



Microsoft Dynamics® GP
U.S. 2008 Year-End Update
Releases 9.0 and 10.0

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Contents

Introduction	1
What's in this manual.....	1
Symbols and conventions	2
Year-end resources	2
Send us your documentation comments	3
Chapter 1: Changes in the year-end update	5
Form layouts unchanged	5
Application changes	5
W-2 electronic filing changes.....	5
Chapter 2: Payroll year-end checklists	7
Printing 2008 statements before processing 2009 pay runs	7
Processing 2009 pay runs before printing 2008 statements	8
Chapter 3: Preparation and FAQs	9
Supported releases	9
Installing the latest 2008 tax table updates.....	9
Obtaining the year-end update	9
Obtaining a User Identification Number to submit EFW2 files electronically	10
Non-supported electronic filing	10
Frequently asked questions.....	10
Chapter 4: Payroll year-end procedures	15
Payroll year-end closing.....	15
Installing the year-end update	17
Updating country codes (optional)	21
Creating the Year-End Wage file.....	22
Editing W-2 records	23
Editing 1099-R statement information	24
Archiving Human Resources information for inactive employees	25
Setting up fiscal periods.....	26
Setting up attendance	27
Deleting information for inactive employees	30
Chapter 5: Submitting W-2 reports electronically	31
Creating EFW2 files	31
Submitting EFW2 files.....	33
Chapter 6: Report procedures	35
Printing the Year-End Wage report	35
Printing W-2 forms and reports	36
Printing 1099-R forms and reports	38
Index	41

Introduction

This document contains instructions for updating the U.S. Payroll module for Microsoft Dynamics® GP Releases 9.0 and 10.0 so that your system is compliant with 2008 filing requirements.

Also included in this document are instructions for completing payroll year-end procedures.

These instructions assume that you are already familiar with U.S. Payroll for Microsoft Dynamics GP.

You can find information about year-end payroll procedures in the “Payroll Company Routines” and “Government Form and Report Routines” chapters in the U.S. Payroll manual, or the sections of help with the same names.

Note, however, that the instructions in this document expand on the instructions in your Payroll documentation, and in some cases supersede them.

This introduction is divided into the following sections:

- [*What's in this manual*](#)
- [*Symbols and conventions*](#)
- [*Year-end resources*](#)
- [*Send us your documentation comments*](#)

What's in this manual

This manual is designed to give you an understanding of new 2008 tax year filing requirements and to provide instructions for installing the updates necessary to make Microsoft Dynamics GP compliant for 2008 filing. Additionally, you will find instructions for completing year-end payroll procedures using your Payroll system.

To make best use of the year-end update, you should be familiar with systemwide features described in the System User's Guide, the System Setup Guide, and the System Administrator's Guide.

To view information about the release of Microsoft Dynamics GP that you're using and which modules or features you are registered to use, go to the Help menu. Choose Help >> About Microsoft Dynamics GP.



The manual is divided into the following chapters:

- [*Chapter 1, “Changes in the year-end update,”*](#) contains a description of application changes in the year-end update.
- [*Chapter 2, “Payroll year-end checklists,”*](#) contains checklists that you can use for year-end payroll tasks.
- [*Chapter 3, “Preparation and FAQs,”*](#) contains information to help you prepare for the year-end update, as well as answers to frequently asked questions.
- [*Chapter 4, “Payroll year-end procedures,”*](#) explains each payroll year-end process, such as installing the year-end update, creating the Year-End Wage file, editing forms and statements, and clearing inactive employee data.

- [Chapter 5, “Submitting W-2 reports electronically.”](#) explains how to prepare and submit federal W-2 files to the Social Security Administration.
- [Chapter 6, “Report procedures.”](#) provides descriptions of each year-end report and procedures for printing them.

Symbols and conventions

For definitions of unfamiliar terms, see your Payroll glossary in the manual or refer to the glossary in Help.

Symbol	Description
	The light bulb symbol indicates helpful tips, shortcuts and suggestions.
	The warning symbol indicates situations you should be especially aware of when completing tasks.

This manual uses the following conventions to refer to sections, navigation, and other information.

Convention	Description
<i>Creating a batch</i>	Italicized type indicates the name of a section or procedure.
File >> Print	The (>>) symbol indicates a sequence of actions, such as selecting items from a menu or toolbar, or pressing buttons in a window. This example directs you to go to the File menu and choose Print.
TAB or ENTER	All capital letters indicate a key or a key sequence.

Year-end resources

If you have questions about Payroll year-end closing procedures and your Microsoft® Partner isn't available, there are several resources, in addition to this document, to assist in answering your year-end questions.

Year-end information on CustomerSource

[\(https://mbs.microsoft.com/customersource/support/downloads/taxupdates/\)](https://mbs.microsoft.com/customersource/support/downloads/taxupdates/)

Look here to find year-end updates, instructions, and tax updates. Instructions for downloading and installing the updates are also provided here.

Knowledge Base

[\(https://mbs.microsoft.com/knowledgebase/search.aspx\)](https://mbs.microsoft.com/knowledgebase/search.aspx)

Provides you with instant access to the same database our support engineers use. You can find answers to common questions, along with technical tips and performance recommendations.

eSupport

(<https://mbs.microsoft.com/support/newstart.aspx>)

For support requests that can be handled with e-mail. On average, the response time is nearly twice as fast as telephone support. That's a big benefit during the critical year-end season.

Discussion

(<https://mbs.microsoft.com/customersource/newsgroups>)

Start a year-end discussion with other members of the Microsoft customer community. This database provides you with the opportunity to exchange information with other customers, which is perfect for providing tips and answers to year-end questions.

Microsoft Dynamics GP support team

We have specialized support teams focused on providing service and support to our Human Resources/Payroll customers. If you have Human Resources/Payroll questions, dial toll free 888-GPS-SUPP (888-477-7877). Enter your 10-digit authorization code, enter 6629 quick access code for Payroll Tax Update.

Send us your documentation comments

We welcome comments regarding the usefulness of the documentation. If you have specific suggestions or find any errors in this manual, send your comments by e-mail to the following address: bizdoc@microsoft.com.

Note: By offering any suggestions to Microsoft, you give Microsoft full permission to use them freely.

Chapter 1: Changes in the year-end update

The U.S. 2008 Year-End Update contains software changes to allow you to comply with 2008 filing requirements. The following topics are included:

- [*Form layouts unchanged*](#)
- [*Application changes*](#)
- [*W-2 electronic filing changes*](#)

Form layouts unchanged

The layouts for forms W-2 and W-3 are unchanged, and no new fields have been added for 2008. For an illustration of the new form W-2 layout, refer to the Microsoft Dynamics GP W-2 Data Source Guide.

Beginning in 2006, the layout for form W-2 added a designated space for an employee name suffix in Box e; however, the IRS as yet does not require a value to be printed in this box. Accordingly, Microsoft Dynamics GP does not print a value in Box e, but does allow space for it on hard-copy printouts.

There are no changes to forms 1099-Div, 1099-Int, 1099-Misc, and 1099-R.

Application changes

You can now print form W-2 when only Box 14, Other, contains an amount. This is of value for clergy, who typically have no federal, FICA, or state wages, but who may have “other” compensation such as housing.

For form 1099-R, distribution codes B and D are a valid combination for 2008. Distribution code H (direct rollover of a designated Roth IRA account distribution to a Roth IRA) has been added.

W-2 electronic filing changes

Changes in the 2008 EFW2 file generated by Microsoft Dynamics GP include the following:

- The field name for Position Identification Number (PIN) of the Code RA Record (positions 12-19) is now named the User Identification Number (User ID).
- The following country codes have been added: Akrotiri Sovereign Base Area (AX) and Dhekelia Sovereign Base Area (DX).

