

**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 asterisk (\*) 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 **June 2018** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
All	Removed procedural guidance throughout to comply with current administrative instructions and modernizations efforts.	Deletion
090303	Removed references to the Department of Defense 592, Payroll for Personal Services Certification and Summary throughout section due to this form no longer being used.	Deletion

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## CHAPTER 9

## RECORDS, FILES, AND REPORTS

## 0901 GENERAL

## 090101. Purpose

This chapter provides guidance on records, files, and reports kept by the Civilian Payroll Offices (PRO).

## 090102. Authoritative Guidance

Specific statutes, regulations, and other guidance are referenced under each section of this chapter.

## 0902 RECORDS AND FILES

## 090201. Payroll Documentation

A. Disbursement Documentation. Documentation in the form of 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 submission. DoD agencies are not permitted to give an 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) 2812-A, Report of Withholdings and Contributions for Health Benefits by Enrollment Code, is used to report these deductions to OPM. A consolidated SF 2812-A must be submitted biweekly to OPM through the Retirement and Insurance Transfer System (RITS). For additional information on RITS, see subparagraph 090303.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 6, Chapter 5000 and Title 31, Code of Federal Regulations (CFR), part 215.

3. Disbursements to Thrift Savings Plan (TSP). Employee and employer contributions for traditional or Roth TSP accounts, and deductions for TSP loan repayments must be paid to the TSP Record Keeping Service Provider. See [TSP PRO Tools](#).

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 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 must match the total amounts withheld during the year as shown by the PRO records.

2. Individual Retirement Record (IRR). A related control account and an [SF 2806](#), IRR (CSRS), or an [SF 3100](#), IRR (FERS), must be maintained in accordance with OPM requirements for each civilian employee for whom retirement deductions are made. For information on items reported on the IRR refer to the CSRS/FERS Handbook, [Chapter 81](#) and Benefits Administration Letter [15-102](#).

3. Federal Employees' Group Life Insurance (FEGLI). 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). A record of employee deductions and the employer's contributions for health benefits must be kept by each enrollment code number. The PRO and the health benefit carrier must submit the enrollee data included in this record to the National Finance Center's (NFC) FEHB Centralized Electronic Enrollment Reconciliation Clearinghouse ([CLER](#)) system on a quarterly basis. The Human Resources Office (HRO) and the PRO must review any 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. The HROs must maintain a record of traditional and/or Roth TSP deductions and agency contributions for each employee.

## 090202. 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, the consolidated PRO may take one or more of the following steps:

1. Request Archived Documents From the National Personnel Records Center (NPRC). When copies of the SF 135, Records Transmittal and Receipt, are unavailable at the employee's former office, the current PRO must complete a National Archives and Records Administration (NARA) Optional Form 11, Reference Request - Federal Records Centers, with all available information. The employee's name, Social Security number (SSN), known places of employment, names and PRO numbers of applicable PROs, and year(s) for which the records are requested must be included in the description and remarks section of the form.

2. Contact the Appropriate 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 Action, 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 Statement (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 PRO may use the information on the retirement records for reconstruction of pay information for adjustments.

## 0903 REPORTS

## 090301. 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. Pursuant to 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, promptly, and 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 2.0](#), Human Resources, which includes: [Schedule 2.4](#), Employee Compensation and Benefits Records, and [Schedule 2.5](#), Employee Separation Records, with sensitive data handled in accordance with the provisions of the Privacy Act. See [5 CFR 2606](#).

090302. As-Required Reports

A. Income and Employment Tax Reports. Income and employment tax 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. Reports are sent to the city/local taxing authorities based on the frequency prescribed by each municipality. See TFM, Volume I, Part 6, Chapter 5000.

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. See TFM, Volume I, Part 6, Chapter 5000.

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 must reflect accurate data. In addition to reporting transferred leave data, the form contains 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. The losing PRO forwards the completed SF 1150 to the losing HRO.

b. The losing HRO includes it in the employee's Official Personnel Folder (OPF) and forwards it to the gaining HRO.

c. The gaining HRO then forwards the SF 1150 to the gaining PRO.

2. Delayed Receipt of SF 1150. If there is a delay of the OPF containing the SF 1150 reaching the appropriate gaining HRO, and the employee is taking leave, the leave balances from the employee's latest LES may be entered into DCPS. Once the gaining PRO receives the SF 1150, any transferred-in leave balances will be overridden if the SF 1150 data differs.

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. The appropriate HRO maintains a file copy of all data furnished for 2 years in accordance with the General Records Schedule 2.0, and then the file copy is destroyed.

