



Santa Clara County Office of Education

Charles Weis, Ph.D.
County Superintendent of Schools

Informational Bulletin

For Santa Clara County Districts

District Business & Advisory Services

Nimrat Johal: Director- DBAS: 408-453-6599

Cathy McKim, Manager-DBAS: 408-453-6588

Bulletin: 12-068

Date: November 18, 2011

To: District Fiscal Directors
District Personnel and Payroll Directors

From: Cathy McKim

Re: Calendar Year End Payroll Processing

This bulletin provides information and instructions concerning W-2 reporting of additional wage and tax items and special QSS system instructions. District Business & Advisory Services (DBAS) will produce the annual *W-2 Employee Wage and Tax Statements* for all Santa Clara County dependent district employees with taxable wages in 2011. In addition, 2011 wage and tax data will be electronically transmitted to the Social Security Administration (SSA) as part of the annual W-2 production process. Districts do not submit a *Form W-3* for the W-2s produced annually in QSS.

W-2s are created based upon final year-to-date data in QSS and will not require any special district action. However, there are a variety of year-end "additional compensation" items that may require some special district processing in order to be included on the W-2.

Tax Advice

This bulletin and its attachment are not intended as tax advice, but only to assist school districts in understanding the W-2 reporting requirements and QSS capabilities. Districts with specific tax questions should seek advice from their tax counsel or through Federal and State tax agency resources.

Important Deadlines

- | | | |
|------------------------------------|---|----------|
| • December End of Month Payroll | December 12 th | 5:00 pm |
| • Last Payroll Close for 2011 | December 20 th | 10:00 am |
| • Group Life Insurance (GLI) | December 20 th | 5:00 pm |
| • Estimated W2 Processing for DBAS | December 21 st through January 6 th | |
| • First Payroll Close for 2012 | January 4 th | 5:00 pm |
| • W2- C Forms | February 3, 2012 | 5:00 pm |



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Reportable Additional Compensation Items

IRS Publication 15-B contains a discussion of employer-provided fringe benefits and the tax treatment applied to those benefits. The following are some of the possible **additional fringe benefit** items which may require reporting on the *2011 Form W-2*. This is not an all-inclusive list. Detailed information is provided for the following topics:

- Group Term Life Insurance in Excess of \$50,000: Internal Revenue Code (IRC) §79 and §6052
- Domestic Partners Health Insurance
- Special Group Term Life Insurance
- Third Party Sick Pay, State Disability Earnings and Workers' Compensation Adjustments (WCA)
- Mileage Reimbursements: Reporting excess over the federal maximum as wages.
- Automobile Allowances and Personal Use of District-Provided Automobiles: Generally required to be included on the W-2.

Procedures and examples for including "Other Compensation" items in the W-2s produced by our office are attached. With staff absences, office closures, and other limitations during the holiday periods, districts are encouraged to **ensure that all information is process on or before the December 2011 end of month payroll which closes on December 12th, 2011.**

Due to the payroll process changes that have been implemented during the 2011 calendar year, we are scheduled to process W2's and all corresponding reports and files within the first week of January 2012.

Bulletin Attachment Distribution

This bulletin and supplemental W-2 meeting attachments will be distributed to the District Payroll, Personnel Directors, Managers and Supervisors. This information should be shared with staff responsible for the input of year-end adjustments.



