

**VOLUME 8, CHAPTER 9: “RECORDS, FILES, AND REPORTS”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

**Hyperlinks are denoted by *bold, italic, blue and underlined font*.**

The previous version dated August 2011 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Revised the entire chapter to include administrative updates and hyperlinks.	Revision
090101A.2.	Deleted reference to the Treasury Financial Manual Volume I, Part 3, Chapter 4000. The information contained in this chapter is prescribed and available at the Internal Revenue Service.	Deletion
090203.C.2.d	Deleted disbursing procedures for confirming Intra-governmental Payments and Collections.	Deletion
090203.F	Deleted information on Report of Work-Years and Personnel Costs for DoD Civilian Employment, this requirement was cancelled.	Deletion
090205.C.2	Added information on daily tax deposits made by the DFAS Disbursing Office via Electronic Federal Tax Payment System.	Addition
090206.B	Deleted information on Report of Personnel and Payroll Outlays by Operating Locations, Report Control Symbol (RCS): DD-DA&M(A) 1600.	Deletion
090206.C	Moved Wage and Tax Statement information to 090207.A	Revision
090207	Added information for Annual Reports.	Addition
090207.B	Added information for Student Loans.	Addition
090207.C	Added information for Telework.	Addition
Figure 9-1	Deleted and provided link to SF 1150.	Deletion

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## CHAPTER 9

## RECORDS, FILES, AND REPORTS

## 0901 RECORDS AND FILES

## 090101. Payroll Documentation

A. Disbursement Documentation. A voucher **must** be prepared for each disbursement or group of disbursements authorized to be paid by any Department of Defense (DoD) Component. A voucher is the authority for payment and must be correctly prepared in accordance with all legal and regulatory guidance, supported with proper documentation, and certified by an authorized certifying official prior to disbursement. DoD agencies **are not permitted** to give any employee the authority to certify his or her own disbursements.

1. Disbursements to the Office of Personnel Management (OPM). Deductions for the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), life insurance, and health benefit programs with employer contributions are routinely paid to OPM each pay period. The automated Standard Form (SF) 2812A, Report of Withholdings and Contributions for Health Benefits by Enrollment Code, is used to report these deductions to OPM. A consolidated SF 2812A **must** be submitted biweekly to OPM **through** the Retirement Insurance Transfer System (RITS). For additional information on RITS, see subparagraph 090203.C.

2. Disbursements to Taxing Authorities. Federal income, Social Security, and Medicare taxes withheld **must** be paid to the Internal Revenue Service (IRS) as provided by the IRS Publication 15 (Circular E), Employer's Tax Guide. State or city/local income taxes withheld **must** be paid to the appropriate taxing authority in accordance with the Treasury Financial Manual (TFM), Volume I, Part 3, Chapter 5000 and Title 31 Code of Federal Regulations (C.F.R.) Part 215.

3. Disbursements to Thrift Savings Plan (TSP). Payroll deductions and employer contributions for the TSP and TSP loan repayments **must** be paid to the TSP Record Keeping Service Provider. For additional information, see the TSP website.

4. Other Disbursements. All other amounts withheld **must** be paid in accordance with applicable regulations or instructions furnished by the employee.

B. Deduction Documentation. Payments to those for whom deductions are authorized to be paid **must** be reconciled on a cyclical basis, at least annually, with the amounts withheld plus the related employer contributions, if any, as shown by the pay or other records. This procedure is necessary to determine whether the correct amounts are being reported to those authorized to receive deductions and contributions withheld from the employee's pay. Payroll records **must** provide a clear audit trail from the gross pay calculation to the net pay received by the employee by pay period and by year-to-date totals.

1. Tax Withholding. The amounts reported on the annual IRS Form W-2, Wage and Tax Statement, and furnished to each individual **must** agree with the total amounts withheld during the year as shown by the civilian payroll office (PRO) records.

2. Retirement Deductions. As an integral part of the DoD financial accounting systems, a related control account and an SF 2806, Individual Retirement Record (CSRS) and an SF 3100, Individual Retirement Record (FERS) **must** be maintained in accordance with OPM requirements for each civilian employee for whom retirement deductions are made.

3. Federal Employees' Group Life Insurance (FEGLI) Deductions. Each DoD PRO **must** keep a record of the total amounts withheld from employees' salaries and the total amount of the employer's contributions for FEGLI for each calendar year. These records **must** be kept in a ledger or other appropriate form or represented by file copies of vouchers that were used to report information to OPM.

