

# How to verify earnings and deductions are reporting on the proper W2 box


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## Verify that Earnings are set to be reported to the proper W2 box

1. Navigate to: **Admin > Company Settings > Payroll Setup > Earning Codes**
2. Once on the page, click on **Select Columns** and add the following Columns to the report:
  1. 1099 Box Type
  2. W2 Box Type
  3. W2 Box Type #2
3. Then click on **Select Columns**. These columns will now appear on the screen. Verify that all earnings are reporting to the proper boxes. If they are not showing the proper box click on the blue pad and pencil on the earning code line. In the Earning Code setup, at the top right side locate the **Scheduled Default Values**.

## Earnings:

### Scheduled Default Values

Auto Add To New Employees  All Accounts 

Default Amount \$\*  Flat \$ Amount


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Minimum

Maximum

Frequency

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Pay Statement Types To Apply To All Pay Statement Types 

**TAX FORMS**

<input checked="" type="checkbox"/> Tax Forms	<input type="button" value="W2 v"/>	Box Type	<input type="button" value="14 - Other v"/>	Description On W2*	<input type="text" value="Other"/>
Tax Forms	<input type="button" value="W2 v"/>	Box Type	<input type="button" value="1 - Wages, Tips, and Other Compensation v"/>		

## Deductions:

**Scheduled Default Values**

Auto Add To New Employees  All Accounts

W2 Box Type 12d - Section 401k Contributions

W2 Box Type #2 --

W2 Box Type (ER) --

W2 Box Type (ER) #2 --

Pay Statement Types To Apply To All Pay Statement Types

Has Vendor

Lien Sub Type

**W2 Box Type** - If this box is grayed out, the W2 Box Type for this earning is system controlled. This occurs based on the type of earning that is selected when establishing the earning code. If the W2 Box Type is not grayed out, you can select the appropriate W2 Box from the drop-down menu. If you select Box 14, you will also be able to enter a label to appear on the W2 in this box.

**W2 Box Type #2** - If this box is grayed out, the W2 Box Type for this earning is system controlled. This occurs based on the type of earning that is selected when establishing the earning code. If the W2 Box Type #2 is not grayed out, you can select the appropriate W2 Box from the drop-down menu (see above). If you select Box 14, you will also be required to enter a label to appear on the W2 in this box.

4. After you make the proper selections for this earning code simply click save and back to return to your report.

**Verify that Deductions are set to be reported to the proper W2 box**

1. Navigate to: **Admin > Company Settings > Payroll Setup > Deduction Codes**
2. Once on the page, click on *Select Columns* and add the following Columns to the report:
  - o A. W2 Box Type
  - o W2 Box 14 Description
  - o W2 Box Type (ER)
  - o W2 Box Type Description (ER)
  - o W2 Box Type #2
  - o W2 Box 14 Description #2
  - o W2 Box Type (ER) #2
  - o W2 Box Type Description (ER) #2

## Select Report Columns



**Available Columns**

- Deduction Group Priority
- Code
- Description
- Abbreviation
- External Id
- Display Order
- Linked Deductions
- Arrearage Function
- Arrears Happen
- Show Amount On Pay Statement

**Selected Columns**

- Name
- Active
- W2 Box Type
- W2 Box 14 Description
- W2 Box Type (ER)
- W2 Box 14 Description (ER)
- W2 Box Type #2
- W2 Box 14 Description #2
- W2 Box Type (ER) #2
- W2 Box 14 Description (ER) #2

**SELECT COLUMNS**

- Then click on *Select Columns*. These columns will now appear on the screen. Verify that all deductions are reporting to the proper boxes. If they are not showing the proper box click on the blue pad and pencil on the deduction code line. In the Deduction Code setup, at the top right side locate the *Scheduled Default Values*.

## Earnings:

### Scheduled Default Values

Auto Add To New Employees  All Accounts

Default Amount \$\*  Flat \$ Amount

Minimum

Maximum

Frequency

Pay Statement Types To Apply To All Pay Statement Types

**TAX FORMS**

Tax Forms  Box Type

## Deductions:

## Scheduled Default Values

Auto Add To New Employees  All Accounts

W2 Box Type 12d - Section 401k Contributions

W2 Box Type #2 --

W2 Box Type (ER) --

W2 Box Type (ER) #2 --

Pay Statement Types To Apply To All Pay Statement Types

Has Vendor

Lien Sub Type

4. Within this widget you will locate 4 drop downs for the W2 setup.

**W2 Box Type:** If this box is grayed out, the W2 Box Type for this deduction is system controlled. This occurs based on the type of deduction that is selected when establishing the deduction code. When the W2 Box Type is not grayed out (on custom deductions for example), you can select the appropriate W2 Box from the drop-down menu. If you select Box 14, you will also be able to enter a label to appear on the W2 in this box.

**W2 Box Type #2:** If this box is grayed out, the W2 Box Type for this deduction is system controlled. This occurs based on the type of deduction that is selected when establishing the deduction code. If the W2 Box Type #2 is not grayed out, you can select the appropriate W2 Box from the drop-down menu (see above). If you select Box 14, you will also be able to enter a label to appear on the W2 in this box.

**W2 Box Type (ER):** If this box is grayed out, the W2 Box Type for the employer contribution for this deduction is system controlled. This occurs based on the type of deduction that is selected when establishing the deduction code. If the W2 Box Type is not grayed out, you can select the appropriate W2 Box from the drop-down menu. If you select Box 14, you will also be able to enter a label to appear on the W2 in this box.

**W2 Box Type (ER) #2:** If this box is grayed out, the W2 Box Type for the employer contribution for this deduction is system controlled. This occurs based on the type of deduction that is selected when establishing the deduction code. If the W2 Box Type #2 is not grayed out, you can select the appropriate W2 Box from the drop-down menu. If you select Box 14, you will also be able to enter a label to appear on the W2 in this box.

5. After you make the proper selections for this earning code simply click save and back to return to your report.

NOTE: If you unsure what box to report earnings/deductions to on the W2 click the following link for the IRS page and their general instructions for forms W2 & W3:

<https://www.irs.gov/instructions/iw2w3>

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