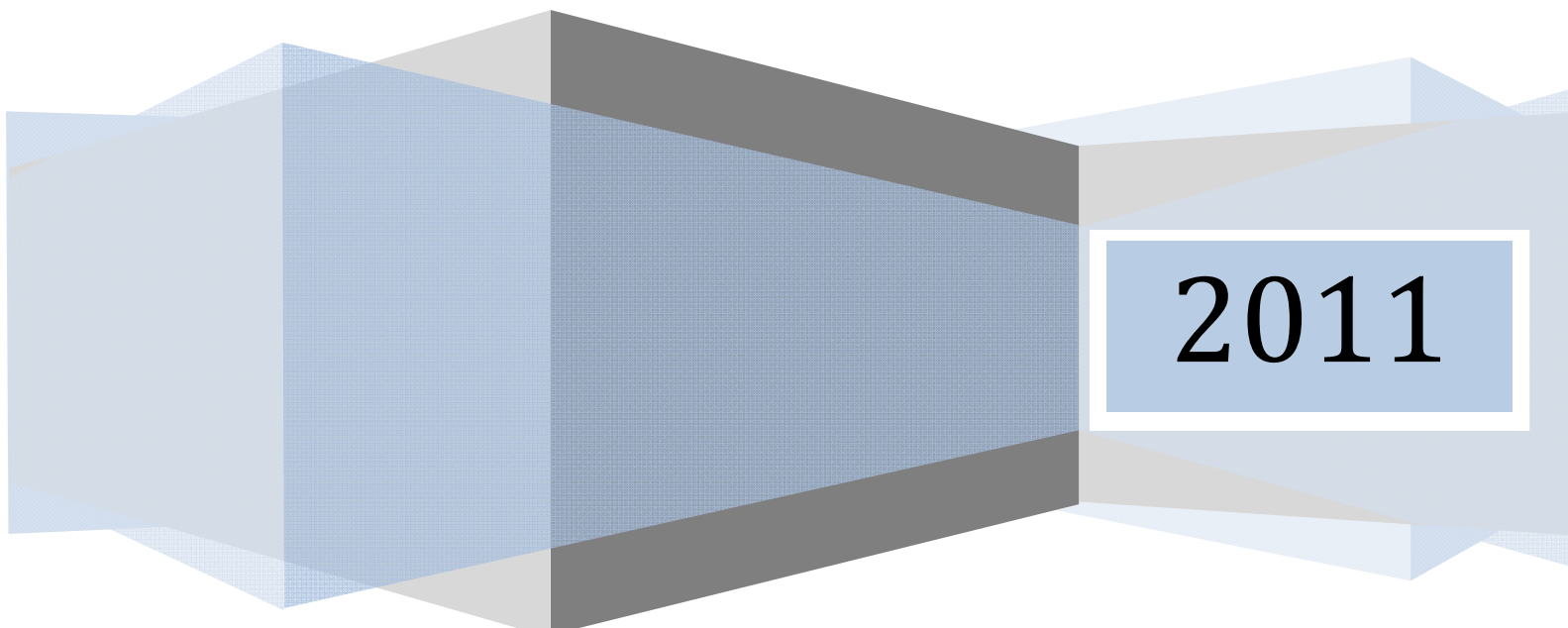
Santa Clara County Office of Education

Charles Weis, Ph.D.
County Superintendent of Schools

Calendar Year End Payroll Processing

Prepared by:

District Business & Advisory Services

A large, abstract graphic composed of overlapping, semi-transparent geometric shapes in shades of blue, grey, and white. The shapes are arranged to form a wide, horizontal band that tapers slightly towards the right. In the center of this band, on the right side, is a white rectangular box with a thin blue border containing the year "2011" in a large, black, serif font.

2011

County Board of Education: Leon F. Beauchman, Michael Chang, Joseph Di Salvo, Julia Hover-Smoot, Grace H. Mah, Craig Mann, Anna Song
1290 Ridder Park Drive. San Jose, CA 95131-2304 (408) 453-6500 www.sccoe.org

A Champion for Children, Schools and Community

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General Information- W-2 Reportable Items

The Internal Revenue Code (IRC) provides that all payments in cash or benefits to an employee by an employer are income to the employee and are to be reported as part of "wages, tips and other compensation" on W-2 statements and are subject to deductions for Social Security and Medicare taxes if the employee's service is covered. This is a general statement. **Only items specifically excluded by other provisions of the code are not reportable or subject to mandatory tax deductions.**

For example, employer payments of employee health insurance premiums are excluded from employee income by IRC §106. Reimbursements for medical expenses attributable to district-paid health insurance premiums are excluded by IRC §105. State law is generally consistent with Federal tax law for **most** payments or benefits.

Important Deadlines

- December End of Month Payroll December 12th 5:00 pm
 - Taxable Fringe Benefit Setup for Payroll (Figure A)
 - Validation of Employee Wages, Social Security Numbers and United States Addresses
- Last Payroll Close for 2011 December 20th 10:00 am
 - Last processing for manual and cancelled warrants for 2011
- Group Life Insurance (GLI) December 20th 5:00 pm
 - Submit Figure B to DBAS
- Estimated W2 Processing for DBAS December 21st through January 6th
- First Payroll Close for 2012 January 4th 5:00 pm
- W2- S Forms February 3, 2012 5:00 pm
 - Forms to Employees with Copies to DBAS

Calendar Year End Payroll Processing

Reportable Income Requiring District Action- Taxable Fringe Benefits

Some types of reportable employee income are **not automatically** included on the QSS W-2's and must be included on W-2's by manually entering balance adjustments into QSS as described in this document.

Your district must detail these fringe benefits by employee; however, you can enter all seven types of Fringe Benefits and any additional types into the payroll system by using just one Vendor Code, 8999, labeled Excess Group Life Insurance (GLI) on the employee's Pay Deduction Screen. We are using this one vendor code to keep the districts' work to a minimum and to maintain the integrity of the data. (See Figure A).

