



NEWS TO USE

A newsletter for PERSI employers

December 2008

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- Notes

REPORTING PERSI CONTRIBUTIONS ON A W-2 FORM

It's been several years since W-2 forms have been covered in a newsletter, so it seemed like a good time to review. The following is a general summary on how to report PERSI contribution information, as well as other tax-deferred contributions [401(k), 457, and 403(b)] on the W-2 form from the Internal Revenue Service (IRS). The time to complete these forms is drawing near, so the following basic guidelines are being provided to help make the job easier.*

- Voluntary employee contributions (elective deferrals) to a 401(k), 403(b), or 457 plan

Box 3 Social Security Wages

Total wages paid (before payroll deductions) subject to Social Security tax. The total of boxes 3 and 7 cannot exceed \$102,000 in 2008.

Box 5 Medicare Wages

The same wages as those subject to Social Security tax (Box 3), except there is no wage base limit.

Box 11 Nonqualified Plans

To show distributions to an employee from a nonqualified or nongovernmental 457(b) plan.

Boxes on the W-2 Form

Box 1 Wages, Tips and Other Compensation

This is generally gross compensation less:

- Mandatory employee contributions to the PERSI Base Plan

Continued on back

22222		a Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN)		1 Wages, tips, other compensation		1		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		3		4 Social security tax withheld	
		5 Medicare wages and tips		5		6 Medicare tax withheld	
		7 Social security tips				8 Allocated tips	
d Control number		9 Advance EIC payment				10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans	
		11		12		12a	
		13 Statutory employee		Retirement plan		Third-party sick pay	
f Employee's address and ZIP code		14 Other		14		12c	
						12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Box 12 Codes

List a separate code and amount for each type of elective deferral. For example, if an employee made elective deferrals to both the PERSI Choice 401(k) Plan and a 403(b) plan, you would enter Code "D" and the amount contributed to the 401(k) in box 12a; the amount contributed to the 403(b) would go in box 12b and you would indicate Code E. (Code G is used for 457(b) plans.)

Box 13 Check List for Retirement Plans

Check this box if an employee is an active participant in a defined benefit plan [the Base Plan] or a defined contribution plan [the Choice 401(k) or other 401(k) plan, or a 403(a) or (b) plan]. Active generally means eligible to participate.

Box 14 Other

You may, but are not required to, use this box to provide additional information to your employee. Although there are several reasons you might use this box, the ones relating to pension plan contributions are:

- a) Nonelective employer contributions to a pension plan on behalf of an employee
- b) Voluntary after-tax contributions (but not designated Roth contributions) that are deducted from an employee's pay
- c) Required employee contributions
- d) Employer matching contributions

Employers are advised to consult with their own tax advisors for clarification on W-2 forms and other tax issues.

For more detailed information and full instructions on completing the W-2 form, visit the IRS Web site at <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>. You can also call the IRS toll-free Monday-Friday, 8:30 a.m. to 4:30 p.m. Eastern time at 1-866-455-7438 to get answers to your questions.

* The source of information for this article was the 2008 Instructions for Forms W-2 and W-3 from the IRS.

EMPLOYER SURVEYS GO OUT SOON

The PERSI employer survey should go in the mail in the next few days. The short survey (18 questions) will help direct the activities of the Employer Service Center (ESC) during the coming year. So please take a few minutes to complete the questionnaire and return it in the postage-paid envelope provided. The deadline for returning the survey is December 30, 2008. When the data has been reviewed and analyzed, the results will be shared with you in a future newsletter. Thank you for participating in the survey, your feedback is invaluable to PERSI.

Notes

PERSI has hired a new manager for the Processing Center. Shawnda Kasma accepted the position and started November 14th. She comes to PERSI after spending 20 years in the private sector, most recently as an Assistant Vice President and General Manager at Alliance Title and Escrow Corporation where she oversaw the marketing and operations for three locations in Canyon and Owyhee Counties. Her management and operations experience set her apart from the 10 other well-qualified candidates who were interviewed. Shawnda brings vast knowledge of insurance, customer service, IT conversions, and payroll to the position.

