



January 23, 2025

**TO:** Business, Payroll, and Personnel Administrators  
Los Angeles County School and Community College Districts  
Charter Schools and Other Local Educational Agencies  
Selected Joint Powers Authorities

**FROM:** Jonah Austria, Payroll Systems Coordinator  
District Personnel Information Services  
Division of School Financial Services

**SUBJECT:** IRS Form W-2 Processing and Distribution – HRS

This bulletin provides information on the release of 2024 Form W-2 Wage and Tax Statements and related reports *for Human Resource System (HRS) users*.

**Mailing of W-2's and the National Change of Address Registry**

The direct mailing of 2024 W-2 forms by the U.S. Postal Service is expected to begin the week of January 21, 2025.

Addresses of mailed W-2s will be compared to the National Change of Address (NCOA) registry maintained by the United States Postal Service (USPS). The software verifies addresses from HRS and replaces those addresses with any new information employees have provided to the USPS. This address update occurs only on printed W-2s and not in HRS. The NCOA software also identifies individuals with no forwarding address on record. Form W-2s without a forwarding address will be mailed to the last known address and returned to districts if undeliverable. NCOA activity reports will be provided to districts towards the end of January.

**Electronic W-2s (“eW-2s”)**

Districts had a choice to offer electronic W-2s (“eW-2s”) to their employees. Employees who created and verified their own secure online account with our vendor, [w2copy.com](http://w2copy.com), will receive an email notification when eW-2s are available. Districts should be aware that a small percentage of employees who created an online account did not successfully verify their email addresses or did not indicate “paperless” when prompted. In those instances, W-2s will be mailed to employees.

Districts who opted to offer eW-2s will receive a report near the end of January 2025 listing employees who utilized this service.

### **Annual W-2 Reports**

The 2024 W-2 special reports listed below have been sent to districts on a password protected DVD.

- **W-2 Confirmation Listing (PAYR172):** This report lists W-2 data for employees who received W-2 statements.
- **W-2s Not Issued – Fatal Data Errors (PAY172F):** This report lists employees receiving W-2s due to negative balances or other fatal data errors. These W-2s will not be reported to the Social Security Administration and require manual processing.
- **W-2s Issued with Errors (PAY172N):** This report lists employees who received W-2s but may have possible data errors.

These reports are no longer provided in printed format.

### **Form W-2 Format**

The 2024 W-2s contain four identical W-2 forms printed on one page, with no perforations. The forms are identified as federal and state income tax returns and file copies. The following example shows how to read the distribution reference code on the first line in the employee address window.

Example	10199-106-C	
First five digits	10199	District Number
Next three digits	106	Pay Location
Last digit	C or N	C=Certificated, N=Non-Certificated

### **W-2 Corrections – Automatic Issuance of Form W-2c by HRS**

Balance adjustments processed against prior year (2024 balances and cancellation of warrants issued in 2024 that were input after January 7, 2024), will produce a Form W-2c in HRS. Forms W-2c are generated each Friday starting January 31, 2025, and are typically sent to districts the second working day of the following week.

Form W-2c's are sometimes created after personal income tax returns have been filed. This requires the employee to file an amended return and can require additional time and resources. In order to alleviate this issue, notify employees as soon as possible that an amended W-2 is being generated for them and ensure prompt handling and delivery of the W-2c for all HRS transactions processed after January 7, 2025. It is suggested that you advise the employee of this change, even before the W-2c is produced.

## **Replacement W-2s**

All HRS districts will receive a DVD containing copies of their 2024 Form W-2s. This can be used in future years and should be retained indefinitely. These DVDs are password protected, and the password will be sent to all payroll supervisors separately. In addition, printed duplicate W-2 copies may be requested via HRS. These forms are produced each Friday, beginning January 31, 2025.

## **County Office Processing and Reporting for Employers Using HRS**

### **Federal**

LACOE has prepared and will electronically transmit annual federal W-2 wage and tax information to the Social Security Administration (SSA) for all districts by January 31, 2025. The SSA shares this data with the Internal Revenue Service (IRS).