Special Valuation

Reportable income amount's which are not equal to the district payment processed in QSS; i.e., those requiring special valuation methods. For example, the "cost" of district-paid group term life insurance coverage in excess of \$50,000 requires use of a special table. Also, coverage for domestic partner and civil union spousal benefits requires an adjustment to employee taxable wages.

Rules for Determining Fringe Benefit Compensation

Group-Term Life Insurance

If your district pays for life insurance for your employees, the face value of which is more than \$50,000, the premium amount attributable to the value over \$50,000 is reportable compensation to the employee. If you have such a situation, use the attached Cost Table (see Figure C) to calculate the reportable amount. Enter this Figure on the employee's PD Screen as outlined in Figure A and enter the amount on the table on Figure B.

Identification of Non-Group Life Insurance Compensation

To complete the process regarding the taxable Fringe Benefits, DBAS needs your assistance in identifying what portion of the entry is not Group Life Insurance (GLI). This is absolutely necessary for correct W-2 reporting. The IRS dictates that GLI is to be identified on the W-2, in box 12, with the code C. DBAS needs minimal information (see Figure B) to assure accurate reporting. If we do not receive a list from your district by **December 20, 2011**, we will assume that all the entries are GLI.

Special Group-Term Life Insurance

Employer-paid group term life insurance **for dependents** need not be reported if the policy face value of coverage does not exceed \$2,000. Otherwise, calculate and report the “cost” of the policy in the same way as for the employee, except the \$50,000 and \$2,000 exclusions do not apply. Use the “Under Age 25” rate for minor dependents.

Special cases of group term life insurance for terminated employees who are retired or disabled, or where the district or charitable organization is the beneficiary, or when the insurance is provided as part of an IRC §125 Cafeteria Plan have different tax implications. Consult tax counsel or the insurance provider.

If the age of the dependent is unknown, then the age of the employee is used. Enter this Figure on the employee’s PD Screen (See Figure A)

Insurance for Domestic Partners:

California law (AB 205) requires all California employers to offer the same health care benefits to employees with registered domestic partners that are offered to spouses or dependents of employees. In addition, same-sex married couples must file either married or married filing separately for California tax returns.

Federal tax law requires the inclusion of fringe benefits in an employee’s gross income, unless specifically excluded.

- IRC §106 contains provisions for exclusion from income of the employer-paid portion of health plans for an employee’s spouse or dependents. Federal tax law does not provide for the tax exclusion of a domestic partner, unless that individual is the employee’s dependent.
- The fair market value portion of health/benefit insurance coverage provided to a non-dependent domestic partner is included in Federal gross income as taxable compensation to the employee for Federal income tax and Social Security and Medicare taxes.
- Fair market value can be calculated in several ways, as listed below. Districts are advised to confirm with their legal counsel on applying a fair market value. The IRS does not recommend one specific method.
 - a) A calculated difference between (1) the premium the **district contributes** for the employee alone and (2) the premium the district contributes for coverage of an employee and spouse or family, minus (3) the amount the **employee contributes** for the coverage.

Calendar Year End Payroll Processing

- b) An actuarial calculation. The difference between the **actuarial value of insurance** for (1) a single person and (2) insurance for a couple or family, minus (3) the amount the employee pays for the coverage. This method would involve the need for actuarial calculations.
 - c) Another conservative option when there is no insurance cost increase, such as with a blended rate, is to use the COBRA single individual premium for determining an imputed taxable value.
- The IRS has not provided specific guidance on how a taxable value must be calculated. It does require that a fair market value of insurance coverage must be included in the employee's income, even if the cost of the coverage does not change as a result of adding a non-tax dependent.
 - There are various Federal tax consequences for domestic partner coverage, based upon the dependent vs. non-dependent status of an individual and premium payment on a pre-tax and after-tax basis. District tax counsel should review any reporting issues regarding taxable or non-taxable status.
 - IRC §125 regulations provide that employee contributions can be tax deferred for spouse or dependent coverage. If a domestic partner is not a dependent, the portion of the employee contribution assignable to the domestic partner must be an **after-tax deduction**.
 - A number of requirements must be met to qualify as a "Registered Domestic Partnership" in California. Health benefits in a qualified partnership are non-taxable to the employee, per *California Revenue and Taxation Code §17021.7*.
 - http://www.ss.ca.gov/business/sf/sf_dp.htm California AB 25, AB 205, AB 2208 FTB Notice 2008-5

The fair market value of the benefit is the amount that will be entered in the PD screen as explained (See Figure A) and that amount will need to be added to Figure B.

Third-Party Sick Pay

For partially disabled employees who received group sickness/accident benefits from a third party, the income received within the first six months of benefits is reportable as taxable income. The method in reporting these wages depends on your district's contract with the Third Party Vendor.

