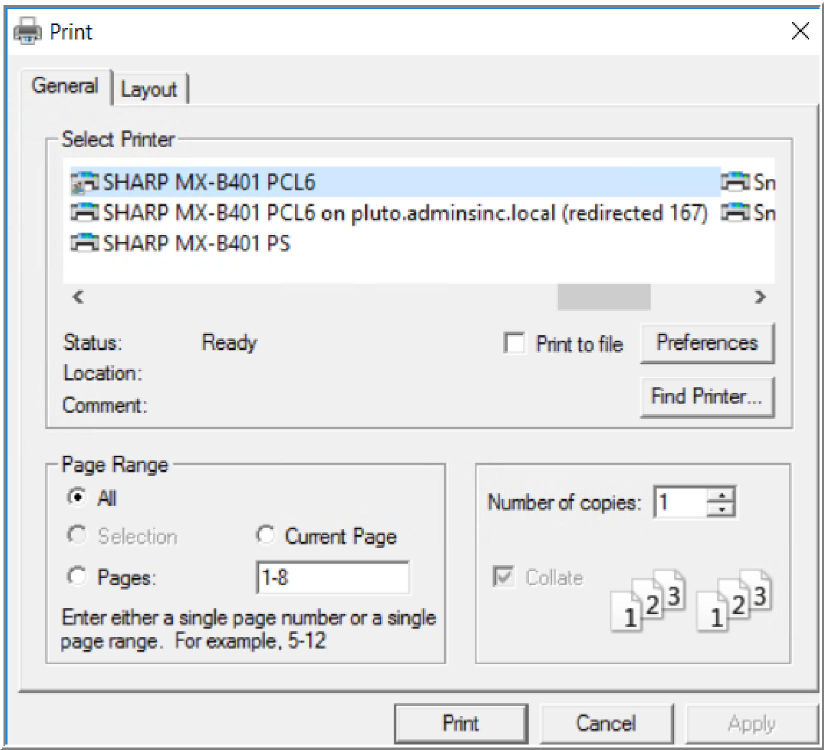
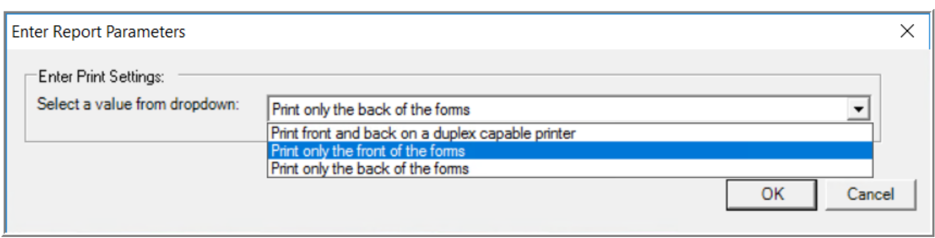


Figure 23 Standard Windows Printer Selection Dialog Box

7.5.2. SIMPLEX Printing



- Choose this option if a duplex printer is not available, or if forms with pre-printed backs are used
- The printing type selection screen will appear
- Use the dropdown window to select **Print only the front of the forms**. Click the **[OK]** button

To print, click the  **printer icon.** Select the **desired printer** from the standard **Windows®** print dialog as shown above in Figure 23. Run this process if not printing DUPLEX (print two sides at the same time) or if forms do not have pre-printed backs.

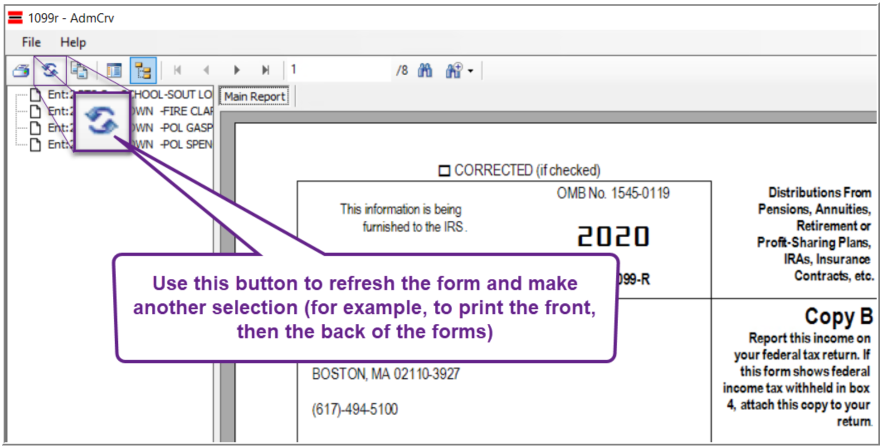
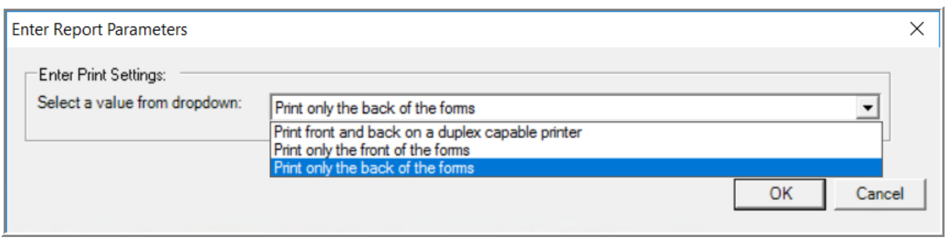
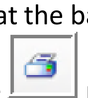


