2011 W-2/W-2C
Reporting Instructions via the DC Electronic Taxpayer Service Center (eTSC)

VERSION 1.4 (01/3/2012)

Version Control

Version Number/Date	Comments
1.1/12/19/2011	Initial
1.2/12/28/2011	Comments received from FSG and Director, RPA; removed 1099 requirements until 2012 version
1.3/12/29/2011	Comments from Deputy Director, RPA
1.4/1/3/2012	Added most common error messages as Section 14

W-2 REPORTING VIA DC ELECTRONIC TAXPAYER SERVICE CENTER

What's new?

- The submission due date of these informational statements (including W-2) is now January 31st of each year.

- Employers must file Forms W-2 electronically if the number of Forms W-2 is greater than 25. If 26 or fewer, the employer may file electronically (on-line data entry), or paper forms attached to the Transmittal Form W-2-1099T, located in the FR-900M or FR-900Q booklets.

- Beginning January 1, 2012, payers who are withholding from retirement accounts or plans for DC residents subject to federal withholding must file electronically if the number of 1099s is greater than 25. Specifications for 1099 will be released in 2012. These informational documents will also be due January 31st of each year.

- A new field, Kind of Employer has been added to the RE Employer Record (position 174), a required field that is not used for DC filing.

- RE record changes have been made to include a new field per SSA specifications.

- RW record changes have been made to include a new money field per SSA specifications.

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W-2 REPORTING VIA DC ELECTRONIC TAXPAYER SERVICE CENTER

1. GENERAL INFORMATION

The Office of Tax and Revenue (OTR) paper filers are being offered a faster and more convenient way to create and transmit W-2 and W-2C (correction) wage reporting electronically. Electronic filing eliminates the outdated manual paper and magnetic media processes. Electronic filing of W-2 (EFW2) and W-2C (EFW2C) was designed according to Social Security Administration (SSA) specifications. The same file that you transmit to SSA can now be transmitted to the District of Columbia, with few adjustments. One example of a required adjustment is the RS record is required for DC

Visit http://www.socialsecurity.gov/employer/pub.htm for the 2011 EFW2 and EFW2C specifications for filing forms W-2 or W-2C electronically.

DO NOT send paper or PDF's of W-2s or W-2Cs if you have submitted your file(s) electronically or used the on-line data entry system. These are for your records.

All submitters must obtain a User ID through our electronic taxpayer service center (eTSC) registration process. This is a one-time registration. Bulk filers, must use '44-4444448' as the EIN and 'W2 Bulk Filer' as the business name when completing the eTSC registration application. If the person assigned to process the W-2 or W-2C terminates employment with the submitter, complete a new application to receive a new user ID and password. To register, please visit us online at **https://www.taxpayerservicecenter.com/GetStarted.jsp**. For more information, please contact OTR's E-Commerce Unit at (202) 442-6313 or via email at ETSCAccount@dc.gov.

2. FILING REMINDERS

2.1.1. Filing Deadline
The filing deadline is January 31st of each year.

2.1.2 Electronic Filing
You must file electronically if you are filing more than 25 W-2s or W-2Cs. The threshold has been reduced from 50.

2.1.3 Paper
Even if you are a small business filing fewer than 26 W-2s, in lieu of sending paper, OTR encourages you to file electronically using our on-line data entry application or file upload method. (See section 3 of this document for details).

2.1.4 Magnetic Media
OTR and SSA no longer accept any type of magnetic media; for example, magnetic tapes, tape cartridges, 3 1/2" diskettes, CDs, or reels. These will be returned to you, unless a waiver has been granted by OTR for CDs.

We encourage all wage reporters to submit their W-2s electronically, using either bulk filing or on-line data entry. (See section 3 of this document for details)

3   W-2/W-2C DATA REQUIREMENTS / FILE ACCEPTANCE

Please refer to the SSA handbook to obtain additional information regarding data requirements and file acceptance in order to eliminate file rejection due to errors. Listed below are the EFW2 record requirements for file creation of records to be submitted to OTR using the eTSC:

RA–Submitter Record (Required)
RE–Employer Record (Required)
RW–Employee Wage Record (Required)
RO-Employee Wage Record (Optional)
RS-State Wage Record (Required)
RT-Total Record (Required)
RU-Total Record (Optional)
RV-State Total Record (Optional)
RF-Final Record (Required)

4   EMPLOYER/EMPLOYEE RECORD INFORMATION

4.1.1   Submitters' Information

Record Length

All employer records must adhere to the required record length for both EFW2 and EFW2C as follows:

Electronic File W-2 (EFW2) – 512 bytes (each record)
Electronic File W-2 Correction (EFW2C) – 1,024 bytes (each record)

Each record must terminate with a carriage return (at the end of each row).

