EFW2 Reporting for Municipal Income Tax – 2021

The file submitted for municipal income tax must include all of the records that are submitted to the Social Security Administration for W2 wage reporting in the EFW2 format. This file in the EFW2 format must meet the same requirements as the Social Security Administration. The file must include all of the following record types:
RA - Submitter Record, RE - Employer Record, RW - Wage Record, RS - State Wage Record, (Used for City reporting), RT - Total Record, RF - Final Record.

Instructions per the **Social Security Administration Publication No. 42-007** *EFW2 Tax Year 2021 v.2*

3.2 File Requirements

3.2.1 Submitter Record (RA) ***REQUIRED***

- Must be the first data record on each file.
- Make the address entries specific enough to ensure proper delivery.

3.2.2 Employer Record (RE) ***REQUIRED***

- The first RE Record must follow the RA Record.
- Following the last RW/RO/RS Record for the employer, create an RT/RU/RV Record and then create either the: - RE Record for the next employer in the submission; or - RF Record if this is the last report in the submission.
- When the same employer information applies to multiple RW/RO Records, group them together under a single RE Record. Unnecessary RE Records can cause serious processing errors or delays

3.2.3 Employee Wage Records (RW and RO) ***RW REQUIRED***

- Following each RE Record, include the RW Record(s) for that RE Record immediately followed by the optional RO Record(s). If an RO Record is required for an employee, it must immediately follow that employee's RW Record.
- The RO Record is required if one or more of the fields must be completed because the field(s) applies to an employee. If just one field applies, the entire record must be completed.
- Do not complete an RO Record if only blanks and zeros would be entered in positions 3 - 512. Write RO Records only for those employees who have RO information to report.

3.2.4 State Wage Record (RS) ***REQUIRED***

- The RS Record is an optional record; SSA and IRS do not read or process this information.

HOWEVER, this is the record municipalities use for local wage and local income tax information!

- Contact your State Revenue Agency to confirm the use of this record format and for questions about field definitions, covering transmittals, reporting procedures, etc. The IRS has a helpful website for State contacts at: http://www.irs.gov/businesses/small-businesses-self-employed/state-links-1.
- The RS Record should follow the related RW Record (or optional RO Record).
- If there are multiple State Wage Records for an employee, include all of the State Wage Records for the employee immediately after the related RW or RO Record.
- Do not generate this record if only blanks would be entered after the record identifier

3.2.5 Total Records (RT and RU) ***RT REQUIRED***

- The RT Record must be generated for each RE Record.
- The RU Record is required if an RO Record is prepared.
- If just one field applies, the entire record must be completed.
- Do not complete an RU Record if only zeros would be entered in positions 3 - 512.

3.2.6 State Total Record (RV)

- The RV State Total Record is an optional record; SSA and IRS do not read or process this information.
- Contact your State Revenue Agency to confirm the use of this record format and for questions about field definitions, covering transmittals, reporting procedures, etc.
- The RV State Total Record should follow the RU Total Record (optional). If no RU Total Record is in the submission, then it should follow the RT Total Record.
- If no RS State Wage Records are prepared, do not prepare an RV State Total Record.
- Do not generate this record if only blanks would be entered after the record identifier.

3.2.7 Final Record (RF) ***REQUIRED***

- Must be the last record on the file.
- Must appear only once on each file.
- Do not create a file that contains any data recorded after the RF Record. Your submission will not be processed if it contains data after the RF Record.

As indicated, the RS record is utilized for reporting of local wage and tax information.
Below is a synopsis of the RS record**:**

1. Record Identification must be 'RS'
2. Taxing Entity Code must contain the description or code of the locality where taxes were withheld. **THIS CAN BE THE FIRST FIVE LETTERS OF THE CITY NAME.**
3. Employee Social Security Number
4. Employee First Name
5. Employee Middle Name or Initial (optional)
6. Employee Last Name
7. Employee Name Suffix (optional)
8. Location Address (optional)
9. Delivery Address
10. City
11. State
12. Zip Code
13. Zip Code Extension (optional)
14. Foreign State/Province (optional)
15. Foreign Postal Code (optional)
16. Country Code (optional)
17. **Tax Type Code (must contain 'C' for City Income Tax)**
18. Local Taxable Wages (zero fill and right justify with no negative amounts or decimals)
19. Local Income Tax (zero fill and right justify with no negative amounts or decimals)

The following is a copy of the EFW2 record definition for the 'RS' (state record) record type taken from the Social Security Administration publication.

CODE RS - State Record

RS POSITION	FIELD NAME	LENGTH	SPECIFICATIONS
1-2	Record Identifier	2	Constant "RS".
3-4	State Code	2	Enter the appropriate postal **NUMERIC** Code (see Appendix F of SSA Publication # 42-007).
5-9	Taxing Entity Code	5	Defined by State/local agency. **(The first five letters of the city name can be used.)**
10-18	Social Security Number (SSN)	9	Enter the employee's SSN as shown on the original/replacement SSN card issued by SSA. **If no SSN is available, enter zeros.**
19-33	Employee First Name	15	Enter the employee's first name as shown on the SSN card. Left justify and fill with blanks.
34-48	Employee Middle Name or Initial	15	If applicable, enter the employee's middle name or initial as shown on the SSN card. Left justify and fill with blanks. Otherwise, fill with blanks.
49-68	Employee Last Name	20	Enter the employee's last name as shown on the SSN card. Left justify and fill with blanks.
69-72	Suffix	4	If applicable, enter the employee's alphabetic suffix. For example: SR, JR Left justify and fill with blanks. Otherwise, fill with blanks.
73-94	Location Address	22	Enter the employee's location address (Attention, Suite, Room Number, etc.). Left justify and fill with blanks.
95-116	Delivery Address	22	Enter the employee's delivery address. Left justify and fill with blanks.
117-138	City	22	Enter the employee's city. Left justify and fill with blanks.

