



REPRESENTING
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CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

July 28, 2010

IN REPLY REFER TO:
DFSBP 10-03

TO: Agencies Addressed
FROM: John Bennett, Chief
Bureau of State Payrolls
SUBJECT: **On-Line W-2 Forms and Annual Earnings and Benefits Statements**

This is to inform you that we will soon be implementing some enhancements to our FLAIR Employee Information Center (EIC) website that will result in state employees having the capability to view and print their W-2 forms and Annual Earnings and Benefits Statements on-line. The enhancements will be implemented in two phases:

- **Phase 1** will provide employees with an opportunity to consent, through the EIC website, to receive future W-2 forms electronically rather than receiving a paper W-2 form distributed by the agencies. Implementation of this phase will occur by August 12, 2010.
- **Phase 2** will include links that will allow employees to actually view and print their W-2 forms and Annual Earnings and Benefits Statements. Implementation of this phase will occur by December 31, 2010.

Electronic W-2 Forms Information:

- If employees consent to receive their W-2 form electronically, they will not receive a paper W-2 form. The employee choice is "optional" and Internal Revenue Service (IRS) rules require the employee to consent to receive an electronic W-2. **We cannot mandate or require employees to consent.**
- Each consenting employee must have a valid e-mail address recorded on the EIC and that address must accept e-mail from Web_E_Stmt@myfloridacfo.com. The Bureau of State Payrolls (BOSP) will withdraw the employee's consent and notify the employee in writing if an e-mail is returned for any reason by the employee's e-mail provider. IRS regulations require that we have a positive means of communicating with the employee in order for the employee to participate.
- Employees who consent to receive their W-2 form electronically will have access to their W-2 form in early January (before we begin printing the W-2 paper forms for everyone else).

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- Employees may give their consent any time from August 12, 2010 through January 5, 2011 for their 2010 tax forms.
- Electronic W-2 forms, which will be in the **.pdf** format, have the potential to significantly reduce the number of paper forms your office must receive and distribute. This will save paper, personnel time, and distribution costs such as envelopes and postage.
- Agency reports will be revised to indicate whether an employee received an electronic W-2 form or paper W-2 form during the initial distribution period.
- Employees who do not consent to receive their W-2 forms electronically will still have access to their electronic W-2 form on the website but not until February 1st of each year.
- There will be a new line on the main menu of the EIC that reads:
“**W-2 Electronic Delivery Consent or Withdraw Consent - Change electronic delivery options for Form W-2; view Terms of Use.**” Selecting this link will lead the employee through the consent steps. The process includes a step to confirm if an employee does have an e-mail address on file. It also offers the employee an opportunity to enter an e-mail address if there is not one established yet.
- Employees who are registering at the EIC website for the first time will be presented with an opportunity to sign-up to receive electronic W-2 forms when they complete the registration process.

Annual Earnings and Benefits Statements:

- The Annual Earnings and Benefits Statement is the new name of the Annual Information Statement. This statement will be provided only on the EIC website starting with tax year 2010. This will eliminate the need for agency personnel to collate the paper W-2 forms and earnings and benefits Statements.
- The statement will be available to all employees on the EIC website in **.pdf** format at the same time the W-2 forms are available to those receiving electronic W-2 forms.
- We will no longer print “corrected” earnings and benefits statements to go with W-2c forms (corrected wage and tax statements) starting with forms for tax year 2010.

Duplicate W-2 Form Requests:

- All duplicate W-2 form requests for tax years beginning with 2010 will be fulfilled by the employee or the employee’s agency using the Employee Information Center (EIC) website. In order for your agency to print duplicate W-2 forms for 2010 for your employees, you must have an Access Control Custodian for the EIC set up for your agency. Many agencies have already established Access Control Custodians for EIC but some have not. Since Duplicate W-2 forms will not be available through the Payroll (PYRL) system, it is critical that agencies establish an Access Control Custodian. The process to do this was addressed in a previous Agency Addressed Memorandum (DFSBP 07-05 dated November 30, 2007). The website link to this memorandum is: <http://www.myfloridacfo.com/aadir/bosp/DFSBPmemos/docs/DFSBP%2007-05.pdf>.

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- The W-2 forms and Annual Earnings and Benefits Statements being placed on the EIC website will also be available for designated personnel to print for their employees as needed. Designated personnel will not be able to consent to Electronic W-2 forms for their employees (only an employee can do this).

Additional Information:

- W-2 forms and Annual Earnings and Benefits Statements will remain on the website for three years. Employees will have access to the EIC website for four years after termination. Termination does not revoke an employee's consent to receive an electronic W-2 form.
- W-2c processing will remain a centralized, paper-based, process for now. Having W-2c forms on-line is an enhancement for future consideration.
- We plan to add tax year 2009 W-2 forms to the EIC website prior to the end of the year so that employees may see how the forms will look and they can even begin providing their own duplicates if needed.
- The attached document about electronic W-2 forms on the web is suitable for distribution to your employees. In addition, there will be employee announcements on the FLAIR EIC website and on the People First website about our upcoming changes.