4.1.2 RA Submitter Record

It is imperative that the submitter's telephone number and E-mail address be entered in the designated positions. Failure to include correct and complete submitter contact information may result in OTR rejecting your file submission.

4.1.3 RE Employer Record

Be sure to enter the correct tax year in the Employer Record (e.g., YYYY).

Be sure to provide the Employer Name in the Employer Record.

Employment Code in the Employer Record is optional for DC W-2 reporting. (Note: Please ignore it if your EFW2 file fails the AccuWage validation due to a missing value in this field or any related validation against this field.)

4.1.4 RW Employee Wage Record

Be sure to enter the correct amount of employee wages.

4.1.5 RS State Wage

The RS Record is required for DC wage reporting.

4.1.6 RT Total Record

Be sure the totals values match throughout the file.

4.1.7 RF Final Record

Be sure each data file submitted is complete.

4.1.8 RO, RU & RV Record

These records are optional and do not contain wage reporting data relevant to DC.

5   DOWNLOAD ACCUWAGE/ACCUW2C

AccuWage and AccuW2C are free software offered by the Social Security Administration (SSA) for companies to use to check W-2 (Wage and Tax Statement) and W-2C (Corrected Wage and Tax Statement) reports for accuracy before sending them to the Social Security Administration and the OTR.

AccuWage is for use with Electronic Filing W-2 (EFW2 - formerly MMREF-1).
AccuW2C is for use with Electronic Filing W-2C (EFW2C - formerly MMREF-2).

Download and Install

To download software, click the Accuwage\AccuW2C link. Download and install AccuWage/AccuW2C software on your PC. Then, specify the directory where your W2REPORT or W2CREPORT file is located. AccuWage/AccuW2C reads the file and informs you of any errors it detects.

AccuWage/AccuW2C software does not verify optional state/local records, such as the RS and RO.

Download and installation of AccuWage/AccuW2C require System Administrator rights of your operating system and rebooting of your PC after installation. OTR does not provide support for any AccuWage software downloaded to your operating systems.

6   SOCIAL SECURITY NUMBER / NAME VERIFICATION

We also recommend that you also visit the Social Security Administration website for additional information on how to validate employee names and social security numbers. OTR also recommends that you verify all names and SSNs before you submit your EFW2/EFW2C file. This can speed up the processing of your submissions. *(Note: Correct names and SSNs on the W-2 and W-2C wage reports is the key to the successful processing of your annual wage report submission.)*

- OTR does not allow employers to submit W-2 or W-2C wage reports that contain an invalid or impossible social security number (SSN), except that SSA and OTR temporarily accepts all zeros as the SSN. Employers are expected to enter the SSN shown on the employee's Social Security card.
- If you do not have an SSN when your W-2 report is due, complete the SSN field by entering all zeros in locations 3-11 of the RW (employee wage record). The all zeros should also be entered in the correct location (10-19) of the required RS record.

  NOTE: Effective June 25, 2011, the SSA implemented plans to randomize SSN's no longer issuing them by date of birth (DOB) or location. Valid ranges for social security numbers are as follows:

  - o 001-01-0001 through 665-99-9999
  - o 667-01-0001through 899-99-9999

  The following rules also apply:
  - o When the SSN contains zeros in positions 4-5, the SSN is a test SSN and it will be rejected

- o When the SSN contains zeros in positions 6-9, it will be rejected
- o SSA will no longer issue SSNs based on geography (state and local area)
- o SSA will issue SSNs with the number "8" in position 1
- o SSA will permit all possible SSNs starting with "7" in position 1
- o The SSN cannot be all 1s, all 2s and so on and cannot be in the sequential order of 123-45-6789. If you have an employee who may not have a valid Social Security card, you can use the free Social Security Number Verification Service (SSNVS) available through the SSA website, to quickly verify whether a person's name and SSN matches Social Security's records. You can ask an employee to obtain an SSN as soon as possible. If you have already submitted a W-2 when the employee obtains a card, you must submit an EFW2C to make the correction as soon as possible.
- o If you do not have an SSN when your W-2 report is due, complete the SSN field by entering all zeros (0) in locations 3-11 of the RW (Employee Wage Record). The paper W-2 you give to employees may have all zeros in block "d" (Employee SSN).

7.   W-2/W-2C ELECTRONIC FILING OPTIONS

7.1.1 Online Data Entry for Small Businesses

Filing 26 or fewer W-2s? It's easy to file electronically with on-line data entry. This option is available for small business employers or preparers and allows the preparation and submission of up to 26 W-2s per report over a secure internet service.

