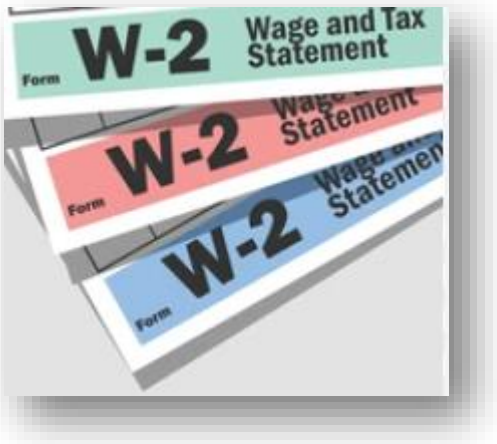
Sonoma County Office of Education

Frontline ERP
W2 Reporting
Calendar Year 2025



December 12, 2025

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W2 Processing Timeline

- W2 Verification and Payroll Detail Process
- December 2025– SCOE IT Loads W2 information for Closed Pay Dates
- December 2025 – District Verification of Payroll Data & Pay31 Corrections in Dec Regular or Dec Manual
- December 16 – December Manual Payroll Due by 4:00 pm
- December 18 – Independent Charters Payroll Due by 12:00 pm
- December 22 – Regular Payroll Due by 12:00 pm
- December 23 – SCOE IT Load W2 Information
- December 23 – District Verify Payroll W2 Detail and Reports *(After 10:00 am)*
- January 7 – W2 Correction Payroll due to SCOE by 12:00 noon
  (Dated: 12/25/25; No Cash Transactions affecting 9110 Object Code)
- January 8 – SCOE IT Load Final W2 Information
- January 8 – District Verification of W2 Detail Information *(After 10:00 am)*
- January 9 – FINAL W2 Reports due to SCOE by 4:30 pm

  Submit Signed W2 Verification Reports to Christy Arend and Jing Liu at carend@scoe.org, and jliu@scoe.org

  FINAL W2 VERIFICATION REPORTS
  - Pay01 Payroll Summary
  - Pay05 Monthly Tax Summary
  - Pay26a Employer W2 Copy *(Do not send, for review only)*
  - Pay27 W2 Summary
  - Pay31 W2 Errors *(Do not send, for review only)*
- January 26 – W2 Forms available to pick up with January Regular Payroll *(available after 1:00PM on the 26th estimated)*
- **January 31 – W2 Forms due to Employees (Mail or Delivery)**

Important

Never release W2 information to anyone other than the employee. For more information, follow the links below to IRS published videos regarding W2 Scams.

www.youtube.com/irsvideos
www.youtube.com/irsvideosmultilingua
www.youtube.com/irsvideosASL

W2 Reporting Concepts

Hiring CalSTRS and CalPERS Retirees

SPECIAL CONSIDERATIONS WHEN HIRING A RETIREES

- CalPERS retirees should NOT be hired into an established or existing position.
- CalSTRS retirees can be hired into a regular CalSTRS position, CalPERS retirees cannot be hired into a regular position.
- Retirees cannot be hired within 180 Days of retirement
- CalSTRS Retirees cannot work in a classified position except, under certain circumstances as a teacher's aide, per Ed Code 45134.
- Retirees engaged as a true Independent Contractor are not subject to the Hours Limitation for CalPERS.
- Best Practice would be to hire them as an employee, when in doubt, to avoid possible misclassification.
- **CalSTRS Earnings Limitation for 2025-26 is $80,245,** and must be reported to STRS as per Ed Code 22561 no later than 45 days after the end of the pay period. This is done immediately upon retention of services.
    - SCOE requires LEAs to submit the CalSTRS Retiree Earnings Paid Through Accounts Payable form whenever hiring a CalSTRS retiree as an independent contractor.
- **CalPERS Earnings Limitation for 2025-26 is 960 hours per Fiscal Year**

  https://www.calpers.ca.gov/docs/forms-publications/employee-or-independent-contractor-factsheet.pdf





Wage Overpayments AB 185/Ed Code 44042.50

Assembly Bill 185(17) and Ed Code 44042.50 were passed on September 27, 2022

- This Assembly Bill and Ed Code provide new parameters for wage overpayments for school districts, charters and county offices of education
- School employers can take up to 25% of an employee's net disposable income without the employee's consent
- School employers are required to notify an employee of a wage overpayment before taking the payment. But if they do not receive a response, or do not come to a payment agreement, the LEA is permitted to take up to 25% of the employees' net disposable income
    - Per EDD - "Disposable earnings are that part of wages remaining after deductions required by law, such as federal and state income taxes, State Disability Insurance (SDI), Social Security and Medicare. Any deductions not required by law, such as union dues, health and life insurance, charitable contributions, savings bond purchases, retirement plan contributions (except those required by law, such as Social Security), and other voluntary wage assignments, should not be subtracted from gross earnings"
    - There is also a hierarchy of wage garnishments *(local wage withholding falls last in priority)*

Ed Code and Assembly Bill information are below:

***Assembly Bill 185* (17)**

(17) Existing law creates and regulates various educational entities for purposes of providing and supporting instruction, including school districts, charter schools, and county offices of education. Existing law prescribes personnel requirements for these entities. Existing law prescribes a process for recovering payments from employees when the state determines an overpayment has been made.

This bill would require a school employer, as defined, to notify an employee when a wage overpayment has been made to the employee and afford the employee an opportunity to respond before commencing recoupment actions, and would require reimbursement to be made through one of three specified methods mutually agreed to by the employee and the employer. The bill would require installment amounts deducted from payment of salary or wages pursuant to these provisions to not exceed 25% of the employee's net disposable earnings, except as specified. The bill would prohibit an administrative action taken by the employer to recover an overpayment unless the action is initiated within 3 years from the date of overpayment. The bill would provide that if these provisions conflict with a memorandum of understanding, the memorandum of understanding controls without further legislative action, except as provided.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB185

Education Code 44042.5

(a) (1) When a school employer determines a wage overpayment has been made to a school employee it shall notify the employee of the overpayment and afford the employee an opportunity to respond before commencing recoupment actions. Reimbursement shall be made to the school employer through one of the following methods mutually agreed to by the employee and the school employer:

(A) Cash payment or cash installment payments.

(B) Installment payments through payroll deduction covering at least the same number of pay periods in which the error occurred. When overpayments from the employer have occurred for more than one year, the employer may require full repayment from the employee through payroll deductions over the period of one year.

(C) The adjustment of appropriate leave credits or compensating time off, provided that the overpayment involves the accrual or crediting of leave credits such as vacation, annual leave, holiday leave, or compensating time off. Any errors in sick leave balances shall only be adjusted with sick leave credits.

(2) Installment payment amounts deducted from an employee's salary or wages pursuant to paragraph (1), except as provided in subdivision (b), shall not exceed 25 percent of the school employee's net disposable earnings for each payroll amount.

(3) Absent mutual agreement on a method of reimbursement, the school employer shall proceed with recoupment pursuant to subparagraph (B) of paragraph (1).

(b) A school employee who is separated from employment before full repayment of the overpayment amount owed shall have an amount sufficient to provide full repayment withheld from any money owed to the employee upon separation. If the amount of money owed to the employee upon separation is insufficient to provide full reimbursement to the school employer, the school employer shall have the right to exercise any and all other legal means to recover the additional amount owed.

(c) An administrative action shall not be taken by the school employer pursuant to this section to recover an overpayment unless the action is initiated within three years from the date of overpayment. If an overpayment involves leave credits, the date of overpayment is the date that the school employee receives compensation in exchange for leave erroneously credited to the employee. For purposes of this section, leave hours are considered exchanged for compensation in the order they were credited.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

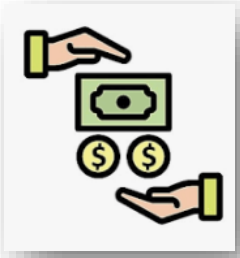
(e) For purposes of this section, "school employer" means the applicable administrative entity of any of the following:

(1) School district.
(2) County office of education.
(3) Charter school.

(Added by Stats. 2022, Ch. 571, Sec. 23. (AB 185) Effective September 27, 2022.)

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC&sectionNum=44042.5

Collection or Pay Back from Employees



SCOE Business Services may be collecting or refunding STRS, PERS, and/or OASDI on the December Manual Payroll (12/18/2025 pay date) or December Regular Payroll (12/30/2025 pay date).

When Collecting from Employees who have no compensation in December, the following will occur:

- SCOE will establish the receivable on either the 12/18/2025(manual) pay date or on the 12/30/2025(regular) pay date
- SCOE will send the LEA a copy of the adjustment
- The LEA will need to collect from the employee:

  - If the employee is **terminated** from employment and will not be working again in your district:
    1. You will need to invoice the employee
    2. When you receive the money from the employee, deposit it into your general fund using object 9213 as this is where the receivable was established.
    3. These employees may or may not be aware of owing money

  - If the employee is **not terminated** from employment, but simply does not have compensation in December:

    1. Arrange to collect from the employee through payroll in 2026, using the Repay deduction to actually collect from the employee. This will collect from the employee without hitting current year payroll taxes and clear out 9213 where the receivable was established by SCOE Business Services.
    2. These employees may or may not be aware of owing money



Overpayment Adjustments

SCOE Business Services and SCOE IT will review on a case-by-case basis to capture accurate W2 reporting when your district/charter has an employee overpayment. Please contact carend@scoe.org and jliu@scoe.org or helpdesk@scoe.org for any assistance you might need with this process.

Outstanding Payroll Receivables (REPAY)

Does your District or Charter have Payroll Receivables for terminated employees that are not expected to be collected in the same calendar year?

Currently overpayments are offset by the REPAY Deduction Code to set up a payroll receivable in the 9213 object code. The overpayment reduces the subject gross, which is correct ***if*** the employee actually reimburses the net pay owed in full before the end of the calendar year.

If the terminated employee doesn't reimburse the net pay, then the W2 is incorrect and understated. Tax adjustments will be needed to correct Pay History.

If an LEA has Payroll Receivables for terminated employees that are not expected to be collected **prior** to the December Regular Payroll.

Step 1: ***Go to HR/Payroll-Adjust Payroll***

Step 2: In the Search – Calendar Year: 2025, Remove Fiscal Year, Deduction: **REPAY** (Repay District) – Select GO

Step 3: Review the list – determine which terminated employees will need an adjustment to correct 2025 Calendar Year Pay History (Run a Pay34).

Step 4: The Adjustment will need to be entered on the 12/30/2025 Regular Payroll or sooner (if they are terminated, they will need an active Pay Cycle and Taxes Tab added to their employee record)

Step 5: In Adjust pay open the Pay Cycle for the 12/30/2025 Regular Payroll. On the Addons tab using the Z-FIT, Z-SIT, Z-Medi & Z-OASDI Addons enter the POSITIVE amount of the original GROSS taxes from the employee's snapshot. Effective date 12/31/25. Add description. Make sure to add the employee's account code for each of these addons.

Step 6: On the Deductions tab using the REPAY deduction code enter a negative amount for the Medicare and OASDI adjustments. Effective date 12/31/25. Add description of W-2 Tax Adj. Medi & W-2 Tax Adj. OASDI

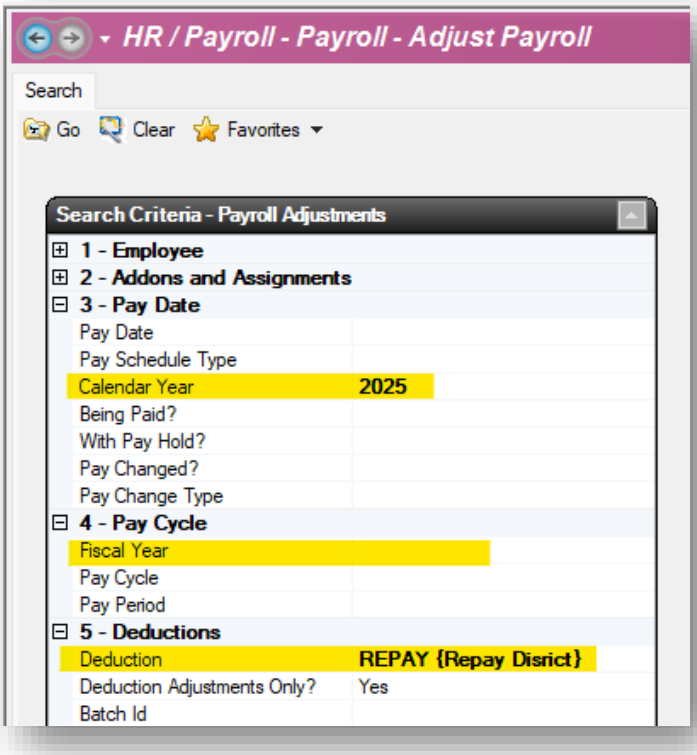
Step 7: Review the snapshot to make sure no FIT and SIT deductions were created from the above entries. If so, add a negative FIT deduction and negative SIT deduction for the amounts to reverse these entries.

See Example next page

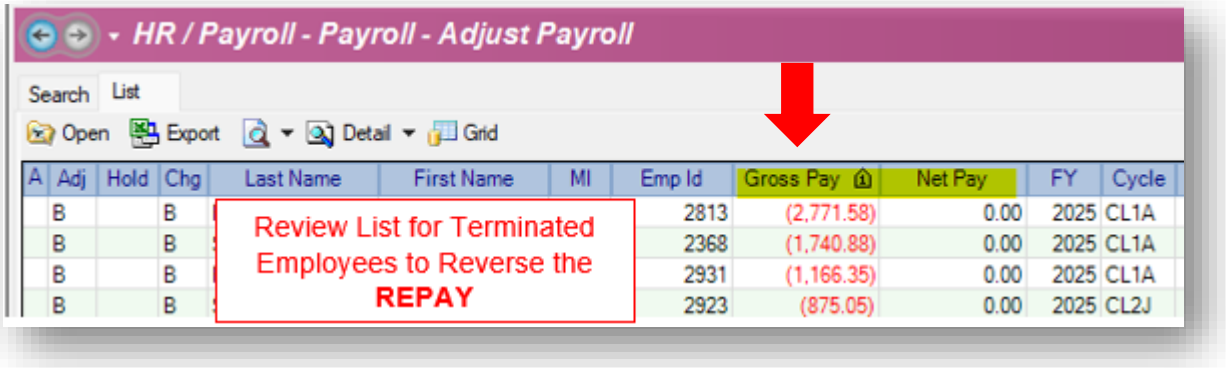
Outstanding Payroll Receivables (REPAY)

Example: Reverse REPAY for 2025 Calendar Year for terminated employee not expected to be collected.

Go to HR/Payroll-Adjust Payroll

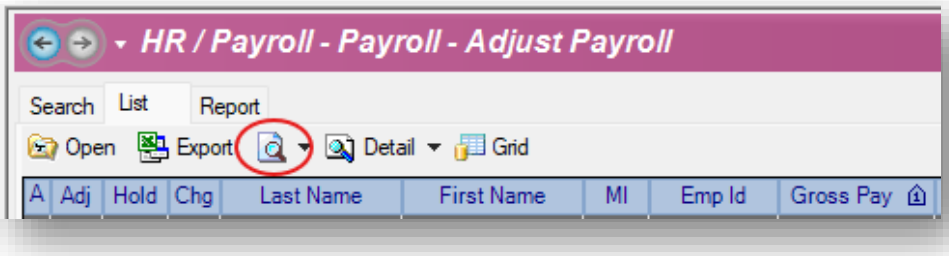


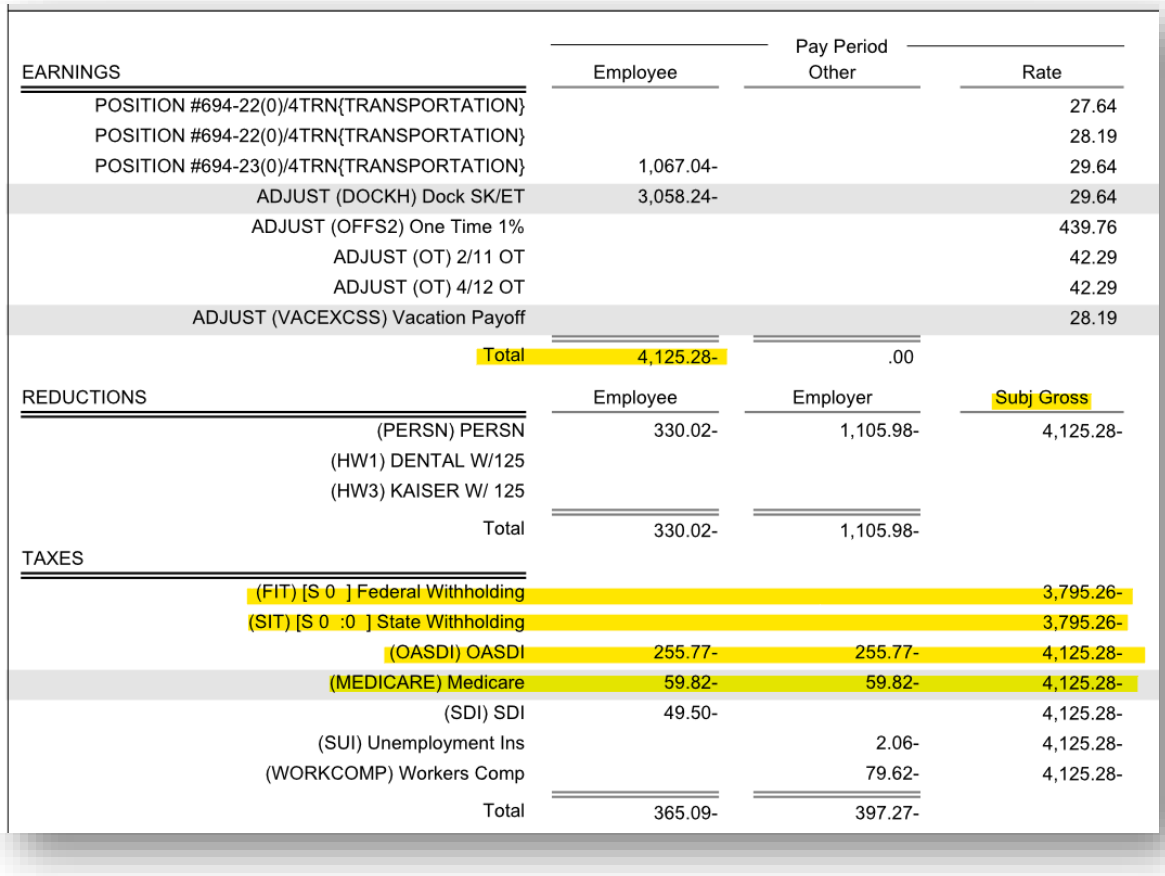
- Calendar Year: 2025
- Fiscal Year: Remove
- Deduction: REPAY
- Click Go to review the list
- Sort by Gross Pay to get negatives gross to the top



Review Payroll Snapshot

Look for the Negative Subject Grosses for FIT, SIT, OASDI and Medicare.



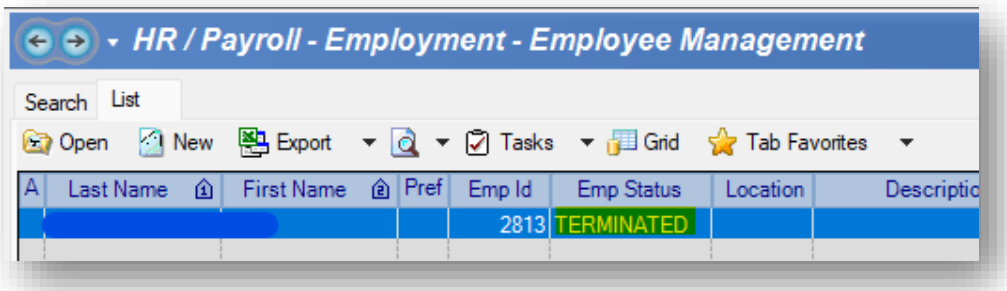


EARNINGS	Pay Period Employee	Other	Rate
POSITION #694-22(0)/4TRN{TRANSPORTATION}			27.64
POSITION #694-22(0)/4TRN{TRANSPORTATION}			28.19
POSITION #694-23(0)/4TRN{TRANSPORTATION}	1,067.04-		29.64
ADJUST (DOCKH) Dock SK/ET	3,058.24-		29.64
ADJUST (OFFS2) One Time 1%			439.76
ADJUST (OT) 2/11 OT			42.29
ADJUST (OT) 4/12 OT			42.29
ADJUST (VACEXCSS) Vacation Payoff			28.19
Total	4,125.28-	.00	

REDUCTIONS	Employee	Employer	Subj Gross
(PERSN) PERSN	330.02-	1,105.98-	4,125.28-
(HW1) DENTAL W/125			
(HW3) KAISER W/ 125			
Total	330.02-	1,105.98-	

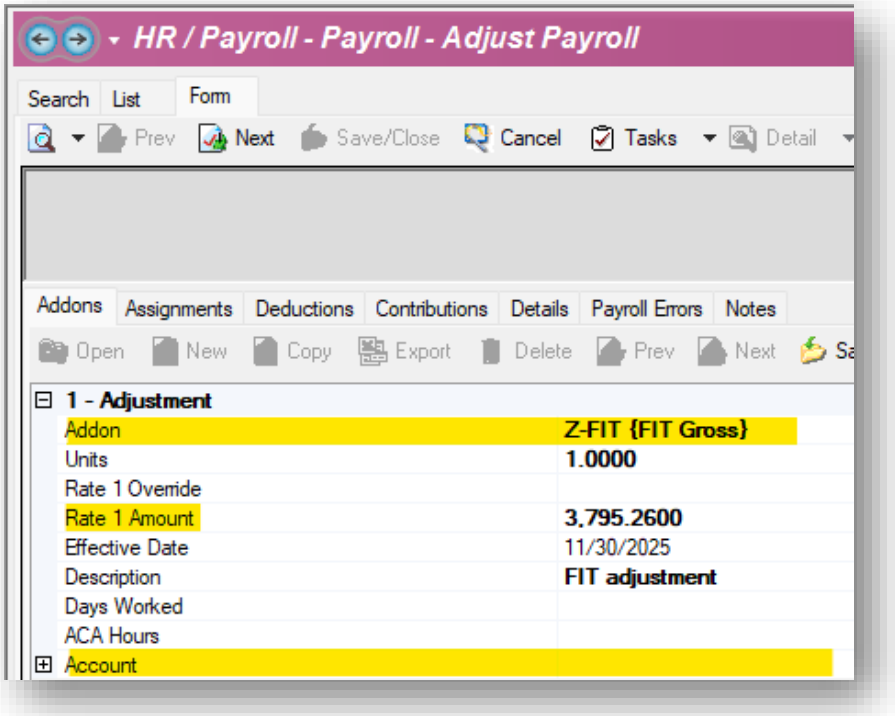
TAXES			
(FIT) [S 0] Federal Withholding			3,795.26-
(SIT) [S 0 :0] State Withholding			3,795.26-
(OASDI) OASDI	255.77-	255.77-	4,125.28-
(MEDICARE) Medicare	59.82-	59.82-	4,125.28-
(SDI) SDI	49.50-		4,125.28-
(SUI) Unemployment Ins		2.06-	4,125.28-
(WORKCOMP) Workers Comp		79.62-	4,125.28-
Total	365.09-	397.27-	

- Activate the Terminated Employee's Pay Cycle and Taxes Tab in Employee Management



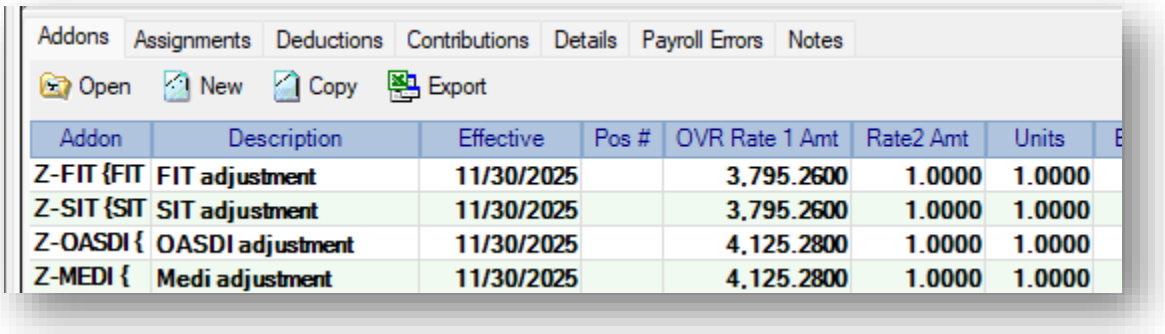
Adjust Payroll

In Adjust Payroll use Addons Z-FIT, Z-SIT, Z-Medi & Z-OASDI that apply with a Positive Gross Amount to Reverse.