DBAS will not be processing manual earning adjustments for Third Party Sick leave payments that have not been processed according to guidance on Bulletin 11-010 Dated March 16, 2011. Districts that have not followed these guidelines will need to create a W2-S document after the W2 process has been completed. If this is the case, a manual, supplemental W-2C will have to be issued by you and forwarded to our office.

Please note:

If the employee has paid the premium for this insurance, all proceeds (payments) from the third-party are non-taxable income, and *should not be* reported on the W-2.

Employer Paid State Disability Insurance (SDI)

If you paid your employee's SDI, or reimbursed the employee rather than having SDI deducted from their salaries, the amount paid must be included as reportable compensation and should have been processed via the QSS payroll system. Enter this amount on the employee's PD Screen as outlined in Figure A.

Calendar Year End Payroll Processing

Mileage, Travel and Related Items

a) Mileage Reimbursements

Mileage reimbursements are those made at a **per mile** rate contingent on submission of claims by employees. Typically a claim shows the destination and distance, purpose or explanation, and a per mile rate of reimbursement.

Reimbursements in 2011 at a rate not greater than 51 cents per mile for the period January 1 through June 30, and not greater than 55.5 cents per mile for July 1 through December 31, need not be reported as they are considered as substantiated under an accountable plan.

If you have used the pay type NTX, then no further adjustments are needed.

If mileage is reimbursed at a rate greater than the Federal maximum benefit rates per mile, the taxable amounts are entered on the employee's PD Screen as outlined in Figure A.

b) Travel Allowances

If your district pays travel or other allowances to employees without requiring the employee to account adequately for those expenses, those payments must be shown as reportable compensation.

If you have used the payment type TRVN, Travel Pay, then no further adjustments are needed. All travel allowances so paid will be included automatically on the 2011 W-2 form.

If you have not used the TRVN pay type stated above, enter those travel payments on the employee's PD Screen as outlined in Figure A.

Reimbursements for travel **expenses which are not business-related are fully reportable** and subject to all applicable employment taxes and must have been processed through the payroll system as reportable earnings.

District-Owned Automobiles: The value of **personal use** of district-provided automobiles is determined per IRS rules found in *IRS Publication 463*. (www.irs.gov/pub/irs-pdf/p463.pdf)

Annual Lease Value

The FMV of an employee's personal use of a district-provided car is determined by multiplying the annual lease value in the IRS table by the percentage of personal miles driven.

- Conditions:
- Determine Fair Market Value (FMV) of a car when made available to employee.
- Locate FMV in IRS *Annual Lease Value Table*. (See Figure D)
- Determine percentage of personal miles (personal miles ÷ total miles).
- Calculate amount to add to Federal and State taxable wages (Annual Lease Value x Personal Mileage Percentage).

District-Owned Vehicle Use

The value of personal, non-business use of district-owned vehicles must be reported as taxable income. If your district does not withhold federal income tax on the value of an employee's personal use of a district-owned vehicle, your district must include the full value of the employee's personal use of the vehicle as reportable compensation.

Your district may also elect to treat 100 percent of the use of the vehicle by employees as personal use, and to include the entire value in the employee's wages. If this option is selected, your district will not need to keep records of employee's business use of the vehicle. The employees will be able to claim deductions for business use of the vehicle on their individual tax returns.

One of the most common forms of personal use is commuting. If that is the only personal use of a district-owned vehicle, the value is set at \$3.00 a day by statute (\$1.50 each way). If more than one employee commutes in the vehicle, this value applies to each employee. If the vehicle is used for other personal reasons, its fair market value is used to determine the compensation.

If the vehicle is kept at the district site during non-business hours, and is not used for commuting, and is used only minimally for personal reasons (lunch travel), then no values need to be determined.

Vehicles that are exempt from valuation include flatbed trucks, delivery trucks with driver only seating, cargo trucks (GVW of 14,000 lbs) school buses and marked police vehicles.

If you have taxable compensation for district-owned vehicle use, and have not already processed this via the normal payroll processing, please enter it on the employee's PD screen as described in Figure A.

Calendar Year End Payroll Processing

Other Year End Tax Considerations- Not to be included in Figure A

Membership/Professional Dues

The cost of professional dues paid by an employer, which would be deductible as a business expense on an employee's tax return if paid by the employee, qualifies as a "working condition fringe benefit" and is excludable from (being reported as) income. The cost of memberships, which are primarily of personal benefit, may be reportable. Consult with a tax counsel as is necessary.

Retirement Refunds and Collections

All refunds and collections that have been processed during this calendar year must be processed via the QSS payroll system. If these transactions have not been processed as outlined in the retirement manual, the district will be responsible for creating a W2-C after the W2 process has been completed by DBAS.