Chapter 2: Payroll year-end checklists

This chapter contains checklists that you can use for year-end. Use the checklist that most suits the way your company handles Payroll year-end activities. The following checklists are provided:

- [Printing 2008 statements before processing 2009 pay runs](#)
- [Processing 2009 pay runs before printing 2008 statements](#)

Printing 2008 statements before processing 2009 pay runs

Use this checklist to install the year-end maintenance and update, to close the 2008 payroll year, to update your Payroll system with the 2009 Payroll tax changes, and to print 2008 wage statements before performing 2009 pay runs.

Detailed instructions for completing each step are found in the chapters and sections indicated.

Step	Description
1	Verify that you have installed the latest 2008 Payroll tax updates. See Installing the latest 2008 tax table updates on page 9.
2	Complete all 2008 pay runs.
3	Complete all payroll month-end, period-end, or quarter-end procedures. <i>Note: You can install the year-end update (step 5) before this step, as long as you create a backup before installing.</i>
4	Make a backup of your 2008 company database(s). Label the backup "Pre Year-End Wage file".
5	Install the U.S. 2008 Year-End Update. See Installing the year-end update on page 17. <i>Note: Do not restart Microsoft Dynamics GP on any workstation until the update has been installed on all workstations that run the application.</i>
6	Update country codes if you have employees living outside the U.S. See Updating country codes (optional) on page 21.
7	Create the Year-End Wage file. See Creating the Year-End Wage file on page 22. <i>Note: 2009 Payroll tax updates can be installed any time after the Year-End Wage file has been created.</i>
8	Make a backup of your 2008 company database(s). Label the backup "Post Year-End Wage file".
9	Verify W-2 and 1099-R statement information. <i>Note: If you make changes to the statement information, we recommend that you make another backup.</i>
10	Print the W-2 Validation Report, W-2 statements, and W-3 Transmittal form. See Chapter 6, "Report procedures."
11	Print the 1099-R Validation Report, 1099-R forms, and 1096 Transmittal Form. See Chapter 6, "Report procedures."
12	Prepare and submit W-2 information in the federal EFW2 format, if required. See Chapter 5, "Submitting W-2 reports electronically."
13	Archive inactive employee human resources information (optional).
14	Set up fiscal periods for 2009.
15	Delete inactive employee human resources information (optional).
16	Close the fiscal periods for the Payroll series for the 2008 year (optional).
17	Install the 2009 Payroll tax update.

Processing 2009 pay runs before printing 2008 statements

Use this checklist if you need to process 2009 pay runs before printing 2008 wage statements.

Detailed instructions for completing each step are found in the chapters and sections indicated.

Step	Description
1	Verify that you have installed the latest 2008 Payroll tax updates. See Installing the latest 2008 tax table updates on page 9.
2	Complete all 2008 pay runs.
3	Complete all payroll month-end, period-end, or quarter-end procedures. <i>Note: You can install the year-end update (step 5) before this step, as long as you create a backup before installing.</i>
4	Make a backup of your 2008 company database(s). Label the backup "Pre Year-End Wage file"
5	Install the U.S. 2008 Year-End Update. See Installing the year-end update on page 17. <i>Note: Do not restart Microsoft Dynamics GP on any workstation until the update has been installed on all workstations that run Microsoft Dynamics GP.</i>
6	Update country codes if you have employees living outside the U.S. See Updating country codes (optional) on page 21.
7	Create the Year-End Wage file. See Creating the Year-End Wage file on page 22. <i>Note: 2009 Payroll tax updates can be installed any time after the Year-End Wage file has been created.</i>
8	Make a backup of your 2008 company database(s). Label the backup "Post Year-End Wage file"
9	Verify W-2 and 1099-R statement information. <i>Note: If you make changes to the information, we recommend that you make another backup.</i>
10	Archive inactive employee human resources information (optional).
11	Set up fiscal periods for 2009.
12	Clear inactive employee Human Resources information (optional).
13	Close the fiscal periods for the Payroll series of the 2008 year (optional).
14	Install the 2009 Payroll tax update.
15	Process 2009 pay runs.
16	Print the W-2 Validation Report, W-2 statements, and W-3 Transmittal forms. See Chapter 6, "Report procedures."
17	Print the 1099-R Validation Report, 1099-R forms, and 1096 Transmittal Form. See Chapter 6, "Report procedures."
18	Prepare and submit W-2 information in the federal EFW2 format, if required. See Chapter 5, "Submitting W-2 reports electronically."

Chapter 3: Preparation and FAQs

Use the instructions in this chapter to prepare for the U.S. 2008 Year-End Update. Information is divided into the following sections:

- [Supported releases](#)
- [Installing the latest 2008 tax table updates](#)
- [Obtaining the year-end update](#)
- [Obtaining a User Identification Number to submit EFW2 files electronically](#)
- [Non-supported electronic filing](#)
- [Frequently asked questions](#)

Supported releases

The U.S. 2008 Year-End Update supports Microsoft Dynamics GP Release 9.0 and 10.0.

To identify the release you're using, start Microsoft Dynamics GP. Choose Help >> About Microsoft Dynamics GP.

If you're not using one of the supported releases, upgrade to a supported version before installing this update.



For more information about product discontinuation dates, refer to the discontinuation chart on CustomerSource (<https://mbs.microsoft.com/customersource/support>) >> Support Information. Select "Discontinuation Dates for Technical Support and Tax Updates."

Installing the latest 2008 tax table updates

Before you install the year-end update, it's important for your system to be up to date with the latest 2008 Payroll tax updates for the states in which you do business. The latest tax tables will ensure that the FICA wage limit is correct. You can check the most recent tax table update date in the Payroll Tax Setup window (**9.0** Tools >> Setup >> System >> Payroll Tax; **10.0** Microsoft Dynamics GP menu >> Tools >> Setup >> System >> Payroll Tax). The date must be 12/19/2007 or later.

If the Last Tax Update value in the Payroll Tax Setup window isn't 12/19/2007 or later, you should install the October 2008 Round 7 Payroll tax table update.

Where to get Payroll tax updates

Download tax table updates and installation instructions from CustomerSource. Go to <https://mbs.microsoft.com/customersource/support/downloads/taxupdates>.

Obtaining the year-end update

Download update files and documentation from CustomerSource (<https://mbs.microsoft.com/customersource/support/downloads/taxupdates>), or obtain them from your Microsoft Partner.

Obtaining a User Identification Number to submit EFW2 files electronically

If you plan to submit W-2 statements electronically using the EFW2 format, you must first register for a User Identification Number (User ID) with the Social Security Administration. Prior to 2008, the User Identification Number was called a Personal Identification Number, or PIN. You only need to register once for a User Identification Number, after which you may use it indefinitely.

Use one of the following options to obtain a User Identification Number:

- Internet: www.socialsecurity.gov/bso/bsowelcome.htm
- Telephone: 1-800-772-6270 Monday through Friday, 7 a.m. to 7 p.m. (EST)

Non-supported electronic filing

Microsoft Dynamics GP currently supports electronic filing of W-2 information in the **federal** EFW2 format. Some states also accept this format.

Microsoft Dynamics GP does not support electronic filing of 1099-R forms, State Unemployment Tax (SUTA) forms, or state W-2 forms in formats other than EFW2. You will need to use separate software or services for filing these items. Contact a Microsoft Developer that offers compatible electronic filing products.

This is the contact information for the Microsoft Developers:

Greenshades Software, Inc.
7800 Belfort Parkway
Suite 220
Jacksonville FL 32256
Telephone: (904) 807-0160
Fax: (904) 807-0165
E-mail: sales@greenshades.com
Web site: www.greenshades.com

MasterTax
Attn: Raymond C. Ng
7150 East Camelback Road, Suite 160
Scottsdale, AZ 85251
Telephone: (480) 778-8707
Fax: (480) 778-8709
E-mail: rng@mastertax.net
Web site: www.mastertax.net

Frequently asked questions

As you complete year-end tasks, refer to the helpful answers in this section.

Q: What will happen if I've already closed the 2008 Payroll tax year and don't install the 2009 tax update right away?

A: Until you install the 2009 tax update containing FICA, federal, and state tax changes, the tax calculations for your 2009 pay runs may be incorrect.