4. Federal Employees' Health Benefit (FEHB) Deductions. A record of employee deductions and the employer's contributions for health benefits **must** be kept by each enrollment code number. The enrollee data included in this record **must** be submitted by the PRO and by the health benefit carrier to the National Finance Center's (NFC) FEHB Centralized Enrollment Reconciliation Clearinghouse (CLER) System on a quarterly basis. The Human Resources Office (HRO) and the PRO **must** review the error codes identified in the CLER system and resolve the discrepancies. The discrepancies are resolved by comparing the health benefits coverage reported by the PRO, the health benefits coverage reported by the carriers, the SF 2809, Health Benefits Election Form, and the SF 2810, Notice of Change in Health Benefits Enrollment, sent in support of the coverage.

5. TSP Deductions. A record **must** be kept for each employee for whom TSP deductions and agency contributions to TSP are made.

#### 090102. Retroactive Computations Involving Former PROs

A. General. When retroactive payroll computations are required that involve one or more former PROs, the consolidated PRO maintains overall responsibility for the adjustment process. If it is determined that a former PRO is involved, the consolidated PRO **is** responsible for contacting each former PRO to obtain the necessary information.

B. Documentation Requests. If the consolidated PRO is unable to obtain the documentation necessary to perform the retroactive calculation, **one or more** of the following steps may be taken:

1. Request Archived Documents from the National Personnel Records Center (NPRC). When copies of the SF 135, Records Transmittal and Receipt, are unavailable at either the former or consolidated offices, the consolidated PRO **must** complete a National Archives and Records Administration (NARA) Optional Form (OF) 11, Reference Request - Federal Records Centers, with all available information. Include in the description and remarks section the

employee's name, Social Security number (SSN), known places of employment, names and payroll office numbers of applicable PROs, and year(s) for which the records are requested. Forward the form to NPRC, Annex 1411 Boulder Boulevard, Valmeyer, IL 62295.

2. Contact the Appropriate Human Resources Office (HRO). If the NPRC cannot locate the records, the PRO must prepare a memorandum to the appropriate HRO requesting copies of the [SF 50](#), Notification of Personnel Actions, or other related pay and/or leave information. Since there may have been consolidations of both the PRO and the appropriate HRO prior to the Defense Civilian Pay System (DCPS) consolidations, it is imperative that both offices work together to obtain information that will assist in the determination of pay and leave adjustments for the employee.

3. Contact the Employee. If the PRO cannot locate documentation from the NPRC or the appropriate HRO, the PRO **must** contact the employee for the necessary documentation. If the employee has copies of the SF 50 and/or the Leave and Earnings Statements (LES), the PRO may accept this information and use it to reconstruct the pay and/or leave records.

4. Contact OPM. If the transmittal letters to OPM and/or copies of the retirement records cannot be located, the PRO may submit a request to OPM in writing to procure the necessary copies of the records. The information on the retirement records may also be used for reconstruction of pay information for adjustments.

## 0902 REPORTS

### 090201. General

DoD civilian payroll systems must conform to various legal and regulatory requirements by generating reports at regular intervals, on an as-needed basis or by producing reports to meet special requirements. **The PRO must** support management by generating reports that provide the necessary information to ensure the system's integrity. **Individuals who create reports are responsible for correcting errors due to inaccurate reading or entering of data. Discrepancies in reporting, transmitting, or depositing funds must be resolved promptly.** Under the provisions of the Government Accountability Office (GAO) publication *Maintaining Effective Control Over Employee Time and Attendance Reporting*, [GAO-03-352G](#), reports **must** be:

A. Prepared accurately and promptly, distributed to the appropriate recipients to ensure receipt when the information will be of maximum benefit;

B. Based on, supported by, and periodically validated against appropriate detailed information in the payroll system;

C. Sent in a timely manner to officials who authorized, or were responsible for, processing payroll transactions, and reviewed by those officials for completeness and accuracy;

D. Discussed periodically with users and modified or eliminated as appropriate to meet user needs; **and**

E. Retained and disposed of in accordance with NARA General Records [Schedule 2](#), with sensitive data handled in accordance with the provisions of the Privacy Act. See [5 C.F.R. 2504](#).