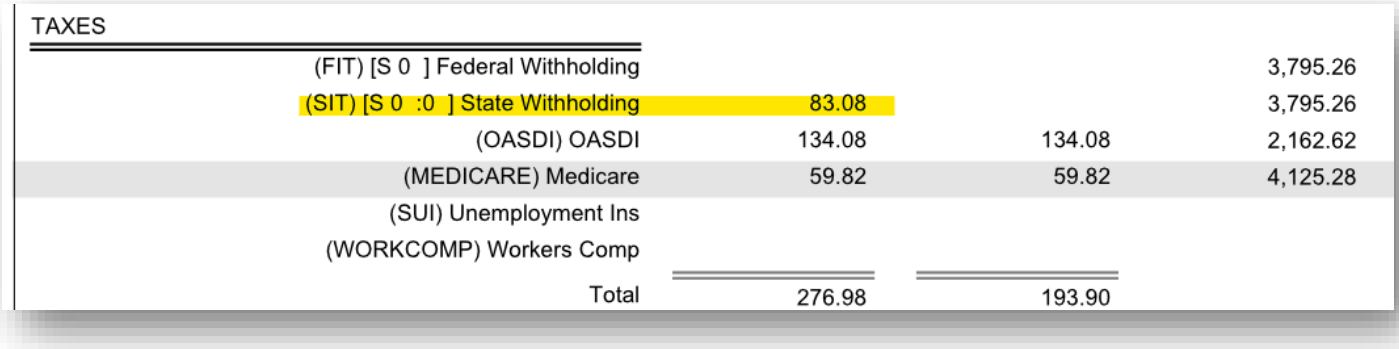


- Enter Z-Addons with the correct Subject Gross
- Rate 1 Amount: Positive Amt
- Account: Enter the employees Assignment Acct

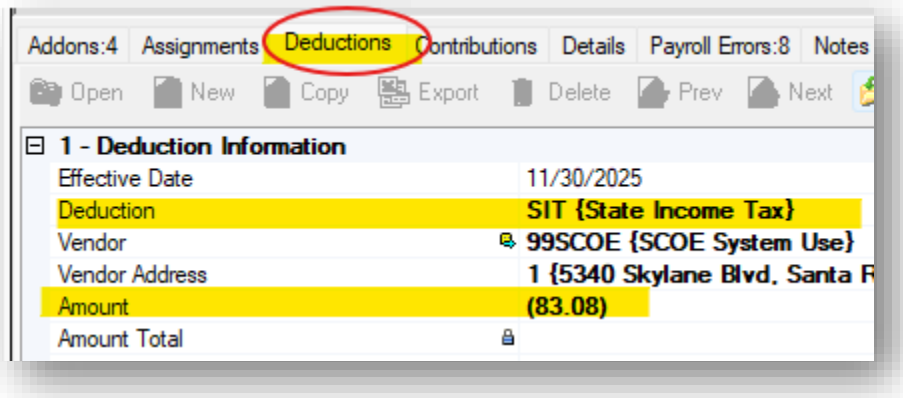
After the Z-Addons have been entered, go to Tasks to Calculate Pay Now. If FIT or SIT generate withholdings, then the Deduction code will need to be entered with a negative amount to balance to 0.00 withholdings.



Review the snapshot to make sure no FIT and SIT deductions were created from the above entries. If so, add a negative FIT deduction and negative SIT deduction for the amounts to reverse these entries.

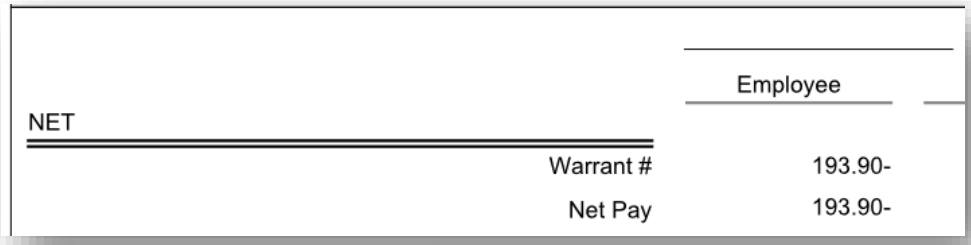


TAXES			
(FIT) [S 0] Federal Withholding			3,795.26
(SIT) [S 0 :0] State Withholding	83.08		3,795.26
(OASDI) OASDI	134.08	134.08	2,162.62
(MEDICARE) Medicare	59.82	59.82	4,125.28
(SUI) Unemployment Ins			
(WORKCOMP) Workers Comp			
Total	276.98	193.90	



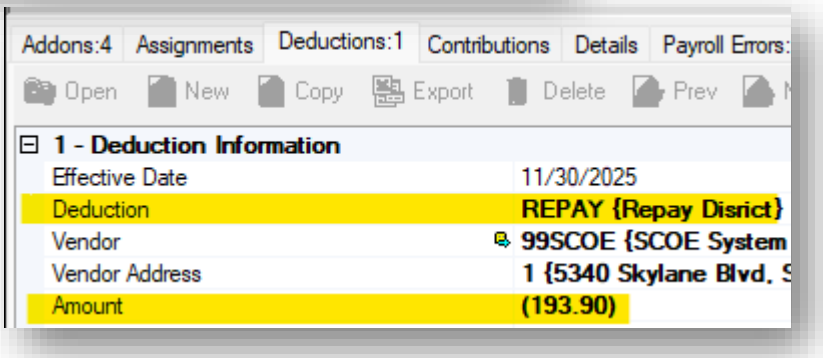
- SIT generated withholdings that need to be reversed
- Deduction: SIT
- Amount: Negative to net to 0.00.
- Save/Close

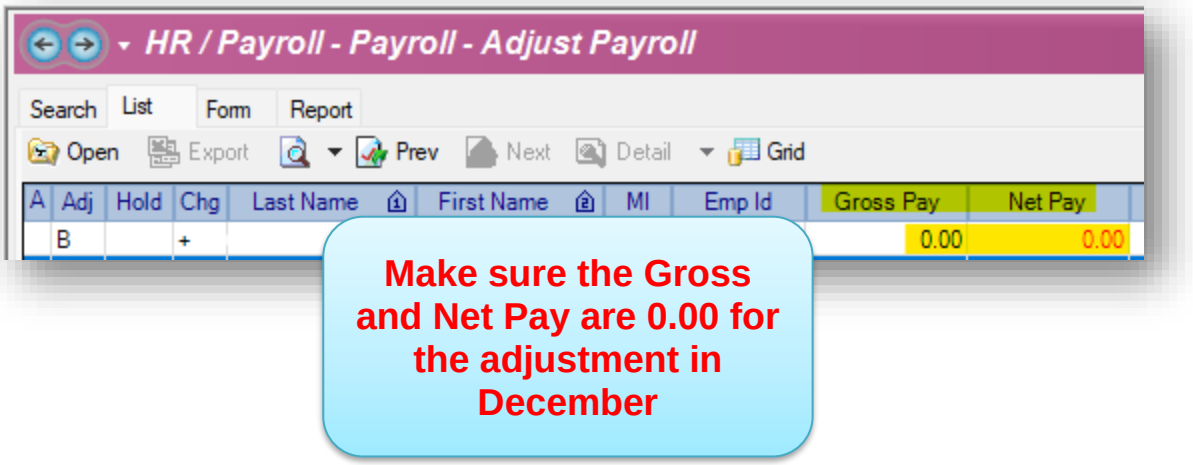
- Go to Tasks to Calculate Pay Now to get the Negative Net Pay Amount



NET	Employee
Warrant #	193.90-
Net Pay	193.90-

- Deduction: REPAY
- Amount: Enter Negative Amount





IRS Publication 15 – See details the Reporting Guidelines page 35.

https://www.irs.gov/pub/irs-pdf/p15.pdf

> ***Employee reporting of repayment.*** The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee isn't entitled to file an amended return (Form 1040-X) to recover the income tax on these wages. Instead, the employee may be entitled to a deduction or credit for the repaid wages on his or her income tax return for the year of repayment. However, the employee should file an amended return (Form 1040-X) to recover any Additional Medicare Tax paid on the wages paid in error in the prior year. If an employee asks about reporting their wage repayment, you may tell the employee to see *Repayments* in Pub. 525 for more information.

Example – Overpayments for January 2026 Regular Payroll

LEA officially notified that an employee will be terminating in January and it causes negative gross earnings in January, then it is necessary to adjust the December gross earnings, **prior** to the December Regular Payroll.

Step 1: ***Go to HR/Payroll-Employment-Employee Management***

Step 2: Go to the Assignment Tab and end the current assignment with the Termination date

Step 3: Review and determine if any additional earnings are due to the employee, if so, make sure to enter them in adjust pay

Step 4: Review final payroll in adjust pay. If the employee is NOT scheduled to return to work in January, Frontline will calculate the final payment and possibly create a negative due to a possible overpayment.

Step 5: Enter Negative REPAY deduction for the negative net pay in December or January.

1. **If the negative for this overpayment hits in December 2025**, and the employee does not pay the amount due back by December 2025 regular payroll, then a tax adjustment ***would be*** needed for the negative FIT/SIT/OASDI and Medicare.
    a. Print snapshot of December regular payroll to see what the negative FIT/SIT/OASDI and Medicare amounts are for this overpayment
    b. Enter Positive Z-FIT/Z-SIT/Z-OASDI and Z-Medicare for the Gross Negative amounts on the snapshot for the overpayment. *(Outlined on pages 13-15 above)*
    c. Contact Christy Arend and Jing Liu for assistance with this process

2. **If the negative for this overpayment hits in January 2026**, and the employee does not pay the amount due back by December 2025 regular payroll then ***there is no tax adjustment needed***. The employee should be taxed for the funds received in 2025. The January 2026 payroll will need to be reviewed later in the year.

Step 6: Put an alert in employee management for this employee stating that there is an outstanding amount due. Once they pay back the amount due, another adjustment will be needed.

Example – Overpayments After December Regular Payroll

LEA did NOT receive prior notice that an employee terminated in December or January, likely will create an overpayment for the 2025 calendar year on the January 2026 payroll.

Step 1: ***Go to HR/Payroll – Employment – Employee Management***

Step 2: Go to the Assignment Tab and end the current assignment with the correct termination date.

Step 3: Review final payroll in Adjust Payroll. Frontline will calculate the final payment and possibly create a negative due to a possible overpayment. It is important to verify and manually calculate the employee's pay to ensure the system has calculated accurately. If there are any other earnings due the employee, include these on the final payroll for the employee.

Step 4: When it has been determined the employee has been overpaid for the prior calendar year (January –December), in Adjust Pay create a REPAY Deduction to zero out the negative net pay and to establish the receivable (9213 Object Code).

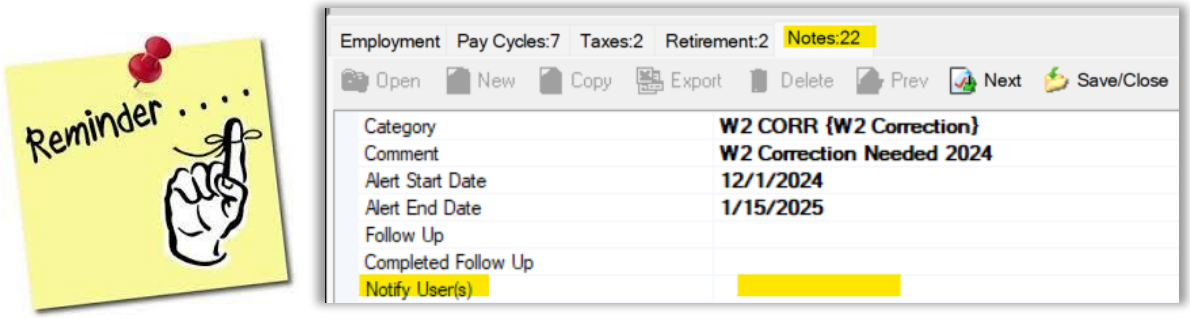
Step 5: Contact Christy Arend and Jing Liu in SCOE Business Services because they will need to adjust the current year payroll tax deposits accordingly.

Step 6: Create an invoice to the employee for the total NET amount that has been overpaid and submit a copy of the invoice to Christy Arend, SCOE Business Services.

- **NOTE:** SCOE Business Services will NOT issue a 2025 W2C for overpayments until the LEA has provided proof the employee has repaid the overpayment. Once the funds have been received, print a copy of the incorrect W2, line through the affected amounts and indicate what the correct amounts should be. Send to Christy Arend and Jing Liu, SCOE Business Services, and they will then issue a corrected 2025 W2.

Step 7: Create an alert in **Employee Management Notes Tab** for the 2026 W2 reporting reminding you to work with Christy Arend and Jing Liu in SCOE Business Services

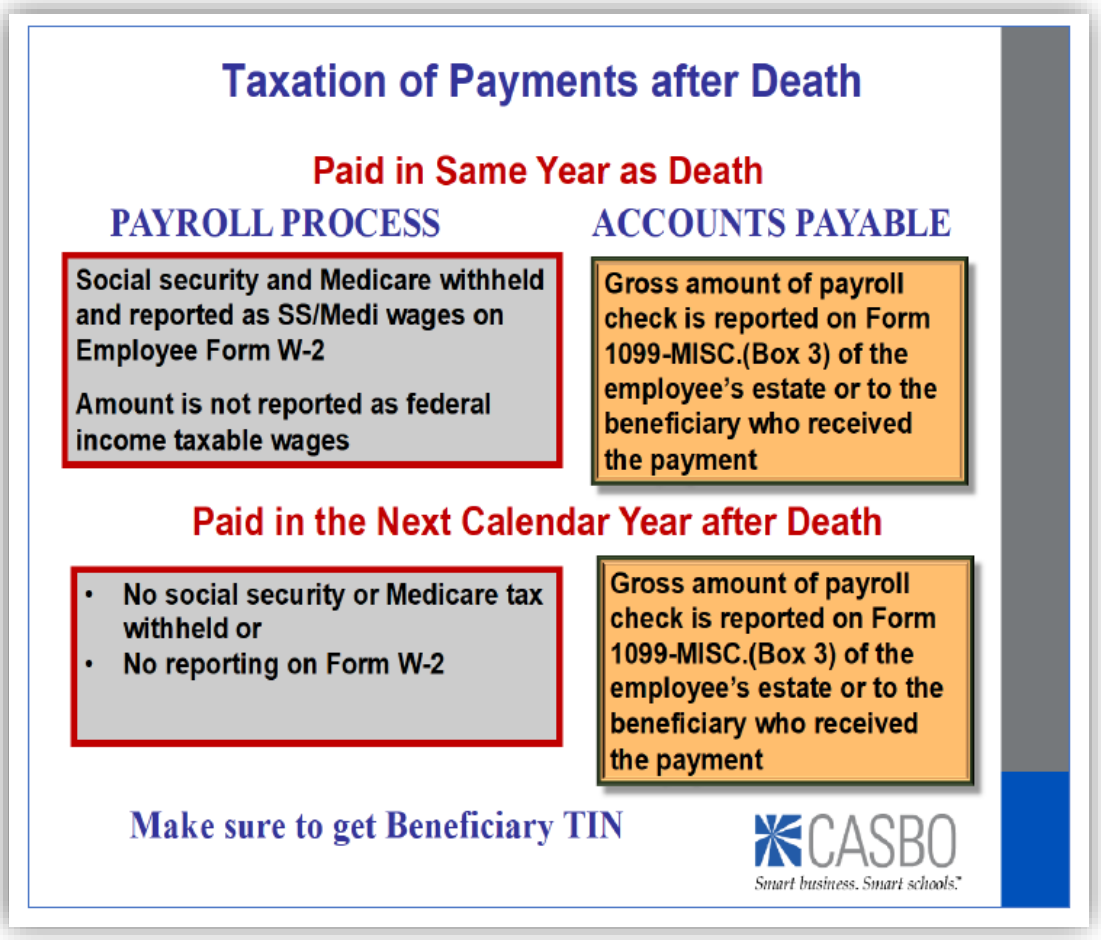
Go to HR/Payroll – Employment – Employee Management – Notes Tab



Deceased Employees: Final Payment

It is necessary for LEAs to use the correct process for paying and reporting compensation for deceased employees. There are different processes when making payment within the same calendar year versus the next calendar year of death.

Guidelines can be found in IRS Publication 15 and in the Instructions for Form W2. A 1099 Form will be issued to the Estate of the employee for the final compensation.



Contact Christy Arend and Jing Liu in SCOE Business Services (carend@scoe.org 524-2656, and jliu@scoe.org 524-2954) when you have a deceased employee.

Deceased Employees: Checklist – updated 09/2024

Step 1: The employee record will need to be updated and final compensation calculated. It is recommended to review and end tabs *left to right* in Employee Management

Employee Management Tabs:

- ☐ **Pay Cycle** – Should be ended the last day of the pay period
- ☐ **Retirement** – Should be ended the last day of the month of death
- ☐ **ACH** – Should be ended prior to pay date
- ☐ **Deductions** – Should be ended in the current period, with the exception of Union Dues. Union dues should not be deducted in the month of death. (End union dues prior month)
- ☐ **Assignment** – Must be ended effective the date of death
- ☐ **Add-ons** – Review add-ons to determine of any stipends are owed
- ☐ **Leaves** – Enter final leaves taken. Make certain the employee has enough sick leave to be in paid status, or else Payroll should enter a dock. Payroll should adjust leave balance to zero.
- ☐ **Benefit Providers** – Determine the appropriate end date for Benefit Providers. Typically, this is the last day of the pay period which the employee passed away. Refund any additional amounts taken from the start of the fiscal year to the date of death that would have covered any future months of coverage (i.e. July and August premiums).

Step 2: Final Payment Adjustments in Adjust Payroll

- ☐ ***When final payment is made in the SAME year of death***:
  - Calculate pay in Frontline on the next (final) regular payroll, triggering a DNP payout if applicable
  - Zero out Gross Pay by using the Regular Addon to reverse compensation
  - Add Z-MEDI, Z-SUI, ZWC, ZSDI, and Z-OASDI Add-ons to report Gross earnings and deductions for Medicare, State Unemployment Insurance, Workers Compensation, State Disability Insurance and OASDI. Please note SDI and OASDI only apply to certain employees. *(Christy Arend and Jing Liu need to be notified anytime these Z-addons are used)*
  - Add Z-STRS or Z-PERS add-on if applicable (Make sure to notify Alli Britton and Maria Aguayo if you are using these add-ons)
    - Contact CalSTRS directly to report deceased employee. Final sick leave will need to be reported.
    - Fill out CalPERS Change form and turn into Maria Aguayo – the CalPERS appointment will need to be ended with the reason being deceased.
  - Enter REPAY deduction to zero out net pay

- ☐ ***When final payment is made AFTER the year of death***:
  - Calculate pay in Frontline on the next (final) regular payroll, triggering a DNP payout if applicable
  - Zero out Gross Pay by using the Regular Addon to reverse compensation
  - **Do not** withhold **any** taxes
  - Add Z-STRS or Z-PERS add on if applicable (Make sure to notify Alli Britton and Maria Aguayo if you are using these add-ons)

        - Contact CalSTRS directly to report deceased employee. Final sick leave will need to be reported.
        - Fill out CalPERS Change form and turn into Maria Aguayo – the CalPERS appointment will need to be ended with the reason being deceased.
    - REPAY deduction code needed to zero out DNP if applicable

Step 3: Create a New vendor to the Estate **or** Next of Kin *(Affidavit to Collect Compensation of Deceased needed, up to $5,000.00 net)*

- Have the family complete a W9 in order to obtain the TIN or SSN for the beneficiary or estate
    - It is best to have a Designation of Beneficiary for Pay Warrant form on file for all employees as provided by Government Code 53255:
    - In the event of death, the employee may designate a beneficiary to receive all warrants or checks that will be payable to the employee
    - Payments under $5,000.00 can be collected using an Affidavit to Collect Compensation of Deceased – attached
- Finance → Purchasing → Vendors→Section 6: **1099 Form: 3 {Other Income}**
- **1099: YES**

Step 4: Update Department Record under **Finance – Setup – Department – Departments**

- ☐ Make sure **Account Object Code Filter** is set up to allow salary accounts (1XXX and 2XXX object codes)
- ☐ When payment is made, change settings back to exclude these objects

Step 5: Create a Vendor Requisition

- ☐ Create vendor requisition with the Direct Payment Type to issue the warrant to the new vendor "Estate of _____ (Employee name) or next of kin"
- ☐ Process payment using object code 9213, for net pay *(entered as a negative for REPAY amount)* and object 1XXX (certificated) or 2XXX (classified) for gross pay *(entered as a positive)*
- ☐ The warrant should be issued no later than the date of the next payroll

NOTE: It is recommended to process the final payment through AP rather than out of the district's revolving account. However, should the district decide to pay the final payment outside of Frontline, using the district's revolving account, **you will need to manually enter the vendor and payment information for 1099 reporting at calendar year end.** Put a tickler in your calendar year end 1099 file as a reminder.





Domestic Partner: DOMESTIC/DOMREGIS Addon

See SCLS Legal Update dated November 9, 2010 on the following pages regarding Domestic Partners. Federal law does not recognize domestic partners as a "spouse". As such, when an employee elects to add their domestic partner to their health benefits, the employee must be taxed on the fair market value of the domestic partner benefit (taxable fringe benefit).

On the other hand, the State of California enacted AB 205 in 2003 requiring all employers in California to provide the same benefits to employees with domestic partners as would be provided to spouses of employees. As a result, Registered Domestic Partners are not required to pay State taxes on the fair market value of the domestic partner benefit. When the employer provides a composite rate for family health insurance benefits, contact your third-party insurance carrier (RESIG or CVT) and they can provide you with the fair market value of benefits for your LEA. Use this dollar amount in conjunction with the appropriate domestic partner Addon throughout the calendar year. This will tax the employee accordingly for the domestic partner. When there is a mid-year insurance rate change, verify with the carrier the fair market value and change the dollar amount of the domestic partner Addon when necessary.

It is best to use the appropriate domestic partner Addon throughout the year. This will tax the employee accordingly each month rather than needing to make a one-time adjustment at the end of the calendar year.

When a one-time adjustment is made at the end of the calendar year, this spikes the employee's taxes and is not ideal for the employee. When at all possible, it is best to use the appropriate Addon throughout the year.

Verify if the domestic partnership is registered with the State to determine which Addon to use.

- If the Domestic Addon was used throughout the tax year 2025, *no adjustment will be needed*



- If the Addon was NOT used**, *a one-time adjustment using the Addon needs to be made*** on the December Regular Payroll **This will increase the subject gross wages and amount of taxes withheld** for FIT, OASDI, MC and SIT if not registered and no SIT if registered. **Employee should be alerted that the full adjustment amount will be taxed, which will spike their taxes on the December Regular Payroll.**
  Request new Addon for Domestic Partners, send email to helpdesk@scoe.org

Cash In-Lieu: CASHINLU Addon

Cash in-lieu is a taxable fringe benefit regardless of whether the individual is a current employee or a Retiree. Cash in-lieu compensation must be processed through payroll and all applicable payroll taxes apply. Cash In-Lieu will report in Box 1 – Wages, Tips, Other Compensation on W2 form.