Workers Compensation/Disability

Workers' Compensation/Disability (WC/Disability) is not taxable for OASDI and Medicare purposes. Districts were provided the change to the processing of Worker's compensation/Disability wages.

- The Taxable Earnings Amount will be **correct**:

If your district processes WC/disability payments to employees by giving the WC/Disability checks to the employees and docking their regular warrants the amount of the WC/disability payment.

- The Taxable Earnings Amounts will be **incorrect and you will need to create a W-2C for the employee when the W2 Process has been completed by DBAS**:

If your employees endorse their WC/Disability checks over to the district and then receive their regular pay without being docked for the amount of the WC/disability check. The OASDI and Medicare must be refunded to the employee.

<http://www.scoec.org/docs/DBASDocs/Payroll%20Retirement%20SLIDE%20for%20Presentation%20March%2014%202011%20-%20Final.pdf>

Exempt W-4 Forms

If an employee claims exempt from withholding on the W-4 form, income tax will not be withheld from the earnings. **The employee may not claim “exempt” unless they did not owe tax in the previous year and do not expect to owe taxes in the current year. Students are not automatically exempt from withholding.**

An employee who has claimed “exempt” from withholding as of December 31st is required to complete a new W-4 form on or before February 15th of the following calendar year. If the employee does not comply with this requirement, you must hold federal income tax as though the employee claimed the single exemption with no allowances, beginning with wages paid on or after February 16th. The district should continue to withhold at this rate until the employee submits a new W-4 form.

Canceled/Manual Warrants

Please be sure that ALL warrants to be cancelled for the 2011 calendar year are received by DBAS before **10:00 a.m. on Tuesday, December 20, 2011**. If we have not received these by this deadline, you will be responsible to prepare W-2C forms for your employee(s).

The last manual warrant processing will close at 10:00 a.m. on Tuesday, December 20, 2011.

These warrants will be available after 10:00 AM on Wednesday, December 21, 2011.

Employee Wage Verification

Negative annual wages must be corrected during your last calendar year payroll processing. Run a pre-list and verify if earnings for the calendar year are negative. If so, please determine the rationale and correct the totals if possible. If you are not sure how to make this correction, contact your accounting specialist for advice on the best method of correction.

Employee Social Security Verification

Districts reporting incorrect social security numbers will be rejected when the file is submitted to the Internal Revenue Service. It is the district’s responsibility to verify the employee’s social security number upon employment. A quick validation would ensure that the Social Security Numbers are 9 digits, not containing all zeros.

Employee Address Verification

It is the district’s responsibility to verify that all employees have a United States address. Addresses out of the country will be rejected.

Calendar Year End Payroll Processing

Advance payment of earned income credit (EIC).

The option of receiving advance payroll payments of EIC expired on December 31, 2010. Individuals eligible for EIC in 2011 can still claim the credit when they file their 2011 federal income tax return; however, Districts should not have identified these employees in QSS on the W4 screen. For the districts who continued to identify these employees, we will be correcting the taxes on their 2011 W2 forms. It is the districts responsibility to ensure proper setup for employees in the future.

W-2 C Form Preparation

You may need to prepare manual supplemental W-2C forms if you received any additional Third Party, Workers Compensation or State Disability statements after the year's final payroll processing. If this is the case, you must prepare the employee's W-2C form yourself. Please be advised that the district will be responsible for any penalties or interest incurred for not reporting these wages within the time they were earned. You must obtain official printed IRS forms from the IRS, order from their website (www.irs.gov forms and publications section), or from a vendor. DBAS will not supply additional forms.

Please note: The IRS will levy a \$50.00 penalty per W-2 if you do not file an official printed IRS Form. **Do not use** a form which has been downloaded or photocopied. A W-2C form must be prepared even if all sick pay is nontaxable (See Box 12 Below)

The W-2C form must include the employer's name, address identification number (EIN) as well as the employee's name, address, social security number and the following information:

- Box 1: Sick pay the employee must include in income
- Box 2: All Federal income tax withheld from the sick pay
- Box 3: Sick pay subject to employee social security tax
- Box 4: Employee social security tax withheld from the sick pay
- Box 5: Sick pay subject to employee Medicare tax
- Box 6: Employee Medicare tax withheld from the sick pay
- Box 12: Any amount not subject to Federal income tax because the employee contributed to the sick pay plan (enter code J)

If you prepare a supplemental W-2C form, please send copy A, copy 1 and a photocopy of it to me in DBAS, Mail Code 252, **by February 3, 2012**. Retain copy D (employer's copy) for your district.

DBAS will make the necessary entries to ensure for the taxes that must be remitted.