RS POSITION	FIELD NAME	LENGTH	SPECIFICATIONS
139-140	State Abbreviation	2	Enter the employee's State or commonwealth / territory. Use a postal abbreviation as shown in Appendix F of SSA Publication # 42-007. For a foreign address, fill with blanks.
141-145	ZIP Code	5	Enter the employee's ZIP code. For a foreign address, fill with blanks.
146-149	ZIP Code Extension	4	Enter the employee's four-digit extension of the ZIP code. If not applicable, fill with blanks.
150-154	Blank	5	Fill with blanks. Reserved for SSA use.
155-177	Foreign State/ Province	23	If applicable, enter the employee's foreign state/province. Left justify and fill with blanks. Otherwise, fill with blanks.
178-192	Foreign Postal Code	15	If applicable, enter the employee's foreign postal code. Left justify and fill with blanks. Otherwise, fill with blanks.
193-194	Country Code	2	If one of the following applies, fill with blanks: • One of the 50 States of the U.S.A. • District of Columbia • Military Post Office (MPO) • American Samoa • Guam • Northern Mariana Islands • Puerto Rico • Virgin Islands Otherwise, enter the employee's applicable Country Code (see Appendix G of SSA Publication # 42-007).
195-196	Optional Code	2	Defined by State/local agency. **Applies to unemployment reporting.**
197-202	Reporting Period	6	Enter the last month and four-digit year for the calendar quarter for which this report applies; e.g., “032014” for January through March of 2014. **Applies to unemployment reporting.**
203-213	State Quarterly Unemployment Insurance Total Wages	11	Right justify and zero fill. **Applies to unemployment reporting.**
214-224	State Quarterly Unemployment Insurance Total Taxable Wages	11	Right justify and zero fill. **Applies to unemployment reporting.**
225-226	Number of Weeks Worked	2	Defined by State/local agency. **Applies to unemployment reporting.**
227-234	Date First Employed	8	Enter the month, day and four-digit year; e.g., "01312014." **Applies to unemployment reporting.**
235-242	Date of Separation	8	Enter the month, day and four-digit year; e.g., “01312014.” **Applies to unemployment reporting.**
243-247	Blank	5	Fill with blanks. Reserved for SSA use.
248-267	State Employer Account Number	20	See Glossary, Appendix I (of SSA Publication # 42-007). **Applies to unemployment reporting.**
268-273	Blank	6	Fill with blanks. Reserved for SSA use.
274-275	State Code	2	Enter the appropriate postal **NUMERIC** Code (see Appendix F of SSA Publication # 42-007). **Applies to income tax reporting.**

RS POSITION	FIELD NAME	LENGTH	SPECIFICATIONS
276-286	State Taxable Wages	11	Right justify and zero fill. **Applies to income tax reporting.**
287-297	State Income Tax Withheld	11	Right justify and zero fill. **Applies to income tax reporting.**
298-307	Other State Data	10	Defined by State/local agency. **Applies to income tax reporting.**
308	Tax Type Code	1	Enter the appropriate code for entries in fields 309 – 330: • C = City Income Tax • D = County Income Tax • E = School District Income Tax • F = Other Income Tax **Applies to income tax reporting.**
309-319	Local Taxable Wages	11	To be defined by State/local agency. **Applies to income tax reporting.** **This field is for the wage information pertaining to the reporting city (where your file is being sent to).**
320-330	Local Income Tax Withheld	11	To be defined by State/local agency. **Applies to income tax reporting.** **This field is for the local tax withheld pertaining to the reporting city (where your file is being sent to).**
331-337	State Control Number	7	Optional. Applies to income tax reporting.
338-412	Supplemental Data 1 **Additional Municipality Name**** **(Per HB5)**	75	**Municipality Name of withholding cities <u>OTHER THAN</u> the reporting city (the one for whom you are creating this file).** **ASK THE REPORTING MUNICIPALITY IF THEY WANT THIS DATA!!!** **If not, left justify and fill with blanks.**
413-487	Supplemental Data 2	75	To be defined by user.
488-512	Blank	25	Fill with blanks. Reserved for SSA use.

**** For an employee that has local income tax wages and withholding for multiple cities, the file should look like this (in part):**

	Positions 5-9	Position 308	Positions 309-319	Positions 320-330	Positions 338-412	MITS NOTES
RW						*All information must be included in this record.*
RS	**Eucli**	**C**	**25000.00**	**100.00**		*Notice there is nothing in positions 338-412 for this RS record because the wages and withholding are for the reporting city.*
RS		**C**	**10000.00**	**50.00**	**Bedford**	*Notice there is nothing in positions 5-9 because these wages and withholding are not for the reporting city.* *The additional withholding city name is listed in positions 338-412.*
RS		**C**	**8000.00**	**35.00**	**Cleveland**	*Notice there is nothing in positions 5-9 because these wages and withholding are not for the reporting city.* *The additional withholding city name is listed in positions 338-412.*

Before submitting your file to the municipality, ask yourself these questions:

- *Does at least one RS record follow every RW record?*
- *Is there a "C" in position 308 for each RS record?*
- *Does your file have <u>all additional</u> required records? (RA, RE, RT, RF)*

ADDITIONAL RESOURCE TO TEST YOUR FILE FOR BGI MUNICIPALITIES:
http://www.baldwingroup.com/MITS/W2VerificationSetup.exe
The above link is case sensitive!
Download this software to test your file compatibility with the municipalities' software.