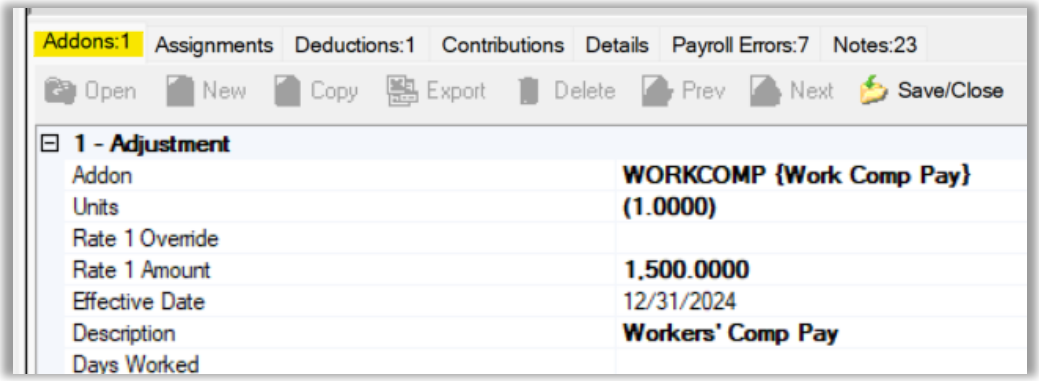
The Addon would need to be added to the District. Please send request to helpdesk@scoe.org



Workers Compensation Checks: WORKCOMP Addon

All Workers Comp checks for 2025 need to be reflected in the employee's pay in 2025. This Addon reduces the subject grosses for OASDI, Medicare, FIT and SIT. After the Addon is added in Adjust Payroll, review the snapshot to verify the subject grosses have been reduced. This should not affect gross pay, only subject grosses. Will report in Box 1 – Wages, Tips, Other Compensation on W2 form.

Go to HR/Payroll – Payroll – Adjust Payroll



NOTE: If the workers compensation checks add up to more than the employee's gross pay for a tax quarter, this will cause a negative in the tax quarter. Please make sure to move the workers compensation check to a future tax quarter if this happens. If you need assistance with this process please contact: Carend@scoe.org, Jliu@scoe.org & Helpdesk@scoe.org

Stale Dated Checks

Constructive Receipt doctrine applies to stale dated checks. Therefore, it is not necessary to adjust an employee's W2 to account for stale dated checks.



Constructive Receipt per IRS Publication 538: *Income is constructively received when an amount is credited to your account or made available to you without restriction. You need not have possession of it. If you authorize someone to be your agent and receive income for you, you are considered to have received it when your agent receives it. Income is not constructively received if your control of its receipt is subject to substantial restrictions or limitations.*

Check Cancellations

If a check has been lost or never received then it should still be included on the employee's W-2 in the year it was issued.

For example, if you are cancelling a check that was lost in December 2025 and re-issuing it on a payroll in January 2026 then SCOE will hold off cancelling the check in payroll until 2026. That way the cancellation and the re-issue will wash out and the original check printed will hit the W-2 for 2025.

The earliest date SCOE Business can cancel checks in 2026 is on the February Manual Payroll. Please note cancellations such as this will be held until February to process.

Cancellations that do not need to be reissued can hit in the current calendar year. This will wash out the W2 since the employee should have never been paid.

SCOE Business Services will deal with cancellations at year end on a case-by-case basis. Please reach out if you have questions.

Retirement Incentive

When the employer gives the employee a choice of when and how a retirement incentive will be paid, Constructive Receipt doctrine applies (Non-qualified Deferred Compensation Audit Techniques Guide) and **the total value is taxable at the time the offer is accepted**. For more information use this link: https://www.irs.gov/pub/irs-pdf/p5528.pdf

Adjustments would need to be made to the W2 reflecting the total value of the retirement incentive the employee accepted. The process for this requires a review of the contract to determine what the true lump sum value is. Each succeeding year would require adjustments to payroll, when applicable, because monthly payments would now not be taxable.

> **NOTE:** In order to avoid the tax implications of Constructive Receipt, it is recommended the LEA determine how the incentives are to be paid.

EDD DE-4 Military Spouse

The DE-4 form (DE4 Rev. 51(12-21) provides a specific line for military spouse to attest under penalty of perjury exemption from State of California withholdings. If an audit is performed, it may be requested from the employer, or the employee, to verify the tax exemption. Two example documents that meet verification requirements are a recent service member's District and Earnings Statement or the Military Spouse's driver's license. A copy of the driver's license is part of the I-9 requirement.

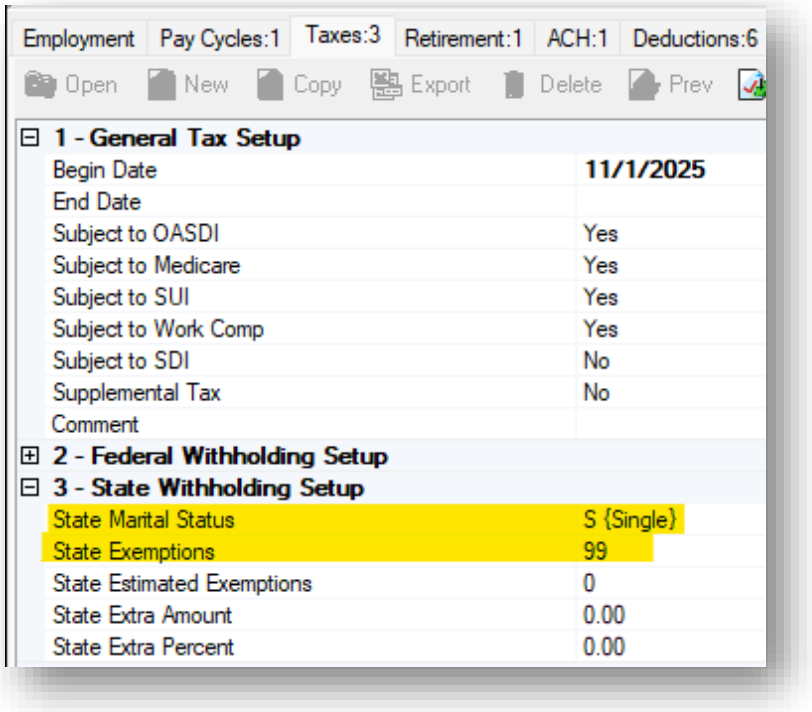
Step 1 - ***Go to HR/Payroll – Employment – Employee Management – Taxes Tab***

3 - State Withholding Setup:

- State Marital Status: S {Single}
- State Exemptions: 99
- Save/Close



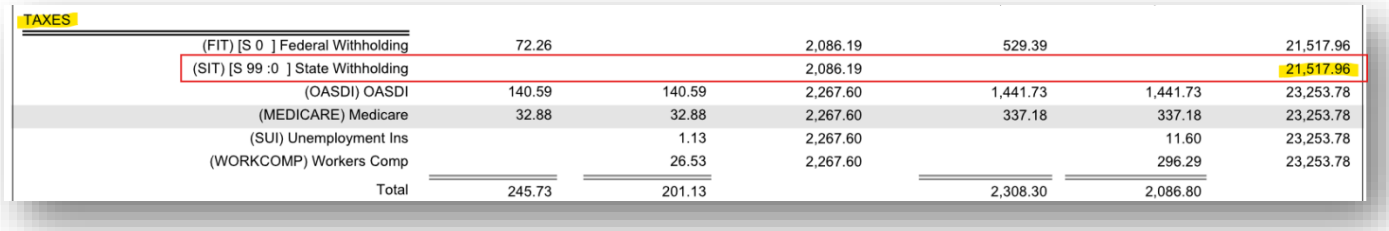
NOTE: Employees claiming Exempt on the W4 Form are required to complete a new W4 form no later than February 15 of each year. If the employee fails to complete a new W4 Form by that date, the employer is required to withhold as single and no allowances



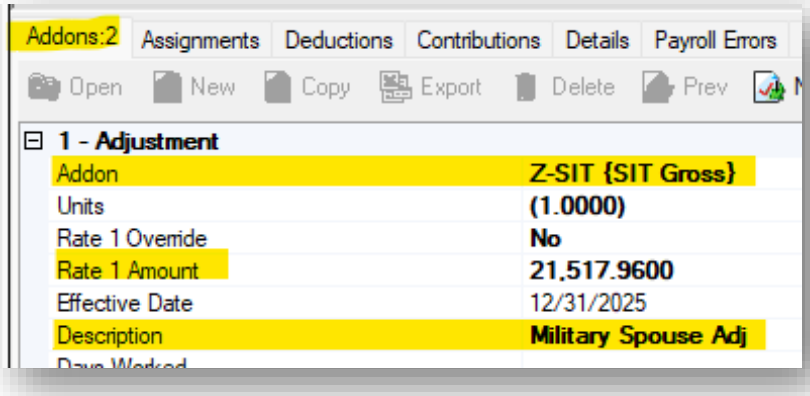
This will still report State Subject Gross Wages. For reporting purposes, there should be no State Wages. At the end of each quarter need to zero out subject gross wages in Adjust Pay for the employee using the Z-SIT Addon. It is on this last payroll of the quarter that you will know the year-to-date total for that ending quarter.

Step 2 – ***Go to HR/Payroll – Payroll – Adjust Payroll***

- Highlight or Open the Pay Period at end of Quarter
- Go to the Preview Button and select the Employee Payroll to review the Pay99 Report
- Get the Amount of the State Withholdings Subject Gross



TAXES						
(FIT) [S 0] Federal Withholding	72.26		2,086.19	529.39		21,517.96
(SIT) [S 99 :0] State Withholding			2,086.19			21,517.96
(OASDI) OASDI	140.59	140.59	2,267.60	1,441.73	1,441.73	23,253.78
(MEDICARE) Medicare	32.88	32.88	2,267.60	337.18	337.18	23,253.78
(SUI) Unemployment Ins		1.13	2,267.60		11.60	23,253.78
(WORKCOMP) Workers Comp		26.53	2,267.60		296.29	23,253.78
Total	245.73	201.13		2,308.30	2,086.80	

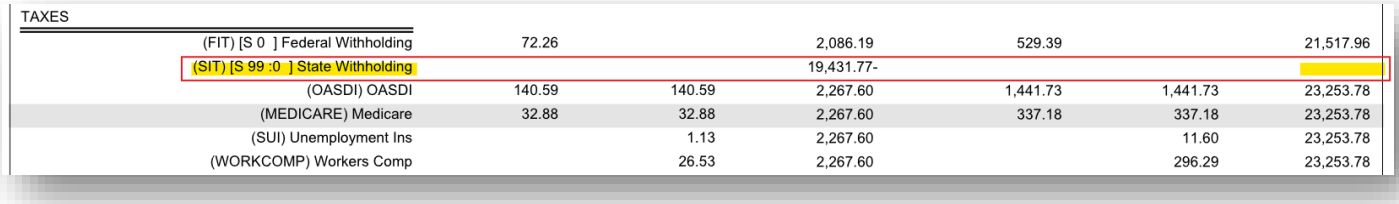


- Add the Z-SIT Addon with a negative 1 unit to reverse subject gross amount
- Rate 1 Amount: Positive Subject Gross
- Description: Military Spouse Adj
- Save/Close

- Go to Tasks to Calculate Pay Now

Step 3 – Review the Pay99 snapshot after SIT adjustment

- Calendar Year to Date and Subject Gross must be blank



TAXES						
(FIT) [S 0] Federal Withholding	72.26		2,086.19	529.39		21,517.96
(SIT) [S 99 :0] State Withholding			19,431.77-			
(OASDI) OASDI	140.59	140.59	2,267.60	1,441.73	1,441.73	23,253.78
(MEDICARE) Medicare	32.88	32.88	2,267.60	337.18	337.18	23,253.78
(SUI) Unemployment Ins		1.13	2,267.60		11.60	23,253.78
(WORKCOMP) Workers Comp		26.53	2,267.60		296.29	23,253.78

Taxation Coverage Regulations

SDI (State Disability Insurance)

- Only for public agencies through negotiations or employer voluntary plans
- Not for substitutes or timecard employees
- Only for employees in positions

Social Security (OASDI)

- Not covered unless under Section 218 voluntary agreement

Medicare

- For all employees hired after March 31, 1986
- Must be taken for all retirees who return to work regardless of their age or if they were exempt before retirement
    - If they were exempt and returned to work for your district, this would be considered a break in service so they would have to pay into Medicare
    - Medicare continuing employment exception

Please refer to the Retirement and Tax Setup Sheet on the SCOE website anytime you are setting up a new employee or if an existing employee has changed roles.



No Tax on Overtime – 2025

The IRS has provided Notice 2025-62 that includes penalty relief from the new information reporting requirements for qualified overtime under the One, Big, Beautiful Bill Act. Note from IRS regarding this notice.

Employers will not face penalties for failing to provide a separate accounting of any amounts related to qualified overtime for 2025. The IRS is aware that employers may not have all the information to provide accurate overtime statements to their employees. The IRS also announced that there will be no changes to forms W-2 or 1099 related to the new tax on overtime reporting. The IRS stated that tax year 2025 will be treated as a transition period for this information.

It's important to note that if your employees plan to report overtime based on their paystubs or reports in Frontline ERP, that they need to be careful with this process. The overtime is limited to employees who work over 40 hours in a week. The employees who are less than 40 hours a week but have overtime in one specific day would not be allowed to collect the tax break for this. It's also important to note that the overtime can only be reported based on the "qualified overtime compensation". This term is defined as the portion of the overtime pay that is in excess of the regular rate of pay.

Example: If your regular pay is $20/hour and your overtime pay is $30/hour, then the extra $10/hour would be what counts towards "qualified overtime compensations". This is the .5 above the regular rate of pay.

I highly recommend your employees work with a tax accountant if they plan to claim the overtime on their 2025 taxes. It is important to not give your employees tax advice on this subject.

IT Help desk and Business Services are monitoring this new "no tax on overtime" law for more information. There will be nothing done in the system for tax year 2025 related to this overtime. Once we have adequate information, we will work on setting up the system to properly report overtime for tax year 2026.



Minimum Wage

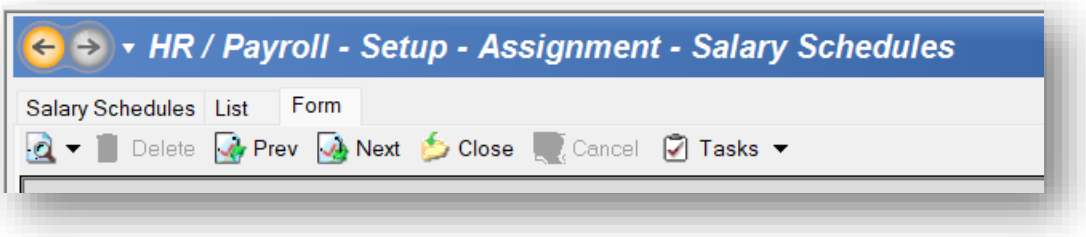
California Minimum Wage is increasing effective January 1, 2026. Be sure to review salary schedules are updated accordingly. Keep in mind Student Worker Addons that might have the rate hard coded rather than a salary schedule attached. Addons work best with a salary schedule.

- As of **January 1, 2025**, the statewide minimum wage is **$16.50/hour** for all employers
- The state minimum wage is set to increase to **$16.90/hour** starting **January 1, 2026**.
- Some local jurisdictions (cities, counties) may impose a higher minimum wage than the state baseline — School Districts are exempt from this higher minimum wage. The Sonoma County Living Wage Ordinance is codified in the Sonoma Municipal Code. The Code specifically exempts from "covered employers" the following: "Government agencies, including, without limitation, cities, other counties, and state agencies."



Update Salary Schedules

Go to HR/Payroll – Setup – Assignment – Salary Schedules



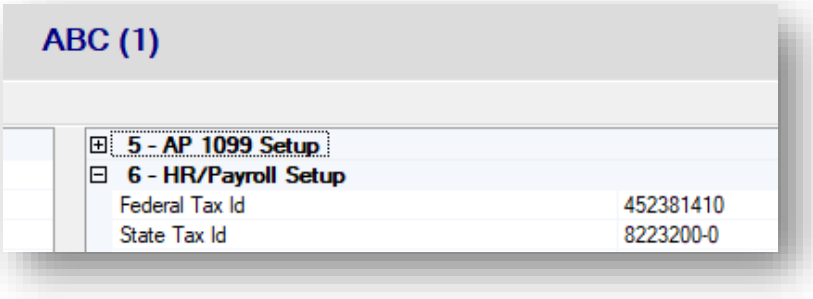
- Open the Salary Schedule
- End 12/31/2025
- Copy to 1/1/1026
- Update the Salary Cells that are less than $16.90.
- Save/Close
- Initiate Payroll

W2 Setup in Frontline ERP

Review Organization Record

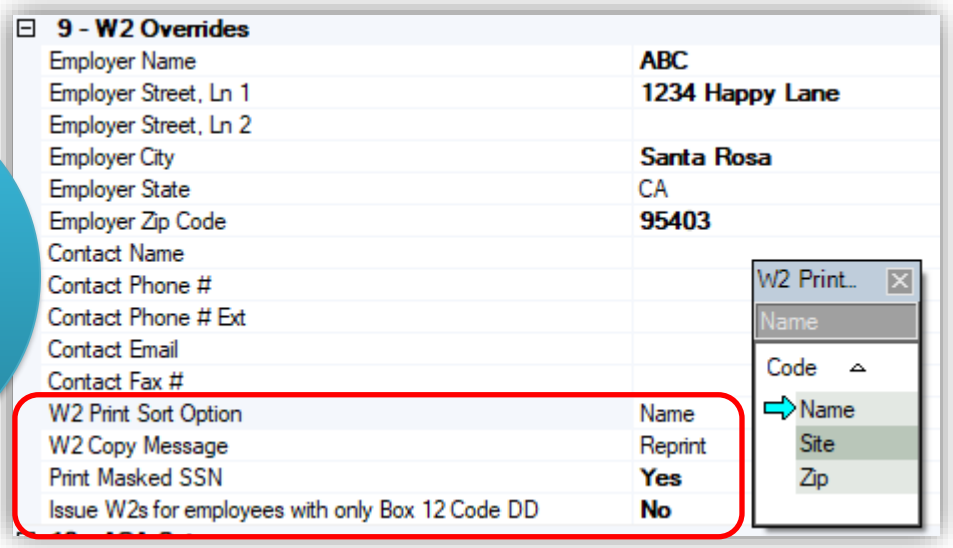
Go to System – Setup – Organization

- This is typically “read only” for Districts, but should be reviewed
- Send change request to helpdesk@scoe.org
- **Review Section 6 – HR/Payroll Setup** to verify the Federal and State Tax Ids



- **Review Section 9 – W2 Overrides** to verify employer information, contact, print sort, print masked SSN, suppress W2s for Employees with only Box 12 Code DD.

Box 12 Code DD includes cost of employer-sponsored health coverage. Information Only.



- **Print Masked SSN**: Yes or No
- **Issue W2s for employees with only Box 12 Code DD**: Set this flag to No to suppress the generating of W2s for employees that only have data in Box 12, Code DD. Defaults to NO.

  Per IRS regulations, an employer is not required to issue Form W-2 solely to report the value of the health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide Form W-2.

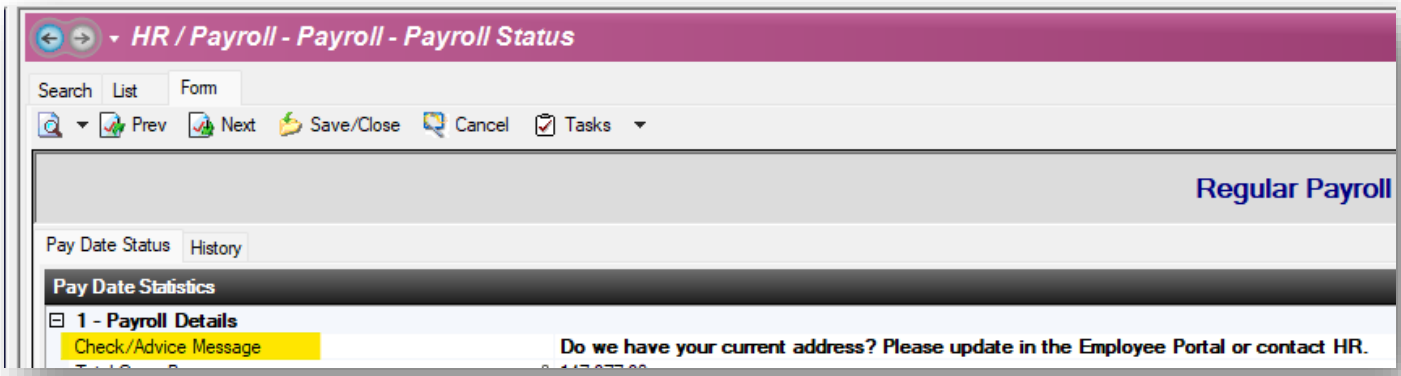
  Example: Retirees with Benefits **and** no Earnings for the Calendar Year

Employee Address Verification

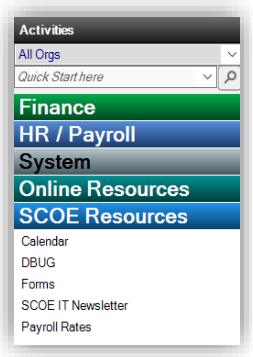
It is recommended to include a message on the December Paychecks/ACH Advice requesting employees to verify correct address is reflected on their paycheck stub.

Go to HR/Payroll – Payroll – Payroll Status

- Enter Pay Date
- Click **Go**
- Open 12/30/2025 Pay Date and Update the Check/Advice Message field
- **Save/Close**



Social Security Number Verification



Go to SCOE Resources – Forms – IT Checklists and Guides

Follow ***SSN Verification File*** documentation for steps to verify correct SSN IRS for employees

Register: https://www.ssa.gov/employer/ssnv.htm

Incorrect Security Number

If an incorrect SSN is discovered you will need to work with SCOE IT to get this corrected. Please send an email to helpdesk@scoe.org with the employees name and the number series that should be corrected.

DO NOT SEND Copy of SSN through email, but do verify and keep the information at your District with the correct SSN.

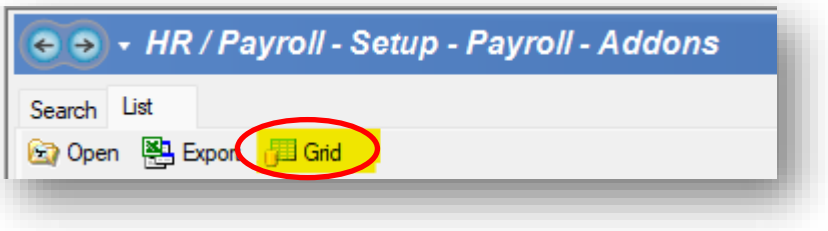
EXAMPLE helpdesk email: Jane Doe has an incorrect SSN **XX-XX-12XX**, the correct SSN should be **XXX-XX-23XX**. This has been verified that this is correct.