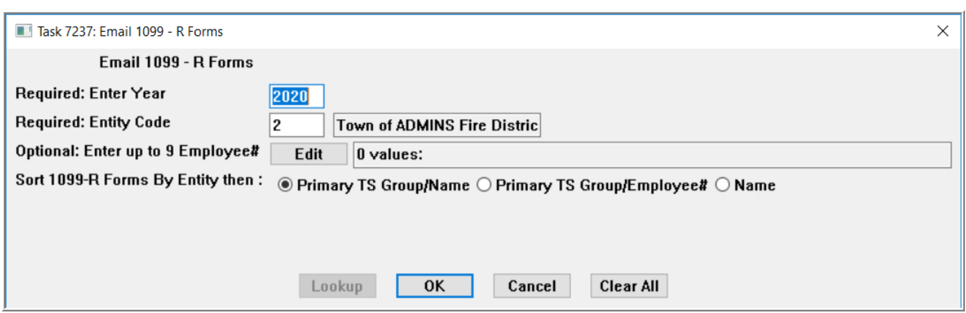
Figure 24 Click the refresh icon

- Reload the forms so that they are ready to be printed on the back of the previously printed **1099-R** form fronts.
- The **Enter Print Settings** screen will appear
- Use the dropdown window to select **Print only the back of the forms.** Click the **[OK]** button.

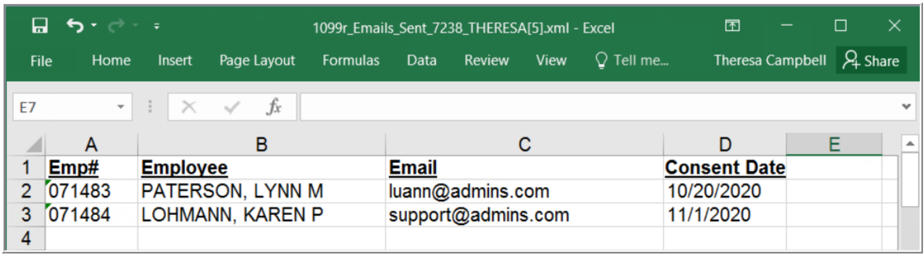


Load the forms back into the printer, taking care that the backs will be printing on the blank side (this may take some experimentation.) To print, click the  **printer icon.** Select the **desired printer** from the standard **Windows®** print dialog as shown in Figure 23.

7.6. Email 1099 R Forms



Enter the year and the entity code; optionally, enter up to nine employee numbers. If no employee numbers are specified, all employees consenting to email delivery of year-end tax forms who are due to receive a 1099R will be emailed their form. See **HR–635 Email Year End Forms** for detailed instructions on how to set up employees to receive emailed **1099R** forms.



Emp#	Employee	Email	Consent Date
071483	PATERSON, LYNN M	luann@admins.com	10/20/2020
071484	LOHMANN, KAREN P	support@admins.com	11/1/2020

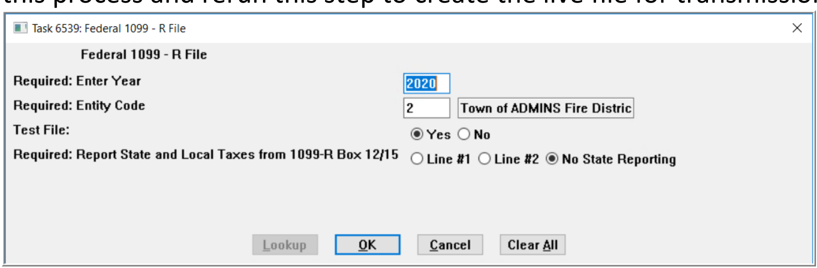
An **Excel®** report listing the employee email addresses will result from running the command, and all employees listed will be sent an email with the **1099R** attached. The email contains instructions on how to open the encrypted, password protected attachment of the **1099R**.

