



Doug Peterson, NCSSSA President, and Daryl Dunagan, NCSSSA Government Affairs Committee Chairperson, attended the Social Security Administration (SSA) National Payroll Reporting Conference in Baltimore. The Payroll Reporting Conference is held annually at SSA's national headquarters by Norm Goldstein, SSA's Chief Financial Executive providing a forum for the exchange of reporting information between SSA/IRS and the employer community. The NCSSSA attends this conference to provide the governmental employer perspective on reporting issues.

Opening addresses were given by William Halter, SSA Deputy Commissioner, and by Yvette Jackson, SSA Office of Finance. The attendees were welcomed to the Conference and provided with a policy update of SSA accomplishments and future plans.

Electronic Wage Reporting

An update on electronic wage reporting (EWR) and its future was presented by Jim Kissko, SSA Office of Operations, and Bill Gray, SSA Office of Systems. SSA delivered several new electronic wages reporting services for those W-2(s) reported for tax year 1999, but processed in the first 6 months of 2000. These accomplishments include:

- Integrated registration process
- AccuWage W-2c—Freeware to edit W-2c
- Toll-free phone number for online wage reporting help (888.772.2970)
- Online status report for all electronic submissions

SSA also measured their EWR accomplishments by comparing the number of W-2(s) received electronically and by MMREF format from 1998 to 1999. The numbers were:

- W-2(s) received electronically
 - > TY 1998 — 15,820,631
 - > TY 1999 — 44,810,641
- MMREF submissions
 - > TY 1998 — 486
 - > TY 1999 — 5,887

SSA has seen a tremendous increase in W-2(s) filed electronically that run from none for 1993 to the 44 million submitted for 1999. The MMREF submissions for 1999 constituted 20 million W-2(s). SSA electronic growth is patterned by the growth of electronic commerce and internet usage. SSA projects, for tax year 2010, the following breakdown of reporting methods as compared to actual usage for 1998.

	1998	2010
Magnetic Media	51%	0%
Paper	24%	6%
Diskette	18%	0%
Electronic	7%	94%

The following new items will be available on SSA's web page for electronic wage reporting for 2000; online registration, upload wage reports, submission status report, acknowledgment confirming receipt of electronic report. Future internet initiatives for tax year 2001 include confirmation of receipt of re-submittal letters and the ability to enter, print, and file online up to 5 W-2(s). Tax year 2002 initiative include online error information and electronic error notices.

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Chicago Regional Office hosts S&L Coverage Conference

On September 13-14, 2000, the Chicago Regional Office of the Social Security Administration (SSA) conducted a State and Local Coverage Training Conference for all six states in the region. It was hosted at the Regional Office (RO) near downtown Chicago, and the guests included State Administrators, staff members from national and local SSA offices, as well as national and local representatives from the Internal Revenue Service (IRS).

On Wednesday, the attendees received a warm welcome to The Windy City by Darryl Swain, SSA. A general overview of Section 218 followed with presentations by Chris Silanskis, Judy Sobus, and Ann Augustine, SSA. Each of the presenters addressed different elements of Section 218, while Judy Sobus provided a comprehensive technical overview. The focus then shifted to the Roles and Responsibilities of the various parties to a Section 218 Agreement. A panel discussion including Nick Merrill, IL, Gary Helling, SSA, and Darryl Swain talked about the necessity of having the State Administrator involved with the SSA Parallel Social Security Office (PSSO), as well as the RO staff.

Good and frequent communication between the various components will result in a streamlined process in which all of the parties realize their responsibilities. This will also help whenever a new person comes on board in one of these critical positions.

The Thursday morning session opened with Judy Sobus discussing the following topics:

- Basic concept of Section 218 Agreements
- Coverage under Section 218 Agreements
- Optional Medicare-Only Section 218 Coverage
- Mandatory and Optional Exclusions
- Continuation of Section 218 Coverage, and Termination of Coverage

Ann Augustine followed up with a discussion of police and Firefighters positions, as well as Mandatory Social Security and Medicare coverage. Then Ann, Judy, and Chris Silanskis all participated in a presentation of:

- Agreements and Modifications
- Modifications Process
- Types of Modifications
- Modification Review Checklist
- When Federal and State Laws Apply, and Section 218 Terms and Definitions

The Thursday afternoon session concluded with a review of materials and resources available to State Administrators, SSA and IRS staff members, and a final Q&A session. During the course of the two-day conference, Allen Jones, IRS, along with several local IRS attendees, provided a significant amount of input and made some very good points about the overall objectives of the two federal agencies. The discussions were open and critical to the establishment of a line of communication with both IRS and SSA. These business contacts were very much appreciated by State Administrators, both old and new. For the new State Administrators it was a chance to visit with others who had years of experience in preparing Section 218 Agreements, and, also an opportunity to meet our friends at the federal agencies. The Chicago RO Commissioner, Jim Martin, also stopped in to say hello to conference attendees.