Q: If I use multiple companies with my accounting system, do I have to install the year-end tax update for each company?

A: No. The update will be reflected in all companies. However, you do need to install the update on each workstation using Microsoft Dynamics GP.

Q: I need to print my 2009 checks before I can print W-2s. What should I do?

A: After you create the Year-End Wage file, close the year. Install the 2009 tax update, and you can print checks. Follow the checklist for [Processing 2009 pay runs before printing 2008 statements](#) on page 8.

Q: Can I print four W-2 statements to a page?

A: You can print four W-2 statements to a page using the 4-Up Laser Form. Four statements for the same employee will print per page. The form contains Copy B, Copy C, and two Copy 2 forms. Copy A and Copy D must be printed separately. Copy A will be included in EFW2 files, if you are submitting federal W-2 files electronically. You can still print W-2s in the 1-Wide Continuous, 2-Wide Continuous, and 1-Wide Single Feed forms.

Q: How do I print multiple W-2 statements for each employee?

A: There are two ways:

Using Laser form “sets” To print all the required forms for each employee at a time (you’re using laser form “sets”), simply enter the number of copies you need to print in the “number of copies” field in the Print dialog box that appears after you choose Print in the Print W-2 Forms window.

For example, to print four copies of the W-2 statement for each employee, enter “4” in the Print dialog box. Information for two employees will be printed per page: Copy A for two employees, Copy B for two employees, Copy C for two employees, Copy D for two employees, etc. until the required number of copies has been printed for all employees.

Using Laser form “sheets” To print all forms for all employees, repeat the Printing W-2 Statements procedure as many times as necessary to print the required number of copies. For example, to print copies of the W-2 statements, put the Copy A sheets into the printer and follow the procedure. Copy A W-2 statements will be printed for each employee. Then, put the Copy B sheets into the printer and repeat the procedure, and so on, until all required forms are printed for all employees.

Q: I can’t make W-2 forms align correctly. What can I do?

A: Try the following method to correct alignment issues:

1. Print the W-2s to the screen.
2. Choose the printer icon button on the top left.

3. A print dialog box with horizontal and vertical alignments will appear on the right. Adjust according to the situations below:

Problem	Adjustment
Form prints too high	Enter a positive vertical adjustment (.25 is one line).
Form prints too low	Enter a negative vertical adjustment (-.25 is one line).
Form prints too far right	Enter a negative horizontal adjustment.
Form prints too far left	Enter a positive horizontal adjustment.

Q: How do I verify federal withholding taxes?

A: If an employee’s federal withholding taxes seem incorrect or you want to verify the amounts, follow these steps to help pinpoint the error source.

1. Verify your employee’s records in the Payroll Employee Tax Maintenance window (Cards >> Payroll >> Tax). Check to see if any additional amounts have been entered in the Additional Withholding and Estimated Withholding fields.
2. Open the Deduction Setup window (**9.0** Tools >> Setup >> Payroll >> Deduction; **10.0** Microsoft Dynamics GP menu >> Tools >> Setup >> Payroll >> Deduction) and verify that all deductions are marked as TSA if they are supposed to be.
3. Be sure that the pay frequency of the employee’s pay codes matches the pay period of your company. For example, if you pay your employees semimonthly, the pay frequency for the employee’s pay code, deduction, and benefit should also be semimonthly.

Q: How can I edit FICA Social Security wage limits?

A: If FICA amounts are being printed incorrectly on W2s—for example, if your employee has reached the FICA limit but the form doesn’t reflect that status—you may have tried to edit the information but find that the forms still print the wrong information. That’s because the FICA Social Security limit is hard-coded and can’t be edited for W-2 purposes. Instead, check to see if the year-end wage file was created with old tax tables and an old FICA Social Security limit. If so, you won’t be able to edit the figures so they print correctly on W-2s. To correct the information, you’ll need to either re-create the year-end wage file after making changes in the Payroll Tax Setup window or add the Edit Social Security Wage Limit window to your list of shortcuts.

To change the information, open the Payroll Tax Setup window (**9.0** Tools >> Setup >> System >> Payroll Tax; **10.0** Microsoft Dynamics GP menu >> Tools >> Setup >> System >> Payroll Tax), edit the FICA limit, and re-create the year-end wage file.

To add the Edit Social Security Wage Limit window to your list of shortcuts, follow the steps below:

1. **9.0** From the Shortcut bar, choose Add >> Other Window.
10.0 Right-click in the list of shortcuts, and choose Add >> Add Window.
2. Expand Microsoft Dynamics GP, then expand Payroll.

3. Highlight Edit Social Security Wage Limit under Payroll and choose Add. Then choose Done.
4. From the list of shortcuts, choose the Edit Social Security Wage Limit window. Choose 2008, and change the wage limit to the correct amount for 2008. Choose OK. Changes will be reflected on the W-2s but not in the Payroll Tax Setup window. This will allow you to proceed with 2009 pay runs without needing to change information if the 2009 tax update has been installed.

Q: The correct Last Year-End Update date doesn't appear in the Payroll Setup window, even though I installed the 2008 year-end update and see the changes included in the update. Is there something I need to do?

A: The Last Year-End Update date is read from the **LastYearEndUpdate=** line in the Dex.ini file. When you install a year-end update on a particular computer, the Dex.ini file on that computer is updated. However, in some Windows Terminal Server deployments, there is only a single installation of Microsoft Dynamics GP, which many users access. Each user typically has a Dex.ini file in their home Windows folder. Installing the year-end update on the server doesn't update each user's Dex.ini file. In these situations, you should manually update each user's Dex.ini file so that the appropriate line reads **LastYearEndUpdate=11/14/2008**.

Chapter 4: Payroll year-end procedures

Use the instructions in this chapter to start your Payroll year-end closing tasks. The first section provides an overview of the tasks involved. The remaining sections provide additional detail for specific steps.

Information is divided into the following sections:

- [Payroll year-end closing](#)
- [Installing the year-end update](#)
- [Updating country codes \(optional\)](#)
- [Creating the Year-End Wage file](#)
- [Editing W-2 records](#)
- [Editing 1099-R statement information](#)
- [Archiving Human Resources information for inactive employees](#)
- [Setting up fiscal periods](#)
- [Setting up attendance](#)
- [Deleting information for inactive employees](#)

Payroll year-end closing

Use this procedure to close the 2008 Payroll year. After closing the year, you need to install the 2009 Payroll tax update before processing 2009 pay runs.

There are two year-end checklists you can use to close the year for payroll. The steps in this section correspond most closely to [Printing 2008 statements before processing 2009 pay runs](#) on page 7. For more information, see the checklists in [Chapter 2, "Payroll year-end checklists."](#)

To complete payroll year-end closing:

1. You already should have completed the tasks in [Chapter 3, "Preparation and FAQs."](#) In particular, be sure that you have installed the latest 2008 Payroll tax updates, as described in [Installing the latest 2008 tax table updates](#) on page 9.
2. Complete all 2008 pay runs. The information created during the pay runs is used for month-end or period-end, quarter-end, and any additional year-end reports that you print. You can reprint period-end, quarter-end, or additional reports and re-create the Year-End Wage file at any time.



It's important that you complete all pay runs for 2008 before you install a 2009 Payroll tax update. If you install a 2009 Payroll tax update before completing your pay runs, taxes will be calculated at 2009 rates for the remainder of the 2008 pay runs. If a 2009 tax update is installed prior to creating the Year-End Wage file, your W-2s would report incorrect information, due to changes in FICA limits.

3. Complete your company's standard payroll month-end or period-end, and quarter-end procedures. These procedures might include printing several month-end or period-end and quarter-end reports. You can reprint these reports at any time.
4. Back up your 2008 Microsoft Dynamics GP data. Label the backup "2008 Pre Year-End Wage file." If you encounter a problem while creating the Year-End Wage file, you can restore information from this backup. The Internal Revenue Service requires you to keep these records for at least four years.