7.7. Create Electronic Files

Federal 1099 - R File

All sites processing forms **1099-R** must create and submit a Federal **1099-R** file to the Social Security Administration. Electronic filing is done on-line using the IRS FIRE System at https://fire.irs.gov . Refer to IRS Publication 1220 for detailed information.

Select **[Federal 1099-R File]** from the steps menu. Complete the following parameters (Be sure to enter the reporting tax year.) Submit test files to the **FIRE** System to ensure the format is correct, return to this process and rerun this step to create the live file for transmission.



Task 6539: Federal 1099 - R File

Federal 1099 - R File

Required: Enter Year 2020

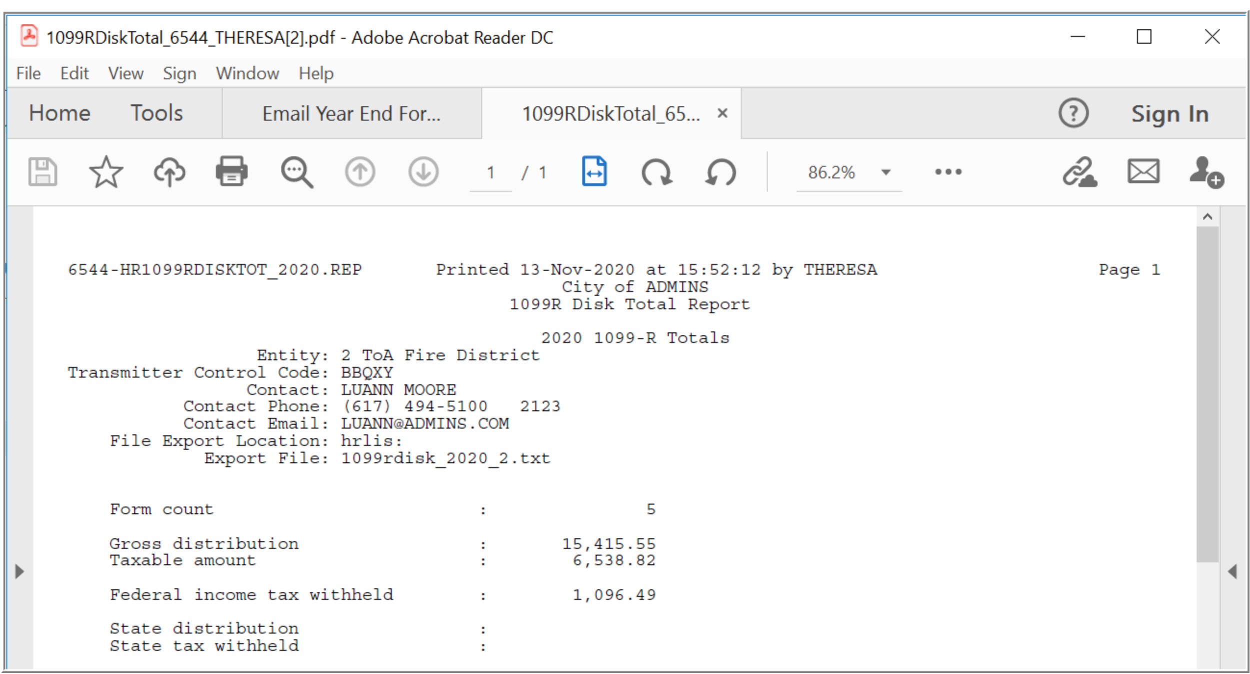
Required: Entity Code 2 Town of ADMINS Fire Distric

Test File: Yes No

Required: Report State and Local Taxes from 1099-R Box 12/15 Line #1 Line #2 No State Reporting

Lookup OK Cancel Clear All

- Enter the 1099-R entity code.
- Indicate if this file is a test or not.
- Indicate whether state wages are included on the federal file. The Line# refers to the State Line # in the Entity Table.

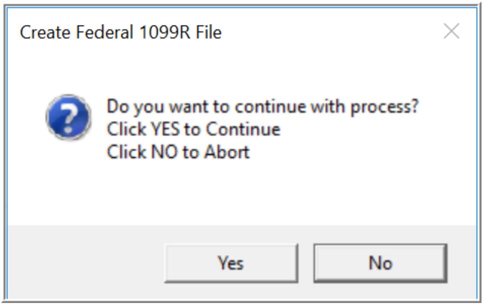


```
6544-HR1099RDISKTOT_2020.REP      Printed 13-Nov-2020 at 15:52:12 by THERESA              Page 1
                                              City of ADMINS
                                          1099R Disk Total Report

                                            2020 1099-R Totals
                 Entity: 2 ToA Fire District
 Transmitter Control Code: BBQXY
                Contact: LUANN MOORE
          Contact Phone: (617) 494-5100    2123
          Contact Email: LUANN@ADMINS.COM
     File Export Location: hrlis:
            Export File: 1099rdisk_2020_2.txt


     Form count                          :            5

     Gross distribution                  :       15,415.55
     Taxable amount                      :        6,538.82

     Federal income tax withheld         :        1,096.49

     State distribution                  :
     State tax withheld                  :
```

Figure 12 1099-R Electronic File Verification report

Verify all information and amounts since they will be reported on the 1099-R file.