090202. As-Required Reports

A. Income and Employment Tax Reports. These reports are submitted to cities/localities that have an agreement with the Secretary of the Treasury and to cities/localities where voluntary deductions have been taken from employees. The reports are sent to the city/local taxing authorities based on the frequency prescribed by each municipality.

B. State Income Tax Reports. These reports are required by states that have reached an agreement with the Secretary of the Treasury. These reports are submitted to the state taxing authorities based on the frequency prescribed by each state.

C. Report on Transfer of Employee

1. SF 1150, Record of Leave Data. The losing PRO must prepare an [SF 1150](#) at the time of the employee's separation if the employee transfers within DoD to another PRO or to another Federal agency. All blocks on the SF 1150 pertinent to the employee must be completed accurately. In addition to reporting transferred leave balances, the form is used to report other pertinent information for the employee in the Remarks section. This includes, but is not limited to: year-to-date wages for Social Security and/or Medicare tax purposes, year-to-date TSP deductions, last deduction for FEHB and FEGLI, date through which the insurance deductions were made, and overseas or territorial differential data.

a. After the losing PRO completes the SF 1150, it is forwarded to the losing HRO. The losing HRO includes it in the employee's Official Personnel Folder (OPF) and forwards it to the gaining HRO. After the SF 1150 is received by the gaining HRO, it is forwarded to the gaining PRO.

b. To expedite the forwarding of the SF 1150 within the DoD, the losing PRO must forward a copy of the SF 1150 to the gaining PRO at the time the original SF 1150 is forwarded to the losing HRO. Upon receipt of the original SF 1150, the gaining PRO must verify that the SF 1150 data has not previously been recorded in the payroll system. The losing PRO retains a duplicate copy of the SF 1150 for audit purposes.

2. Delayed Receipt of SF 1150. If the OPF containing the SF 1150 is delayed in reaching the appropriate gaining HRO, and the employee is taking leave, the gaining PRO is responsible for determining the employee's leave balance. If necessary, the leave balance may be requested electronically or by fax. This information is subject to the Privacy Act and handled accordingly. The gaining PRO may use the leave balance shown on the employee's last LES, subject to verification upon receipt of the SF 1150.

3. OPM Form 630, Application to Become a Leave Recipient Under the Voluntary Leave Transfer Program (VLTP). Use version A, B, or C as appropriate for the VLTP action requested. This form records the transfer of leave for leave recipients covered by the VLTP. The OPM 630 is used when a current leave recipient transfers to another PRO or Federal agency without a break in service and will be attached to the SF 1150.

D. Request for Wage and Separation Information. The PRO must report wage data to the appropriate HRO in accordance with Chapter 6. A file copy of all data furnished to the appropriate HRO is maintained for two years in accordance with the General Records Schedule 2, and then destroyed.

E. SF 2806 and SF 3100. In accordance with Chapter 4, the PRO will prepare and maintain the SF 2806 and the SF 3100.

F. IRS Form W-2c, Corrected Wage and Tax Statement, and IRS Form W-3, Transmittal of Wage and Tax Statements.

1. Prepare an IRS W-2c in accordance with Circular E to correct prior year wages and tax withholdings as applicable. Send copies to the employee and copy A to the Social Security Administration (SSA). Send a separate IRS W-3 with the corrected IRS W-2c to the SSA upon completion of the correction.

2. Retain the employer's copy of the Form W-2c in the PRO.

3. Prepare an IRS Form 941c, Supporting Statement to Correct Information Previously Reported on the Employer's Federal Tax Return, to adjust the gross wages subject to Social Security and/or Medicare taxes.

4. Attach an IRS 941c to the current quarterly IRS Form 941, Employer's Quarterly Federal Tax Return, and enter the amount of the adjustment on the IRS 941. Copies of both forms will be maintained in the PRO.

5. Retain a copy of IRS W-2c and IRS 941c in the current year quarterly tax folder to be used to balance annual Federal tax deposits.

090203. Biweekly Reports

A. Leave and Earning Statement (LES). The LES **must** show gross pay, deductions, net pay, and employer contributions for the current pay period and cumulative totals for the current year. The LES **must** reflect the accrued and used leave balances for the pay period and year-to-date values. The LES **must** be made available **electronically by** accessing the myPay website hosted by the Defense Finance and Accounting Service (DFAS) or, **if not**, mailed to the employee's non-work address every pay period.