5. Install the U.S. 2008 Year-End Update on each client workstation that will use Microsoft Dynamics GP. Before installing the update, ask all Microsoft Dynamics GP users to exit the application until the update is complete on every workstation. For more information, see [Installing the year-end update](#) on page 17.
6. Create the Year-End Wage file. For information, see [Creating the Year-End Wage file](#) on page 22.



2009 Payroll tax updates can be installed any time after the Year-End Wage file has been created.

7. Back up your 2008 Microsoft Dynamics GP. This backup must be separate from the “2008 Pre Year-End Wage file” backup. Label the backup “2008 Post Year-End Wage file.” You can use this backup if you encounter problems while printing W-2 statements. The Internal Revenue Service requires you to keep these records for at least four years.
8. Verify W-2 and 1099-R statement information. If you’re printing W-2 statements before closing the year 2008 or after processing a 2009 pay run, we suggest that you verify that the W-2 and 1099-R statement information is correct before you close the payroll year. For information, see [Printing the Year-End Wage report](#) on page 35. You also might want to make changes to your W-2 records. For information, see [Editing W-2 records](#) on page 23.

To verify 1099-R statement information, you can print 1099-R statements using the Print 1099-R Forms window. If you make changes to your 1099-R records, we recommend that you make another backup. For information, see [Editing 1099-R statement information](#) on page 24.

9. Print the W-2 Validation Report to verify that the information to be printed on W-2 statements is correct. The report displays warnings if there are employee record errors, except for employees with no wages, tips, or withholding information entered on their W-2 forms. W-2 forms will not be printed for employees with no earnings or withholding information. For instructions, see [Printing W-2 forms and reports](#) on page 36.



For more information about validation report warnings, search the Microsoft Dynamics Knowledge Base (<https://mbs.microsoft.com/knowledgebase/search.aspx>) and view article number 872100.

Next, print the W-2 statements and W-3 Transmittal form. You should print a W-2 statement for each employee who has worked for the company during the year. For information, see [Printing W-2 forms and reports](#) on page 36.

10. Print the 1099-R Validation Report, 1099-R forms and 1096 Transmittal Form. The 1096 statement is a report showing the distribution of pension payments for use in preparing federal, state, and local tax returns. A 1099-R statement shows an employee’s distribution from a retirement plan. For more information, see [Printing 1099-R forms and reports](#) on page 38.
11. Create an EFW2 transmission file, if required. If your company has more than 250 employees, the Social Security Administration requires you to create and submit federal W-2 wage reports electronically. For information, see [Chapter 5, “Submitting W-2 reports electronically.”](#)

12. Archive inactive employee Human Resources information (optional). If you're using Human Resources with Payroll and you want to save inactive employee information while removing Payroll history records, you can archive the information. Archiving information is beneficial if you need to provide information for references, re-hiring, or other reporting purposes. For information, see [Archiving Human Resources information for inactive employees](#) on page 25.
13. Set up fiscal periods for 2009. Enter the number and length of each company's open fiscal periods for 2009 in the Fiscal Periods Setup window. For information, see [Setting up fiscal periods](#) on page 26.
14. Delete inactive employee Human Resources information (optional). Deleting Human Resources information saves hard disk space and ensures that unused data is not available in lookup lists. For information, see [Deleting information for inactive employees](#) on page 30.

To accrue time using the Human Resources attendance system, see [Setting up attendance](#) on page 27.

15. Close the fiscal periods for the year 2008 (optional). Closing any Payroll periods that are still open for the year 2008 keeps transactions from being accidentally posted to the wrong period. For information, see [Setting up fiscal periods](#) on page 26.

If you need to post Payroll transactions to a fiscal period you've already closed, use the Fiscal Periods Setup window to reopen the period before posting the transaction.

16. Install the 2009 Payroll tax update. For additional information and step-by-step instructions to follow, download the latest 2009 U.S. Payroll Tax Update documentation from CustomerSource (<https://mbs.microsoft.com/customersource/support/downloads/taxupdates>). Choose the link for the Microsoft Dynamics GP version you are using.



You also can print W-2 statements and 1099-R forms and create an EFW2 transmission file after you've installed the 2009 Tax Update and performed pay runs for the year 2009. To view the checklist, see [Processing 2009 pay runs before printing 2008 statements](#) on page 8.

Installing the year-end update

Use these instructions to install the U.S. 2008 Year-End Update for Payroll. Follow only the instructions that apply to your Microsoft Dynamics GP version.

If the files Reports.dic, Forms.dic, and Dynamics.vba are present in your application, make backup copies before installing the U.S. 2008 Year-End Update.

You will need to install the year-end update on every workstation that runs Microsoft Dynamics GP. Before you begin, ask all Microsoft Dynamics GP users to exit the application until the update is complete.

To install the year-end update for Release 9.0:

1. Download the update from CustomerSource (<https://mbs.microsoft.com/customersource/support/downloads/taxupdates>). The filenames are as follows:

English (U.S.): MicrosoftDynamicsGP-KB957740-v9-ENU.msp
 French (Canadian): MicrosoftDynamicsGP-KB957741-v9-FRCA.msp
 Spanish (Latin American): MicrosoftDynamicsGP-KB957742-v9-ESLA.msp

Save the appropriate file to a folder on the local disk drive of the server workstation that runs Microsoft Dynamics GP.



The year-end update .MSP file also includes Release 9.0 Service Pack 4, which was released in September 2008. Documents describing Service Pack 4 are available from CustomerSource.

2. Double-click the file that you just downloaded. Review the instructions in the Welcome window. Choose Next.
3. Review the license agreement. If you accept the terms, choose Yes to begin the installation.
4. When the installation is complete, the Installation Complete window appears. Choose Finish.
5. Start Microsoft Dynamics GP Utilities.
(Start >> Programs >> Microsoft Dynamics >> GP 9.0 >> GP Utilities)
6. A message appears, prompting you to include new code. Click Yes.
7. After the code is included, the Welcome to Microsoft Dynamics GP Utilities window opens.
8. In the Welcome to Microsoft Dynamics GP Utilities window, verify your server name, enter the system administrator user ID and password, and choose OK.
9. Click Next in the second welcome window.
10. In the Upgrade Microsoft Dynamics GP window, click Next.

The Server Installation Progress window describes the process as it progresses.

11. In the Update System Tables window, click Update to update the tables. Click Next when updating is complete.
12. In the Upgrade these companies window, click Next. All companies are selected to be updated.
13. In the Confirmation window, click Finish.

Microsoft Dynamics GP Utilities updates your company databases. This process may take several minutes to complete. The Server Installation Progress window describes the process as it progresses.

14. After the update process is finished and is successful, the Additional Tasks window will open, where you can start Microsoft Dynamics GP, or exit Microsoft Dynamics GP Utilities. Depending on the components installed, you may be instructed to restart your computer.

If the update process wasn't successful, the Update Company Tables window opens. To contact Microsoft Dynamics GP Technical Support, see [Year-end resources](#) on page 2 for more information.

15. After installing the U.S. 2008 Year-End Update on a server for Microsoft Dynamics GP, install the U.S. 2008 Year-End Update on all remaining client computers. You can set up Automated Client Update to update all client workstations. For information about setting up the automatic updates, refer to your System Administrator manual.



To install the update on Windows Vista® with User Account Control (UAC) activated, a user must be running Microsoft Dynamics GP with administrative privileges. (From the Start menu, select and right-click the Microsoft Dynamics GP shortcut, and then select Run as Administrator.) For other ways to install the update on Windows Vista clients with UAC activated, see [Installing on Windows Vista or Windows Server 2008 with UAC activated](#) on page 21.

16. To confirm that the update is installed, open the Payroll Setup window. (Tools >> Setup >> Payroll >> Payroll)

Check the Last Year-End Update date. It should be 11/14/2008.

To install the year-end update for Release 10.0:

1. Download the update from CustomerSource (<https://mbs.microsoft.com/customersource/support/downloads/taxupdates>). The filenames are as follows:

English (U.S.): MicrosoftDynamicsGP-KB957743-v10-ENU.msp.