Figure A – Instructions for adding Taxable Fringe Benefits

Select the Employee Maintenance menus. Find employee either by social security number or name. Next, choose the PD Screen. Tab to a blank Vendor Deduction line. Under the field, DS (deduction schedule) enter the number 1. In the next field, enter Code 8999. Then, the last field to be filled in is Employee. Enter the taxable amount of Fringe Benefit Compensation. Next press enter, and then update which is the F7 Key. If you choose, you can consolidate all the taxable Fringe Benefit Compensation and make just one entry, or enter multiple lines, one for each applicable type (see below).

The system will select which contributions will be taken based on the employee’s normal (NML) Pay line and Statutory Deduction Profile. For example, if the employee was a teacher subject only to Medicare, according to the employee’s Statutory Deduction Profile, then only the Medicare contribution would be taken from the employee’s pay.

Please note that even if the employee is not subject to both OASDI and Medicare, an entry still needs to be made. This will allow the system to automatically update the Federal and State Taxable Earnings.

Important Reminder: Since you need earnings to deduct taxes, you must process the adjustments on a payroll. If all required input is not completed by the final December payroll, you will be responsible to issue supplemental W-2’s or W-2 C forms.

District: 90 SANTA CLARA COUNTY OFF OF EDU QSS/OASIS
 Employee Maintenance Mode: Change
 DI/SSN: 90/ CATHY M 901558 Sc: PE Pay deductions
 NS: Yr: 11

DS	Code	Pln	Employee	Employer	T	RL	B	FSvb	Minimum	Maximum	Balance	Limit
01	8999		50.00									
											Use:	
											Use:	
											Use:	
											Use:	
											Use:	
											Use:	
											Use:	

Ded-Sched
 Page 4 deds 0.00 0.00
 Total deds 937.28 1,100.71

Figure B – Group Life Insurance

2011 Year W-2 Changes For Group-Term Life Insurance Due to DBAS on December 20, 2011		
Number _____	District _____	
Employee Name	Social Security Number	Amount To Be Moved From GLI

Authorized Signature: _____

Return to: Cathy McKim cathy_mckim@scoe.org, Mail Code 252 Ph: 408-453-6588 or Fax: 408-453-6653

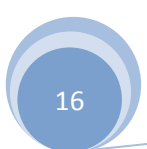


Figure C - Uniform Premium Table I IRC Section 79

Fair Market Value GLT Insurance per \$1,000 of Excess Benefit per Month

Age Bracket*	Cost of Protection for 1 month period
Under 25.....	\$0.05
25 through 29.....	\$0.06
30 through 34.....	\$0.08
35 through 39.....	\$0.09
40 through 44.....	\$0.10
45 through 49.....	\$0.15
50 through 54.....	\$0.23
55 through 59.....	\$0.43
60 through 64.....	\$0.66
65 through 69.....	\$1.27
70 and above	\$2.06

Steps to compute taxable amount due to life insurance: For the purpose of this table, the age of the employee is the age on December 31, 2011*.

- 1) Subtract \$50,000 from the amount of the insurance coverage;
- 2) Divide the DIFFERENCE in Step 1 by \$1,000* (see note below)
- 3) Multiply the quotient obtained in Step 2 by the appropriate cost from the right-hand column of the table above, opposite the employee's age bracket (age on December 31, 2011);

To arrive at the taxable income to the employee, multiply the result obtained in Step 3 by the number of months during the year that insurance coverage was in force.

*For Dependent Group Life Insurance, skip Step 1. At step 2, use the cost of the insurance, up to the limit of \$2,000, and proceed to Steps 3 and 4.

Example: Employee, age 36, had both \$60,000 (January 1-June 30) and \$72,500

(July 1-December 31) of group-term life insurance coverage, premiums paid by the district.

Steps:		(Repeat steps 1-4 for \$72,500 amount)	
1) \$60,000 - \$50,000	= \$10,000	1) \$72,500 - \$50,000	= \$22,500
2) \$10,000 ÷ \$ 1,000	= 10	2) \$22,500 ÷ \$ 1,000	= 22.50
3) 10 x \$.09	= \$.90	3) 22.5 x \$ 0.09	= \$ 2.03
4) \$.90 x 6 months	= \$ <u>5.40</u>	4) \$2.03 x 6 months	= <u>\$12.18</u>

Add results of Step 4 5.40 + 12.18= \$17.58 = Taxable income to report,
Times from both calculations 6.20% = 1.09 OASDI 1.45% = .25 Medicare