Review Addons

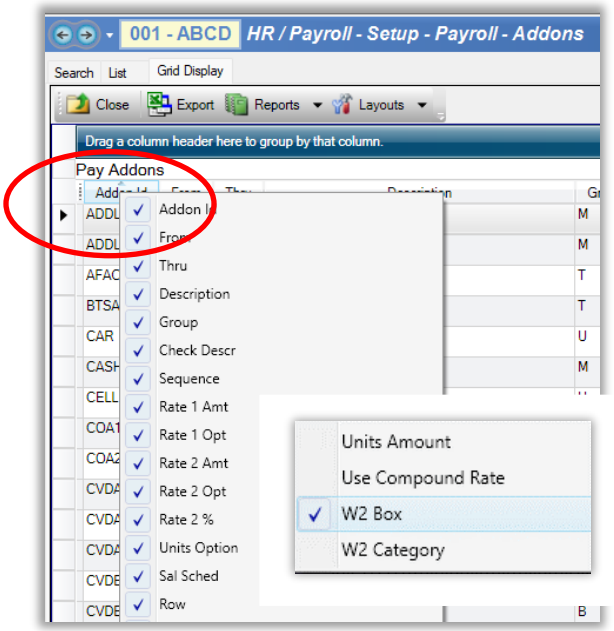
It is important to review Addons to verify that the W2 Box and W2 Category are correct, especially if new Addons were created in this calendar year. Examples such as Life Insurance over $50K, Moving Expenses, Employer Contributions for TSA (Tax Shelter Annuities) and HSA (Health Savings Account).

Go to HR/Payroll – Setup – Payroll – Addons

- **Fiscal Year:** 2026 {2025/2026}
- Click **Go** to get a list
- From the List Options – Click on Grid



- The system will create a Grid view that's is more sortable



- Right Click on the first Column to choose your Export Criteria
- Click to Unselect items not needed
- Scroll to the bottom of the to select the W2 Box
- Export list to Excel

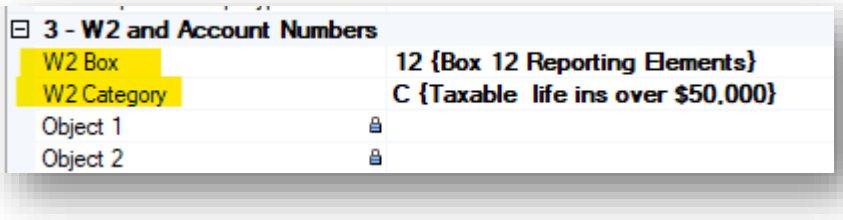
The W2 instructions have the most comprehensive description for the Box requirements. Follow the link for more information https://www.irs.gov/pub/irs-pdf/iw2w3.pdf.

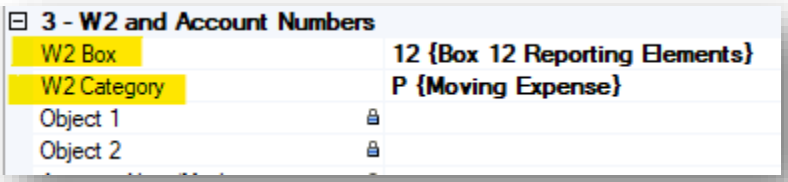
Note: If Box 12 or 14 are selected, the appropriate category in the W2 Category Field must also be selected in order to print on the W2 Forms correctly.

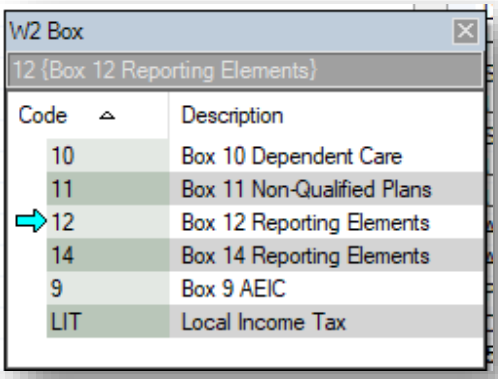
Review Addon Section 3 – W2 and Account Numbers

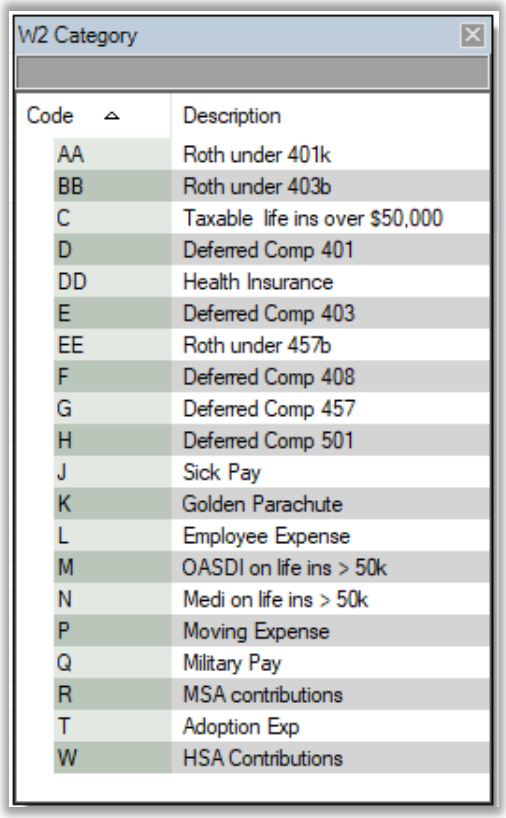
These fields are open to edit for users with permissions or send an email to helpdesk@scoe.org for assistance.

Example Addons: Requiring special treatment are Life Insurance for more than $50K per year, and Moving Expenses paid to an Employee.







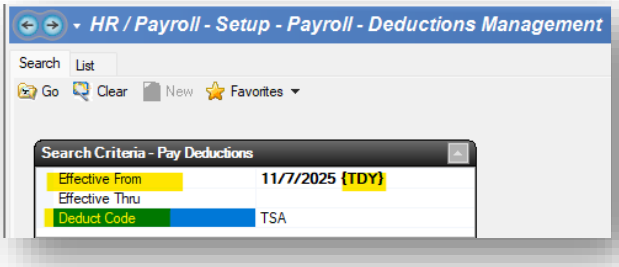


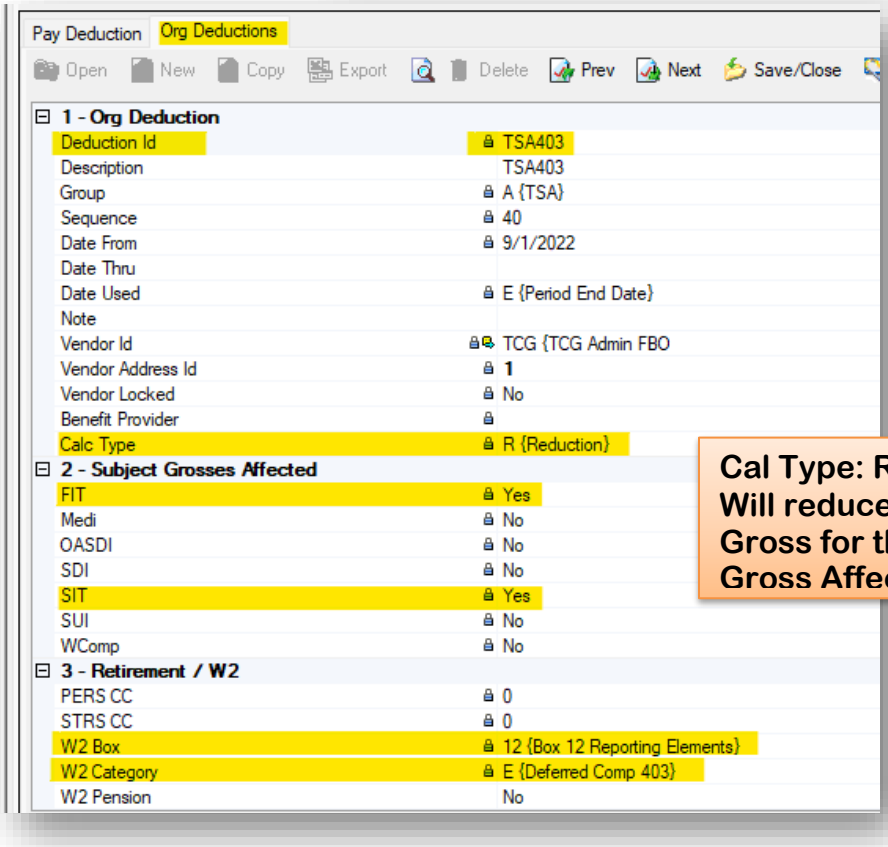
Review Deductions and Contributions

Review Deductions and Contributions to verify that the correct W2 Box and Category are selected in order for them to populate correctly on the W2 Form, especially if new codes were created in the calendar year.

Example: Deductions that need special treatment are Pretax Medical, TSA, 125 Flex Plans, and some retirement.

Go to HR/Payroll - Setup – Payroll – Deductions Management or Contributions Management





Cal Type: Reduction Will reduce the Taxable Gross for the Subject Gross Affected

Note: If Box 12 or 14 are selected, the appropriate category in the W2 Category Field must also be selected in order to print on the W2 Forms correctly.

Payroll Rates - Tax Year Limits

Payroll Rates for 2025-26

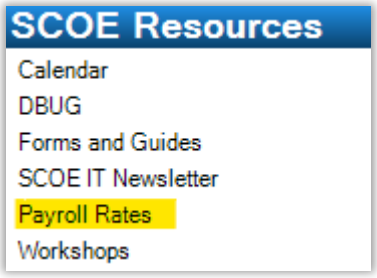
Type	Employee Rate	Employer Rate	Effective From	Effective To	Wage Limit
PERS					
Classic Members	7.00%	26.81%	7/1/2025	6/30/2026	
New Members	8.00%	26.81%	7/1/2025	6/30/2026	
Classic Members			1/1/2025	12/31/2025	$350,000
New Members			1/1/2025	12/31/2025	$155,081
PERS Retirement Hours Max			7/1/2025	6/30/2026	960 Hours
STRS					
2% @ 60 Members	10.25%	19.10%	7/1/2025	6/30/2026	2% @ 60 $350,000
2% @ 62 Members	10.205%	19.10%	7/1/2025	6/30/2026	2% @ 62 $187,369
Reduced Workload	10.25%	19.10%	7/1/2025	6/30/2026	Retirement Base
STRS Retirement Earnings Max			7/1/2025	6/30/2026	$80,245
FICA					
Social Security (OASDI)	6.20%	6.20%	1/1/2025	12/31/2025	$176,100
Medicare	1.45%	1.45%	1/1/2025	12/31/2025	
Addt'l Medicare Rate on earnings in excess of $200,000	0.90%	none	1/1/2025	12/31/2025	
State Unemployment Insurance (SUI)	none	0.05%	7/1/2025	6/30/2026	
State Disability Insurance (SDI)	1.20%	none	1/1/2025	12/31/2025	
Workers Comp Rates	*Set by R.E.S.I.G.*		7/1/2025	6/30/2026	
Other Limits	**Annual Max**				
Maximum Deferral Under 403(b) and 457 Plans	$ 23,500		1/1/2025	12/31/2025	
Catch-up Contributions for Individuals Age 50 or Over	$ 7,500		1/1/2025	12/31/2025	
Catch-up Contributions for Individuals Age 60-63 *	$ 11,250		1/1/2025	12/31/2025	
Flex 125 Dependent Care contribution--flexible spending	$ 5,000		1/1/2025	12/31/2025	
Flex 125 Medical contribution--flexible spending	$ 3,300		1/1/2025	12/31/2025	
HSA maximum contribution -- single	$ 4,300		1/1/2025	12/31/2025	
HSA maximum contribution -- family	$ 8,550		1/1/2025	12/31/2025	
HSA maximum contribution -- Over age 55 single/family	$ 1,000	additional	1/1/2025	12/31/2025	
Qualified Commuter/Parking Benefits	$ 325		1/1/2025	12/31/2025	

Effective Dates for Retirement and Workers Comp refer to earning period dates; all other effective dates refer to actual pay date.

*Special Age Based Catch-up - Details here: https://www.irs.gov/newsroom/401k-limit-increases-to-23500-for-2025-ira-limit-remains-7000

Updates to these rates are posted in ***Frontline ERP in SCOE Resources - Payroll Rates*** *Updated 6/17/2025*

Payroll Rates found in Frontline ERP in *SCOE Resources - Payroll Rates* Current and prior pay roll rates are available. Rates sheets are updated at the beginning of the Calendar Year AND Fiscal Year



W2 Reports

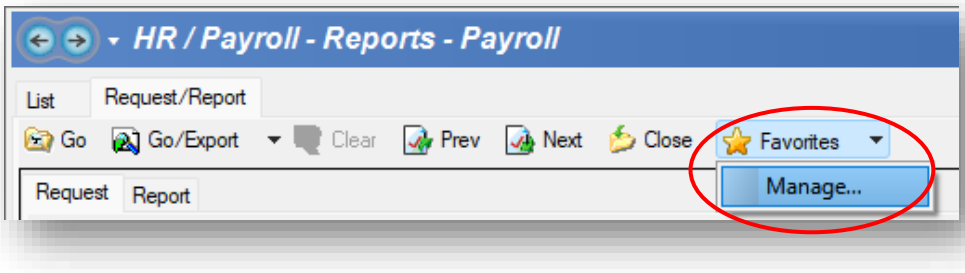
The following reports will help with processing and verifying W2 information prior to submitting final W2 Reports.

Manage Reports - Favorites and Schedule

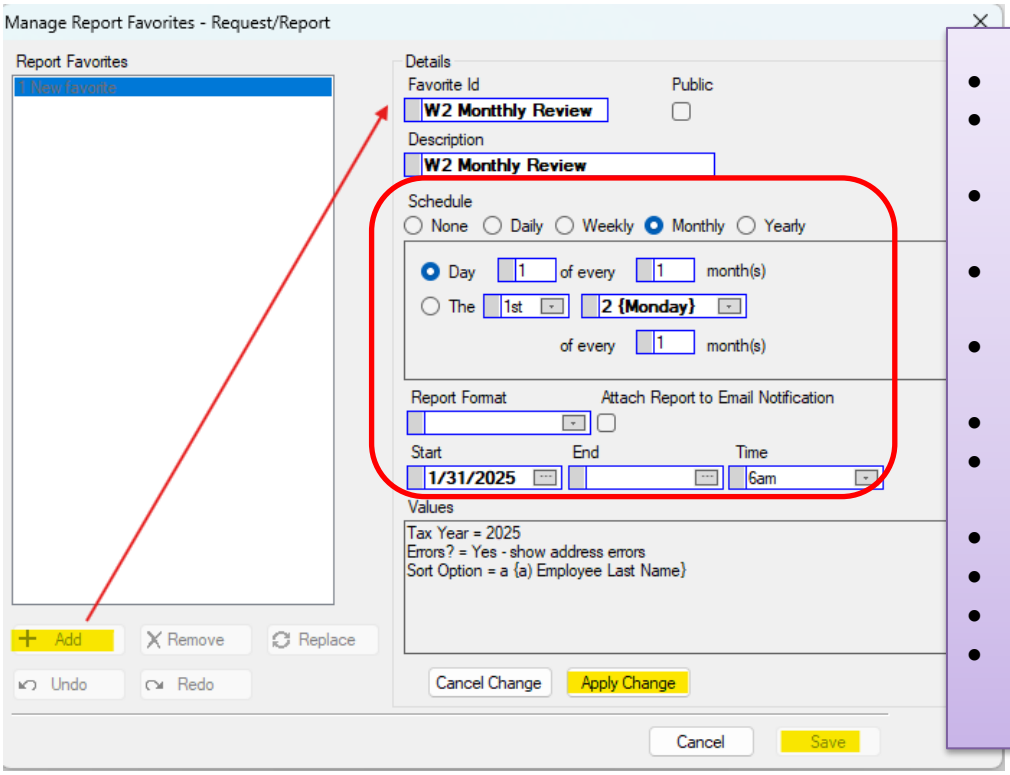
All reports can be saved as a Favorite and Scheduled to be emailed to the user. If the report contains SSNs, then an email notification will be sent when report is ready in “My Reports” activity.

There is a Favorites task on every report page. This is where you create report favorites from scratch. You can also modify and schedule report favorites from the report. Each report allows up to 20 favorites.

Report favorites that have already been created can be found in the Activity Tree under Report Favorites.



- Enter Request Criteria
- Click Go to review report is as expected
- Click Favorites
- Click Manage



- Click Add
- **Favorite Id:** Enter custom name
- **Description:** Allows more characters than Id
- **Schedule:** Daily, Weekly, Monthly, Yearly
- **Day:** Click Day of month to generate report
- **Report Format:** PDF
- **Check Box:** Attach Report to Email Notification
- **Start:** Enter Date
- Click **Apply Change**
- Click **Save**
- Allows 20 report favorites for each report

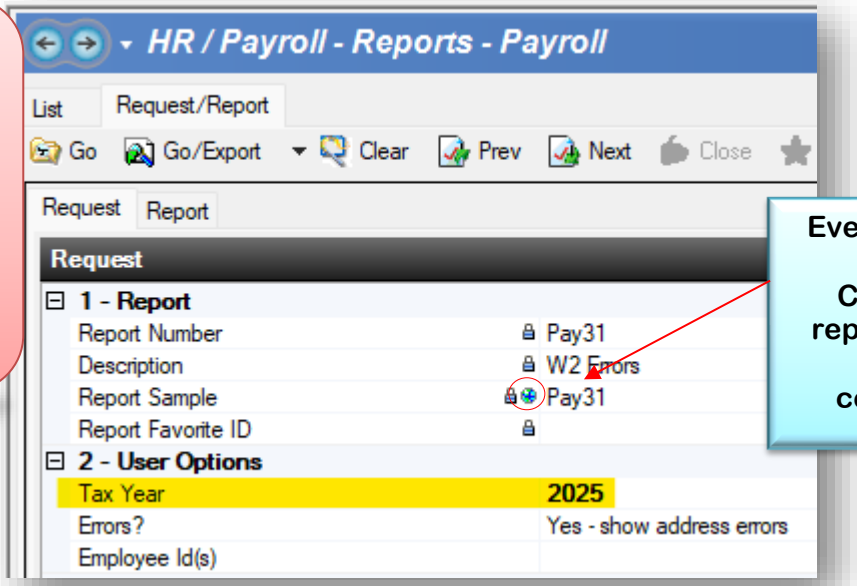
Pay31 W2 Errors

During generation, the W2 process detects many kinds of errors. These include address problems in addition to other kinds of setup and mismatched problems. This is a **Calendar YTD Date** Report for **Closed Pay Periods**. It is recommended to run this report in each pay period throughout the year.

Go To HR/Payroll – Reports – Payroll – Pay31 W2 Errors

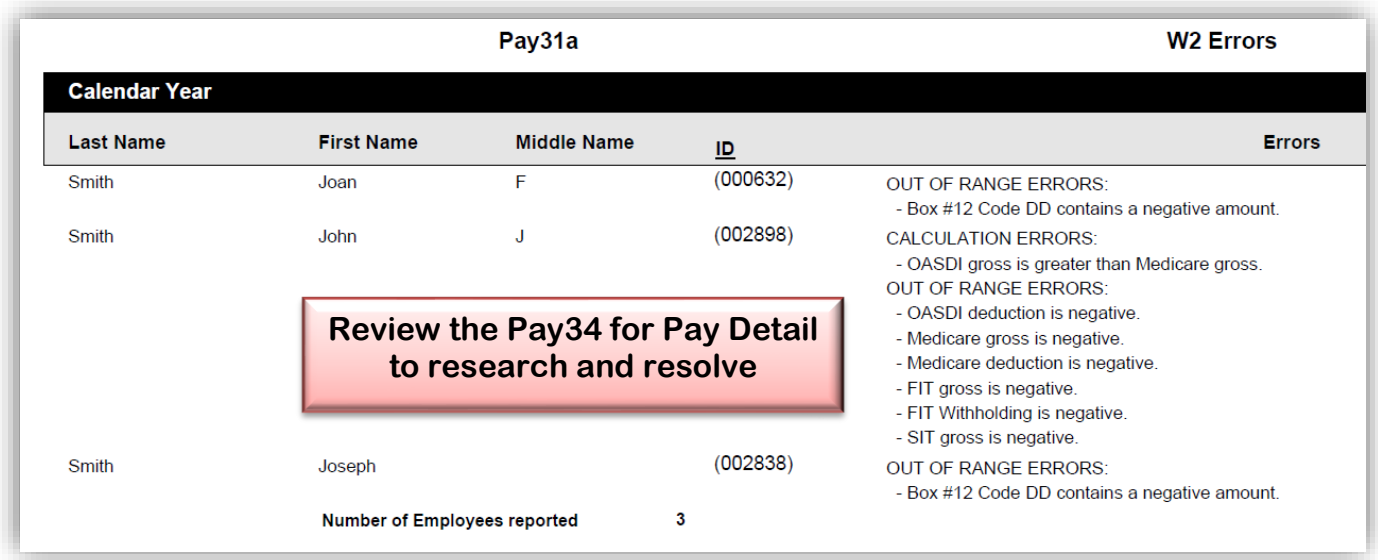
- **Tax Year**: 2025
- Click **Go** to generate report

Work with Christy Arend and Jing Liu in SCOE Business Services for Tax related Out of Range Errors for OASDI, MEDI, FIT, SIT



Every Report has a Sample Click to review report sample and special considerations

Example Pay 31: Review Errors and then review the Pay34 for more pay detail.



Pay31a — W2 Errors

Calendar Year

Last Name	First Name	Middle Name	ID	Errors
Smith	Joan	F	(000632)	OUT OF RANGE ERRORS: - Box #12 Code DD contains a negative amount.
Smith	John	J	(002898)	CALCULATION ERRORS: - OASDI gross is greater than Medicare gross. OUT OF RANGE ERRORS: - OASDI deduction is negative. - Medicare gross is negative. - Medicare deduction is negative. - FIT gross is negative. - FIT Withholding is negative. - SIT gross is negative.
Smith	Joseph		(002838)	OUT OF RANGE ERRORS: - Box #12 Code DD contains a negative amount.

Review the Pay34 for Pay Detail to research and resolve

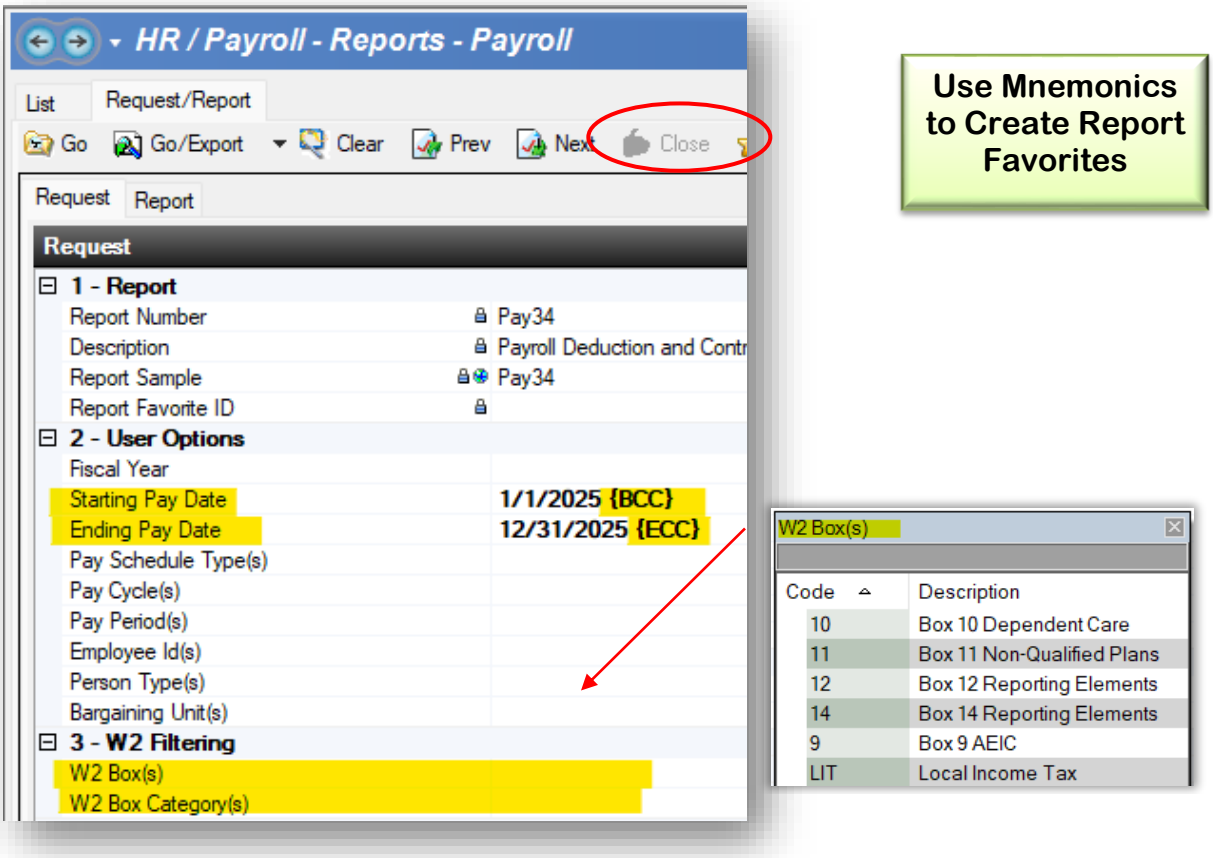
Number of Employees reported 3

Pay34 Payroll Deduction and Contribution Detail

Use this report is to determine detail of Pay31 W2 Errors. Report based upon pay detail, identifies deductions, contributions and amounts from pay detail for a group of individuals during a specified timeframe.