French (Canadian): MicrosoftDynamicsGP-KB957744-v10-FRCA.msp

Spanish (Latin American): MicrosoftDynamicsGP-KB957745-v10-ESLA.msp

Save the appropriate file to a folder on the local disk drive of the server workstation that runs Microsoft Dynamics GP.



The year-end update .MSP file also includes Release 10.0 Service Pack 3. Documents describing Service Pack 3 are available from CustomerSource.

2. Double-click the file that you just downloaded. Progress windows appear as space requirements are verified and files are installed.
3. A message may appear, asking if you want to restart now or later. Click No, to manually restart later. The installer will continue patching any remaining components.



If you click Yes to restart now, you will need to run the update .msp file again after restarting.

4. After the installation is finished, manually restart your computer if a message directed you to do so earlier.

5. Start Microsoft Dynamics GP Utilities.
(Start >> Programs >> Microsoft Dynamics >> GP 10.0 >> GP Utilities)
6. In the Welcome to Microsoft Dynamics GP Utilities window, verify your server name, enter the system administrator user ID and password, and click OK.
7. In the second welcome window, click Next.
8. In the Upgrade Microsoft Dynamics GP window, click Next.

The Server Installation Progress window describes the process as it progresses.

9. In the Update System Tables window, click Update to update the tables.
10. In the Upgrade these companies window, click Next. All companies are selected to be updated.
11. In the Confirmation window, click Finish.

Microsoft Dynamics GP Utilities updates your company databases. This process may take several minutes to complete. The Server Installation Progress window describes the process as it progresses.

12. After the update process is finished and is successful, the Additional Tasks window will open, where you can start Microsoft Dynamics GP, or exit Microsoft Dynamics GP Utilities.

If the update process wasn't successful, the Update Company Tables window opens. To contact Microsoft Dynamics GP Technical Support, see [Year-end resources](#) on page 2 for more information.

13. After installing the U.S. 2008 Year-End Update on a server for Microsoft Dynamics GP, install the U.S. 2008 Year-End Update on all remaining client computers.

You can set up Automated Client Update to update all client workstations. For information about setting up the automatic updates, refer to your System Administrator manual.



To install the update on Windows Vista or Windows Server® 2008 with User Account Control (UAC) activated, a user must be running Microsoft Dynamics GP with administrative privileges. (From the Start menu, select and right-click the Microsoft Dynamics GP shortcut, and then select Run as Administrator.) For other ways to install the update on Windows Vista clients with UAC activated, see [Installing on Windows Vista or Windows Server 2008 with UAC activated](#).

14. To confirm that the update is installed, open the Payroll Setup window.
(Microsoft Dynamics GP menu >> Tools >> Setup >> Payroll >> Payroll)

Check the Last Year-End Update date. It should be 11/14/2008.

Installing on Windows Vista or Windows Server 2008 with UAC activated

User Account Control (UAC) is an enhanced security feature in Windows Vista and Windows Server 2008. UAC is activated by default. Before performing actions that could affect your computer's operation, such as installing software updates, UAC asks for permission. To install the update on a client computer when UAC is active, copy the .msp file to each client workstation, then use one of the following methods:

- Start Microsoft Dynamics GP as a user that has administrative privileges on the local computer. (To do this, right-click on the Microsoft Dynamics GP shortcut and choose Run as administrator.) Double-click the .msp file to install it.
- Start the Command Prompt (located in the Accessories group) as a user that has administrative privileges on the local computer. (To do this, right-click on the Command Prompt shortcut and select Run as administrator.) Set the current directory to the location where you copied the .msp file.

For Release 10.0, enter the following command for U.S. English installs:

```
Msiexec /p MicrosoftDynamicsGP-KB957743-v10-ENU.msp /l*v C:\MSPErrorlog.txt
```

For Release 9.0, enter the following command for U.S. English installs:

```
Msiexec /p MicrosoftDynamicsGP-KB957740-v9-ENU.msp /l*v C:\MSPErrorlog.txt
```

- If you want the user to install updates and service packs without having administrative privileges on the local computer, you can change permissions for the folder where Microsoft Dynamics GP is installed. **Be aware that doing this makes your computer less secure.**

View properties for the folder, and display the Security tab. Grant Modify permissions to an appropriate group, such as Users or Authenticated Users. Once the folder permissions are changed, any user in the group can install the .msp file by double-clicking it.

Updating country codes (optional)

If you have employees with addresses outside the U.S., perform the following steps to update country code selections. Do this after you've installed the year-end update. See [W-2 electronic filing changes](#) on page 5 for a list of new or changed country codes. Country codes can be selected in the Edit W-2 Information window, and appear on form W-2 and in the EFW2 file.

To update country codes:

1. On any workstation, start Microsoft Dynamics GP.
2. Open the Clear Data window.
(**9.0** File >> Maintenance >> Clear Data)
(**10.0** Microsoft Dynamics GP menu >> Maintenance >> Clear Data)

3. Choose to display physical tables.
(**9.0** Extras >> Display >> Physical)
(**10.0** Display >> Physical)
4. In the Series list, choose System.
5. In the Tables list, select Payroll Country Code Setup and click Insert.
6. Click OK. In the confirmation message that appears, click Yes.
7. Select a destination for the Error Log report, and click OK.

Creating the Year-End Wage file

To ensure that information in the Year-End Wage file is correct, verify that you've set up W-2 box and W-2 label settings within both the Employee Benefit Maintenance window (Cards >> Payroll >> Benefit) and the Employee Deduction Maintenance window (Cards >> Payroll >> Deduction) for each benefit and deduction.

Be sure that the W-2 options are marked correctly in the Employee Tax Maintenance window (Cards >> Payroll >> Tax).

In the Payroll Tax Setup window (**9.0** Tools >> Setup >> System >> Payroll Tax; **10.0** Microsoft Dynamics GP menu >> Tools >> Setup >> System >> Payroll Tax), verify that the date listed as Last Tax Update is 12/19/2007 or a later date.

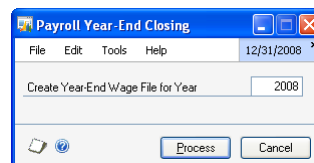
Verify your Employer State ID number (**9.0** Tools >> Setup >> Payroll >> Tax ID; **10.0** Microsoft Dynamics GP menu >> Tools >> Setup >> Payroll >> Tax ID). This is the number that will be printed on the W-2 statements. You can maintain an Unemployment ID number and State Tax ID number in Microsoft Dynamics GP.

Be sure that you've installed the U.S. 2008 Year-End Update and updated your Payroll information before creating the Year-End Wage file. Also, be sure that you've made a full backup of all your company data and stored it in a safe place.

Use the Payroll Year-End Closing window to create a table of annual wage information. The data from this table will be used to create W-2 statements and 1099-R statements.

To create the Year-End Wage file:

1. Open the Payroll Year-End Closing window.
(**9.0** Tools >> Routines >> Payroll >> Year-End Closing)
(**10.0** Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> Year-End Closing.)



2. Enter 2008 for the reporting year.

- Choose Process to create the Year-End Wage file that will be used for printing W-2 statements and 1099-R forms. You can store multiple years of year-end wage information in Microsoft Dynamics GP. To clear previous year-end wage information, use the Remove Payroll Year-End Information window (9.0 Tools >> Utilities >> Payroll >> Remove Year-End Info; 10.0 Microsoft Dynamics GP menu >> Tools >> Utilities >> Payroll >> Remove Year-End Information).

You can install 2009 tax tables any time after you’ve created the Year-End Wage file. You also may need to process 2009 pay runs before printing 2008 wage statements. For more information, see the checklist [Processing 2009 pay runs before printing 2008 statements](#) on page 8.

Editing W-2 records

You can verify and update information for an employee’s W-2 statement in the Edit W-2 Information window.

However, when you make changes in this window, only the information in the Year-End Wage file changes. The employee record doesn’t change, so it might be necessary to make permanent changes to the record (if the employee’s address changes, for example).