We encourage you to begin communicating these upcoming enhancements to your employees soon.

Please address any questions or concerns to Jack Peterson at (850) 413-5613, jack.peterson@myfloridacfo.com or Becky Rosier at (850) 413-5431, becky.rosier@myfloridacfo.com.

JB/JP:kl

Attachment

Electronic W-2 Forms on the Web

The Department of Financial Services produces W-2 forms each year for all agencies. They will soon begin offering employees the opportunity to receive this document electronically beginning for the 2010 Tax Year. If you consent to receive your W-2 form electronically, you will not receive a paper W-2 form for 2010. The electronic W-2 form will be accessed through the Employee Information Center website where you currently access your payroll Earnings Statements. Information on consenting to receive your W-2 form electronically will be available on the Employee Information Center website around August 12, 2010.

Listed below are some Questions & Answers about this new functionality.

Q: How do I access the Employee Information Center website?

A: The website address is <https://apps.fldfs.com/EIC/EmployeeInfoCenter/>

If you have not previously registered to view your payroll Earnings Statement, you must go to this website address:

<https://apps.fldfs.com/EIC/EmployeeInfoCenter/Register.aspx>

Q: What does it mean to receive my W-2 form Electronically?

A: Receiving your W-2 form electronically means that you will not receive a paper W-2 form from your agency. Your W-2 form will be placed on the Employee Information Center website where you currently can view your regular payroll Earnings Statement. You will be sent an e-mail notifying you that your W-2 form is available as soon as the Department of Financial Services (DFS) has finished preparing the data. The W-2 form will be a .pdf file that you can view using the free Adobe® Reader® software. You can save the file to your computer, print it or both.

Q: What are the advantages to receiving my W-2 form Electronically?

A: The biggest advantage to receiving your W-2 form electronically is that you will have access to it more quickly and you can easily store it electronically. W-2 forms will be available on the web at the same time that we begin the printing of the paper W-2 forms. Paper W-2 forms are sent to the different State Agencies for distribution to the employees. In general, paper W-2 forms are not available to employees until the latter part of January each year. You can print as many copies of the electronic W-2 form as you want. The electronic W-2 form will remain available on the web site for three years. In addition, receiving your W-2 form electronically decreases the risk of it being misplaced or lost during the distribution process.

Q: Who should sign up?

A: Employees who have ready access to a computer and printer, and who are comfortable using a computer. A printer is needed unless you file your tax return electronically.

Q: Are there any special requirements? How do I sign-up?

A: You must be registered in the Employee Information Center website and have a current e-mail address recorded in your profile. You must also accept e-mail from Web_E_Stmt@myfloridacfo.com at the e-mail address in your profile so that the Department of Financial Services (DFS) can notify you when your electronic W-2 form is available. This is an IRS requirement.

When the enhancement is implemented, there will be a new menu item on the Employee Main Menu that reads, “**W-2 Electronic Delivery Consent or Withdraw Consent - Change electronic delivery options for Form W-2; view Terms of Use.**” This will guide you through the necessary steps. Be sure that you set your e-mail account to accept DFS e-mail before you enter your e-mail address or register for the Electronic W-2 form. Otherwise, the confirming e-mails sent by the system could be returned and that would result in DFS deleting your e-mail address and revoking your consent.

Q: What if I have a correction to a W-2 form for a particular tax year?

A: Corrected W-2 forms (W-2c form) will not be available electronically. Agencies will continue to mail the W-2c forms to you when they occur. There will be an indicator on the website to let you know when a correction has occurred to the original W-2 form. Duplicate W-2c forms will need to be requested from your agency.

Q: What changes are being made to the Employee Payroll Information Statement?

A: We are changing from a paper to an electronic form because of the costs involved with printing and distributing the statements. This form is not required by the IRS and duplicates much of the information contained on your regular payroll earnings statement. It does provide additional information about the amounts your employer paid on your behalf so that you have a clear idea about the value of your state employment. DFS has renamed the form the “Annual Earnings and Benefits Statement.”

Q: When will I be able to access my Annual Earnings and Benefits Statement?

A: It will be available as soon as the Department of Financial Services has finished processing the data for the W-2 forms and this Statement (in early January each year).

Q: How can I be sure my W-2 form Information is secure?

A: The website is completely secure and utilizes user id and strong password rules. You should keep in mind that your W-2 form and Annual Earnings and Benefits Statement contains sensitive data such as social security number. You should not save these files on a public computer or leave any printouts sitting around for others to pickup.