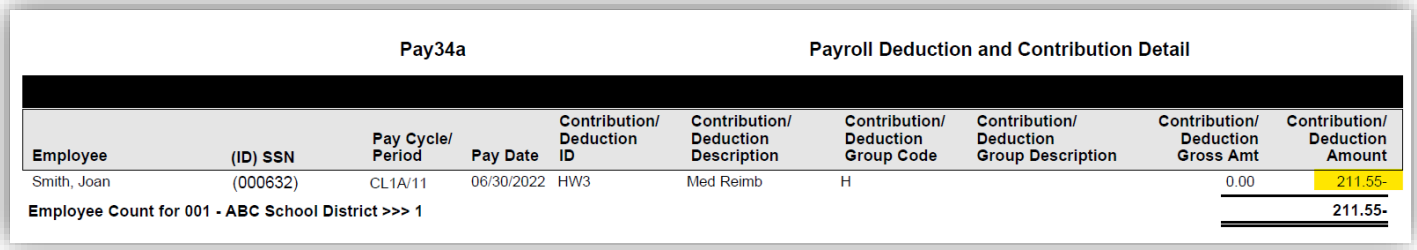
Go To HR/Payroll – Reports – Payroll – Pay34 Deduction and Contribution Detail

- **Starting Date:** 1/1/2025 {BCC}
- **Ending Date:** 12/31/2025 {ECC}
- **Employee ID:** enter emp id or leave blank
- **W2 Box:** select from menu
- **W2 Category:** select from menu after selecting W2 Box
- Click **Go** to generate



Use Mnemonics to Create Report Favorites

Example Pay34: Pay Detail for the calendar year with a negative total amount must be corrected before W2s can be generated



Pay34a — Payroll Deduction and Contribution Detail

Employee	(ID) SSN	Pay Cycle/ Period	Pay Date	Contribution/ Deduction ID	Contribution/ Deduction Description	Contribution/ Deduction Group Code	Contribution/ Deduction Group Description	Contribution/ Deduction Gross Amt	Contribution/ Deduction Amount
Smith, Joan	(000632)	CL1A/11	06/30/2022	HW3	Med Reimb	H		0.00	211.55-
Employee Count for 001 - ABC School District >>> 1									211.55-

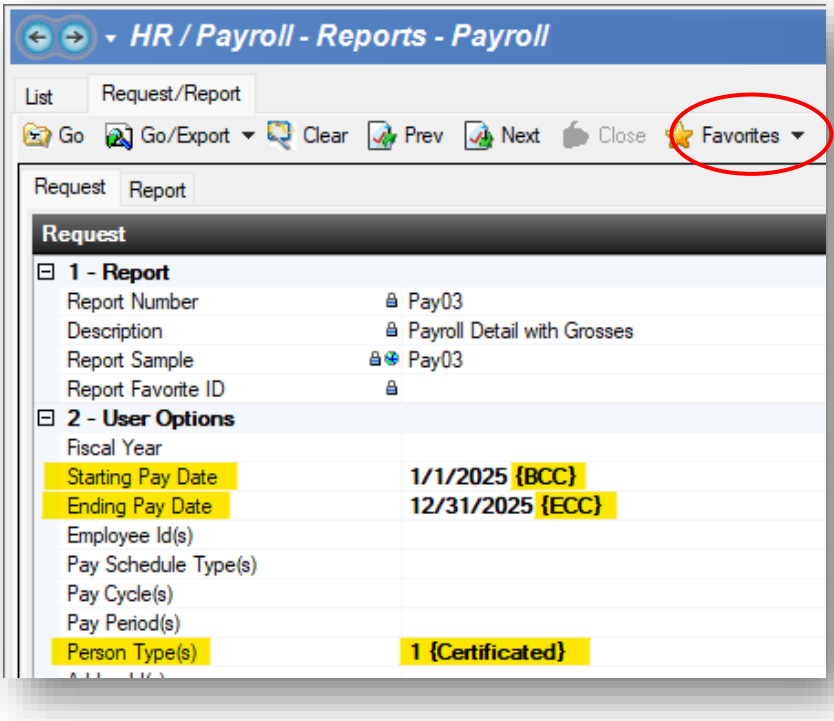
Pay03 Payroll Detail with Grosses

The report shows a pay date with employee detail, including gross pay, deductions and net pay. This can be used to review the relationship between Retirement, OASDI and Medicare.

For example, STRS Members would not contribute to OASDI, however, PERS Members contribute to OASDI and Medicare. There can also be cases for STRS members hired prior to March 31, 1986 who may have elected not to contribute to Medicare. Also keep in mind employees with Dual Retirement.

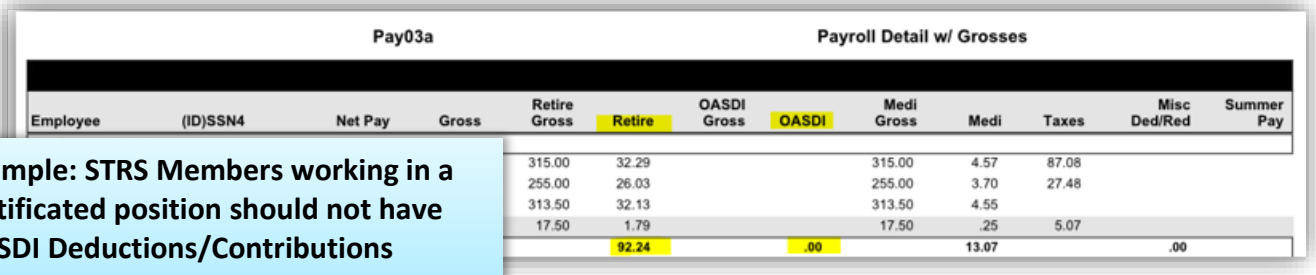
Go To HR/Payroll – Reports – Payroll – Pay03 Payroll Detail with Grosses

- **Starting Date:** 1/1/2025 {BCC}
- **Ending Date:** 12/31/2025 {ECC}
- **Employee Id:** Enter Id or Leave blank for all employees
- **Person Type:** 1{Certificated} or 2 {Classified} to narrow search
- **Click Go** to generate report



Create a Favorite for Certificated and another for Classified

Example Pay03 Payroll w/Grosses for Certificated Person Type:



Pay03a — Payroll Detail w/ Grosses

Employee	(ID)SSN4	Net Pay	Gross	Retire Gross	Retire	OASDI Gross	OASDI	Medi Gross	Medi	Taxes	Misc Ded/Red	Summer Pay
				315.00	32.29			315.00	4.57	87.08		
				255.00	26.03			255.00	3.70	27.48		
				313.50	32.13			313.50	4.55			
				17.50	1.79			17.50	.25	5.07		
					92.24		.00		13.07		.00	

Example: STRS Members working in a certificated position should not have OASDI Deductions/Contributions

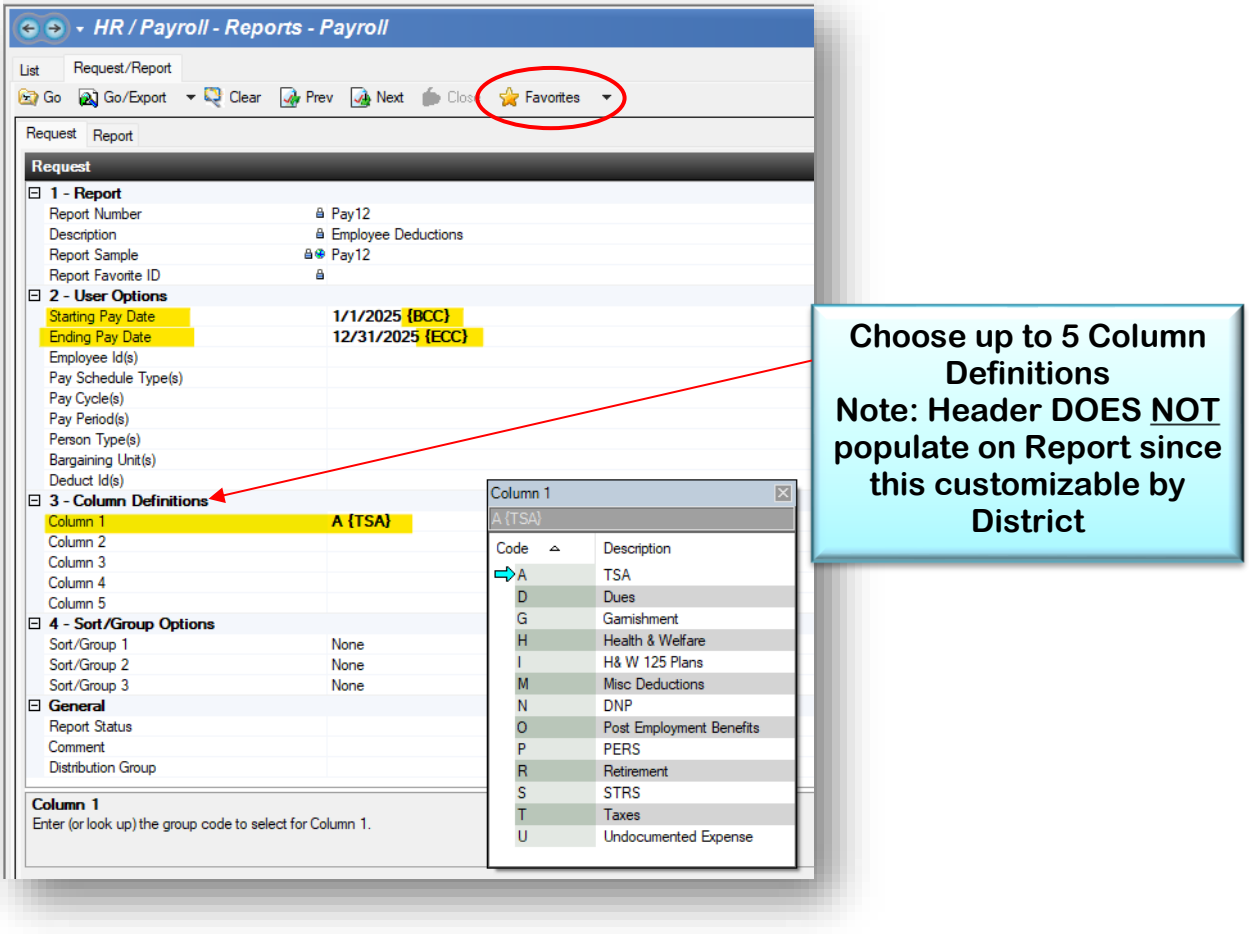
*****Be mindful of Dual Retirement*****

Pay12 Employee Deductions

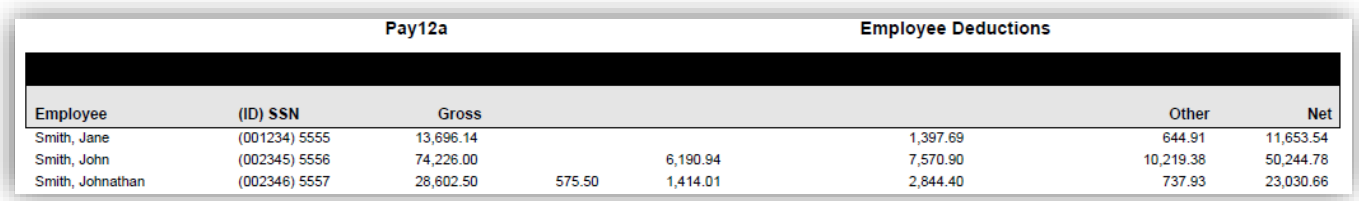
Report provides five columns of deduction groups. It provides dynamic employee's check groups, five columns of deductions, one column of "other" (all other deductions) and the net pay. You can specify which deductions are in the five columns and the group/sort for the employee check groups.

Go To HR/Payroll – Reports – Payroll – Pay12 Employee Deductions

- **Starting Date:** 1/1/2025 {BCC}
- **Ending Date:** 12/31/2025 {ECC}
- **Employee Id:** Enter Id or Leave blank for all employees
- **Column Definitions:** Choose 5 Deduction Codes from menu
- **Click Go** to generate report



Example Pay12 Employee Deductions:



Pay12a — Employee Deductions

Employee	(ID) SSN	Gross				Other	Net
Smith, Jane	(001234) 5555	13,696.14			1,397.69	644.91	11,653.54
Smith, John	(002345) 5556	74,226.00		6,190.94	7,570.90	10,219.38	50,244.78
Smith, Johnathan	(002346) 5557	28,602.50	575.50	1,414.01	2,844.40	737.93	23,030.66

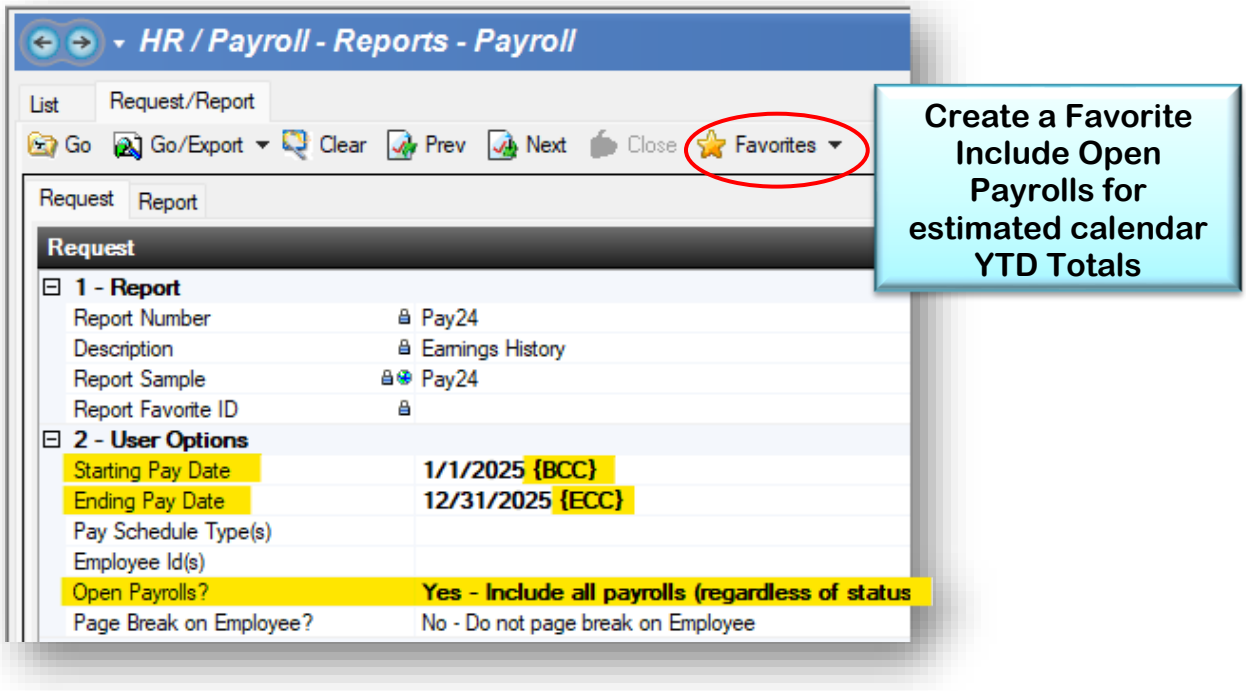
*****This report can be used to identify deductions over the Calendar Tax Year Limits*****

Pay24 Earnings History

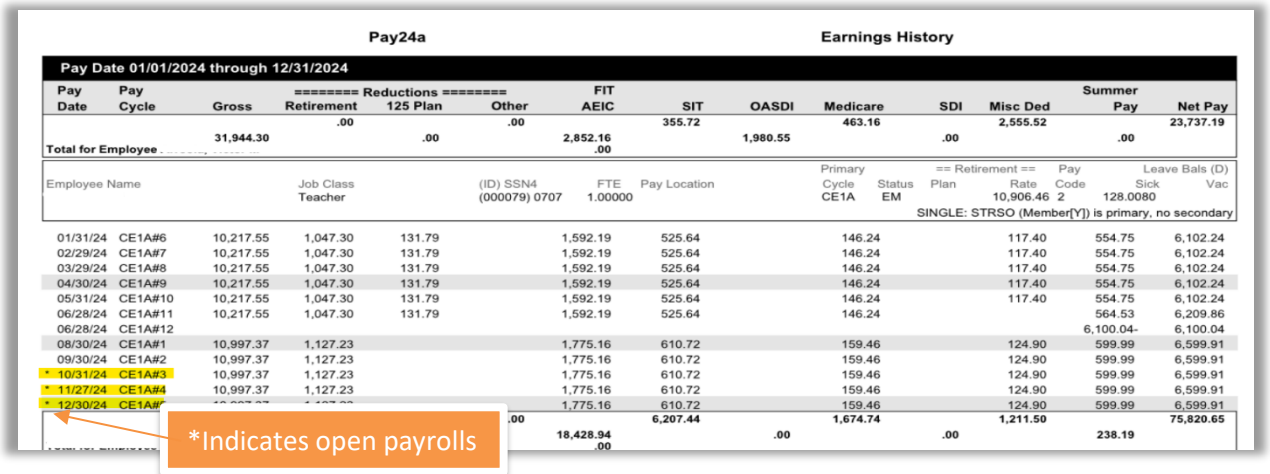
This report shows earnings history for each employee, including check history by employee, in chronological order. Columns include gross earnings, retirement, 125 plans, other reductions, advanced EIC, Fed tax withheld, State tax withheld, OASDI withheld, Medicare withheld, SDI withheld, misc. deductions, summer pay deduction and net pay.

Go To HR/Payroll – Reports – Payroll – Pay24 Earnings History

- **Starting Date:** 1/1/2025 {BCC}
- **Ending Date:** 12/31/2025 {ECC}
- **Employee ID** or leave blank for all employees
- **Open Payrolls?:** Yes – Include all payroll (regardless of status)
- **Click Go** to generate



Example Pay24 Earnings History:

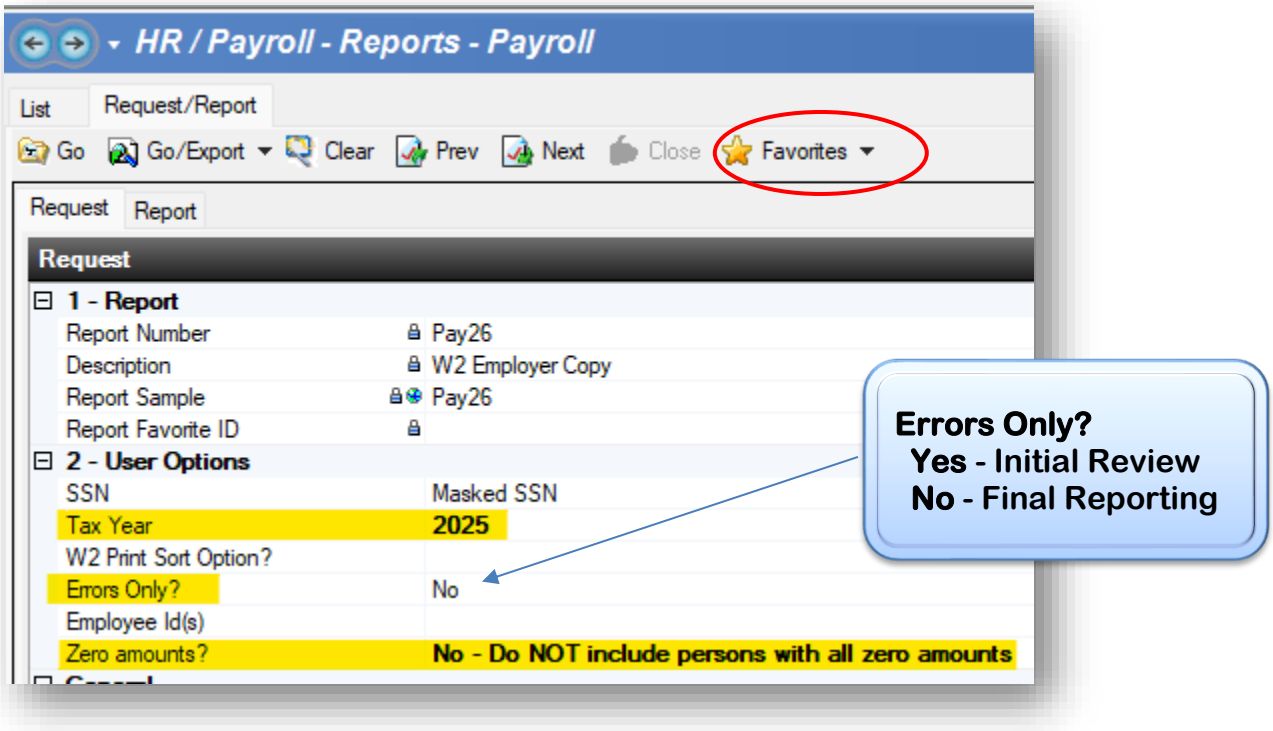


Pay26 W2 Employer Copy

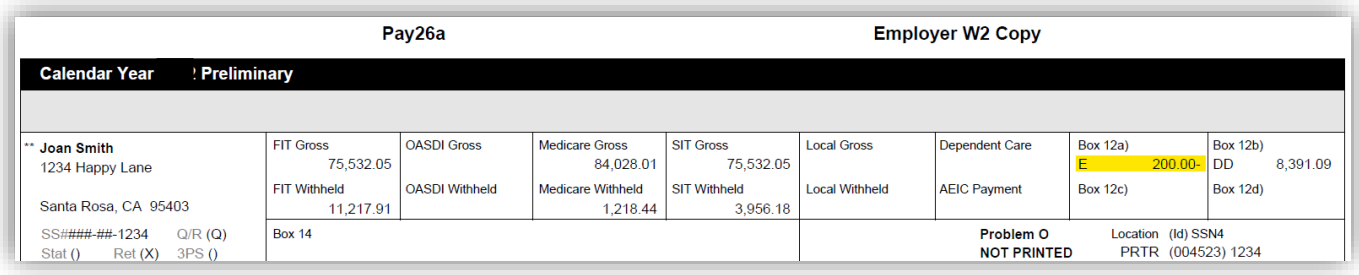
Provides a summary of each W2 printed or a preliminary simulation if the tax tables for the requested year have not been loaded. This is a Calendar YTD Date Report for Closed Pay Periods.