To edit W-2 records:

- Open the Edit W-2 Information window. (9.0 Tools >> Routines >> Payroll >> Edit W2s) (10.0 Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> Edit W2s)

Year:	2008	Wages, Tips, & Other Comp	8897.19
Type	Regular	Federal Income Tax Withheld	262.21
Employee ID	YOUN0001	Social Security Wages	9206.91
Name	Young, Rob	Social Security Tax Withheld	570.83
Social Security Number	000-55-9183	Medicare Wages and Tips	9206.91
<input type="checkbox"/> Foreign Address		Medicare Tax Withheld	133.50
Address	654 22nd Street	Social Security Tips	0.00
City	Chicago	Allocated Tips	0.00
State	IL	Advanced EIC Payment	0.00
ZIP Code	60600	Dependent Care Benefits	0.00
		Nonqualified Plans	0.00

- Select 2008 and select an employee. The employee’s Social Security number and address are displayed in editable fields.



Social Security numbers that aren’t valid are listed in the W-2 Validation Report. For more information, see [Printing W-2 forms and reports](#) on page 36.

If the employee has a foreign address, mark the Foreign Address option. Fields specific to a foreign address will be displayed.

3. You can edit Special and Other box information by choosing Special or Other to open the Edit Additional Special Information and Edit Additional Other Information windows. If two deductions or benefits are defined to be printed in the same W-2 box with the same label, the amounts will be combined.
4. Edit wage and withholding information. Additional W-2 statements will be printed only for employees with multiple state tax records, multiple local tax records, multiple special records, and multiple other records.
5. Specify the type of employee for whom you're editing W-2 information. Information from the Employee Tax Maintenance window will appear as default entries. Settings include:

Statutory Employee Mark this box if the employee is subject to FICA withholding but not federal withholding.

Retirement Plan Mark this box if the employee is an active participant in a retirement plan.

6. Edit optional information, as needed. Choose State or Local to open the Edit State Tax Information or the Edit Local Tax Information windows. Use these windows to view state and local tax information that will be printed on the main W-2 statement and supporting W-2 statements for the employee.

When you've finished editing information, choose OK to close the window and return to the Edit W-2 Information window.

7. Choose Save to store the information and close the window.

Editing 1099-R statement information

Use the Edit 1099-R window to update a retired employee's 1099-R information. The 1099-R statement shows an employee's distribution to a retirement plan.

When you make changes in the Edit 1099-R window, only the information in the Year-End Wage file is changed, not the employee record itself. If the change is permanent, such as an address change, you also will need to change the employee record.

To edit 1099-R records:

1. Open the Edit 1099-R window.
 (9.0 Tools >> Routines >> Payroll >> Edit 1099-Rs)
 (10.0 Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> Edit 1099-Rs)

2. Select 2008 for the calendar year and select an employee. The employee's Social Security number and address are displayed in editable fields.
3. Edit miscellaneous information. If necessary, you can change the gross distribution amount or the current-year total amount of the pension that the employee received. If you know the amount of the distribution that is taxable, enter that amount. Otherwise, leave the Taxable Amount Not Determined field marked and the taxable amount at 0.

If the employee has an excess in deferrals or earnings, be sure to enter the amount in excess in the appropriate amount field.

4. Edit state and local tax information. If necessary, you can change the amounts of the federal and state income tax withheld. You also can change the state and payer's state ID, the local tax withheld, and the name of the locality to which the tax was paid. If an employee is receiving a W-2 statement as well as a 1099-R statement, the withholding amounts will be pro-rated.
5. Choose Save to store the information and close the window.

Archiving Human Resources information for inactive employees

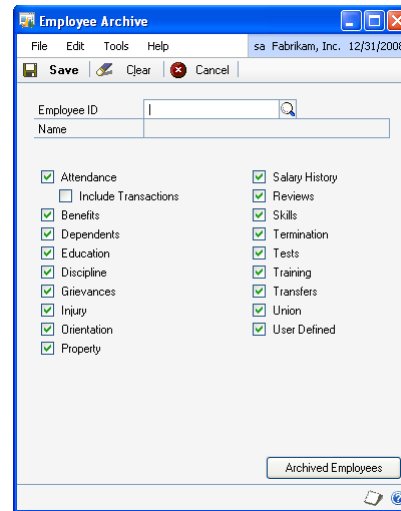
Use the Employee Archive window to store inactive employee Human Resources information, such as discipline records, reviews, and position history.



It's important to archive inactive employee Human Resources information before deleting inactive employees if you would like to keep this information in the system.

To archive Human Resources information for an inactive employee:

1. Open the Employee Archive window.
(**9.0** Tools >> Utilities >> Human Resources >> Archive Employee)
(**10.0** Microsoft Dynamics GP menu >> Tools >> Utilities >> Human Resources >> Archive Employee)



2. Select the inactive employee whose information you want to archive.
3. Mark the information to archive.
4. Choose Save to apply the changes. For more information about archiving employee records or accessing archived employee records, see the Human Resources documentation included with Microsoft Dynamics GP.

Setting up fiscal periods

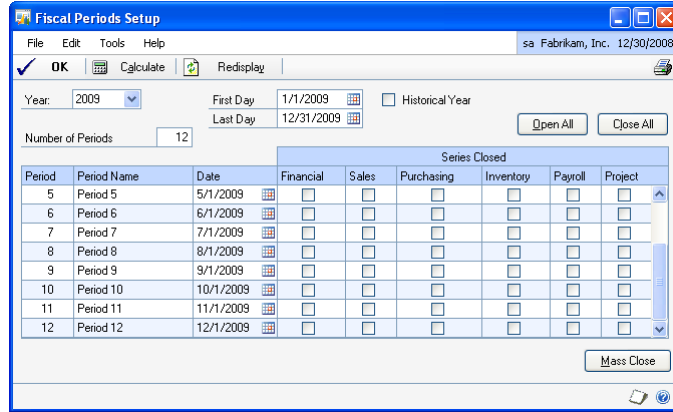
Setting up periods for the future fiscal year allows you to enter transactions into the 2009 fiscal year before closing the 2008 fiscal year. Enter the number and length of each company's open fiscal periods for 2009 in the Fiscal Periods Setup window.

After clearing financial information, you also can use the Fiscal Periods Setup window to:

- Close any Payroll periods that are still open for the year, which helps to keep transactions from being posted to the wrong period or year.
- Reopen a fiscal period that you've already closed.

To set up fiscal periods:

1. Open the Fiscal Periods Setup window.
 (9.0 Tools >> Setup >> Company >> Fiscal Periods)
 (10.0 Microsoft Dynamics GP menu >> Tools >> Setup >> Company >> Fiscal Periods)



2. Enter the year. Also enter the first and last days of the fiscal year. The fiscal year isn't limited to a calendar year; it can be any length.
3. If you're entering information for an historical year, mark the Historical Year option.
4. Enter the number of fiscal periods in the fiscal year. For example, enter 4 for quarterly periods, or 12 for monthly periods.
5. Choose Calculate to calculate first and last days for each period. The beginning date of each period appears in the scrolling window.



You can reenter information and recalculate periods as many times as necessary.

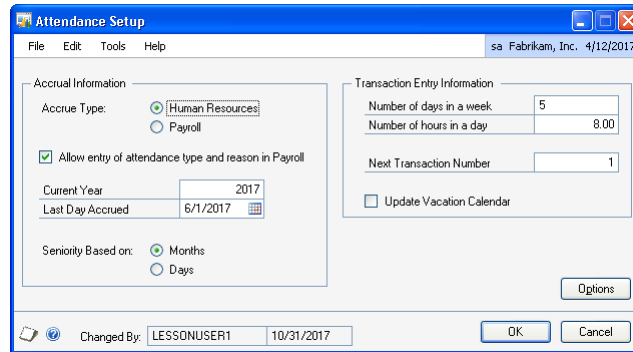
6. Review the beginning dates of each period in the Date column. Make changes, as needed.
7. In the Period Name column, review and rename the periods, as needed. For example, enter Quarter 1 for Period 1.
8. Use the Series Closed columns to prevent posting to a series after a period has been closed. This step is part of your period-end procedures.
9. Choose OK to save the information and close the window.