B. SF 2812A. The amount collected for employee retirement (CSRS and FERS), FEHB, and FEGLI deductions, military service deposits, reemployment offsets, and the agency's contributions for retirement (CSRS and FERS), FEHB, and FEGLI are transferred to OPM. As prescribed by OPM, the PRO uses a "no-check-issue" as the means of payment to OPM. Funds are transferred to OPM using the SF 2812A. The SF 2812A reports the total employee deductions and agency contributions for health benefits by health benefits plan enrollment code for the pay period (see [subparagraph 090101.A.1](#)).

C. Retirement Insurance Transfer System (RITS)

1. RITS is a subsystem for the Intragovernmental Payments and Collections (IPAC) System developed by OPM and the Department of the Treasury (Treasury) to report civilian retirement and insurance contributions. The automated RITS interface with the payroll system replaces the manual reporting to OPM of the SF 2812A.

2. To process the RITS transactions, the PRO **must** provide the disbursing office with the payroll system-generated hard copy of the Department of Defense [\(DD\) Form 592](#), Payroll for Personal Services-Certification and Summary, the SF 2812A, and any disbursement vouchers for cash payments.

a. Cash payments received from employees, such as military deposits and health benefits payments, are considered current transactions. The funds are collected and disbursed from the deposit fund suspense account. The total of the DD 592 and cash disbursement voucher **must** equal the total of the SF 2812A. Cash collections for health benefit indebtedness received from pay accounts not carried forward from former payroll offices must be reported to OPM separately on a supplemental SF 2812A using the Off-Line Bulk Data Transfer RITS software.

b. The disbursing office **must** ensure the voucher amounts agree and the vouchers contain proper certifying signatures before authorizing the transmission of the file to OPM. The delay between the creation of the system file and transmission is a necessary step in the process to establish adequate internal controls for the disbursement of Government funds. If the file is transmitted before the payment date, OPM **must** warehouse the data until the settlement date.

c. The IPAC transaction is a direct payment to OPM. Report the transaction on the [SF 1219](#), Statement of Accountability.

3. RITS provides the capability to report on a regular biweekly basis, as well as to report adjustments in a supplemental off-cycle mode. Reporting during the regular biweekly cycle is the preferred method and automated capabilities of the payroll system must be fully utilized in order to do so. Use of a supplemental reporting cycle **must** be limited to the greatest extent possible.

4. Consolidated PROs using RITS may find it necessary to report adjustments related to former PROs as well as adjustments related to the consolidated office. In these situations, the following [may be applicable](#):

a. Adjustments for Accounts That Have Not Been Transferred to the Consolidated PRO. These accounts were inactive on former payroll office records and did not convert to the consolidated office. Responsibility for these adjustments is now with the consolidated payroll operation and is under the DFAS PRO operations. These adjustments could involve correction of a retirement plan, cash collection for military deposits, or health benefit indebtedness.

(1) Retirement Plan Correction. These adjustments [must](#) be reported to OPM via a hard copy SF 2812A citing the PRO number that originally reported the deductions and contributions. Corrected retirement records and registers citing the former PRO [must](#) be prepared and forwarded to OPM. Copies of the SF 2812A, registers, and records [must](#) be forwarded to the departmental reporter for the former payroll office so that cumulative balances may be adjusted.

(2) Cash Collections for Military Deposits. Cash collections for military deposits must be reported via a hard copy SF 2812A citing the PRO number that originally reported the deductions and contributions. Corrected retirement records and registers citing the former PRO [must](#) be prepared and forwarded to OPM. Copies of the SF 2812A, registers, and records [must](#) be forwarded to the departmental reporter for the former PRO so that cumulative balances may be adjusted.

(3) Cash Collections for Health Benefit Indebtedness. Cash collections for health benefit indebtedness [must](#) be reported via RITS as a supplemental SF 2812A from the consolidated payroll office using the consolidated PRO Number.

b. Adjustments for Accounts That Have Been Transferred to the Consolidated PRO. These accounts were active on former PRO records and converted to the consolidated office. Adjustments may be for accounts that have become inactive since consolidation or for those still in an active status. [As part of the consolidated payroll operation, DFAS PRO is responsible for these adjustments.](#) Records for both the former and consolidated payroll offices may need to be corrected, depending on the effective date of the correction involved.

