

STATE OF HAWAII

Accounting Manual

Volume III: Payroll Expenditures

Part 800: Appendix - Explanations and Related Sample Reports

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SECTION 856: WAGE AND TAX STATEMENT, FORM W-2

1. Purpose.

- (a) The WAGE AND TAX STATEMENT, FORM W-2 (Report No. PRE351), is used to provide employees and tax agencies with payroll information regarding employee's wages earned and taxes deducted during the calendar year in compliance with Federal and State regulations.
- (b) The form is also used to provide employees and tax agencies with information regarding employees' automobile allowance reimbursements and any other items of reimbursement or compensation required to be reported on Form W-2.

2. Frequency.

- (a) The Statement is mailed to the tax agencies and employees on or before January 31 of the succeeding year or, if the employment is terminated before the close of the calendar year, within 30 days after the last wage payment. (The employing agency must specifically notify Central Payroll of termination for an early-issue Form W-2 to be prepared.)
- (b) The notification must be addressed to the Comptroller, State of Hawaii, attention Accounting Division. It should contain the following items of information:
 - (1) Employee's name (last name, first name, and middle initial).
 - (2) Employee's social security number.
 - (3) Employee's payroll number and warrant distribution code.
 - (4) Effective date of the termination.
 - (5) Date of employee's last wage payment.

3. Distribution.

- (a) Copy A to the Social Security Administration.
- (b) Copy 1 STATE (or CITY) TAX COPY to Department of Taxation, State of Hawaii.
- (c) Copy D to the Comptroller, State of Hawaii (DAGS Central Payroll).
- (d) Copies B, C, and No. 2 to the department for issuance to the employee.

June 1, 1981

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4. Organization of Report. The printing sequence of the FORM W-2 is identical to the printing sequence of payroll warrants. Except for a few departments the printing sequence is as follows:
- (a) Department payroll number.
 - (b) Warrant distribution code.
 - (c) Employee name.

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ITEM NO.	DATA AND DATA EXPLANATIONS
	NOTE: This form is subject to change based on revisions of tax laws.
①	ADVANCE EIC PAYMENT - The total paid to the employee as advance earned income credit payments.
②	- Not applicable. The box is reserved for prospective legislation.
③	EMPLOYEE'S SOCIAL SECURITY NUMBER - The employee's social security number.
④	FEDERAL INCOME TAX WITHHELD - The amount of Federal income tax withheld from the employee's wages.
⑤	WAGES TIPS OTHER COMPENSATION - The amount of wages paid to the employee, including tips and other compensation, subject to Federal income tax withholding.
⑥	FICA TAX WITHHELD - The amount of FICA tax withheld from the employee's wages.
⑦	TOTAL FICA WAGES - The amount of wages paid to the employee that was subject to FICA tax withholding.
⑧	EMPLOYEE'S NAME (FIRST MIDDLE LAST) - The name of the employee.
⑨	PENSION PLAN COVERAGE ? YES/NO - The status of the employee's coverage under pension plans described in pertinent sections of the Internal Revenue Code, as follows: YES - The employee was a member of Employee's Retirement System of the State of Hawaii when last paid for the calendar year of the Form W-2. NO - The employee was <u>not</u> a member of the Employee's Retirement System of the State of Hawaii when last paid for the calendar year of the Form W-2.
⑩	* - Not applicable.

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ITEM NO.	DATA AND DATA EXPLANATIONS
11	FICA TIPS - The amount of tips reported by employee, when tips and wages subject to employee FICA taxes amount to less than \$22,900 or such other amounts that may be legally prescribed from time to time.
12	EMPLOYEE'S ADDRESS AND ZIP CODE - The address and zip code of the employee.
13	STATE INCOME TAX WITHHELD - The amount of State income tax withheld from the employee.
14	STATE WAGES TIPS ETC - The amount of wages paid to the employee, including tips, subject to State income tax withholding.
15	NAME OF STATE - The name of the state (HAWAII) that withheld the employee's State income tax.
16, 17, 18	- Not applicable. The payroll system does not provide for local income tax information.
19	TAX SHELTER ANNUITY - The amount of annuity plan premium deducted from the employee's wages.
20	AUTOMOBILE ALLOWANCE - The amount of automobile allowances paid to the employee.
21	PR-DST - The payroll number and distribution code, indicating the location where the Form W-2 is to be forwarded, of the employee.

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SAMPLE REPORT KEYED TO EXPLANATION OF REPORT

(FRONT)

1 CONTROL NUMBER 22222		2 EMPLOYER'S STATE NUMBER 10016105		FOR OFFICIAL USE ONLY	
3 EMPLOYER'S NAME ADDRESS AND ZIP CODE STATE OF HAWAII CENTRAL PAYROLL P.O. BOX 119 HONOLULU, HAWAII 96810 69-0260001-1				4 SUBTOTAL CORRECTION VOID <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
				5 EMPLOYER'S IDENTIFICATION NUMBER 99-6001081	
				6 ADVANCE EIC PAYMENT (1)	
7		(2)			
8 EMPLOYEE'S SOCIAL SECURITY NUMBER (3)	9 FEDERAL INCOME TAX WITHHELD (4)	10 WAGES TIPS OTHER COMPENSATION (5)	11 FICA TAX WITHHELD (6)	12 TOTAL FICA WAGES (7)	
13 EMPLOYEE'S NAME (FIRST MIDDLE LAST) (8)		14 PENSION PLAN COVERAGE? YES / NO (9)	15 * (10)	16 FICA TIPS (11)	
17 EMPLOYEE'S ADDRESS AND ZIP CODE (12)		18 STATE INCOME TAX WITHHELD (13)	19 STATE WAGES, TIPS, ETC (14)	20 NAME OF STATE (15) HAWAII	
		21 LOCAL INCOME TAX WITHHELD (16)	22 LOCAL WAGES, TIPS, ETC (17)	23 NAME OF LOCALITY (18)	
		Tax Shelter Annuity (19)	Automobile Allowance (20)	PR-DST (21)	

FORM **W-2 WAGE AND TAX STATEMENT 1979**
Department of the Treasury—Internal Revenue Service

Copy B To be filed with employee's FEDERAL tax return
This information is being furnished to the Internal Revenue Service.

(BACK)

Instructions for Preparing Form W-2

The 6-part wage and tax statement is acceptable in most States. If you are in doubt, ask your appropriate State or local official.

Prepare Form W-2 for each of your employees to whom any of the following items applied during 1979.

- (a) You withheld income tax or FICA (social security) tax.
- (b) You would have withheld income tax if the employee had not claimed more than one withholding allowance.
- (c) You paid \$600 or more.
- (d) You paid for services any amount, if you are in

a trade or business. Include the cash value of any payment you made that was not in cash.

By January 31, 1980, give Copies B, C, and 2 to each person who was your employee at the end of 1979. For anyone who stopped working for you before the end of 1979, you should give copies within 30 days after the last wage payment. Send Copy A to the Social Security Administration by February 29, 1980. (For more information, please see Forms 941, 942, W-3, or Circular E. Farmers, see Circular A.)

See separate Instructions for Forms W-2 and W-2P for more information on how to complete Form W-2.

* SDI - Enter State Disability Insurance, if applicable in SDI box.