7.1.2 W-2 Software Download and Purchase for larger businesses and third-party bulk filers.

Filing more than 25 W-2s or using third-party bulk filing? It's easy to file electronically with W-2 File Upload. This electronic filing option is available for larger businesses and third-party bulk filers. The W-2 Software Download and Purchase allows the preparation and submission of more than 25 W-2's per report.

8   W-2/W-2C FILE CREATION, EDITING AND UPLOAD

8.1.1 File Creation

Click on the "Enter Submitter Information" button to input the required submitter information.

Click on the "Enter Employer Information" button to input the required employer information.

Click on the "Add Employee Record" button to input each employee's W-2 information.

After all submitter, employer and employee information has been entered, click the "Create EFW2 File" button to create a file.

Click "EFW2 File" to download, then click "Save" to save to your local drive.

Any file name may be used. However, it must contain a valid extension as explained in the instruction pages at the beginning of this process. (Ex: EFW2.txt)

If your uploaded file does not match the EFW2/EFW2C format it will be rejected.

8.1.2 Upload File

Files must be created using a text (.txt) or compressed zip (.zip or .gz) file format.

8.1.2.1   EFW2/EFW2C Compressed files format requirements:

Files smaller than 10MB upload as text files (.txt), Zip files (.zip) or gZip files (.gz).

Files 10 MB or larger 10 MB and fewer than 50MB must be uploaded as a compressed Zip (.zip) or gZip (.gz) Archive.

Files 50MB or larger must be submitted as multiple EFW2 or EFW2C submissions. Any files submitted that are 50MB or larger will be rejected. Split archives are not accepted. Each file must satisfy the appropriate data file requirements listed in Section 3 of this document.

8.1.2.2   Editing File

8.1.2.3   Editing an Online Data Entry file is easy; go to the W-2 Data Entry page and follow the steps listed below.

8.1.2.4   To update the submitter and/or employer information, click on the link corresponding to the information you wish to update.

8.1.2.5   To update the employee information, click on the "Update" link corresponding to the employee record you wish to update.

8.1.2.6   To delete employee information, click on the "Delete" link corresponding to the employee record you wish to delete.

CAUTION: If you do not enter/modify any data in a 24-hour period, any data you entered previously will be automatically deleted from our system.

9   FILE STATUS

9.1.1   Review Status History

The status of your W-2/W-2C submission will appear on the Review Status History page. **Please do not use 'out of office' replies.** The statuses may be as follows:

9.1.1.1   SUBMITTED - File waiting to be scanned for errors, viruses, etc. Infected files will be quarantined and rejected.

9.1.1.2   ACCEPTED - File has passed all quality checks and an Email will be sent to submitter.

9.1.1.3   REJECTED - File did not pass quality checks. The Review Status History page will be updated to show the list of errors that occurred while processing the file. (The file should be corrected and re-validated through AccuWage/AccuW2C prior to re-submitting.)

9.1.2   File resubmission for rejected files

If the file is not corrected and resubmitted within 30 days, your file will be deleted from archived storage. Please follow the same procedures as for the original submission. The file will be treated as a new submission and the original process will begin again. *(Note: Errors must be corrected and file validation must be performed prior to resubmission.)*

10   ASSISTANCE

For assistance in obtaining a User ID/logon and password, please contact **OTR's E-Commerce Unit at (202) 442-6313 or via email at ETSCAccount@dc.gov.** The eTSC registration application is also available on-line at www.taxpayerservicecenter.com.

(Note: OTR does not provide support for any AccuWage/AccuW2C software downloaded to your operating systems, nor for purchased software downloaded to create your EFW2/EFW2C files).

11   ELECTRONIC W-2 SUBMISSION OPTIONS

Electronic Filing EFW2
(Note: Choose from three options which are offered for your convenience)

Option 1 - **Small Business (26 or Fewer employees) On-line Data Entry**

Click on the "Enter Submitter Information" button to input the required submitter information.

Click on the "Enter Employer Information" button to input the required employer information.

Click on the "Add Employee Record" button to input each employee's W-2 information.

After all submitter, employer and employee information has been entered, click the "Create EFW2 File" button to create a file.

Upload W2 File

Create a text or compressed zip file. Files smaller than 10MB upload as text files (.txt), Zip files (.zip) or gZip files (.gz).

Files 10 MB or larger and under 50MB must be uploaded as a compressed Zip (.zip) or gZip (.gz) Archive.