The RO conference was a huge success for all of those involved. It is hoped that the IRS, and SSA and NCSSSA members continue to build on this conference and that similar meetings will be held in other regions.

IRS Tax Forms and Publications Update

Changes in forms and publications, especially in Forms W-2 and W-3, was presented by John Harris, IRS Forms Division. IRS plans to publish a new publication, Pub 15B, that will be available in January 2001 and provide in one publication all guidance on fringe benefits. Form 1099-MISC is being reformatted and the draft version will be available for review and comments on the IRS web page this fall.

IRS plans to revise Form W-2 and Form W-3, based on recommendations from the Information Reporting Program Advisory Committee (IRPAC), SSA and others. Some of the revisions will reduce reporting burden while others will enable the SSA to more accurately capture the data reported on the forms. These revisions are proposed for the 2001 Forms W-2 and W-3 to be filed in 2002. Draft copies of the forms are available for review and comment on the IRS web site at www.irs.gov/forms_pubs/fw2-w3.html. Employers and state administrators can make comments via e-mail to tfp@publish.no.irs.gov through October 2000.

Changes to Form W-2

- Larger form size, widen all boxes.
- Added dollar signs to all money boxes, required on Copy A only.
- Relabeled and reformatted box e (employee's name). New box for first name and middle initial and a separate box for last name.
- Eliminated box 12 (Benefits included in box 1). Employers may continue to report the lease value of an employer provided vehicle on a separate statement or in the new box 13.
- Reformatting and renumbered former box 13 as boxes 12a, 12b, and 12c to report such items as deferred compensation, etc. There will be separate boxes the reporting the appropriate code and applicable amount.

- Deleted the "Deceased," "Legal rep," and "Deferred Compensation" checkboxes in re-numbered box 14 (formerly box 15). Added a new checkbox for "Third party sick pay,"
- Enhanced state and local information boxes 15 through 20.

Changes to Form W-3

- Larger form size, widen all boxes.
- Added dollar signs to all money boxes.
- Added a "Third party sick pay" checkbox to box b (Kind of Payer).
- Added "For use by third party sick pay payer only" to box 13.
- Added new boxes 16-19 for summary totals of state and local wages and withheld taxes.
- Reformatted contact person information boxes.

Tax Year 2000 Filing Update and Pilot Projects

Marti Eckert, SSA Office of Systems provided information on tax year 2000 changes, error processing and a online SSN verification internet pilot project.

There will be more information available on the SSA wage report re-submittal notices that are sent to employers that are required to re-submit their 2000 W-2 report because the original report contained errors. The notice will contain volume information, such as the number of invalid or mismatched SSN(s) contained on the erroneous W-2 report. SSA hopes to increase employer awareness of those erroneous SSN(s) filed by providing this data. The report will also provide a detail list of up to 500 incorrect SSN(s).

Ms. Eckert provided the following updates for tax year 2000 reporting:

- 2000 will be the last year that employers can submit their W-2 data using the TIB format.

Employers will be required to submit 2001 W-2 information using the MMREF format. The 2000 TIB format is available on the SSA web page at www.ssa.gov/employer_info/00tib4.htm.

- The MMREF format and instructions, which employers can utilize for 2000, has been re-written and updated. This format is currently available on SSA web page at www.ssa.gov/employer_info/00mmref1.htm.
- Employers may not file their 2000 W-2 data on 5-1/4 inch diskettes.
- There are new registration requirements for using SSA Online Wage Reporting Service.

SSA will roll out their new suite of online services, called Employer Service Online (ESO) in December 2000. An individual applies for access to ESO by completing an application online and is assigned a PIN and password. SSA verifies that the individual is an employee of the entity and also sends the entity a notice that the employee has received access to ESO. Once access is gained to ESO, the employee will have access to the Online Wage Reporting System (OWRS) for submission of wage reports electronically and also access to a Online Enumeration Verification System (OEVS).

SSA is currently conducting a pilot project that allows for online verification of SSN(s) using OEVS. The system allows for multiple users from one entity. Once access is gained to ESO, the employee can utilize OEVS to verify SSN(s) online on a real time basis.

Having one security level of access to both OWRS and OEVS caused some participants in the conference to question the prudence of allowing several employees to utilize both online systems. It was suggested from an employer's perspective, OWRS access should be on a centralized basis while allowing for multiple, decentralized user access to OEVS.

The NCSSSA will keep administrators informed of the implementation of SSA's suite of online services, in addition to any other coverage or reporting updates.

Additional Web Sites

Enews-www.ssa.gov/enews

Enews is a free monthly electronic newsletter that provides subscribers with information about recent developments of all Social Security programs. The current subscriber base exceeds 100,000, at a total cost to the taxpayer of only about \$25,000.