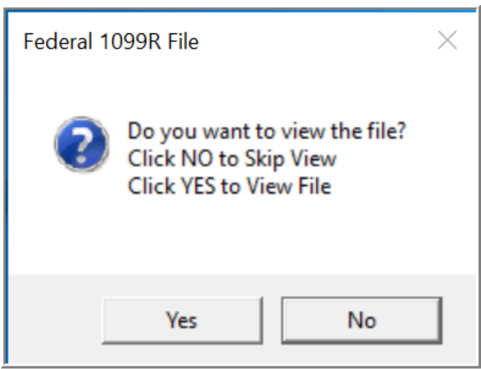
When the reports have completed, the system will display a prompt to continue.



After reviewing the 1099R Disk Totals Report click **[Yes]** to continue to create the export file**.**

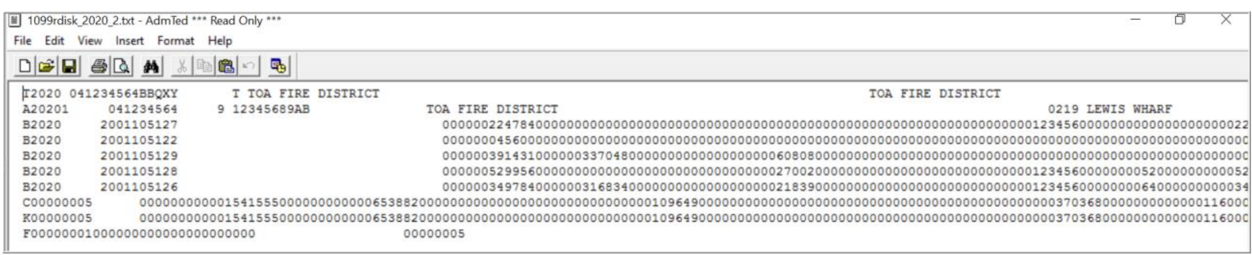
To stop and make some changes click **[No].** Enter changes into the Entity Table and rerun this step.

After the file has been created, the system will present a prompt.

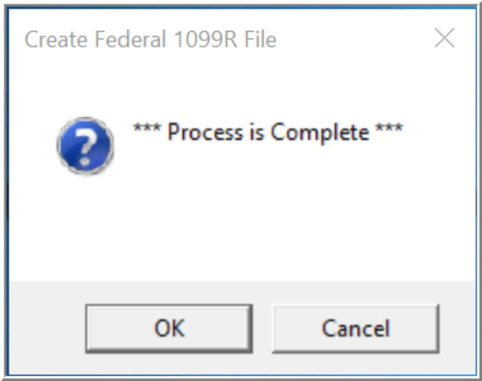


To view the file created, click **[Yes];** otherwise click **[No]** to skip viewing the file and complete this step.

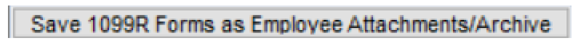
Shown below is a sample of what the file contents look like. Do not change anything. However, if desired, view this just to be sure it is not empty. Always remember to close the file for the process to finish.



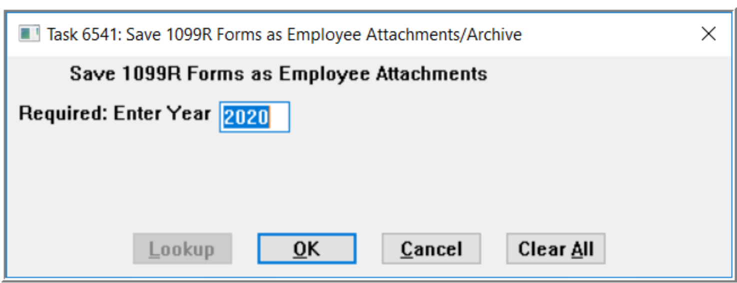
This prompt will be displayed indicating the process has completed: Click **[OK]** to return to the steps menu.