Files 50MB or larger must be submitted as multiple EFW2 or EFW2C submissions. Files submitted which are 50MB or larger will be rejected. Split archives are not accepted.

Option 2 - **Larger Business (more than 25 employees)**

Upload W-2 File W-2 Software Download/Purchase. (Note: You must purchase software to create bulk files using the SSA approved software vendor.)

Create a text or compressed zip file. (See information above)

Files fewer than 10MB upload as text files (.txt), Zip files (.zip) or gZip files (.gz).

Files 10 MB or larger and under 50MB must be uploaded as a compressed Zip (.zip) or gZip (.gz) archive.

Files 50MB or larger must be submitted as multiple EFW2 or EFW2C submissions. Files submitted which are 50MB or larger will be rejected. Split archives are not accepted.

Option 3 - Third-Party Bulk Filers (more than one employer)

Upload W-2 File W-2 Software Download/Purchase. You must purchase software to create bulk files using the SSA approved software vendor. Files smaller than 10MB upload as text files (.txt), Zip files (.zip) or gZip files (.gz).

Files 10 MB or larger and under 50MB must be uploaded as a compressed Zip (.zip) or gZip (.gz) archive.

Files 50MB or larger must be submitted as multiple EFW2 or EFW2C submissions. Files submitted which are 50MB or larger will be rejected. Split archives are not accepted.

12   Electronic Filing W2 Correction - EFW2C
(Note: Online Data Entry is not available for EFW2C. You may choose from Options 2 or 3 to submit an EFW2C file.)

Submit an EFW2C file as soon as possible after you discover an error or to correct an employee record that contains all zero's on the SSN line.

EFW2C files will NOT be accepted from any employer who has not submitted an ACCEPTED EFW2 file. The following changes are permitted:
- o   Employer and employee information;
- o   Employer/Agent EIN;
- o   Employment Code;
- o   Tax Year;
- o   Employee SSN;
- o   Name and most money fields.

13 Review Status/History
(Note: This feature is located in the blue navigation bar on the left side)

An Email notification containing the status of the initial submission will be sent to the submitter. **Please do not use 'out of office' notification.**

The final status of the file submission will be available within 7 business days.

The submitter may access and view the "Review Status/History" of the submitted file by clicking the link on the left-hand side navigation bar on the eTSC screen.

Rejected files must be corrected and resubmitted within 30 days of notification. A rejected file is not recognized as an EFW2 submission.

The submitter can NOT add records to an "ACCEPTED" status file. A new file must be created and submitted.

When re-submitting a file the taxpayer must change the file name to the last submitted confirmation number and add the letter "R" at the end of the confirmation number in the file name (e.g., 1000000000270R.txt) For the resubmitted file a NEW confirmation number is assigned. The file is then validated and may be rejected or accepted depending on data validation. To resubmit a failed resubmitted file, the taxpayer must change the file name using the LAST rejected file confirmation number plus the letter "R" in the file name. The taxpayer must repeat this until an accepted file is received.

If the file submitted does not follow this naming convention or if the confirmation number used does not match any of the previously rejected file confirmation numbers, the file will be considered a new submission.

A submitter must create and submit a new EFW2C file if an employee record with an "ACCEPTED" status file needs to be changed.

14 Common W-2/W-2C Error Messages

REASON_REJECTED
Reporting Period is required for DC filing.
Invalid Tax Year: Only accepting Corrections for the current tax year.
Invalid Record Delimiter[\n] : This file appears to be a delimited file, each record must be delimited by a Carriage Return(\r) followed by a New Line(\n). If the file is not delimited, remove all Carriage Returns and New Lines from the file.
Duplicate Correct Employee Identification Information for Employee records.
Invalid User Identification (User ID) [   ].
Contact E-Mail is required for DC filing.

Invalid record length. The Record should be 512 characters in length.

Invalid Record Sequence : NO RCA RECORD PROVIDED.

This employee record has already been submitted by their employer. If you are correcting this employee's information you must submit a W2C. Otherwise, please remove the employee record and then resubmit your file.

Invalid Record Sequence : The preceding record is an RW record. RW records may only be followed by RO, or RS records. The RW record may not immediately follow an RW record.

Invalid Reporting Period [000000].

Invalid Company Delivery Address and/or Company Location Address - cannot be blank for both [   ].

Invalid Medicare Wages and Tips This amount must equal or exceed the sum of the Social Security Wages and Social Security Tips.

The Middle Name field in the RS (Employee State Wages Record) is not equal to the one in the RW(Employee Federal Wages Record).

Invalid Employer/Agent Identification Number (EIN) [123456789].