Setting up attendance

Use the Attendance Setup window to specify if your company accrues time using Payroll or the Human Resources attendance system. If you're using Human Resources, you also can set up vacation and sick time accrual methods in this window. With Release 9.0, changes were made to some attendance windows and fields to support new integration features with Payroll.

To set up attendance:

1. Open the Attendance Setup window.
 (9.0 Tools >> Setup >> Human Resources >> Attendance >> Setup)
 (10.0 Microsoft Dynamics GP menu >> Tools >> Setup >> Human Resources >> Attendance >> Setup)



2. Specify how your company accrues benefit time.

Human Resources Mark Human Resources to use the Human Resources attendance system.

Payroll Mark Payroll to use your accounting system to track attendance. Proceed to step 7.

3. Mark the Print Available Time on Payroll Checks option in the Employee Attendance Maintenance window (Cards >> Human Resources >> Employee - Attendance >> Maintenance) to print available vacation and/or sick time on payroll checks.
4. Mark the Allow entry of attendance type and reason in Payroll option to link attendance type and reason codes to payroll transactions in the Payroll Transaction Entry window. This option is available only when the accrue type is Human Resources and U.S. Payroll is registered.
5. Enter the current payroll, or accrual, year and the last day that you accrued attendance.

These fields are available with Human Resources when U.S. Payroll is not registered. They also are available when the accrue type is Human Resources and U.S. Payroll is registered.

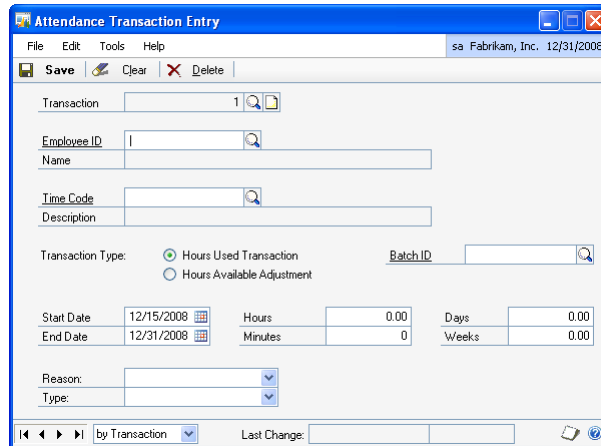
6. Select whether seniority is based on Months or Days.
7. You can choose to update the Vacation Calendar with attendance transactions.
 Mark the Update Vacation Calendar option.

8. Reset benefit time available.

For instance, an employee has 12.75 vacation hours available and you want the balance to be zero; you'd create an adjusting transaction for -12.75 hours for the vacation time code.

If you don't reset vacation and sick time available, the hours that were available at the end of the year are carried over to the next year.

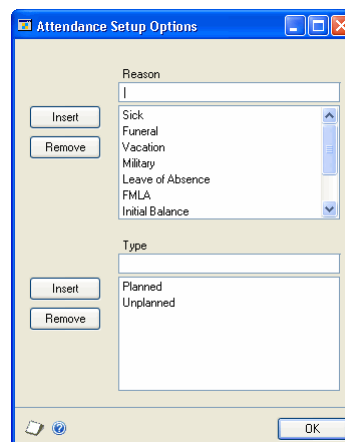
Accruing with Human Resources If you marked Human Resources as your accrual type in step 2, you can reset benefit time available by creating an Hours Available Adjustment in the Attendance Transaction Entry window (Transactions >> Human Resources >> Transaction Entry).



For more information, see the Human Resources documentation included in Microsoft Dynamics GP.

Accruing with Payroll If you marked Payroll as your accrual type in step 2, use the Employee Mass Update window (**9.0** Tools >> Utilities >> Payroll >> Mass Update; **10.0** Microsoft Dynamics GP menu >> Tools >> Utilities >> Payroll >> Mass Update) to reset benefit time available. In the Update list, choose Vacation Time Available or Sick Time Available.

9. In the Attendance Setup window, enter the number of days that equal a week and the number of hours that equal a day to define your organization's work schedule. For example, a standard 40 hour work week might be Number of days in a week = 5 and Number of hours in a day = 8.
10. Choose Options to open the Attendance Setup Options window.



- Enter an attendance reason for absence—such as Jury Duty—and add it to the Reason list by choosing the insert button. Then, enter an attendance type for the reason—such as Miscellaneous—and add it to the Type list.

The reasons and types that you enter will be displayed in the Attendance Transaction Entry window. If you're using Release 9.0 and 10.0 and U.S. Payroll, and you marked the Allow entry of attendance type and reason in Payroll option in the Attendance Setup window, then the reasons and types will be displayed in the Payroll Transaction Entry window.



To remove an attendance reason or type from a list, select it and choose Remove. Predefined reasons and types cannot be removed.

- Choose OK to save your changes and return to the Attendance Setup window. Choose OK again to save the settings in the Attendance Setup window.

Deleting information for inactive employees

The Remove Inactive Records window deletes inactive records in both Payroll and in Human Resources. Deleting information for employees that you've inactivated ensures that unused data is not being stored in the system and is not available in lookup lists.



Don't delete inactive records until after you've created the Year-End Wage file and have printed all government statements and reports for the year. Once inactive employee records are removed, you won't be able to reprint statements and reports. You should also make sure to archive all employee information that you want to keep.

To delete information for inactive employees:

- Open the Remove Inactive Records window.
(**9.0** Tools >> Utilities >> Payroll >> Remove Inactive Records)
(**10.0** Microsoft Dynamics GP menu >> Tools >> Utilities >> Payroll >> Remove Inactive Records)



- Choose the type of information to delete. If you mark Remove Inactive Employee Records and do not mark Remove History for Inactive Employees, information for Payroll history reports will be retained.
- Choose Process. When processing is complete, the Remove Inactive Employee Records Utility Log will be printed.

Chapter 5: Submitting W-2 reports electronically

If your company has more than 250 employees, the Social Security Administration (SSA) requires you to create and submit federal W-2 wage reports electronically. If your company has fewer than 250 employees, you can submit W-2 wage reports either manually or electronically.

Microsoft Dynamics GP currently supports electronic filing of W-2 information in the federal EFW2 format. Some states also accept this format for state W-2 electronic filing. For states that require other electronic formats for W-2 filing, see [Non-supported electronic filing](#) on page 10.

To create EFW2 files, the U.S. W-2 Magnetic Media feature must be registered for Microsoft Dynamics GP. To verify this, choose Help >> About Microsoft Dynamics GP and choose Options. Scroll through the list of registered modules to find U.S. W-2 Magnetic Media. A checkmark indicates it is registered.

For more information about the electronics submission formats and free accuracy-checking tools, visit the SSA website at www.socialsecurity.gov.

Information is divided into the following sections:

- [Creating EFW2 files](#)
- [Submitting EFW2 files](#)

Creating EFW2 files

Use the W-2 Electronic Filing window to create the EFW2 transmission file and to select which companies to include in the file. In order to view this window, you must be registered to use the U.S. W-2 Magnetic Media feature with Microsoft Dynamics GP.

You must register with the SSA to submit the file. For information on how to register and obtain a User Identification Number with the SSA, see [Obtaining a User Identification Number to submit EFW2 files electronically](#) on page 10.

Before you begin, be sure you have completed these procedures:

- Completed all pay runs for the year.
- Created the Year-End Wage file. For more information, see [Creating the Year-End Wage file](#) on page 22.
- Verified W-2 amounts on the Year-End Employee Wage report. For more information, see [Printing the Year-End Wage report](#) on page 35.