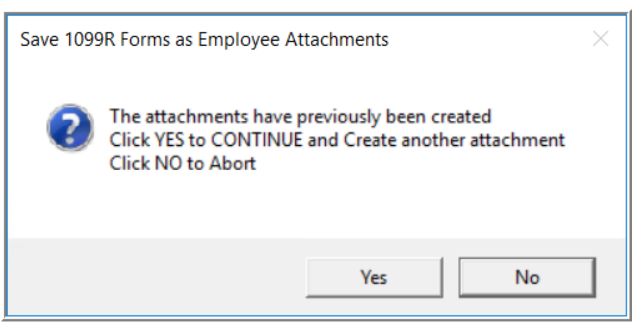
7.8. 1099-R Forms Attachments/Archive



This step will attach the **1099-R** forms so that they are available for future viewing, emailing[1], or printing. This step also copies all the work files created in the **1099-R** Processing and stores them in the archive directory. **ADMINS** determines the location of this directory at setup; the specifications will be provided to the site's system administrator. Run this step after confirming that the electronic file was successfully transmitted and accepted.



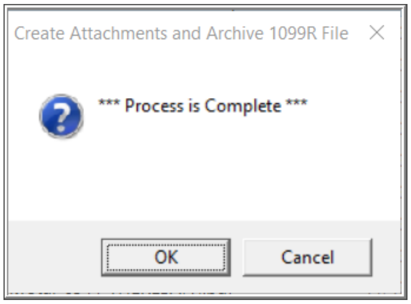
Click the [**Save 1099-R Forms as Employee Attachments/Archive]** button from the **1099-R Processing Steps Menu**. Enter the **Tax Year** and click **[OK].** The "attachment and archive" step is a scheduled task that will run overnight.



If this step is run more than once, a second attachment will be created. This step should be rerun only if the **1099-R** file needed to be rebuilt. An information message will appear if the step is run more than once.

[1] Employee must provide consent – **see HR–635 Email Year End Forms** for detailed instructions on how to set up employees to receive emailed **1099R** forms.

When the process is complete, the following prompt will appear. Click **[OK]** to complete the process.



Once the job is complete, the system sends an email notification to the members of the HR1099BST distribution list. The email will look something like the image in Figure 25.

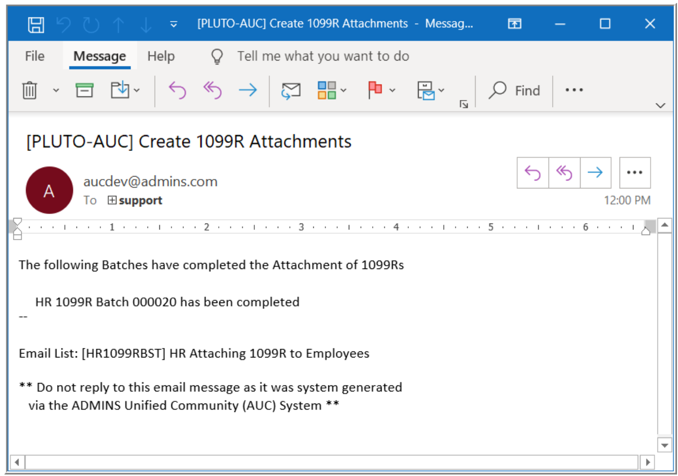
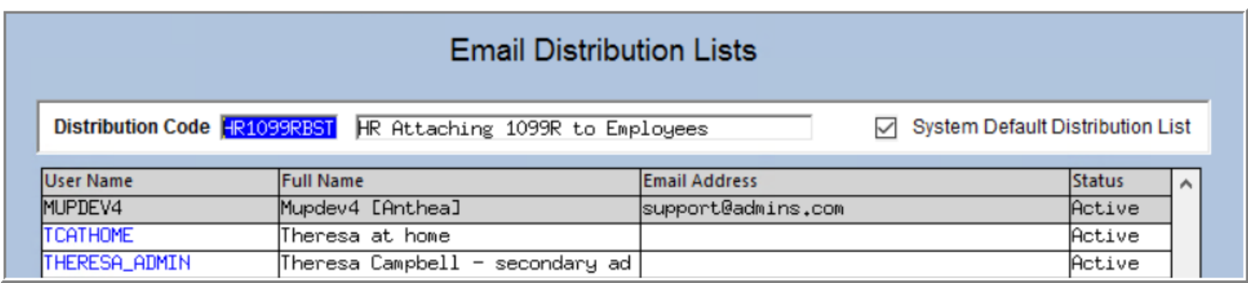
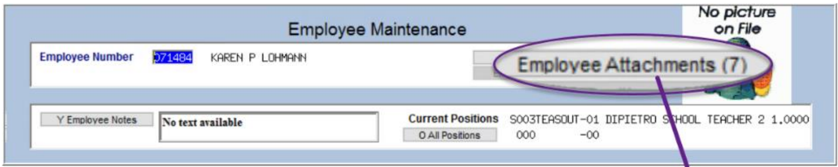