Go To HR/Payroll – Reports – Payroll – Pay26 W2 Employer Copy

- **Tax Year:** 2025
- **Employee Id** or leave blank for all employees
- **Zero amounts:** No – Do NOT included persons with all zero amounts
- **Click Go** to generate report



Example Pay26 Employer W2 Copy:



If there are negative amounts on the Pay31, there will be negative amounts on the Pay26 and W2 Form that will need to be resolved

Pay26a Employer W-2 Copy

Districts should begin running this report starting NOW!

The report will show YTD (Year to Date) totals for Closed Payrolls plus Preliminary data for remaining Calendar Year Open Payrolls.
These reports can be run many times to verify that the needed corrections have been made. Each district should review the report for errors to insure the accuracy of employees' W-2 information.

Most typical errors include:

- OASDI: The wages subject to the OASDI portion of FICA, multiplied by the rate (6.2%), do not equal the OASDI contributions. Usually this is the result of an erroneous pay history adjustment.
- MEDI: The wages subject to Medicare, multiplied by the rate (1.45%), do not equal the Medicare contributions. This usually is the result of an erroneous pay history adjustment.
- NEG: One of the numbers is negative. This can occur as a result of an erroneous pay history adjustment, or by the timing of a canceled warrant.
- TSA: The employee's TSA contributions exceed the 2025 annual maximum of $23,500 and $7,500 Catch Up over age 50 and $11,250 60-63 Special Age Based Catch-up. Because there can be valid reasons why an employee may exceed the stated limits, this information should be given to the employee with the recommendation to verify the amount with an accountant or tax preparer.

For employees with OASDI, MEDI, FIT or SIT errors, please review the employee's pay history and try to identify the error by date. **Contact Christy Arend and Jing Liu, SCOE External Payroll to discuss the best method for correcting errors**.

Pay26a Employer W-2 Copy (12 Month – January thru December)

Run again after the December Regular Payroll in Closed Status (12/23/2025) after 10:00 am.

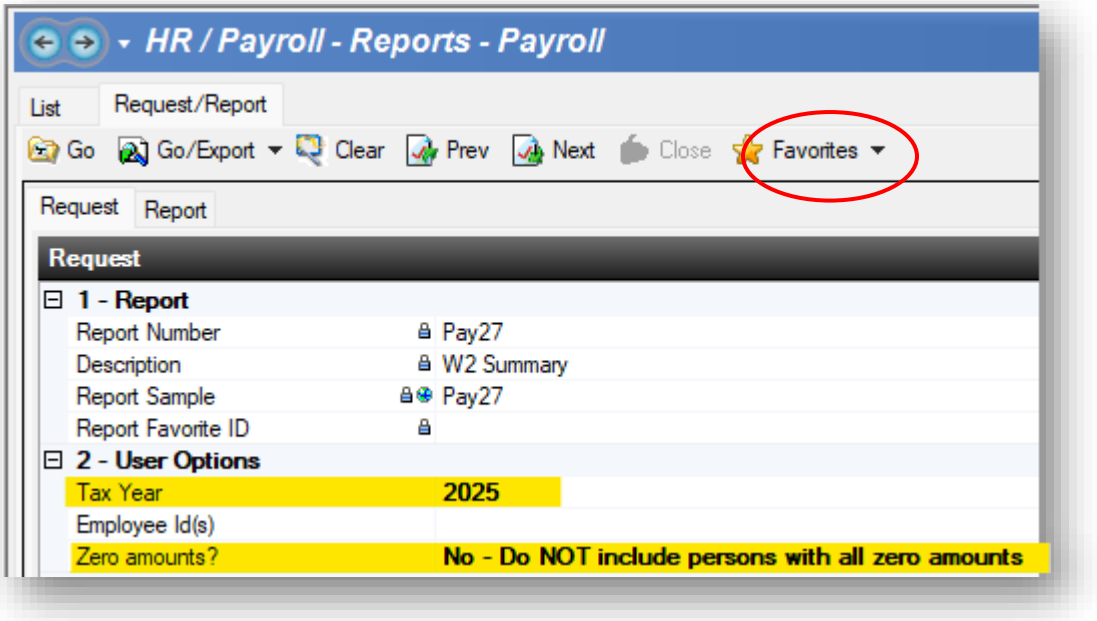
- This report contains 12 months of employee payroll information (January 2025 through December 2025)
- Review this report carefully since this is the basis for the W-2 Form

Pay27 W2 Summary

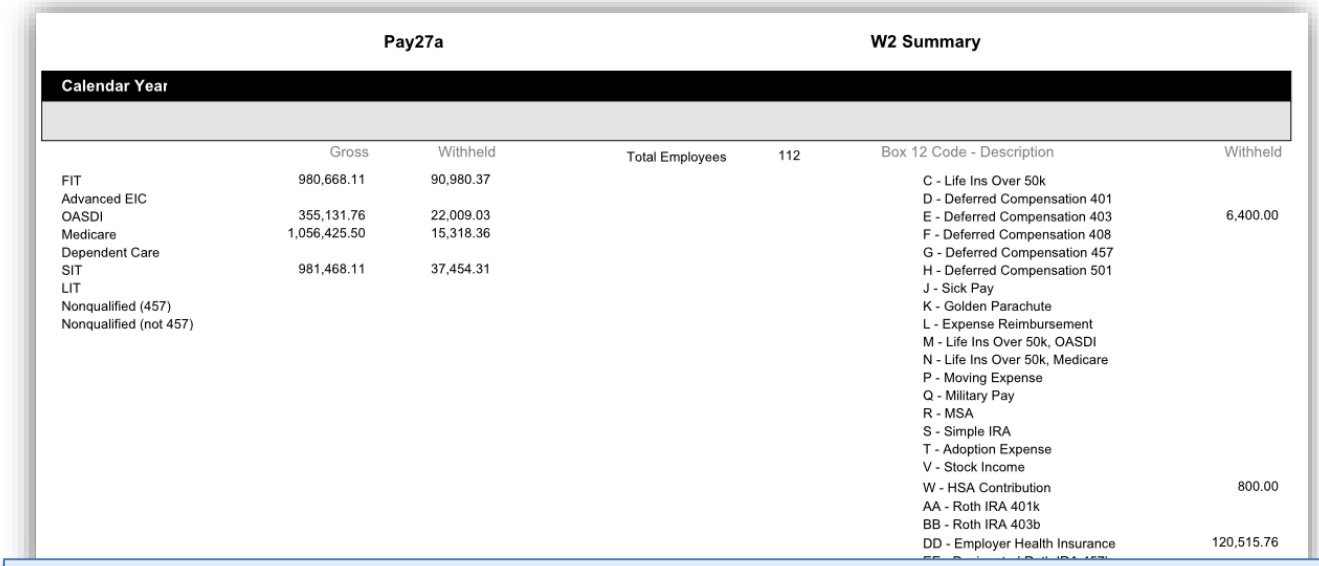
Provides a high-level summary of the W2s printed or a preliminary simulation if the tax tables for the requested year have not been loaded.

Go To HR/Payroll – Reports – Payroll – Pay27 W2 Summary

- **Tax Year:** 2025
- **Zero amounts?**: No – Do NOT included persons with all zero amounts
- **Click Go** to get all closed payroll records



Example Pay27 W2 Summary:



Pay27a **W2 Summary**

Calendar Year

	Gross	Withheld
FIT	980,668.11	90,980.37
Advanced EIC		
OASDI	355,131.76	22,009.03
Medicare	1,056,425.50	15,318.36
Dependent Care		
SIT	981,468.11	37,454.31
LIT		
Nonqualified (457)		
Nonqualified (not 457)		

Total Employees 112

Box 12 Code - Description	Withheld
C - Life Ins Over 50k	
D - Deferred Compensation 401	
E - Deferred Compensation 403	6,400.00
F - Deferred Compensation 408	
G - Deferred Compensation 457	
H - Deferred Compensation 501	
J - Sick Pay	
K - Golden Parachute	
L - Expense Reimbursement	
M - Life Ins Over 50k, OASDI	
N - Life Ins Over 50k, Medicare	
P - Moving Expense	
Q - Military Pay	
R - MSA	
S - Simple IRA	
T - Adoption Expense	
V - Stock Income	
W - HSA Contribution	800.00
AA - Roth IRA 401k	
BB - Roth IRA 403b	
DD - Employer Health Insurance	120,515.76

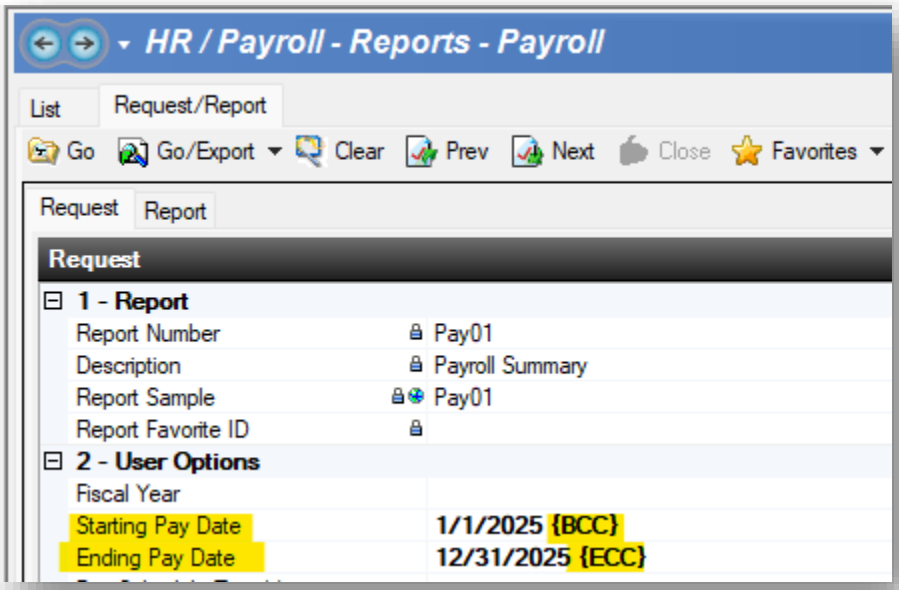
Be sure to review this report after December Payroll is Closed by SCOE IT

Pay01 Payroll Summary

The report shows payroll totals, Reductions, Taxes, Deductions (Employee) and contributions (Employer). It also includes vendor check liability information. The purpose of this report is to provide summary totals including gross bases for required Federal, State and Local government reports.

Go To HR/Payroll – Reports – Payroll – Pay01 – Payroll Summary

- **Starting Pay Date:** 1/1/2025 {BCC}
- **Ending Pay Date:** 11/30/2025 {ECM} for YTD; **12/31/2025 {ECC} when Payroll Closed**
- **Click Go** to get all closed payroll periods



Pay01a **Payroll Summary by Org**

EARNINGS by Earnings Code	Income	Adjustments
Regular	1,550,620.33	
No Gross		795.93
TOTAL	1,550,620.33	795.93

EARNINGS by Group	Income	Adjustments
No Gross	2,887.06	795.93
Base Pay	1,441,642.61	
Misc	61,906.54	
OT	4,523.06	
Sub	20,235.43	
Stipends	10,534.00	
Undocumented	8,891.63	
TOTAL	1,550,620.33	795.93

EARNINGS		Person Type		Female Employees
Cert	18	1,096,322.33	14	738,206.26
Clas	17	454,298.00	14	352,190.36
TOTAL	35	1,550,620.33	28	1,090,396.62

Vendor Summary for Pay Date 01/10/2024 thru 11/27/2024		
Vendor Checks	47,401.08	36
Vendor Liabilities	837,935.58	373
	885,336.66	409

TAXES	Employee	Employer	Total	Subject Grosses
Federal Withholding	146,234.14		146,234.14	1,357,657.78
State Withholding	56,572.64		56,572.64	1,359,957.78
OASDI	27,402.71	27,402.71	54,805.42	441,977.80
Medicare	21,740.27	21,740.27	43,480.54	1,499,322.83
Extra Medicare	80.95		80.95	8,994.40
Unemployment Ins		750.68	750.68	1,501,622.83
Workers Comp		14,679.89	14,679.89	1,548,320.33
SUBTOTAL	252,030.71	64,573.55	316,604.26	

REDUCTIONS	Employee	Employer	Total	Subject Grosses
PERS		56,489.27	56,489.27	210,470.12
PERSN	63.67	49,157.14	49,220.81	795.93
STRS	100,488.18	187,250.69	287,738.87	980,371.10
STRSN	3,593.20	6,725.12	10,318.32	35,209.96
TSA	37,520.00		37,520.00	
Health & Welfare	45,624.80		45,624.80	
H& W 125 Plans	3,372.70		3,372.70	
Misc Deductions	2,300.00		2,300.00	
SUBTOTAL	192,962.55	299,622.22	492,584.77	

DEDUCTIONS	Employee	Employer	Total	Subject Grosses
PERS	14,732.93		14,732.93	210,470.12
PERSN	14,581.19		14,581.19	182,265.19
Health & Welfare		141,545.47	141,545.47	
Misc Deductions	11,386.85		11,386.85	76.28
DNP	921.38-		921.38-	586,378.43
SUBTOTAL	39,779.59	141,545.47	181,325.06	
TOTALS	484,772.85	505,741.24	990,514.09	

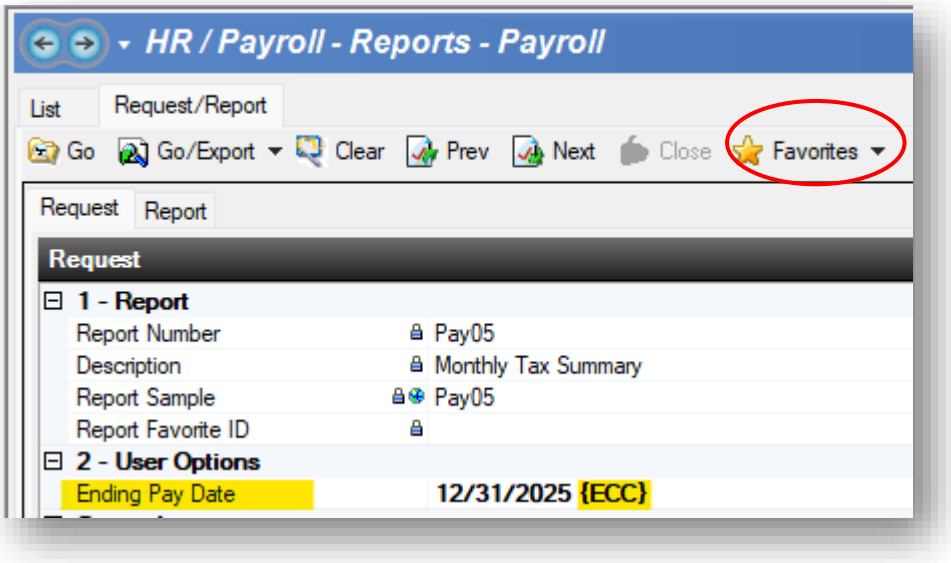
Cancel/Reissue for Process Date 01/10/2024 thru 11/27/2024	
Reissued	
Cancel Checks	
Void ACH	

Pay05 Monthly Tax Summary

This report shows payroll totals, including reductions, taxes, deductions by employee and employer. The purpose of this report is to provide monthly summary totals including gross bases for required Federal, State and Local government reports.

Go To HR/Payroll – Reports – Payroll – Pay05 - Monthly Tax Summary

- **Ending Pay Date:** 12/31/2025 {ECC}
- **Click Go** to get all closed payroll records



Pay05a **Monthly Tax Summary**

Reporting Period 01/01/2024 - 12/31/2024

	Gross	SIT	SUI	SDI	OASDI	Medicare	FIT	Additional Medicare
January	148,701.47	129,876.54	143,789.23		43,008.84	143,589.23	129,676.54	
		5,089.26	71.89		2,666.56	2,082.04	13,598.95	
February	151,567.95	132,841.66	146,655.71		43,732.12	146,455.71	132,641.66	
		5,163.98	73.34		2,711.40	2,123.61	13,951.54	
March	151,371.47	132,596.30	146,459.23		46,027.84	146,259.23	132,396.30	
		5,086.99	73.23		2,853.73	2,120.76	13,814.12	
1st Qtr Gross	**451,640.89**	**395,314.50**	**436,904.17**		**132,768.80**	**436,304.17**	**394,714.50**	
Tax		**15,340.23**	**218.46**		**8,231.69**	**6,326.41**	**41,364.61**	
April	149,128.74	130,415.21	144,216.50		43,914.11	144,016.50	130,215.21	
		5,025.77	72.09		2,722.68	2,088.25	13,953.11	
2nd Qtr Gross	**436,318.16**	**380,202.26**	**422,403.18**		**114,857.91**	**421,803.18**	**379,602.26**	
Tax		**15,670.20**	**211.16**		**7,121.23**	**6,116.16**	**42,371.72**	
July	39,261.98	35,115.35	37,469.44		16,467.57	37,469.44	35,115.35	
		1,844.06	18.74		1,021.00	543.31	4,726.95	
August	145,274.04	128,775.25	143,030.19		37,679.89	142,830.19	128,575.25	
		5,631.71	71.48		2,336.16	2,071.04	13,628.49	
September	159,190.66	140,257.62	154,736.32		48,113.53	154,436.32	139,957.62	
		5,939.42	77.34		2,983.03	2,239.35	14,664.25	
3rd Qtr Gross	**343,726.68**	**304,148.22**	**335,235.95**		**102,260.99**	**334,735.95**	**303,648.22**	
Tax		**13,415.19**	**167.56**		**6,340.19**	**4,853.70**	**33,019.69**	
Open Payrolls								
October	149,413.65	130,382.68	143,486.12		40,229.40	143,186.12	130,082.68	
		5,633.28	71.72		2,494.23	2,076.21	13,783.10	
November	149,413.65	130,382.67	143,486.11		40,229.40	143,186.11	130,082.67	8,994.40
		5,633.28	71.72		2,494.23	2,076.21	13,783.10	80.95
December	149,413.65	130,382.68	143,486.12		40,229.40	143,186.12	130,082.68	18,995.25
		5,633.28	71.72		2,494.23	2,076.21	13,783.10	170.96

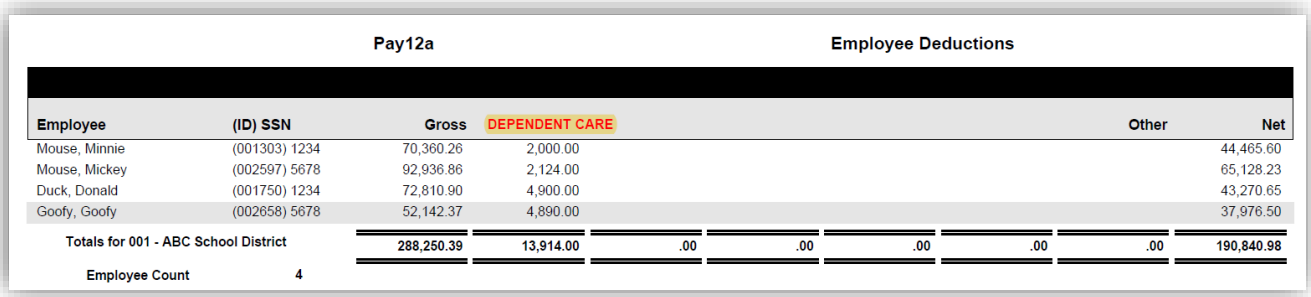
Be sure to review this report after December Payroll is Closed by SCOE IT

W2 Reporting and Box Adjustments

Dependent Care: W2 Box 10

Report the annual calendar amount paid by the employee for dependent care. IRS limit is $5,000 for 2025. The district typically receives this information from a Section 125 Plan administrator. If you offer this type of benefit, let your plan administrator know your deadline for entering adjustments.

Recommended to run the Pay12 Employee Deduction Report to verify the annual amount for 125 Dependent Child Care does not exceed IRS limits. If an employee exceeds the IRS limit, the excess amount needs to be added to boxes 1(wages), 3(OASDI) and 5(M/C) of the employee's W2.



Pay12a — Employee Deductions

Employee	(ID) SSN	Gross	DEPENDENT CARE					Other	Net
Mouse, Minnie	(001303) 1234	70,360.26	2,000.00						44,465.60
Mouse, Mickey	(002597) 5678	92,936.86	2,124.00						65,128.23
Duck, Donald	(001750) 1234	72,810.90	4,900.00						43,270.65
Goofy, Goofy	(002658) 5678	52,142.37	4,890.00						37,976.50
Totals for 001 - ABC School District		288,250.39	13,914.00	.00	.00	.00	.00	.00	190,840.98
Employee Count	4								

Life Ins: LIFEADJ Addons W2 Box 12, C (Taxable life ins over $50K)

No additional adjustment will be needed for this tax year if this Addon was used during the year.

If the Addon was NOT used, the district will need to request a one-time manual calculation to correct and create the adjustment.

Use the LIFEADJ Addon that uses to the EE-Life earnings table, to report the premium of group employer paid term life insurance in excess of $50,000.

For determining the adjustment to income for term life insurance **over $50,000**, the IRS requires the use of the table below. It sets out the cost per $1,000 of group-term life insurance for one month, computed based on four-year age brackets. For purposes of the table, the age of the employee is his/her attained age on the last day of his/her taxable year.

Table 2-2. Cost Per $1,000 of Protection for 1 Month

Age	Cost
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 older	2.06

Use Table 2-2 from IRS Publication 15-b

Formula = excess units* cost * months of coverage

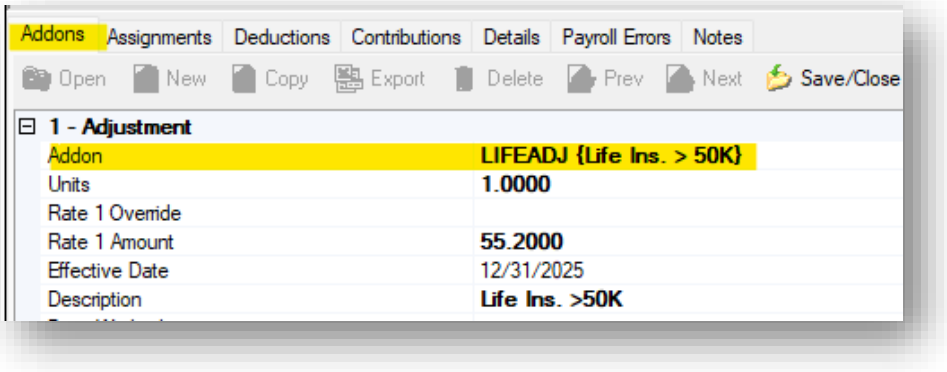
Calculate the total cost to include in the employee's wages by multiplying the monthly cost by the number of full months' coverage at that cost.