Figure D – IRS Annual Lease Value Table

Automobile Fair Market Value	Annual Lease Value	Automobile Fair Market Value	Annual Lease Value
\$ 0 – 999	\$ 600	\$22,000 – 22,999	\$ 6,100
1,000 – 1,999	850	23,000 – 23,999	6,350
2,000 – 2,999	1,100	24,000 – 24,999	6,600
3,000 – 3,999	1,350	25,000 – 25,999	6,850
4,000 – 4,999	1,600	26,000 – 27,999	7,250
5,000 – 5,999	1,850	28,000 – 29,999	7,750
6,000 – 6,999	2,100	30,000 – 31,999	8,520
7,000 – 7,999	2,350	32,000 – 33,999	8,750
8,000 – 8,999	2,600	34,000 – 35,999	9,250
9,000 – 9,999	2,850	36,000 – 37,999	9,750
10,000 – 10,999	3,100	38,000 – 39,999	10,250
11,000 – 11,999	3,350	40,000 – 41,999	10,750
12,000 – 12,999	3,600	42,000 – 43,999	11,250
13,000 – 13,999	3,850	44,000 – 45,999	11,750
14,000 – 14,999	4,100	46,000 – 47,999	12,250
15,000 – 15,999	4,350	48,000 – 49,999	12,750
16,000 – 16,999	4,600	50,000 – 51,999	13,250
17,000 – 17,999	4,850	52,000 – 53,999	13,750
18,000 – 18,999	5,100	54,000 – 55,999	14,250
19,000 – 19,999	5,350	56,000 – 57,999	14,750
20,000 – 20,999	5,600	58,000 – 59,999	15,250
21,000 – 21,999	5,850	For Vehicles having a fair market value in excess of \$59,999, the annual lease value = (0.25 x the auto's fair market value) + \$500	

Figure E – Third Party Information – Submit to DBAS- MC 252

Employee SSN	Employee Name	Third Party Vendor	Amount	ER Benefits Paid by Vendor (VD) or District (DI)

Signature of Authorized Signer:

Date

Calendar Year End Payroll Processing

Figure F- Check Off Sheet

Description	No- Next Question	Yes - See Reference
Rules for Determining Fringe Benefit Compensation		
Does your district pay for Life Insurance with a face value over \$50,000?		Figure A & B
Does your district pay for Dependent Life Insurance with a face value over \$2,000?		Figure A
Does your district have Domestic Partners covered by your Insurance?		Figure A
Did any of your employees receive Third Party Sick Pay?		Figure E- Required
Did any of your employees receive Third Party Sick Pay that was not processed via the QSS Payroll System?		Third Party Sick Pay
Did you pay your employee's SDI, or reimburse the employee rather than having SDI deducted from their salary?		Employer Paid State Disability Insurance
Did you pay your employee mileage reimbursement in excess of the Federal maximum rate and did not process them through the payroll system?		Figure A
Did you pay your employees travel or other allowances without requiring the employee to account adequately for the expenses and have not processed these amounts through the payroll system?		Figure A
Do you allow your employees to use a district provided car for personal use?		Figure A & Figure D – IRS Annual Lease Value Table
Other Year End Tax Considerations		
Did your employees endorse their Workers Compensation payment checks over to the district and receive their regular pay without being adjusted for the workers compensation pay? (Reminder: Workers Compensation is not subject to OASDI and Medicare)		Worker's Compensation /Disability
Do you have employees who claim exempt from withholding on their W-4 forms?		Exempt W-4 Forms
Do you have to process additional warrants or cancel warrants for this calendar year?		Canceled /Manual Warrants
Based on the responses to the questions above, do you need to prepare W2-C forms for your employees?		W2- C Form Preparation
Employee Wage Verification		
Run a Pay510 after your final payroll run and identify employees with negative taxable income for the year. Do you have any employees with negative wages?		Employee Wage Verification
Have you verified all new employee social security numbers at the time of employment? Are all social security numbers 9- digits in length and include at least one digit that is not equal to zero?		Employee SSN Verification
Run an Employee Address Listing and verify that all employees have a United States address. Do all employees have a United States address?		Employee Address Verification

REFERENCES:

Documents located on the SCCOE Website:

Cell Phone Stipend Change:

<http://www.sccoe.org/docs/DBASBulletins/12-052%20DBAS%20Bulletin%20Cell%20Phones.pdf>

Mileage Reimbursement Rate Change:

<http://www.sccoe.org/docs/DBASBulletins/11-070%20DBAS-Informational%20Bulletin-%20Mileage%20Reimbursement.pdf>

Payroll Calendars:

<http://www.sccoe.org/docs/DBASBulletins/Revised-10-03-11-Payroll%20Schedule%20for%202011-12.pdf>

Process Change for Third Party Sick Leave:

<http://www.sccoe.org/docs/DBASBulletins/11-010%20DBAS-Bulletin-%20Process%20Change%20for%20Third%20Party%20Sick%20Leave.pdf>

<http://www.sccoe.org/docs/DBASBulletins/Payroll-Retirement%20Training%20Manual-Third%20Party%20Sick%20Pay.pdf>