Figure 25 Example of email notice that the attachments are complete

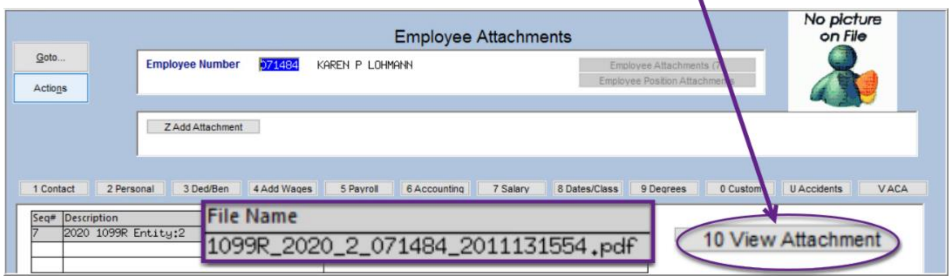
See **SY-150 Email Distribution Lists** in the Help Reference Library for instructions for maintaining Email Distribution lists.



8. 1099-R REPRINT OR VIEW

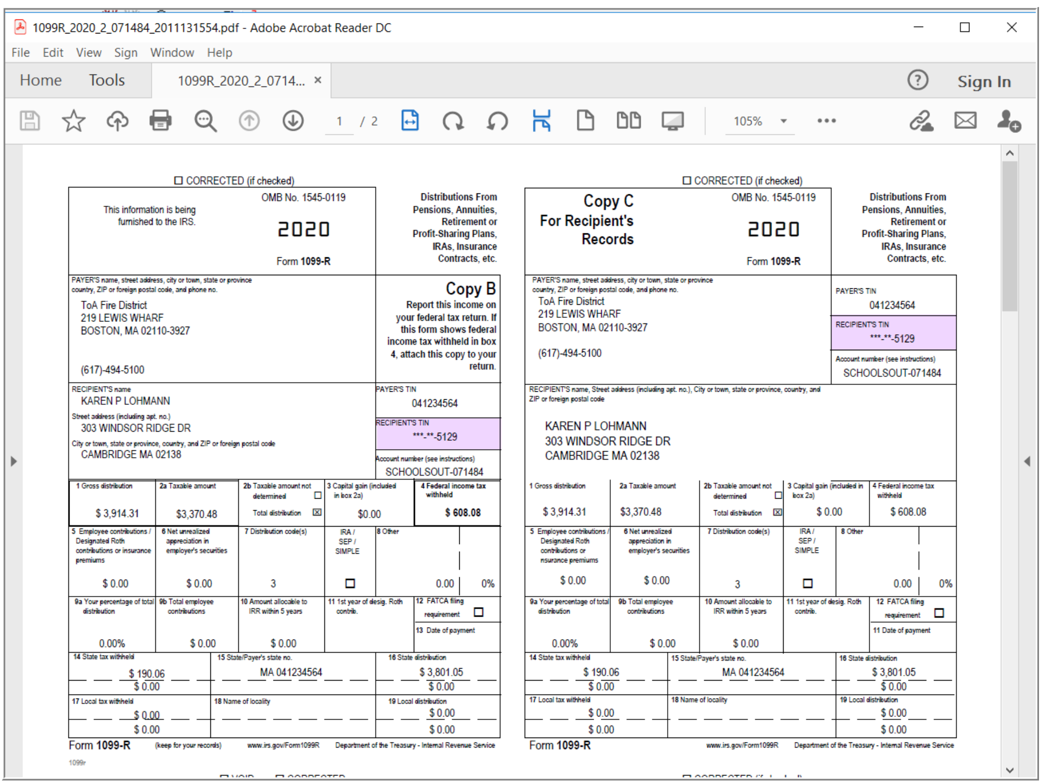


The attachments can be viewed or printed from the **Employee Maintenance Attachment Screen.**



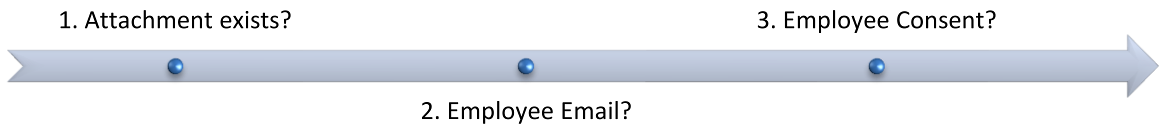
Click the **[Employee Attachments]** button.

Select the desired attachment; click the **[10 View Attachment]** button to open the 1099 in the Adobe Reader; use the built-in viewer features to print. If multiple attachments were created, the one with the highest sequence number is the most recent.



Once the form is displayed in the **PDF®** viewer, print to the desired printer.