E. SF 2806 (IRR, CSRS) and SF 3100 (IRR, FERS). The PRO will prepare and maintain the SF 2806 and the SF 3100 in accordance with Chapter 4.

F. IRS Form W-2c, Corrected Wage and Tax Statement, IRS Form W-3c, Transmittal of Corrected Wage and Tax Statements, and IRS Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund (formerly 941c). The Defense Finance and Accounting Service (DFAS) is responsible for:

1. Preparing a W-2c in accordance with Circular E to correct prior year wages and tax withholdings as applicable;
2. Providing copies to the employee and copy A to the Social Security Administration (SSA);
3. Sending a separate W-3c with the corrected W-2c to the SSA upon completion of the correction;
4. Retaining the employer's copy of the W-2c in the PRO;
5. Preparing a 941-X to adjust the gross wages subject to Social Security and/or Medicare taxes;

6. Attaching a 941-X to the current quarterly [IRS Form 941](#), Employer's Quarterly Federal Tax Return, and entering the amount of the adjustment on the 941. The PRO must maintain copies of both forms;

7. Retaining a copy of the W-2c and the 941-X in the current year quarterly tax folder to balance annual Federal tax deposits;

8. Preparing the IRS [Form 1095-C](#), Employer-Provided Health Insurance Offer and Coverage, for the IRS and the employee for the previous tax year; and

9. Preparing the IRS [Form 1094-C](#), Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns. This form is sent to the IRS in conjunction with the 1095-C.

\*090303. Biweekly Reports

A. [Civilian Leave and Earnings 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 [myPay](#) or mailed to the employee's non-work address every pay period.

B. [SF 2812-A, Report of Withholdings and Contributions for Health Benefits by Enrollment Code](#). 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 2812-A. The SF 2812-A reports the total employee deductions and agency contributions for health benefits by health benefits plan enrollment code for the pay period (see subparagraph 090201.A.1).

\* C. [RITS](#).

1. RITS is part of the Intra-Governmental Payment and Collection (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 2812-A.

\* 2. To process the RITS transactions, the PRO must provide the disbursing office with the payroll system generated hardcopy of the payroll for personal services certification and summary, the SF 2812-A 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 a holding account. The total of the payroll for personal services certification and summary and cash disbursement vouchers must equal the total of the SF 2812-A. Cash collections



for health benefit indebtedness received from pay accounts not carried forward from former PROs must be reported to OPM separately on a supplemental SF 2812-A 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 PRO 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 2812-A 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 2812-A, registers, and records must be forwarded to the departmental reporter for the former PRO so that cumulative balances may be adjusted.

(2) Cash Collections for Military Deposits. The PRO must report cash collections for military deposits via a hard copy SF 2812-A 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 registers, records, and SF 2812-A 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 2812-A from the consolidated PRO 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 PROs 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 2812-A and reporting via RITS. Adjustments that are effective prior to the transfer to the consolidated office must be reported to OPM via the SF 2812-A 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 2812-A, 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 Form 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. Payroll for Personal Services Certification and Summary. The payroll for [personal services certification and summary](#) 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.

F. 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.

G. Combined Federal Campaign (CFC) Report. The PRO must provide a transmittal report to the Central Campaign Administrator to include:

1. The employing agency, e.g., Army, Navy, Air Force;
2. The employee names and deduction amounts per individual employee;
3. The pay period number; and
4. The pay period date of the CFC data. See [5 CFR 950.801](#).

090304. 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 CFR 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, Employer's Quarterly Federal Tax Return. Each PRO must report tax payment information to the IRS on the 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 taxes for the quarter are deposited when due, the PRO must file the 941 by the 10th day of the second month following the close of the quarter. The tax payment information required under [Schedule B \(Form 941\)](#), Report of Tax Liability for Semiweekly Schedule Depositors, must be derived from the payment records. The total amount of tax payments during a quarter must agree with the total taxes reported on the 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 tax payments reported on the 941 each quarter. See the IRS information on [EFTPS](#).

2. The DFAS Cleveland Disbursing Office makes the daily tax deposits that are reported on the 941 through the EFTPS. The tax deposit information is entered on the 941, using a fillable form available from the IRS website. After the 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 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, which implements 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.

1. Employers are required to report the value of transportation fringe benefits as taxable income for amounts that exceed the established IRS threshold.

2. 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 W-2.

3. The monthly value of the transportation fringe benefits and the reportable taxable benefit must be included in the report.

