



United States Department of the Interior

INTERIOR BUSINESS CENTER

Denver, CO 80235

D-2600

November 12, 2020

Memorandum

To: Federal Personnel and Payroll System (FPPS) User Group Representatives and Client Accounting Offices

From: Christine Zertuche-Rocha //signed//
Payroll Operations Division

Subject: Form W-2, Wage and Tax Statement: Updates and Processing for Year End 2020

As part of a combined effort to provide quality service to your employees, the Interior Business Center (IBC) wants to ensure that each employee's pay record is accurate and complete, prior to the close of pay year 2020. The instructions for the Form W-2 will provide information related to some taxable and non-taxable income and/or fringe benefits for employees.

To ensure proper processing for the current wage and tax year, all documents, that have not previously been submitted, should be provided as soon as possible but **no later than** December 4, 2020. For tax purposes, income is reported the year in which the payment is made. When forwarding documents to the IBC, use the Transmittal Sheet (Attachment A-27).

As an alternative to using the Transmittal Sheet, please consider using the entitlement interface file. This eliminates the need for manual input of mass entries of certain taxable and fringe benefit pay codes to be loaded directly into FPPS. For more information on using the Entitlements Interface File IFIL0284, please use the following link under the title of 'Reports' from the IBC Customer Central Webpage:

<https://www3.ibc.doi.gov/HRD/personnel-payroll-systems/fpps-user-group>. Please note: The only pay codes that can be used on the file are listed in the table below:

Pay Code	Description
EFB	Fringe Benefit
EPT	Parking- Taxable
ETT	Transportation - Taxable
FMG	Fannie Mae/Freddie Mac Gym Reimbursement
LCP	Life Cycle Payment
PCR	TSA Pre-Check Reimbursement
TVL	Travel Stipend
PLC	Pro Licensing/Certification Reimbursement
PLI	Pro Liability Insurance Reimbursement

To ensure an accurate Form W-2, please pay attention to the following areas:

1. **Other Taxable Income** – If not previously submitted, other taxable income should be reported on the Other Income Summary Sheet (Attachment A-16). This includes the following, but is not limited to:
 - All change of station allowances, including home marketing incentive payments.
 - Indefinite travel payments.

2. **Fringe Benefits** – If not previously submitted, all other fringe benefits should be submitted using the Report of Taxable Fringe Benefits (Attachment A-18), or a spreadsheet with all applicable information.
 - Child Care Subsidy – Subsidy exceeding \$5,000 is taxable.
 - Fitness/Wellness – Employees reimbursed for a fitness program must report this as taxable income.
 - Qualified Parking Expenses – Amounts reimbursed in excess of \$270 per month are taxable.
 - Transit Benefits – Amounts reimbursed in excess of \$270 per month are taxable.
 - Transportation (taxable) – Use of government vehicles or leased vehicles for commuting or the use of limo services is considered taxable fringe benefits.
 - Non-monetary awards – The “fair market” value of any significant non-monetary award presented to an employee as recognition must be included in the employee’s Form W-2 as taxable earnings. Items that could be considered significant for this purpose would be pen-and-pencil sets, clocks, jackets, watches, gift certificates, tickets to events, or similar items. Follow your agency policy regarding non-monetary awards that must be considered taxable earnings as fringe benefits. If determined to be taxable, report the non-monetary award on Attachment A-18.

3. **Paid Bills for Collection – Repayment of Salary Debts** – Submit a copy of any bill paid to your office covering salary overpayment, indicating “Salary Indebtedness Paid.” Please include the debt identification number, which was used when the debt was transferred, and an authorized signature.

4. **Undelivered Salary Checks** – Salary checks that cannot be delivered to employees by December 31, 2020, should be submitted for cancellation and sent to the Review and Analysis Branch (RAB), D-2613, as soon as possible.
 - Salary checks returned to RAB by December 11, 2020, can be processed as an adjustment in pay period 2020-26.
 - Salary checks received after December 11, 2020, will require a manual year end adjustment.
 - Salary checks received after December 31, 2020, will require a Form W-2C, Corrected Wage and Tax Statement.

Please submit any current year taxable corrections or adjustments listed above that occur in late November and December to your payroll processing section as quickly as possible.

- Any adjustments that cannot be accomplished through the payroll processing cycle of December 19, 2020, will require a manual year end adjustment.
- Any adjustments received after December 31, 2020, will require a Form W-2C.

Please use the attached A-27 Transmittal Sheet to properly route documents to your Payroll Processing Section using one of the following options:

- **For documents that contains Personally Identifiable Information (PII)**, Secure Transport or a secure fax transmission should be used. Payroll Processing secure fax numbers:
 - Section 1: 303-969-7741
 - Section 2: 303-969-7272
 - Section 3: 303-969-7429
 - Section 4: 303-969-7349
- **For documents that do NOT contain PII**, the Payroll Operations Branch shared email address may be used POD_POB_WIP@ibc.doi.gov

You may view and download additional information (including fillable PDF versions of the attached documents) from the Client Interface Guide at: <https://ibc.doi.gov/HRD/payroll-manuals>.

If you have any questions, please call the IBC Customer Support Center at (888) 367-1622.

Attachments (3)

[CIG_A-18](#)

[CIG A-27](#)

[CIG A-16](#)