Example: District pays the premium on a $70,000 group term life insurance policy for a 50-year-old employee, the cost of the policy to be reported on the employee's Form W-2 is calculated as follows:

Total insurance coverage	$70,000
Less amount excluded from taxation	($50,000)
Excess subject to compensation	$20,000

Addon LIFEADJ = 20 units X .23 *From Age Bracket* X 12 months = **$55.20** Must be reported on Form W-2

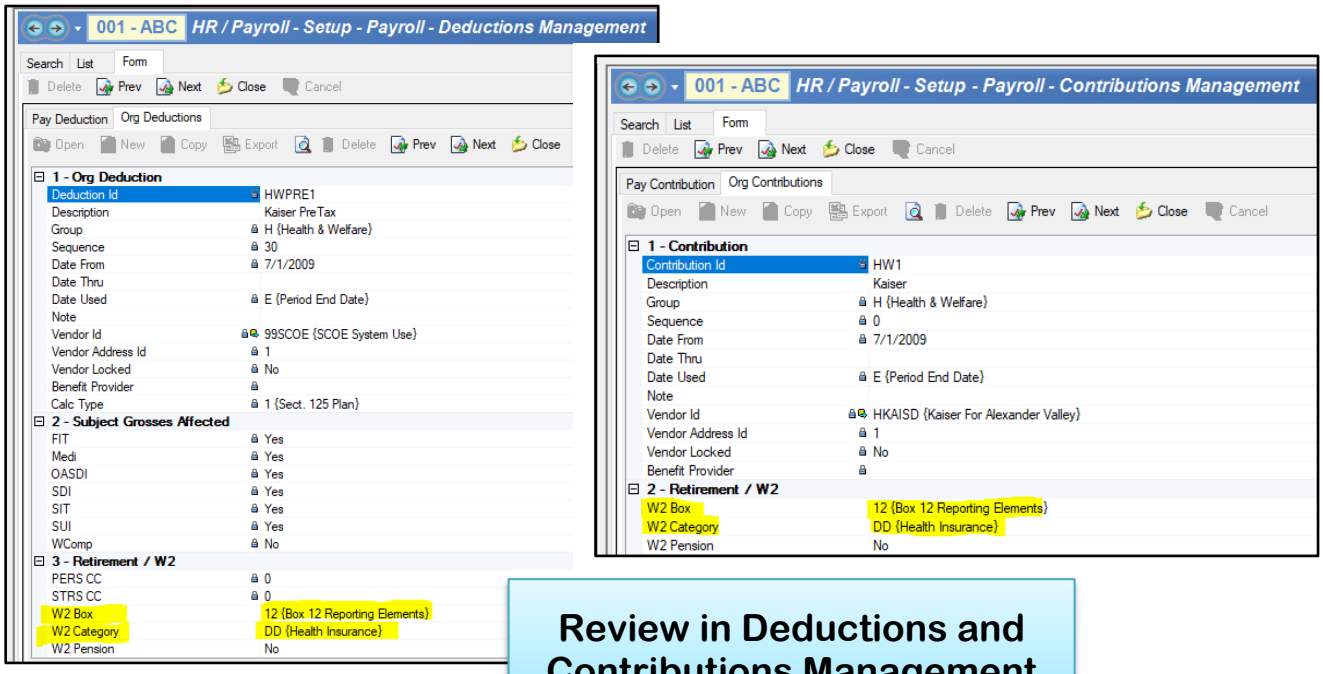
Go to HR/Payroll – Payroll – Adjust Payroll



Health Insurance: W2 Box 12, Category DD

Deductions and Contributions used for health insurance must be set up for reporting on the W2, Box 12, Category DD, whether using Benefit Providers or Deductions and Contributions. Be sure to review especially if new codes were added for the calendar year.

This requirement is for those (Employees and Retirees) who have earnings in 2025 and are therefore receiving a W2. It is for reporting **Medical Benefits** only, for the amount of both the EMPLOYEE and EMPLOYER combined. This does not apply to Dental, Vision and Life Insurance at this time.



Review in Deductions and Contributions Management

Retirees with Earnings and Benefits: W2 Box 12, Category DD

Retirees paying their portion of medical benefits directly to the district's healthcare provider (i.e. RESIG, CVT) and have earnings in 2025, must have the Health Insurance Premiums reported in W2 Box 12 Category DD.

Please contact the health care provider to get the amount the retiree has paid outside of payroll in order to report on the W2 Form. This amount would be added to the Box 12 if there were employer contributions already reporting in Box 12.

- **MEDW2ADJ** Addon for Medical W2 Adjustment, send email to helpdesk@scoe.org to request the addon
- Adjustments should be made on the 12/30/2025 Payroll

Payroll Adjustment for OUT OF RANGE Error Health Insurance Box 12 Category DD

After running the Pay31 to determine the Out of Range error, run the Pay34 for the detail. Before making an adjustment, verify the negative amount is not due to a prior year refund that could affect prior year taxes and possibly a W2c correction is needed for prior year. The W2 Adjustment Deduction Code must be in the system prior to making the correction so that the vendor check is not affected.

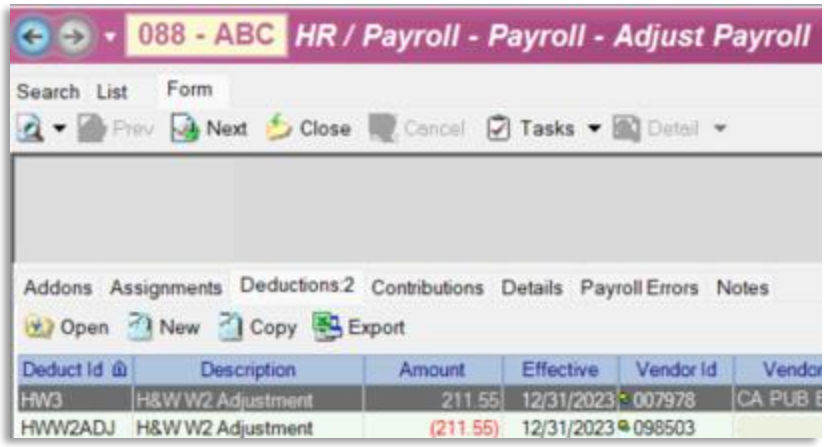
Example: Health and Welfare Adjustment

Go To HR/Payroll –Payroll – Adjust Payroll

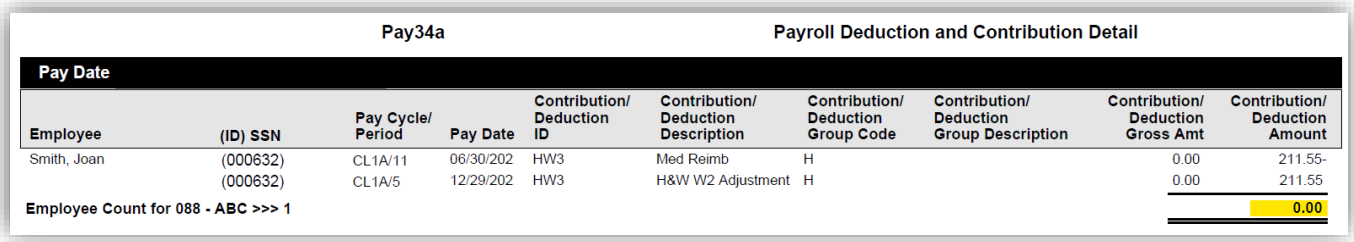
W2 Adjustment Deduction Code(s) must be created first. If assistance is needed, send email to helpdesk@scoe.org.

- **Employee ID:** XXXX
- **Pay Date:** 12/30/2025
- Click **Go** and open record
- Add **No Gross Addon** if no other earnings
- Open the Deduction Tab
- Click **New**
- Use same deduction code with positive amount to clear the negative
- **Save/Close**
- Click **New**
- Select the H&W W2 Adjustment deductions with a negative amount **(there are different deductions needed for pretax vs post tax premiums)**
- **Save/Close**
- Big **Save/Close**

After entries are made, there should be no change to the Net. If no other earnings, Net should be zero.



- Rerun the Pay34 with the same filters to verify amount is 0.00



Pay34a — Payroll Deduction and Contribution Detail

Pay Date

Employee	(ID) SSN	Pay Cycle/ Period	Pay Date	Contribution/ Deduction ID	Contribution/ Deduction Description	Contribution/ Deduction Group Code	Contribution/ Deduction Group Description	Contribution/ Deduction Gross Amt	Contribution/ Deduction Amount
Smith, Joan	(000632)	CL1A/11	06/30/202	HW3	Med Reimb	H		0.00	211.55-
	(000632)	CL1A/5	12/29/202	HW3	H&W W2 Adjustment	H		0.00	211.55
Employee Count for 088 - ABC >>> 1									0.00

TSA 403(b) and 457: W2 Box 12, Category E and Category G

Deductions and Contributions used for Tax Shelter Annuities must be set up for reporting on the

- 403(b): W2 Box 12, Category E
- 457: W2 Box 12, Category G

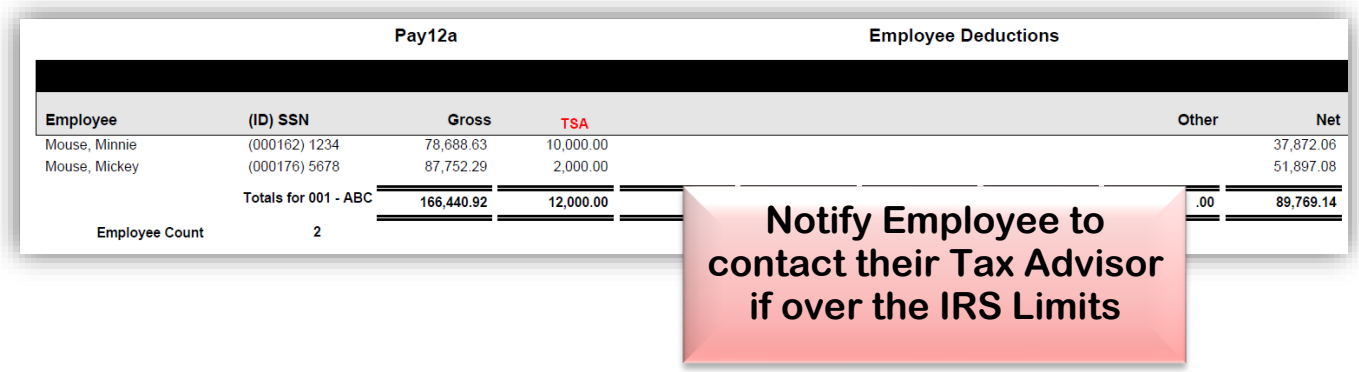
Employer Paid TSA 403(b) and 457 Contributions

Contributions the **employer** has paid toward a TSA for an employee. These amounts are used for the calculation of the TSA limit. Employer contributions to a section 403(b) for public school employees are exempt from Social Security and Medicare taxes.

TSA 403(b) and 457 Refund

TSA 403(b) and 457 Refunds that are received for employees for calendar year 2025, need to be recognized in the year received. If the refunds are received in December, it can be adjusted on the December Regular Payroll. If a refund is received in the next calendar year for 2025, it should be returned to the vendor to be reissued directly to the employee, with the exception if the refund is due to exceeding the annual max of $23,500 for 2025, $7,500 Catch Up over age 50 and $11,250 60-63 Special Age Based Catch-up. If that is the case, please work with Christy Arend and Jing Liu, SCOE Business Services.

It's recommended to run the Pay12 or Pay 34 report to verify the TSA 403(b) or 457 does not exceed IRS limits. Notify the employee to contact their tax advisor.



Payroll Adjustment for OUT OF RANGE Error TSA Box 12 Category E, EE, F or Category G



Different from the Health Insurance out of range correcting entry, the TSA adjusting dedcution code used CANNOT be the original deduction used or this will affect the vendor check. The dedcution used should be a TSAADJ and TSAW2ADJ. If the district needs assistance, send a ticket to helpdesk@scoe.org. Be sure to double check the dedcution is set up to go to a liability account and not affect the vendor check.

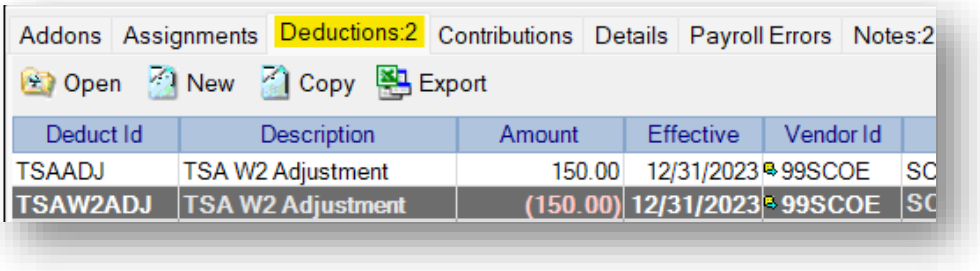
Example: Tax Shelter Annuity (403b, 457) Adjustment

Go To HR/Payroll –Payroll – Adjust Payroll

- **Employee ID:** XXXX
- **Pay Date:** 12/30/2025
- Click **Go** and open record
- Add **No Gross Addon** if no other earnings
- Open the Deduction Tab
- Click **New**
- Use **TSA Adjustment** deduction code with positive amount to clear the negative
- Verify **Vendor is 99SCOE**, if not update
- **Save/Close**

Deduction Tab

- Click **New**
- Select the **TSA W2 Adjustment** deduction with a negative amount
- **Save/Close**
- Big **Save/Close**



- Rerun the Pay34 with the same filters to verify amount is 0.00

Pay34a **Payroll Deduction and Contribution Detail**

Pay Date 01/01/2023 through 12/31/2023

Employee	(ID) SSN	Pay Cycle/ Period	Pay Date	Contribution/ Deduction ID	Contribution/ Deduction Description	Contribution/ Deduction Group Code	Contribution/ Deduction Group Description	Contribution/ Deduction Gross Amt	Contribution/ Deduction Amount
Employee Name									
	(002262)	CES/8	03/10/2023	TSAADJ	AFES Flex Refund	A		0.00	100.00-
		CES/9	04/10/2023	TSAADJ	AFES Flex Refund	A		0.00	50.00-
		CE1A/5	12/28/2023	TSAADJ	TSA W2 Adjustment	A		0.00	150.00
Employee Count for		**School District >>> 1**							**0.00**

Must research if adjustment affects prior year W2 reporting. Contact Christy Arend and Jing Liu to confirm if a W2c is needed

Third Party Sick Pay: W2 Box 12, Category J

Districts with employees that have third-party sick pay may need to make an adjustment based on the YTD Statement received from the Vendor.

- Districts whose vendor is “The Standard”, DO NOT need to make adjustments because the vendor directly reports the taxes. NO ADJUSTMENT necessary.

Districts who use other vendors, for example, **American Fidelity,** will need to follow the steps below:

Step 1: Around the end of December/early January (prior to the W2 Correction Payroll on January 7, 2026 contact American Fidelity and request the YTD Summary

Step 2: If the employee’s premium is a post-tax deduction, the YTD Summary should have no FIT, FICA and Medicare Withheld (columns E, H, and I). Add the employees with Post-Tax Deductions to the W2 Correction Payroll. The Gross Disability Benefits Paid (Column D of the YTD Summary) needs to go in Box 12 with Category J (Sick Pay) of the W2. Email helpdesk@scoe.org and IT can assist you in getting this information on the W2.

Step 3: If FIT, FICA or Medicare was withheld (columns E, H, and I of the YTD Summary), call the number at the bottom of the YTD Summary and have them correct this.

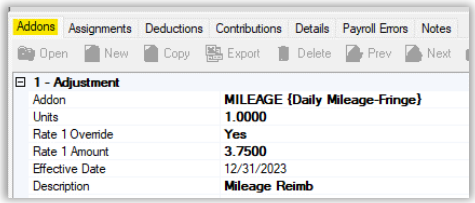
Step 4: If the employee’s premium is a Pre-Tax Deduction, contact Christy Arend and Jing Liu, SCOE Business Services, in order to create a manual edit on the W2.

Fringe Benefits or Misc. Inc. Outside of Payroll: W2 Box 12, Category L Employee Expense

Any unaccountable expense reimbursement(s) or miscellaneous income received by an employee that is NOT reflected in the employee's pay history. Determine the Social Security and Medicare subject gross and contact Christy Arend, Business Services before using Z-Addons.

Example Mileage Reimbursement:
Additional income paid by an accounts payable commercial warrant
Mileage reimbursement rate only if it is **greater than** the government specified reimbursement rate. **The government rate for 2025 is .70 cents per mile.**

Need to **use a Mileage Addon** to report the amount over the government allowable reimbursement rate.



Example:
Total number of miles:
District Rate Per Mile: $.75 (250 miles X $.75 = $187.50)
IRS Rate Per Mile: $.70 (250 miles X $.655 = $175.00)

$175.00 Mileage reimbursement equal to Govt. rate, do not report.
$ 12.50 Mileage reimbursement greater than Govt. rate, reportable income, requires adjustment to subject grosses (including FIT and SIT)
Must report in W2 Box 12, Category L Employee Expense.

Health Savings Account (HSA): W2 Box 12, Category W

For districts offering HSA's, verify that the appropriate **contribution/deduction** was used to report both employee and employer contributions. These are reported in W2 Box 12 with category code W (HSA contribution).

Be sure the Maximum Contribution for Calendar Year 2025 is not exceeded.

HSA maximum contribution -- single	$	4,300		1/1/2025	12/31/2025
HSA maximum contribution -- family	$	8,550		1/1/2025	12/31/2025
HSA maximum contribution -- Over age 55 single/family	$	1,000	additional	1/1/2025	12/31/2025

NOTE: If an employee is age 65+ and receiving Medicare, they are no longer eligible to contribute funds to an HSA (Health Savings Account).

Review Loaded W2 Data

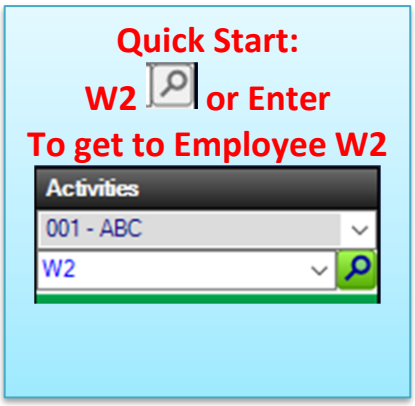
W2s will be loaded after the December Payroll is closed by SCOE IT. The District will need to review and verify the list of employees from the Employee W2 Activity and resolve errors.
After December Regular Payroll, if there are still errors or adjustments needed, then you will need to request the W2 Correction Pay Cycle dated 12/25/2025, send request to helpdesk@scoe.org.

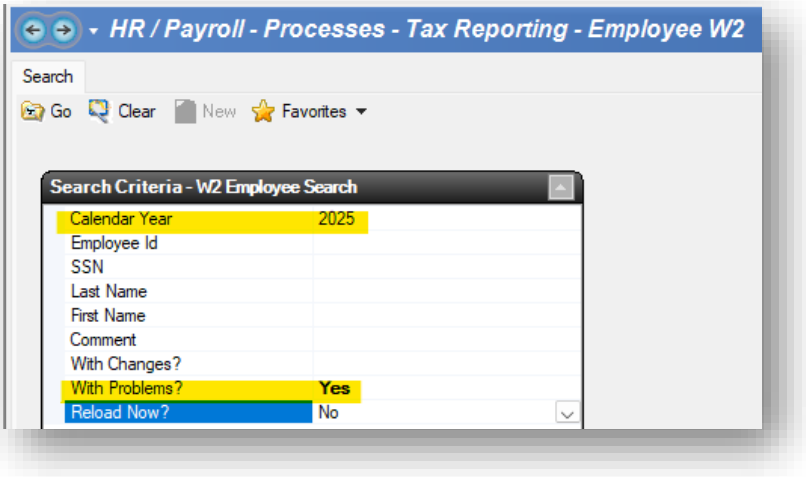
Important: The W2 Correction Payroll cannot affect cash 9110 Object Code, only subject wages!

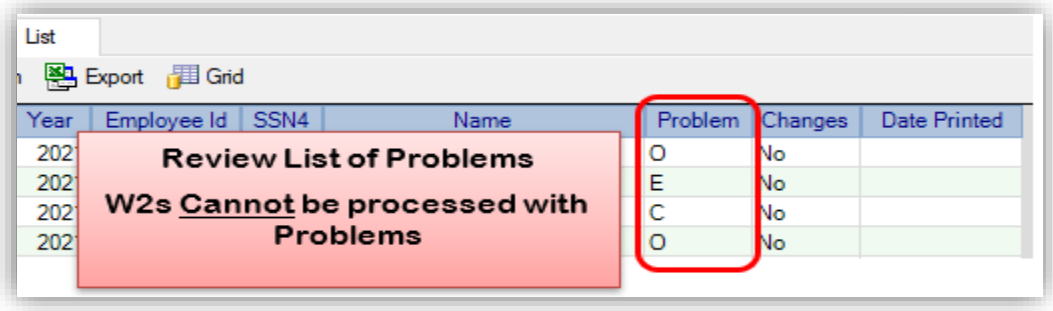
Review the Employee W2 List

Go to HR/Payroll – Processes – Tax Reporting – Employee W2 or use Quick Start W2

- **Calendar Year:** 2025
- **With Problems:** Yes for the initial review; No to review all
- **Click Go** to generate list







W2 Problem Code Definitions:

- O - Out of Range, box is reporting a negative amount
- E - Error in the employee record, usually an invalid social security number or address
- C - Calculation error, generally happens when the OASDI/Medicare are negative

For assistance on resolving errors, please email helpdesk@scoe.org

W2 Correction Pay Cycle



The W2 Correction Pay Cycle is used only to "change" what will print on the W2. The Subject Grosses and information in W2 boxes through the use of Addons or Deductions/Contributions that either increase or decrease subject grosses without actually affecting earnings or amounts withheld can only be processed in this Pay Cycle. The adjustment amounts will only increase or decrease a W2 Box.

Examples:

- Retirees with earnings **and** health benefits outside of the system
- Domestic Partner
- Group-Term Life Insurance over 50K
- Mileage to report district's mileage reimbursement rate when greater than government rate

These are the only types of adjustments that are allowed on the W2 Correction, however you don't have to wait to make these adjustments, they can be done on the December Manual or December Regular Payroll.

The W2 Correction Pay Cycle cannot affect Cash Object Code 9110

Make certain these Addons, Deductions/Contributions are set up so that they do not affect withheld amounts.

All Addons, Deductions/Contributions that affect withheld amounts must be adjusted on the December Manual or December Regular Payrolls.

Request W2 Correction Pay Cycle

If your District needs the W2 Correction Pay Cycle, please send an email to helpdesk@scoe.org. The Additional Pay activity must be used to add data to the W2 Pay Cycle in Adjust Payroll.

- Create Additional Pay Batch ***(See next page for directions)***
- Pay Date for this Pay Cycle is 12/25/2025
- Cash cannot be affected
    - Review Snapshot in Adjust Payroll – Account Distribution

W2 Correction Pay Cycle - Additional Pay Activity to add Adjustments

The Additional Pay activity is used for adding or importing one-time Addons that affect the specified pay date only. This is a batch format that can be used for any pay cycle for one employee or multiple employees to post to Adjust Payroll. This activity is also used for importing Frontline Absence Management Substitute pay and employee Leaves.