4. 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 and [IRS Publication 15-B](#), Employer's Tax Guide to Fringe Benefits.

F. Civilian Direct Deposit Participation Report. When directed, the PRO must furnish data to the appropriate functional organization on civilian employees participating in Direct

Deposit/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. Reporting Workforce Information. OPM collects data from agencies relating to civilian employees in a manner and at times prescribed by OPM. See [5 CFR 9.2](#). The data reported is primarily used by the Office of Management and Budget (OMB) as a baseline for making policy decisions on personnel budget requests.

1. SF 113-A, Monthly Report of Federal Civilian Employment. 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. See [SF 113-A](#).

2. SF 113-G, Monthly Report of Full-Time Equivalent/Work-Year Civilian Employment. The PRO must provide feeder data to the Defense Manpower Data Center for reporting to OMB. See [SF 113-G](#).

090305. 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.

090306. Annual Reports

A. Wage and Tax Statements

1. Wage and Tax Statements to SSA. A W-2 is used to report taxable income to the SSA and the IRS. The PRO must issue a 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 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 6, Section 5070](#). 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 a W-2. Other forms prescribed by states must not be used.

c. The PRO must include only the information on a W-2.

d. The PRO must submit the 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 a 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 the 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 a W-2. Other forms prescribed by cities or localities must not be used.

- c. The PRO must include only the information on a W-2.
- d. The PRO must submit a 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 a W-2 only once a year.

4. Wage and Tax Statements to Employees

a. If the employee has not yet transitioned to an electronic W-2 format, the PRO must mail a paper W-2 to each employee's non-work address by January 31 of the next year. The 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 statement(s) to an employee's non-work address as soon as an error is discovered. Refer to subparagraph 090302.F for information on the W-2c and W-3c.

c. The PRO must issue the 1095-C to employees no later than January 31 of the year following the applicable tax (calendar) year.

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 CFR 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, codified at Title 5, United States Code (U.S.C.), [Chapter 65](#), requires that agencies report an annual telework participation goal. OPM issues an annual report to Congress summarizing information provided by agencies on the status of their telework programs. See Status of Telework in the Federal Government [Report for Congress](#). 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 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. See 5 U.S.C., section 6506 and [Telework.gov](#). 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.

D. Child Development Programs. Agencies initiating a child care subsidy program are required to track and report the utilization of their funds to OPM annually on a [DD Form 2605](#), Department of Defense Child Development Program Annual Summary of Operations. See [5 CFR 792.204](#).

E. Experts and Consultants. Each agency that used and paid experts and consultants is required to submit an annual report to OPM. See [5 U.S.C. § 3109](#) and 5 CFR [304.107](#). This report must cover the entire agency for the year ending December 31st and be submitted by February 28th of the following year. See [OPM Form 1623](#), List of Experts and Consultants Hired Under 5 U.S.C. 3109. This report must contain:

1. The number of days the agency employed each paid expert or consultant; and
2. The total amount paid by the agency to each expert and consultant, not including payments for travel and related expenses.

F. Affordable Care Act Reporting. Applicable Large Employers (ALE) must report to the IRS whether the employer has made an offer of coverage to their full-time employees.



An ALE is an employer with 50 or more employees. Reporting is made using the 1095-C and the 1094-C for the previous tax year. See the IRS Information Reporting by [Applicable Large Employers](#).

G. Foreign Language Pay Reporting. Each DoD Component with Defense Civilian Intelligence Personnel System (DCIPS) positions must submit to the Under Secretary of Defense for Intelligence through the Director, Human Capital Management Office a report on its foreign language pay program. See DoD Instruction [1400.25-V2016](#). These annual reports must:

1. Include a copy of the Component's current foreign language pay policy or guidance, and copies of any related documents or communications issued on foreign language pay since the previous report was submitted;
2. Identify the total number of language-coded authorizations and official tasking that requests language and proficiency in support of mission requirements;
3. Identify the total number of DCIPS employees receiving foreign language pay, and whether or not they are assigned to designated foreign language positions. Include a breakout of the number of DCIPS employees identified as receiving foreign language pay by each language;
4. Identify the total amount of foreign language payments made in the past calendar year and a breakout of the amounts by language;
5. Identify for Interagency Language Roundtable Level 3 proficiency and above (combined), the percentage of recipients paid, by language; and
6. Discuss the current state of recruitment and fill of foreign language positions, including overages, trends, shortfalls, recommendations regarding foreign language pay policy, trends in payments (by language and amount of payment) from the previous year, and a brief statement reflecting the effectiveness of incentive pay in the recruitment.