(1) Retirement Plan Correction. The adjustment may involve both hard copy reporting via the SF 2812A and reporting via RITS. Adjustments that are effective prior to the transfer to the consolidated office [must](#) be reported to OPM via the SF 2812A citing the former PRO number. Corrected retirement records and registers for that portion applicable to the former PRO must be prepared and forwarded to OPM. A copy of the SF 2812A,

registers, and records **must** be forwarded to the departmental reporter for the former PRO so that cumulative balances may be adjusted. That portion of the adjustment applicable to the consolidated PRO **must** be corrected through the payroll system and reported via the RITS regular biweekly cycle. Adjustments for accounts that have become inactive since consolidation **must** be corrected through the payroll system by reactivating the account.

(2) Cash Collections for Military Deposits. Cash collections for military deposits **must** be reported via RITS during the regular reporting cycle. Collections for accounts that have become inactive since consolidation **must** be corrected through the payroll system by reactivating the account. Correction through the payroll system is necessary in order to maintain the proper sequencing of system-assigned register numbers.

(3) Cash Collections for Health Benefit Indebtedness. Cash collections for health benefit indebtedness **must** be reported via RITS during the regular biweekly reporting cycle.

D. TSP-2, Certification of Transfer of Funds and Journal Voucher. A “no-check-issue” procedure is used to transfer the amount collected for employee TSP deductions as well as the agency contributions to NFC. Funds are transferred to NFC using the TSP-2.

E. DD 592. This payroll voucher is used to certify the accuracy of the payment. It also provides **total payroll costs and detailed** accounting data **by appropriation and accounting activity** in connection with the civilian payroll.

F. Reports of Salary Offsets for Non-DoD Federal Agencies

1. Report of Collections. The PRO **must** forward a biweekly report to each creditor agency of the collections made for the pay period. This report **must** include, at a minimum, the non-DoD agency to which the collections apply, the PRO name and address, the employee’s name, the amount collected for each employee, the period for which the collection applies, and the total amount of collections remitted to the non-DoD agency.

2. Report of Employees with Salary Offset. The PRO forwards a biweekly report of employees with salary offsets for non-DoD Federal agencies to the DFAS site that originally forwarded the salary offset request to the PRO. This report **must** include, at a minimum, the employee’s name, SSN, creditor agency, amount of the last biweekly collection amount, pay date of the last collection, and the debt balance amount. In the case of employees with more than one debt to a non-DoD Federal agency, the information required in this paragraph **must** be provided for each debt.

G. Reporting Union Dues to Labor Organizations or Associations of Management Officials or Supervisors. Each pay period, the PRO **must** prepare a listing for each recipient of withheld dues. At a minimum, the listing **must** include the name and address of the PRO, the labor organization or association for which the listing pertains, employee names and amount of dues deducted for each, total amount collected and system-generated remarks that explain the lack of deductions.

#### H. Combined Federal Campaign (CFC) Report

1. The PRO must provide a remittance report to each CFC organization to include:

- a. The employing agency, e.g., Army, Navy, Air Force;
- b. The number of employees with a deduction by employing agency;
- c. The total pay period amount deducted; and
- d. The pay period date of the CFC data.

2. The PRO retains a summary report for each pay period date to include the CFC organization, the total number of employees with deductions, and the amount deducted for all employing agencies. See [5 C.F.R. 950.901](#).

#### 090204. Quarterly Reports

A. Continuation of Pay (COP) for Disabling, Job-Related Traumatic Injuries Sustained by Federal Employees. The Department of Labor requires a quarterly report on COP. The requirement applies to all PROs including National Guard units. See [20 C.F.R. 10.200](#).

B. Employment Statistics Program. Upon request, the PRO furnishes feeder data to the appropriate HRO on total wages paid to civilian employees for specific calendar quarters. The appropriate HRO **must** prepare and submit the final report.

C. IRS 941. Each PRO **must** report tax payment information to the IRS on IRS 941. The report **must** be completed and filed by the due date established by the IRS. This is normally the end of the month following the close of the quarter. If all the taxes for the quarter are deposited when due, file the IRS 941 by the 10th day of the second month following the close of the quarter. The tax payment information required under Schedule B, Record of Federal Tax Deposits, **must** come from the payment records. The total amount of tax payments during a quarter **must** agree with the total taxes due, with no further payment required to be made with IRS 941.

1. The PRO forwards the system generated IRS disbursement voucher "In Lieu of SF 1049," Public Voucher for Refunds, to the disbursing office at an agreed upon time preceding the payment date for transmitting the voucher data through the Electronic Federal Tax Payment System (EFTPS). EFTPS is a service offered by Treasury which allows an agency to electronically file and make payments for IRS 941 taxes each quarter. See [EFTPS Payment Instruction Booklet](#).