The Work Site-www.ssa.gov/work

This web site provides a wealth of information on disability laws, incentive and rehabilitation programs and specific programs to people with disabilities who want to return to work. It's fully accessible to people with disabilities.

Online Retirement Planner-www.ssa.gov/retire

The retirement planner can help with a myriad of retirement issues. For people with general questions, a "Frequently Asked Questions" service is available. For those with more specific needs, there is an in-depth discussion of factors affecting benefit eligibility. Users can view this information to see if they qualify for benefits and, if not, what they need to do to become eligible. Calculation tools help to determine potential benefits using different earning levels and retirement date options. This electronic service includes retirement, disability, and survivor benefit information and has links to a site to assist in calculating other savings and investment information for long-term financial planning.

Online Replacement Medicare Card-www.ssa.gov/medicarecard

The Social Security Administration recently introduced a service that enables current Medicare participants to apply for a replacement Medicare Insurance Card electronically using the Internet. Since this service began in July of 2000, we have received over 17,900 requests for replacement Medicare cards. Using the Internet for this service saves the Social Security Administration about \$4.00 for every transaction compared to traditional methods.

Committee Assignments

COMMITTEE	CHAIRPERSON	MEMBERS
Administrator's Handbook	Dawn Evans (CA)	Charmaine Wallace (OK), Marshall Barnes (NC), Bob North (IA), Linda Guffey (IA)
Audit	Darrick Tokuda (HI)	Harry Wales (WY), Mike Hutchinson (WV), David Breckenridge (OH), Ardary Taylor (AR)
Constitution & By-Laws	Kay Gouyton (AK)	Linda Guffey (IA), Wayne Godwin (WA), Janet Parker (AK), Vicki Smith (TX), Robert Westmoreland (TX)
Government Affairs	Daryl Dunagan (KY) & Dave Barrow (CA)	Steve Lortz (NE), MaryAnn Motza (CO), Don Rohan (AZ), Marie Ryan (PA)
Hospitality	Dale Ferron (WI)	Mike Hutchinson (WV), Marie Ryan (PA), Sharon Shubert (ID), Ken Marzion (CA)
Internet Communications	Teresa Commeau (NHT)	Barry Fasion (VA), Dale Ferron (WI), Carol Ochsner (AK), Linda Yelverton (LA)
Legislative	Nick Merrill (IL)	Russell Graves (OK), Steve Lortz (NE), Sarabeth Snuggs (FL), Darrick Tokuda (HI), Vicki Smith (TX)
Membership	Charmaine Wallace (OK)	Teresa Commeau (NH), Carolyn Fry (TX), Lucien Hill (LA), Chuck Severn (ID), Linda Yelverton (LA)
Nominating	Doug Peterson (SD)	Daryl Dunagan (KY), Nick Merrill (IL), Don Rohan (AZ), Steve Lortz (NE)
Program	Maryann Motza (CO)	Charmaine Wallace (OK), Dawn Evans (CA), Linda Yelverton (LA), Steve Delaney (OR), Don Rohan (AZ), Doug Peterson (SD)
Research & Information	Steve Delaney (OR)	Kay Gouyton (AK), Wayne Godwin (WA), Robert Westmoreland (TX), Darrick Tokuda (HI), David Breckenridge (OH)
Resolution	Robin Righter (WV)	Mary Smith (TN), Carolyn Fry (TX), Marie Ryan (PA), Ardary Taylor (AR)
Time & Place	Barry Fasion (VA)	Dale Ferron (WI), Nick Merrill (IL), Teresa Commeau (NH), Daryl Dunagan (KY), David Barrow (CA)
New Ad Hoc Committee	Maryann Motza (CO)	
SSA/IRS/NCSSSA Roles and Responsibilities Workgroup	Barry Fasion (VA), Teresa Commeau (NH)	

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Division of Retirement and Benefits
 P.O. Box 110203
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Social Security Statement Request-www.ssa.gov/mystatement.htm

The statement contains the individual's lifetime earnings as reflected in Social Security's records, an estimate of retirement benefits and information about other Social Security benefits including survivors and disability. An electronic request for this statement can be made at any time of the year. The statement will be mailed to the account holder within a few weeks.

FirstGov-www.firstgov.gov

The Social Security Administration is a partner in this government-wide free site, developed at no cost to the taxpayers, that has the ability to search half a billion documents in less than one-quarter of a second, and can handle at least 100 million searches a day. This site will make it much easier for Internet users to find government information and services, which are currently located on at least 20,000 different web sites.

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National Conference of State Social Security Administrators is published by Kay Gouyton—Internal Auditor, Alaska, Debbie Knutson—Editor.

P.O. Box 110203
 Juneau, Alaska 99811-0203
Phone: (907) 465-4460
 FAX: (907) 465-3086

Internet Address: www.state.ak.us/drb