8.1. Email a Single 1099R form to the Employee



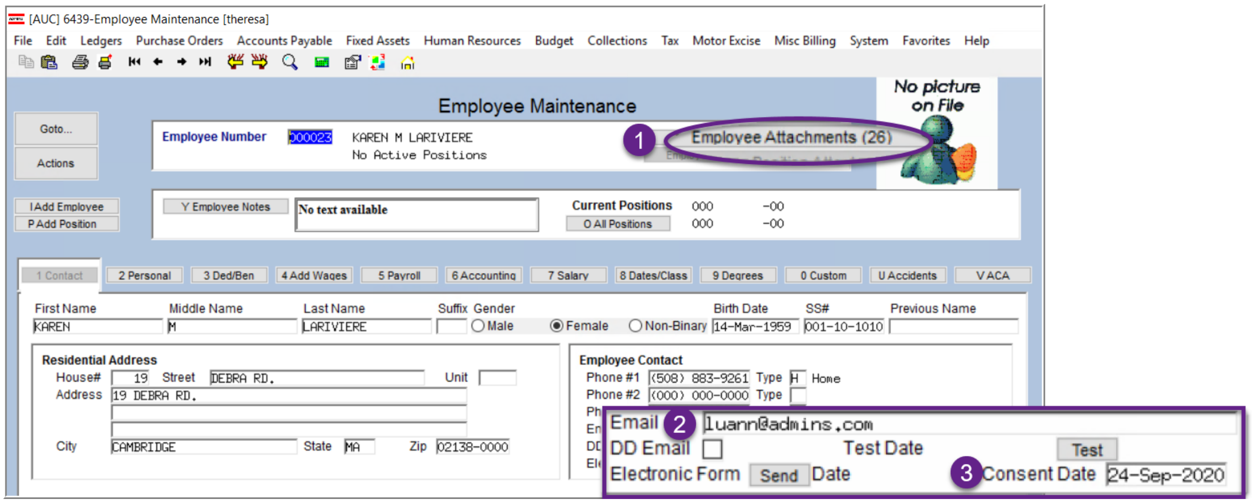
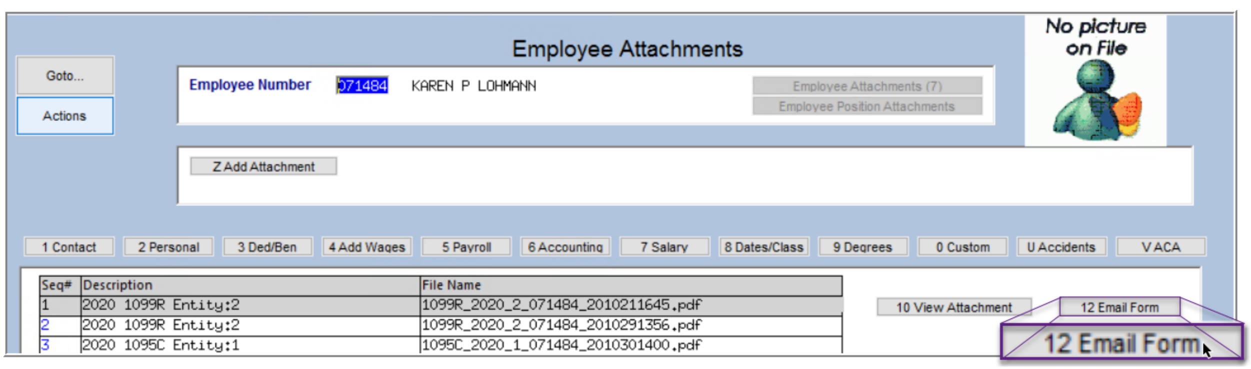
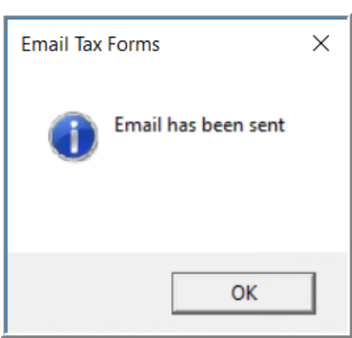


Figure 26 An employee with attachments and an email address who has provided consent

After checking that the above criteria are met, select the **[Employee Attachments]** button to access the **Employee Attachments** screen. Select the form and then click on the **[12 Email Form]** button.