Go to HR/Payroll – Employment – Additional Pay

- Click New to create an Additional Pay Batch

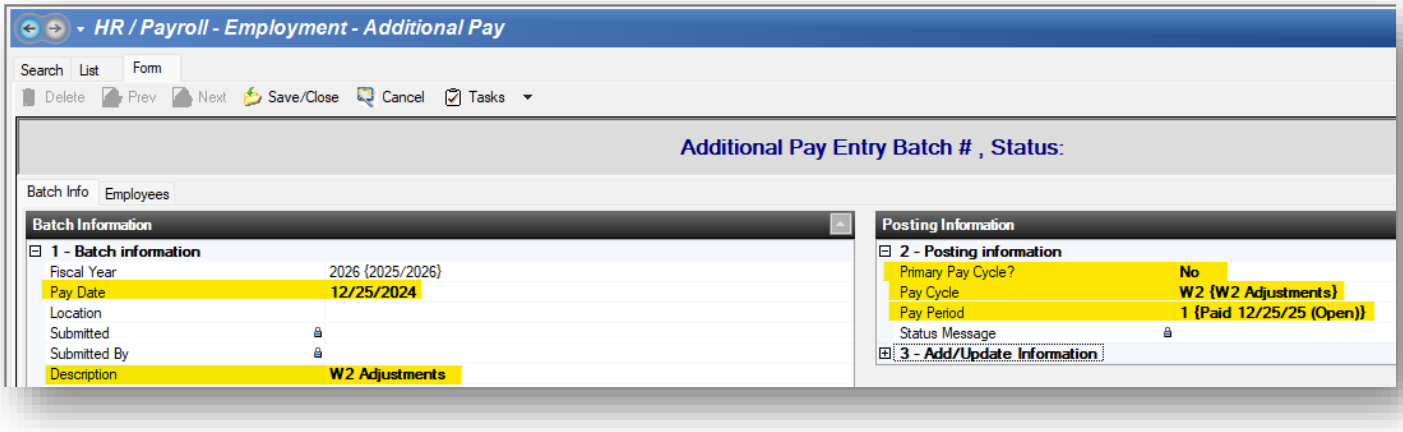


Batch Information:

- Complete the required Fields
- **Pay Date**: 12/25/2025
- **Description**: W2 Adjustments
- **File Name:** Used for importing a file

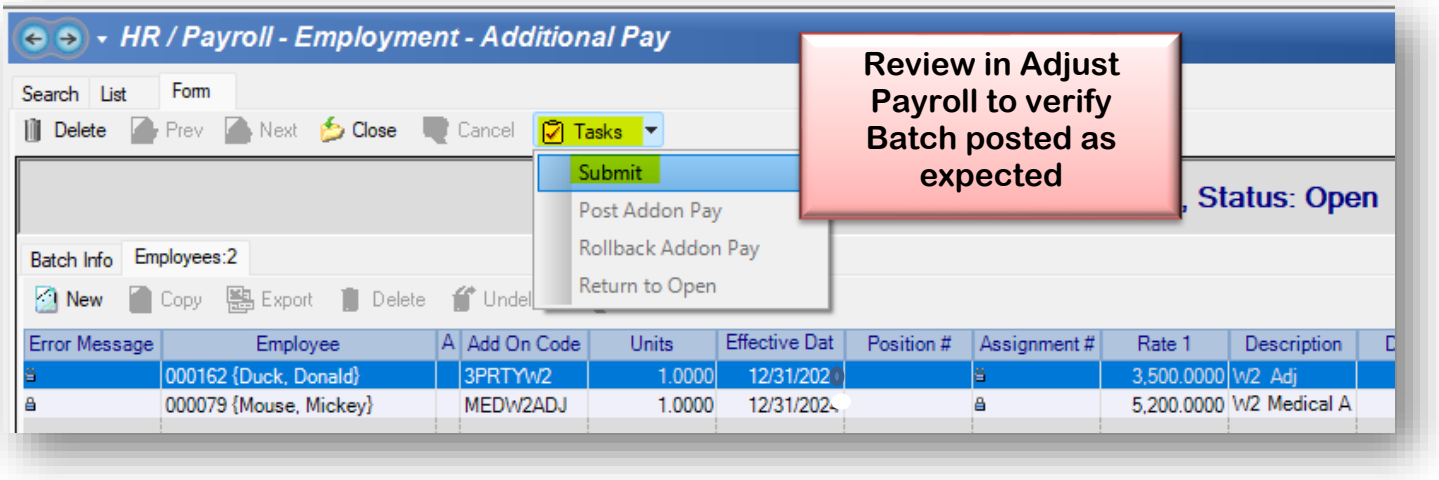
Posting Information:

- **Primary Pay Cycle:** No
- **Pay Cycle:** W2 Adjustments
- **Pay Period:** 1 {Paid 12/25/25}
- Click on the Employee Tab to add employees



Additional Pay Batch Employee Tab:

- Click New
- Enter Employee number or type partial last name to select from list
    - **Employee Must Have a Primary Pay Cycle in Employee Management**
- Enter the Addon Id, Units, Effective Date 12/31/2025, Rate Amount, Description
- Copy line and update with new employee or click New to add another employee
- Save/Close
- Reopen and go to Tasks to Submit
- Reopen go to Tasks to Post Addon Pay

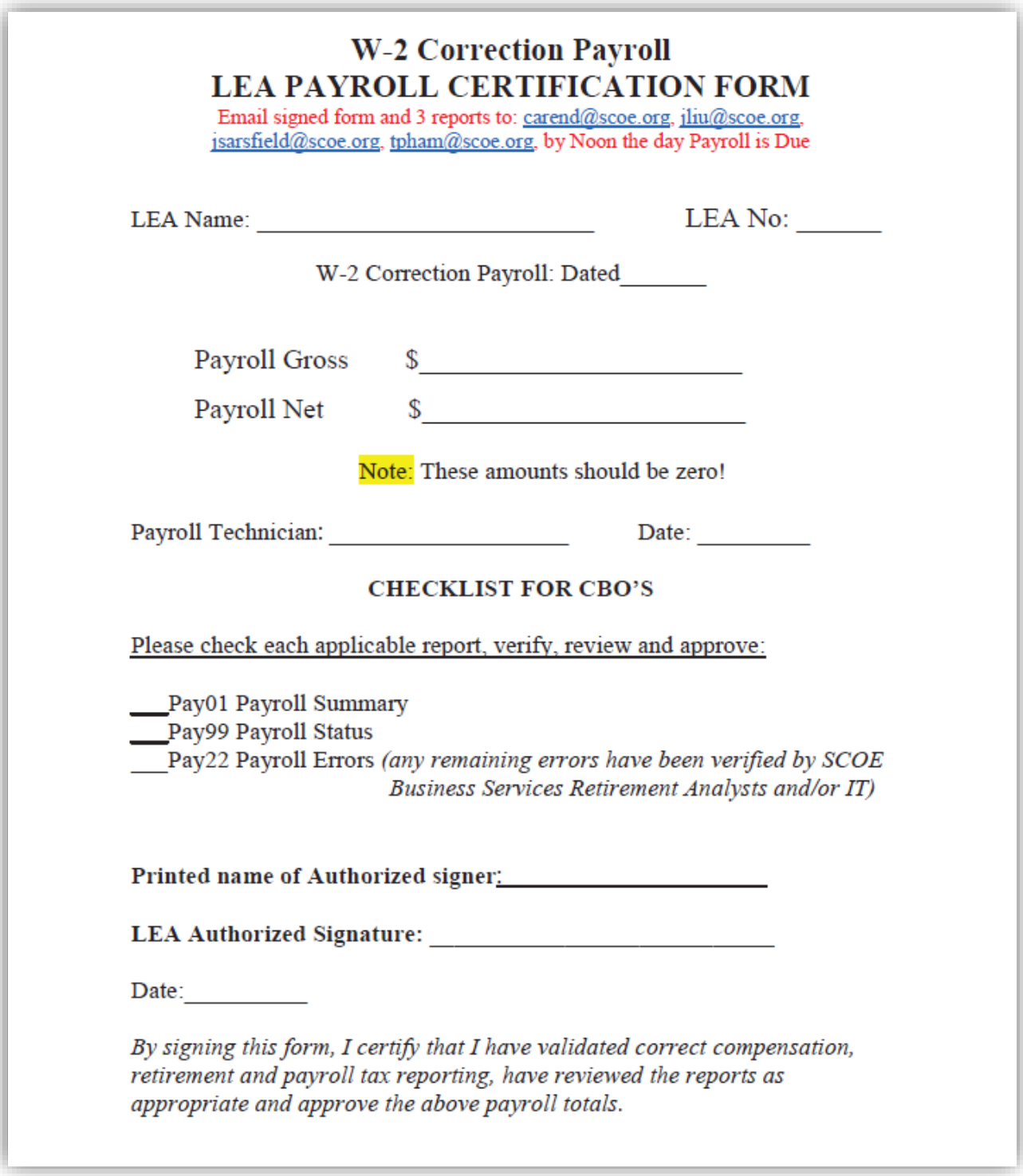


- **Verify that 9110 Object Code Cash is not affected**
    - Review Snapshot in Adjust Payroll – Account Distribution
- Due **January 7, 2026** by noon
- Send to carend@scoe.org, jliu@scoe.org, jsarsfield@scoe.org and tpham@scoe.org
    - W2 Correction Payroll Certification Form (see example next page)
    - Pay01 Payroll Summary
    - Pay99 Payroll Status
    - Pay22 Payroll Errors

- **SCOE Business Services will Submit the W2 Pay Cycle for ALL**



W2 Correction Pay Cycle Certification Form



W-2 Correction Payroll
LEA PAYROLL CERTIFICATION FORM

Email signed form and 3 reports to: carend@scoe.org, jliu@scoe.org, jsarsfield@scoe.org, tpham@scoe.org, by Noon the day Payroll is Due

LEA Name: _____ LEA No: _____

W-2 Correction Payroll: Dated_____

Payroll Gross $_____

Payroll Net $_____

Note: These amounts should be zero!

Payroll Technician: _____ Date: _____

CHECKLIST FOR CBO'S

Please check each applicable report, verify, review and approve:

___Pay01 Payroll Summary
___Pay99 Payroll Status
___Pay22 Payroll Errors *(any remaining errors have been verified by SCOE Business Services Retirement Analysts and/or IT)*

Printed name of Authorized signer:_____

LEA Authorized Signature: _____

Date:_____

By signing this form, I certify that I have validated correct compensation, retirement and payroll tax reporting, have reviewed the reports as appropriate and approve the above payroll totals.

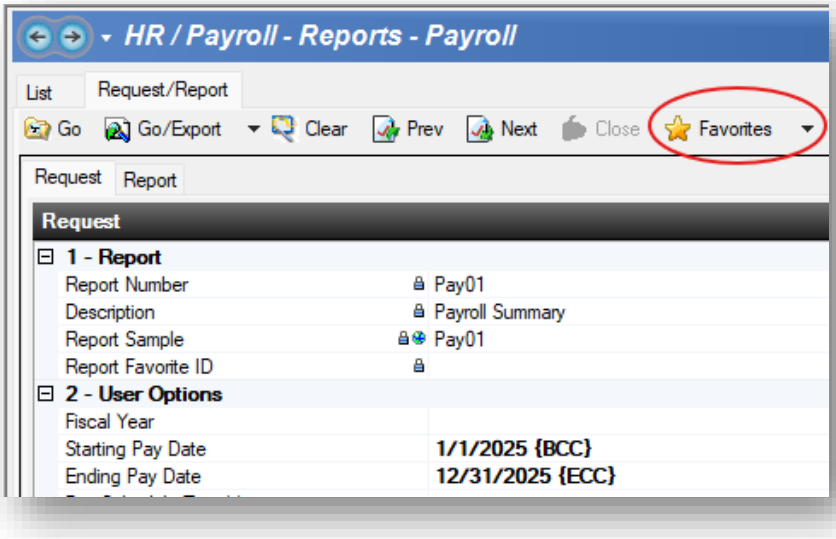
https://resources.finalsite.net/images/v1736995830/scoeorg/s4sec6s9lcxlmti3zwpd/Fillable_W-2_Correction_Pay_Cycle_Cert_Sheet.pdf

W2 Final Review

Pay01-Payroll Summary and the Pay27-W2 Summary YTD for ***closed*** Payroll Dates then run final after December Regular Payroll is closed and after W2 Correction Payroll, if needed.
All payroll reports should balance on subject gross and withholdings.

Go to HR/Payroll – Reports – Payroll – Pay01 Payroll Summary

Pay01 – Payroll Summary



Use Mnemonics to Create Report Favorites

Starting Pay Date: BCC

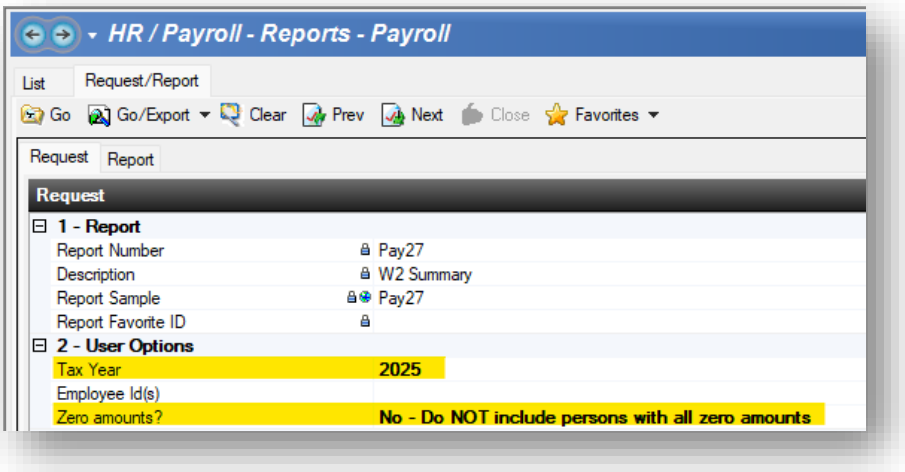
Ending Pay Date: ECC

Go to HR/Payroll – Reports – Payroll – Pay27 W2 Summary

Pay27 – W2 Summary

Tax Year: 2025

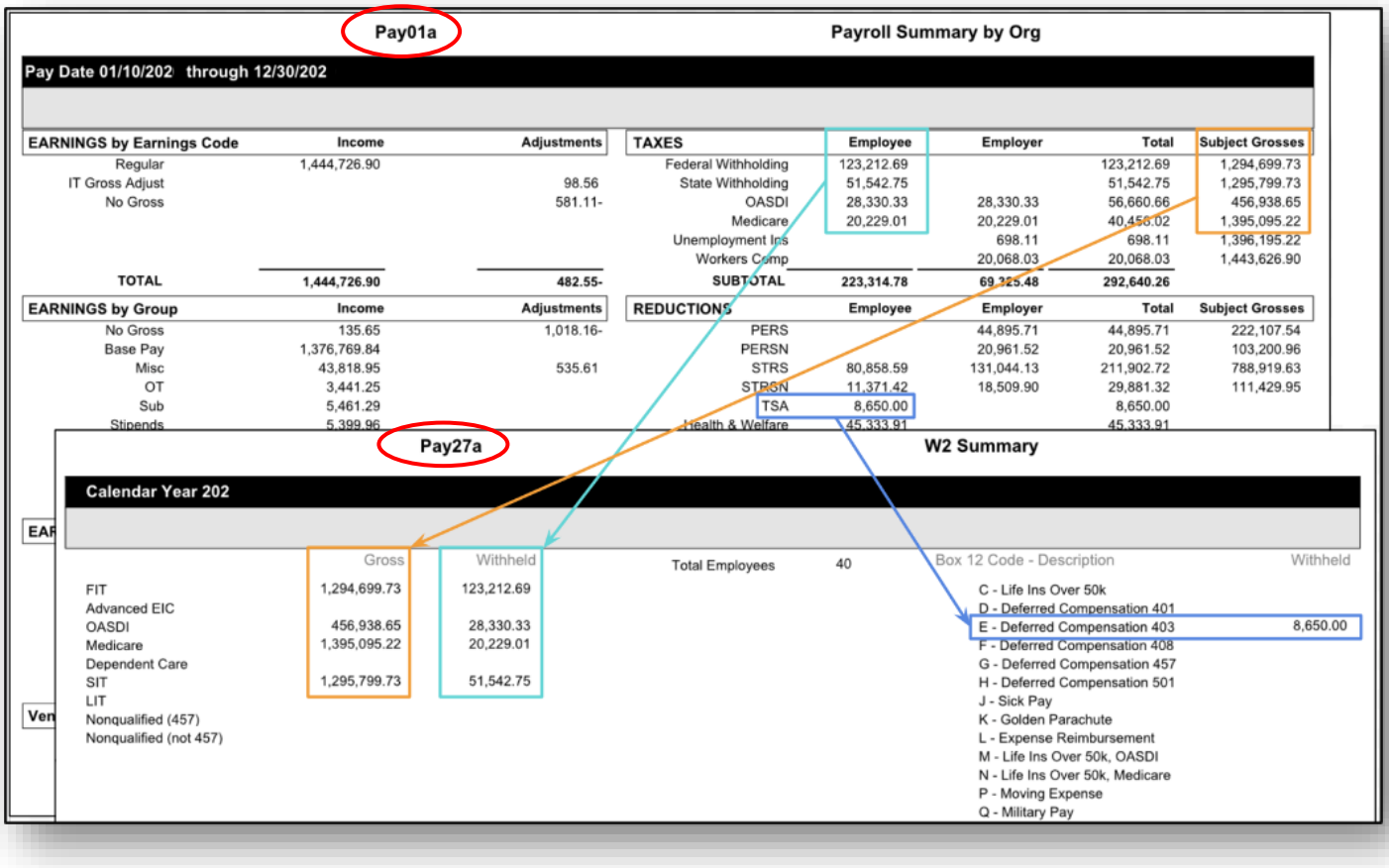
Zero amounts?: No



Example Pay01 Payroll Summary and Pay27 W2 Summary

Pay01 – Payroll Summary – shows payroll totals, reductions, taxes, deductions (employee) and contributions (employer). It also includes vendor check liability information.

Pay27 – W2 Summary – provides high-level summary of W2's printed



NOTE: If there were adjustments using the TSAADJ or TSAW2ADJ Deduction Codes, then the Pay01 TSA total and the Pay27 Box 12 Code E – Deferred Compensation 403 total will not balance. Review the adjustment amount is the same as the difference between the reports.

W2 Final Reports for Submission

Important: Do not Reload W2s after the manual edits or they will be removed

Submit Signed Final W2 Verification Reports and certification sheet to Christy Arend and Jing Liu, in SCOE Business Services on or before **January 9, 2026 by 4:30 pm.**

Send email to carend@scoe.org, and jliu@scoe.org

Verification Reports include:

- Pay01 - Payroll Summary
- Pay05 - Monthly Tax Summary
- Pay26 - W2 Employer Copy *(For review only, do not send in)*
- Pay27 - W2 Summary
- Pay31 - W2 Errors *(Report for review only, do not send in. If errors remaining after final load, work with Christy Arend and Jing Liu for manual edits)*

January 27, 2026 – W2 Forms available to pick up
W2's WILL NOT be sent via AV mail

W2 Forms must be distributed to Employees or postmarked on or before January 31, 2026

SEE NEXT PAGE FOR W-2 FINAL REPORT CERTIFICATION

W-2 Final Report Certification

LEA Name _____ LEA No: _____

2025 W-2 Reporting

Verification Reports

- ☐ Pay01 – Payroll Summary
- ☐ Pay05 – Monthly Tax Summary
- ☐ Pay26 – W2 Employer Copy (For review only, do not send in)
- ☐ Pay27 – W2 Summary
- ☐ Pay31 – W2 Errors (For review only, do not send in)

By signing this form, I certify that I have reviewed the W-2 reports listed above and approve the W-2s for printing.

_____
Printed name of CBO/Business Manager

_____ _____
Signature of CBO/Business Manager Signature Date

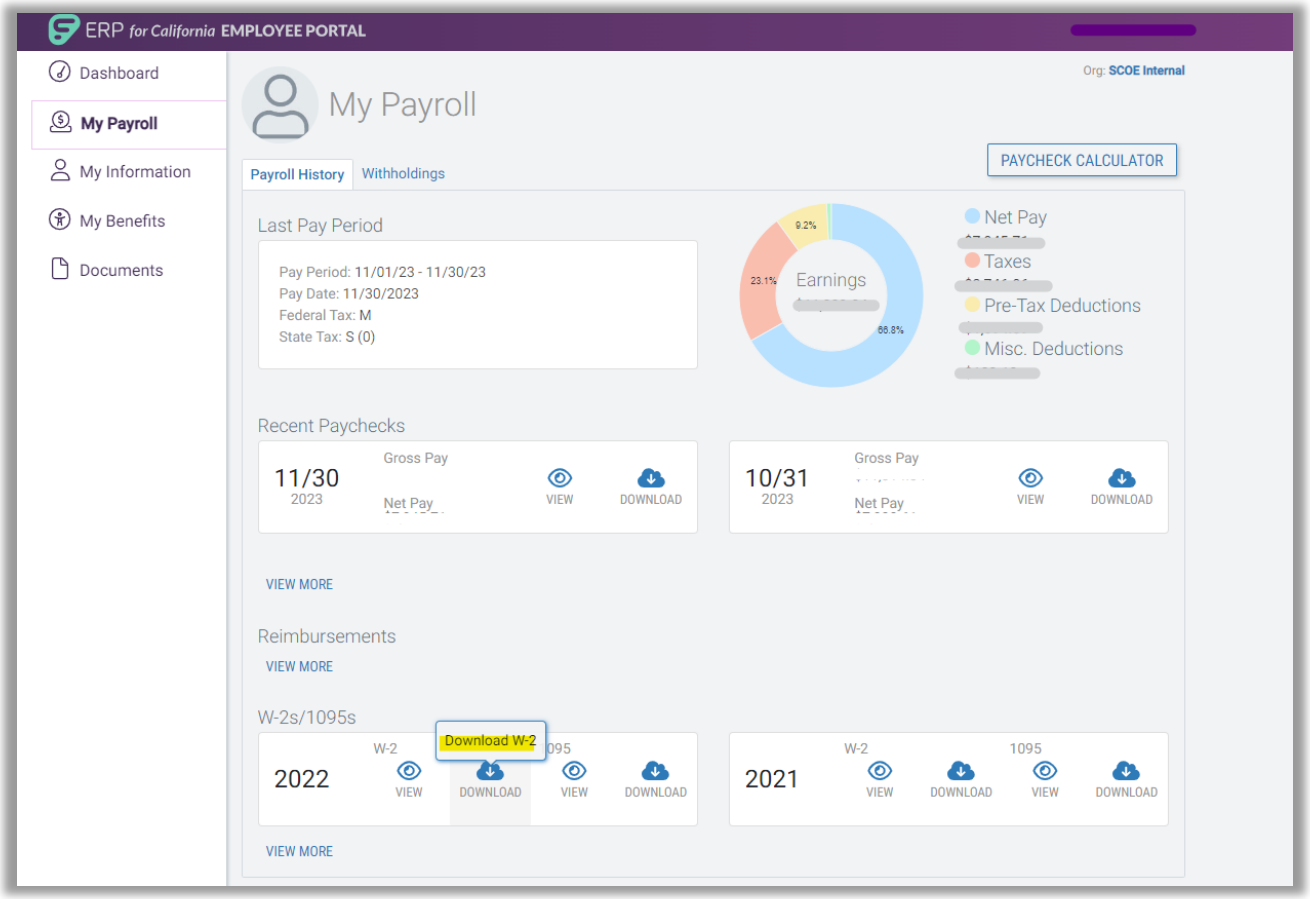
Copy of Employee W2 Form

Employee Access

A copy of the W2 Form can be accessed by the employee via the Employee Portal after printed by SCOE IT.

https://portal.scoe.org/#/login

- Click My Payroll
- Payroll History Tab
- Click Download or View W2



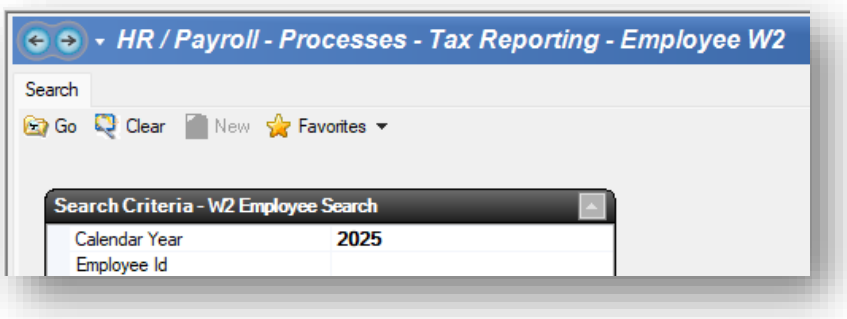
Employees will be able to View or Download their 2025 W2s in January after W2s have been printed by SCOE

District Access

The District can reprint a W2 Copy via the Employee W2 activity.

Go to HR/Payroll – Processes – Tax Reporting – Employee W2

- Calendar Year: 2025
- Enter an Employee Id or partial last name or Click Go to view all employees



- Search for the employee or highlight on the list and Open the record
- Go to Tasks to select Print Employee Form Copy
  - This is only available after SCOE has printed the original form