2. The DFAS Cleveland Disbursing Office makes the daily tax deposits that are reported on the IRS 941 through the EFTPS. The tax deposit information is entered on the tax return, IRS 941, using a fillable form available from the IRS website. After IRS 941 is prepared, it is reviewed and signed by a supervisor then e-faxed to the IRS point of contact.

3. The disbursing office returns the IRS 941 printout to the PRO the day following each IRS disbursement. This printout reflects the cumulative totals for the quarter.

4. The PRO **must** correct any discrepancies.

D. Health Benefits Reconciliation Data File. Each quarter, the **OPM FEHB CLER** data **must** be reported to NFC, the contractor chosen by OPM for implementing a system to reconcile health benefits data for government agencies. The quarterly report of enrollees **must** include enrollee names, the total amount for employee deductions, and the total amount for employer contributions. The quarterly report **must** include enrollment data for all health plans for the payroll paid during the 1st through the 15th of March, June, September, and December. If there are two payrolls paid during that period, the PRO reports only the enrollment data for the last payroll paid. The data in this report is first sorted by FEHB enrollment code and then SSN. The report **must** provide a subtotal for each enrollment code and a grand total for each plan.

E. Transportation Fringe Benefit Report. A fringe benefit is a form of pay for the performance of services that is in addition to the employee's regular salary or wages. Examples of transportation fringe benefits include the use of a business vehicle, transit passes, and the value of parking. Employers are required to report the value of fringe benefits as taxable income for amounts that exceed the established IRS threshold. The parking fringe benefit valuation **must** be reported by the employing activity directly to the servicing PRO on a quarterly basis to ensure proper reporting of income and collection of taxable wages on the IRS W-2. The monthly value of the fringe benefit and the reportable taxable benefit **must** be included in the report. Certain qualified transportation fringe benefit amounts may be excluded from an employee's wages each month. See Chapter 3 for information on qualified transportation fringe benefits. For additional information, see IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits.

F. Civilian Direct Deposit (DD) Participation Report. When directed, the PRO **must** furnish data to the appropriate functional organization on civilian employees participating in DD/Electronic Funds Transfer (EFT). This feeder-type information is used by DoD managers to report payment volumes and the percentage of payments made by EFT to the **Bureau of the Fiscal Services** within 25 days after the end of each quarter.

G. SF 113 Reporting Summary Employment Data. OPM collects data from agencies to satisfy 5 CFR 9.2, the data collected in this report is primarily used by Office of Management and Budget (OMB) as a baseline for making policy decisions on personnel budget requests.

(1) Federal Civilian Employment Report (113-A). The PRO must submit this report to OPM on a quarterly basis covering 3 months for the quarter or on a pay period basis covering the quarter. If the PRO submits data on a pay period basis, the PRO must report total employment “as of” September 30 for their September (fiscal year) submission. The report must reflect lump sum payments, wages, and salaries earned during the reporting period. The turnover data must include accessions and separations when the effective data occurs during the period covered.

(2) Full-Time Equivalent or Work-Year Reporting (SF 113-G). The PRO must provide feeder data to the Defense Manpower Data Center for reporting to OMB.

090205. Semiannual Reports

A. Semiannual Headcount Report. OPM requires that a report of the withholdings and contributions for retirement, FEGLI, and FEHB be sent in the form of a semiannual headcount report. This report is required for the last pay period paid during the 1st through the 15th of March and September, in conjunction with the quarterly reporting of enrollment in all health benefits plans.

B. Report of Work Years and Personnel Cost. This report provides information required by OMB to estimate the cost of proposed Federal pay increases, evaluate the financial effects of proposed legislation on civilian personnel compensation and benefits, and prepare analysis of pay and personnel benefits of Federal employees. The consolidated PRO provides feeder-type data on the leave data for part C of this report.

\*090206. Annual Reports

A. Wage and Tax Statements

1. Wage and Tax Statements to SSA. IRS W-2 is used to report taxable income to the SSA and the IRS. The PRO must issue an IRS W-2 to employees no later than January 31 of the year following the applicable tax (calendar) year. This also applies to employees who died or separated during the year. Individuals may request the form at an earlier date by making their request in writing to the PRO. In such instances, the form is to be issued within 30 calendar days of receipt of the request or of the final payment, whichever is later. The DoD PROs are required to use the DFAS approved standardized IRS W-2 each year.