A popup will confirm that the email has been sent. Click on **[OK].**



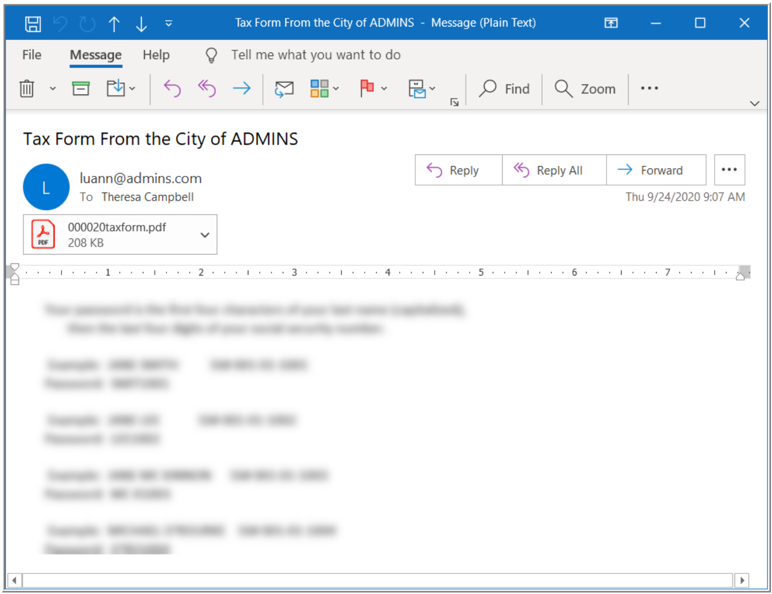


Figure 27 Sample Email with an attached form

The email will be sent to the email address on the employee record, with the form included as an encrypted, password-protected attachment with instructions on how to open the attachment, as shown in **Figure 27**.

The instructions are intentionally obscured here.

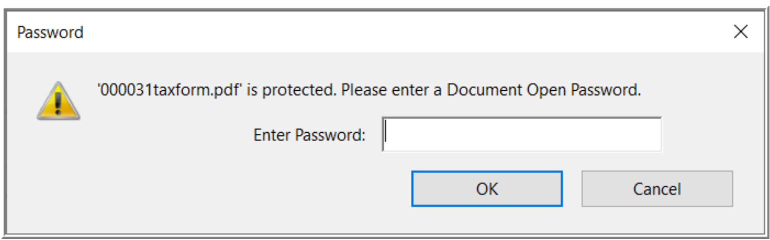


Figure 28 Password prompt to open the encrypted, password protected document

When the recipient receives the email and clicks on the attachment, the prompt for the password will appear as shown in **Figure 28**.

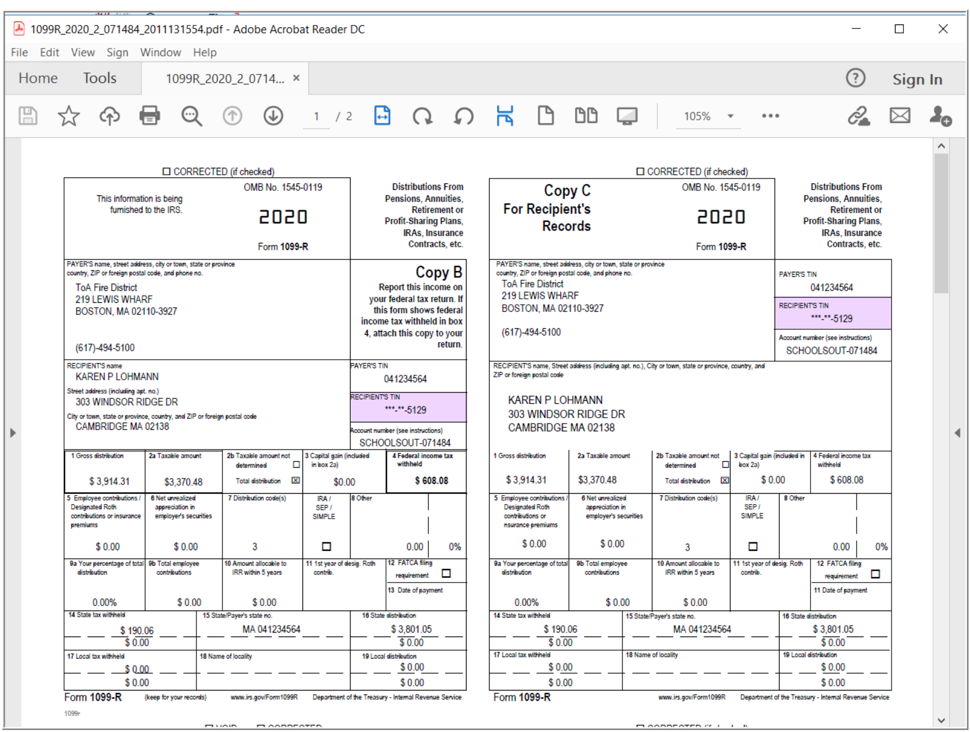


Figure 29 The 1099R form will be displayed on the employee's device to view, save, or print

The form will be displayed as shown in **Figure 29.**