



District Business and Advisory Services

Bulletin: 22-012

Date: December 5, 2021

To: District Fiscal Directors
 District Personnel and Payroll Directors

From: Susan Ady Director- District Business Services
 Stephanie Gomez – Chief Business Officer

Re: 2021 Calendar Year *W-2 Employee Wage and Tax Statements*

This bulletin provides important information for the 2021 Calendar Year End Payroll Processing. District Business and 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 2021. In addition, 2021 wage and tax data will be electronically transmitted by DBAS to the Social Security Administration (SSA) as part of the annual W-2 production process. Districts do not need to submit a *Form W-3* for the W-2s to be produced in QCC.

W-2s are created based on final year-to-date data in QCC. During December, as DBAS staff reconciles this data and identifies discrepancies, we will need support from the districts to resolve any errors. Corrections will need to be processed during December for the timely production of the W-2 forms.

As a reminder, districts should record Group Term Life Insurance (GLI) payments in the QSS payroll system on a monthly basis to ensure proper withholding of applicable taxes as premiums are paid, using voluntary deduction code 8999. The last opportunity to enter the cumulative GLI excess premiums in the QSS system will be **December 13, 2021, if not properly withheld in each payroll period**. If required corrections or other updates are not completed by December 13, 2021, districts will be responsible for issuing supplemental W-2 Correction Forms and a per transaction error correction fee of \$50 may apply.

Occasionally, there are a variety of year-end “additional compensation” transactions that may require special processing in order to be included on the W-2. DBAS staff will reach out to district staff to work through these items. Generally, Internal Revenue Service (IRS) [publication 15-B](#) requires that all fringe benefits be reported as taxable compensation unless specifically excluded by law. A copy of the latest Publication 15-B is attached for your reference.

Important Deadlines

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| • December payroll cancellations | December 13, 2021 | 3:00 pm |
| • December End of Month Payroll Close | December 13, 2021 | 5:00 pm |
| • Group Term Life Insurance (GLI) correction cutoff | December 13, 2021 | 5:00 pm |
| • Other Non GLI W-2 correction cutoff | December 13, 2021 | 5:00 pm |
| • W2 Processing by DBAS | December 30, 2021 through January 21, 2022 | |
| • W2-C Forms due from Districts, if needed | February 4, 2022 | 5:00 pm |

This bulletin and its attachments are not intended as tax advice but included as background information on the W-2 reporting requirements and to coordinate the processing of W-2's. You can find the attachments on the DBAS bulletin website here:

<https://www.sccoe.org/depts/bizserv/DBAS/Pages/bulletins.aspx>

Attachment A – 2021 Year W-2 changes Group Life Insurance Form/2021 Year W-2 changes other Non GLI Form

Attachment B – 2021 Calendar Year W-2 Employee Wage and Tax Statement Guide

Happy Holidays to you and your families from the DBAS Team!
Please distribute this memo within your District as deemed appropriate.