2. Wage and Tax Statements to States

a. The PRO provides this information to states that have entered into a Standard Agreement with Treasury or as authorized pursuant to a published routine use statement. See TFM Vol. 1, Part. 3, Section 5070.10. The PRO will issue returns with respect to those employees who:

(1) Are employed in the state and subject to mandatory withholding of state income tax; or

(2) Have established voluntary allotments for the state's income tax.

b. The PRO provides annual information returns on IRS W-2. Other forms prescribed by states **should** not be used.

c. The PRO includes in the returns only the information on IRS W-2.

d. The PRO **must** submit IRS W-2 to the states in print or electronically. The PRO **must** file all returns in accordance with regulations issued by the state taxing authorities. A list of state taxing authority contacts is available at the [IRS](#) website.

e. The PRO may need to report information to more than one taxing authority for the same employee. If so, it **must** supply a copy of IRS W-2 to the proper state, city, or local taxing authorities on request. Those authorities will decide if the employee is liable for any tax.

f. A state requirement to file information returns monthly does not affect existing arrangements to submit IRS W-2 only once a year.

### 3. Wage and Tax Statements to Cities or Other Localities

a. In the case of an agreement with the city or locality, the PRO will issue returns with respect to those employees who are:

(1) Employed in the city or locality and subject to the tax (whether or not tax is withheld); or

(2) Residents of the city or locality and are subject to the tax (whether or not tax is withheld).

If the city or locality has not entered into a Standard Agreement, with the prior written consent of the employee, or if authorized pursuant to a published routine use statement, the PRO will issue returns to the taxing authority with respect to an employee who has voluntary deductions for the city or locality's income tax.

b. The PRO provides annual returns on IRS W-2. Other forms prescribed by cities or localities **must** not be used.

c. The PRO **must** include in the returns only the information on IRS W-2.

d. The PRO **must** submit IRS W-2 in accordance with regulations issued by the city or locality taxing authorities.

e. A city or locality requirement to file information returns monthly does not affect existing arrangements to submit IRS W-2 only once a year.

4. Wage and Tax Statements to Employees

a. If the employee has not yet transitioned to an electronic IRS W-2 format, the PRO must mail annual wage and tax information returns to each employee's non-work address by January 31 of the next year, unless the employee has consented to receive the IRS W-2 in an electronic format. The IRS W-2 must include the:

- (1) Employee's name, SSN, and address;
- (2) Wages subject to Social Security/Medicare, Federal, state, city, or local withholding;
- (3) Social Security and/or Medicare, Federal, state, or local tax withheld, if any;
- (4) Name of state, city, or county; and
- (5) City and/or county assigned Employer Identification Number.

b. The PRO must mail corrections to the annual wage and tax information returns to an employee's non-work address as soon as an error is discovered. Refer to subparagraph 090202.F for information on the IRS W-2c and IRS W-3.

B. Student Loans. Agencies are required to report annually to OPM on their use of the student loan repayment authority. Before March 31 of each year, agencies must submit their reports for the previous calendar year. See 5 C.F.R. 537.110. The reports must contain:

1. The number of employees, who received student loan repayment benefits,
2. The job classifications of the employees who received student loan repayment benefits, and
3. The cost to the Federal Government of providing student loan repayment benefits.

C. Telework. The Telework Enhancement Act of 2010 requires that agencies report an annual telework participation goal and encourages agencies to set and measure progress towards a variety of other goals. Prior to 2012, the Status of Telework in the Federal Government Report for Congress, agencies submitted telework data to OPM on a voluntary basis. The report provides a baseline for measuring each agency's progress toward meeting the requirements of the Telework Enhancement Act. Agencies are required to make an annual assessment of progress towards meeting participation, rate goals and explain whether they have met their goals. In cases where agencies do not meet goals, they must detail actions to be taken to “identify and eliminate barriers to maximizing telework opportunities for the next reporting period” (Public Law 111-292, Section 6506). Each report submitted must include:

1. The total number of employees in the agency;
2. The number and percent of employees in the agency who are eligible to telework; and
3. The number and percent of eligible employees in the agency who are teleworking:
  - a. Three or more days per pay period;
  - b. One or two days per pay period;
  - c. Once per month; or
  - d. Occasional, episodic, or short-term basis.