Process Change for Net Pay Adjustments:

<http://www.sccoe.org/docs/DBASBulletins/11-003-DBAS-Bulletin-%20Process%20Change%20for%20Net%20Pay%20Adjustments.pdf>

Retirement Error Identification and Correction:

http://www.sccoe.org/docs/DBASBulletins/11-045-DBAS%20Bulleting-F496_0.5602075.pdf
<http://www.sccoe.org/docs/DBASBulletins/11-015%20DBAS%20Bulletin-PERS-STRS%20Errors.pdf>

Retirement Training Document

<http://www.sccoe.org/docs/DBASDocs/Payroll%20Retirement%20SLIDE%20for%20Presentation%20March%202014%202011%20-%20Final.pdf>

QSS Reports for Employee Validation:

Payroll Report to Validate Employee's year to date Wages: Use the Pay510-Prelist

Payroll Report to Verify United States Addresses:

Use the Employee Address Listing

Calendar Year End Payroll Processing

DBAS Service Teams

Advisor	Phone	Accountant	Phone	#	District Name	Accounting Specialist	Phone
Ann Redd	453-6593			61	W. Valley Trans	Regina Jetomo	453-6615
				62	Metro Ed	Sherryl Santos	453-6890
				63	North County ROP	Sherryl Santos	453-6890
				64	Silicon Valley JPA	Sherryl Santos	453-6890
				66	East Valley JPA	Sherryl Santos	453-6890
				71	Foothill-DeAnza	Regina Jetomo	453-6615
				72	Gavilan Joint	Regina Jetomo	453-6615
				75	West Valley-Mission	Sherryl Santos	453-6890
				76	San Jose/Evergreen	Regina Jetomo	453-6615
				90	SCCOE	Regina Jetomo	453-6615

Advisor	Phone	Accountant	Phone	#	District Name	Accounting Specialist	Phone
Jason Vann	453-6576	Jemil Dimaya	453-6590	8	Cambrian	Judy Najera	453-6671
				10	Cupertino Union	Judy Najera	453-6671
				13	Franklin-McKinley	Janie Huang	453-6614
				22	Luther Burbank	Janie Huang	453-6614
				26	Moreland	Janie Huang	453-6614
				30	Oak Grove	Janie Huang	453-6614
				31	Orchard	Judy Najera	453-6671
				39	Union	Judy Najera	453-6671
				82	San Jose Unified	Janie Huang	453-6614
				84	Morgan Hill Unified	Judy Najera	453-6671

Advisor	Phone	Accountant	Phone	#	District Name	Accounting Specialist	Phone
Jenina Salcedo	453-6594	Emma Eclevia	453-6673	4	Alum Rock	Tami Camarena	453-6619
				7	Berryessa	Doris Lopez	453-6613
				12	Evergreen	Doris Lopez	453-6613
				17	Lakeside Joint	Tami Camarena	453-6619
				36	Saratoga Union	Tami Camarena	453-6619
				51	Campbell Union High	Tami Camarena	453-6619
				52	East Side Union High	Doris Lopez	453-6613
				56	Los Gatos - Saratoga	Tami Camarena	453-6619
				81	Palo Alto Unified	Tami Camarena	453-6619
				83	Gilroy Unified	Doris Lopez	453-6613
				85	Milpitas Unified	Doris Lopez	453-6613

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Advisor	Phone	Accountant	Phone	#	District Name	Accounting Specialist	Phone
Kolvira Chheng	453-6510	Yen Lam	453-6772	9	Campbell Elem	Rachelle Herrera	453-6608
				19	Loma Prieta	Rachelle Herrera	453-6608
				20	Los Altos	Amrita Bhatti	453-6607
				21	Los Gatos Union	Rachelle Herrera	453-6608
				28	Mt. Pleasant	Amrita Bhatti	453-6607
				29	Mtn. View Whisman	Rachelle Herrera	453-6608
				37	Sunnyvale	Amrita Bhatti	453-6607
				53	Fremont Union High	Amrita Bhatti	453-6607
				57	Mtn. View - Los Altos	Amrita Bhatti	453-6607
				88	Santa Clara Unified	Rachelle Herrera	453-6608

Business Services Team				Department Support		
Accountant	Phone	Accounting Specialist	Phone			
Nghia Do	453-6591	Laurie Sholl	453-6610	Director III	Nimrat Johal	453-6599
Anita Maharaj	453-6617	Marko Mosunic	453-6667	Manager	Cathy McKim	453-6588
		Monica Montes	453-6616	Administrative Assistant	Annie Romero	453-6813
		Pauline Mai	453-6606	Fiscal Tech- Front Desk	Kellie Guevara	453-6609