### **State**

LACOE transmits state wage and tax information quarterly (DE-9C reports) to the Employment Development Department (EDD) for all districts. The fourth quarter transmittal and reports were produced on January 7, 2025. DVDs containing reports were sent to each district on January 13, 2025. The EDD shares the information with the California Franchise Tax Board (FTB).

## **District Responsibilities and Actions Under Federal and State Tax Provisions**

### **Districts must:**

- Make a reasonable effort to deliver W-2 statements to their employees on or before January 31, 2025. Mailing a W-2 statement to the employee's last known address is normally considered a reasonable effort.
- Comply with the Affordable Care Act (ACA) IRS reporting requirements related to the annual filing of Form 1095-C and 1094-C. The LACOE website has information about ACA compliance and the role of LACOE's PC Labor in generating reports to assist in mandatory reporting.
- Analyze and verify the amounts of any taxable fringe benefits that are included in taxable income on each employee's W-2 and provide employees with an explanation of taxable fringe benefit amounts included in the W-2 statements.
- Prepare an electronic Form W-2 for all employees with fatal errors appearing on report PAY172F. Social Security accepts electronic reporting via their Business Services online

portal. Report adjusted quarterly state wage and tax information to the EDD electronically via their Business Services portal.

- Identify and review employees listed on report PAY172N with total annual 403(b)/TSA reductions exceeding \$23,000. Employee TSA salary reductions exceeding \$23,000 could violate IRS applicable limits, unless the employee is age 50 or over, or qualifies for a catch-up provision.
  - Employees with an age 50 catch-up provision are eligible for an additional \$7,500. Employees with at least 15 years of full-time service with the district may be eligible for an additional \$3,000, but only if certain other requirements are met. Review the individuals who appear in the report for compliance with the specific requirements or consult your third-party administrator (TPA).
- Contact the relevant 403(b) vendor or your district TPA and request a refund of any unacceptable deferred amount over the withholding limits. Do not enter balance adjustments for amounts over the withholding limit, since HRS balance adjustments will trigger the automatic production of Form W-2cs. The vendor may need to issue tax Form 1099-R for the returned contributions. See instructions for corrective distributions on IRS Form 1099-R at [irs.gov](https://www.irs.gov).

**IMPORTANT REMINDERS:**

- Review W-2 Confirmation Listing and related reports.
- Reconcile the four quarters federal tax liability reporting (Form 941) and tax deposits with the W-2 Confirmation Listing and report.
- Reconcile the four quarters of state DE 9C information with the W-2 Confirmation Listing report totals and tax deposits. Submit 2024 fourth quarter DE 9 information electronically to the EDD by January 31, 2025.
- Retain W-2 statements that were undeliverable for a four-year period (federal requirement).
- Retain the W-2 Confirmation Listing for at least a recommended seven-year period for possible state or federal audits. We recommend indefinite retention of W-2 DVDs.
- January month-end is the recommended period to begin reconciling federal and state withholding tax accounts. Reconcile accounts monthly during the year to avoid potential problems at year-end.

**Information Items on 2024 Form W-2**

In compliance with IRS reporting requirements, the following benefit amounts are displayed separately on the 2024 W-2 form:

- The 403(b) TSA salary reductions
- Roth 403(b) contributions
- Sum total of Internal Revenue Code (IRC) Section 457 deferred compensation salary reductions and district contributions
- Aggregate cost of employee health insurance

Salary reductions for Social Security alternative retirement plans, Section 401(a), CalSTRS and CalPERS retirement plans are displayed on the W-2 Confirmation Listing Report. The IRC Section 125 Cafeteria Plan allowed reductions, other than Dependent Care, are not displayed.

Should you have any questions regarding the production or distribution of 2024 Form W-2s, please contact [SFS\\_Payroll\\_Manager@laco.edu](mailto:SFS_Payroll_Manager@laco.edu).

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