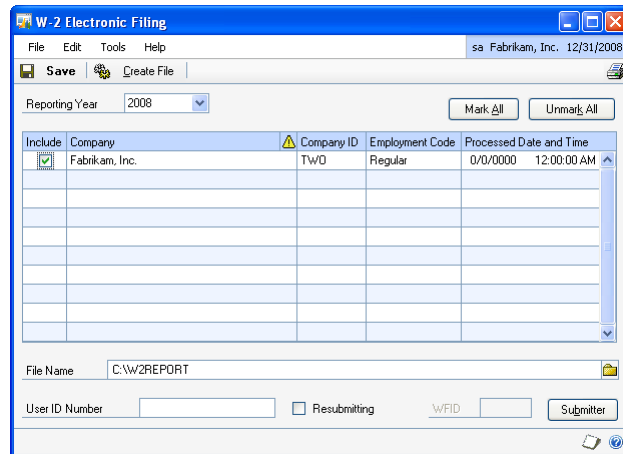
Be sure no one edits W-2 information while you're working in the W-2 Electronic Filing window.

To create the EFW2 file:

1. Open the W-2 Electronic Filing window.
(9.0 Tools >> Routines >> Payroll >> W-2 Electronic Filing)
(10.0 Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> W-2 Electronic Filing)

When you first open the window, a message prompts you to register with the SSA to submit W-2 information electronically.

2. Enter the reporting year.



3. Mark the Include option for the first company to include in the EFW2 file.
4. If information for a selected company is incomplete, a yellow alert icon will appear in the scrolling window heading. Click the icon to open the Electronic Filing Employer Information window. Enter the missing employer information, then choose OK to close the window.
5. Repeat steps 3 and 4 for each company to include in the EFW2 file.
6. Enter the destination and file name for the EFW2 file. The default file name is W2Report, without an extension. If you add an extension, the SSA requires that it be a valid extension, such as ".txt".
7. Enter the User Identification Number (formerly called a PIN) assigned to you by the SSA when you registered to submit EFW2 files electronically. You must enter your User Identification Number before you can choose Create File. For information, see [Obtaining a User Identification Number to submit EFW2 files electronically](#) on page 10.

8. Choose Submitter to enter submitter information in the Electronic Filer Submitter Information window. To ensure that your file is valid, you must enter an e-mail address.



Address information should be no more than 22 characters per line. Excess characters will be cut off in the file.

Choose OK to save the changes and return to the W-2 Electronic Filing window.

9. Choose Create File to create the EFW2 file now, or choose Save to store the information for creating the file later. Choosing Save will also save changes in the Electronic Filer Submitter Information window.
10. If a message is displayed stating that not all fields have been entered, choose Submitter and verify that the information is complete.

The W-2 Electronic Filing Summary Report is printed after the EFW2 file is created. This report is for informational purposes only.

We recommend using AccuWage to check all EFW2 files before sending. This is a free tool available from the SSA website (www.socialsecurity.gov/employer/accuwage).

Submitting EFW2 files

The following guidelines summarize the filing instructions provided by the SSA. Read the SSA's instructions carefully before submitting your EFW2 file.

For information on Microsoft developers that provide electronic filing services for state taxes, see [Non-supported electronic filing](#) on page 10.

BSO filing

You can use the SSA's Business Services Online website to upload wage information in EFW2 format to the SSA over the Internet. To use BSO, go to www.socialsecurity.gov/bsowelcome.htm. You'll need to register for a User Identification Number to use BSO services.

EDT filing

You can use the Electronic Data Transfer (EDT) system to file wage information using the EFW2 format. The system connects SSA's national computer with various states, federal offices, and SSA sites. For details, refer to the Electronic Data Transfer (EDT) Guide at www.socialsecurity.gov/employer/pub.htm.

Diskette or tape/cartridge filing

The SSA no longer accepts diskettes, tapes, or cartridges for W-2 wage statement filing. All wages must be filed either electronically or on paper.

Chapter 6: Report procedures

You can generate either detailed reports or summary reports in your year-end procedures, as needed. You also can customize your reports.

Information is divided into the following sections:

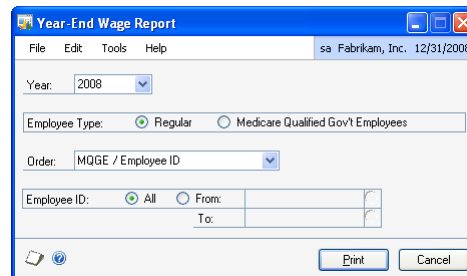
- [Printing the Year-End Wage report](#)
- [Printing W-2 forms and reports](#)
- [Printing 1099-R forms and reports](#)

Printing the Year-End Wage report

Print the Year-End Wage Report from the Year-End Wage Report window to verify W-2 amounts before printing W-2 statements. This report contains the same information that appears on the W-2 statement with headings for each field. It won't include Form 1099-R statement information. The Year-End Wage file must be created before you can print the Year-End Employee Wage report.

To print the Year-End Wage Report:

1. Open the Year-End Wage Report window.
(**9.0** Tools >> Routines >> Payroll >> Year-End Wage Report)
(**10.0** Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> Year-End Wage Report)



2. Enter 2008 as the year.
3. Select a sorting option for displaying information: Employee ID, Employee Name, Department/Employee, or Social Security Number.
4. Mark All to include every employee in the report, or enter a starting and ending employee ID to include a select group of employees.
5. Choose Print.

Printing W-2 forms and reports

Use the Print W-2 Forms window to print the following forms and reports.

Report	Description
W-2 Validation Report	Shows W-2 information before printing W-2 statements, usually for verification purposes. Information is validated according to the Software Edit Criteria specified by the Social Security Administration.
W-2 Alignment Form	Shows if the forms are aligned correctly in the printer before printing statements. Print this before printing W-2 statements.
W-2 Statement	Shows income earned and taxes deducted, and is distributed to your employees for use in preparing federal, state, and local tax returns.
W-3 Transmittal Form	Contains a summary of the W-2 statements after they are printed out. The Social Security Administration requires you to submit this form along with the W-2 statements.

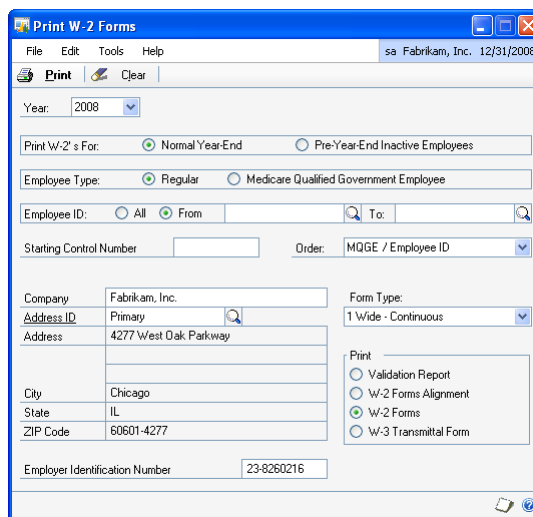
You must print a W-2 statement for each employee who worked for you during the year. In the Print W-2 Forms window you can specify which information should be printed on the W-2 statement, and then print the statement. In addition, be sure that the employee information for Box 13 of the W-2 form is accurately entered in the Edit W-2 Information window before printing a validation report.

Print the W-2 Validation report before printing W-2 statements to verify that the information to be printed on W-2 statements is correct. If the W-2 Validation Report shows any errors that need to be corrected, use the Print W-2 Forms window or the Edit W-2 Information window to make changes to the appropriate W-2 forms. For more information, see [Editing W-2 records](#) on page 23.

If you're submitting W-2 wage reports electronically, you can also use AccuWage from www.socialsecurity.gov to verify if the information in your file is correct.

To print W-2 forms and reports:

1. Open the Print W-2 Forms window.
 (9.0 Tools >> Routines >> Payroll >> Print W-2s)
 (10.0 Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> Print W-2s)



2. Enter 2008 as the reporting year.
3. Select a printing option. Mark Normal Year-End to print W-2 statements for all employees at the end of the year, including inactive employees and employees who've already had W-2 statements printed.
4. Select an employment type.
 - If you're printing W-2 statements for employees who are required to pay both FICA/Social Security and FICA/Medicare tax, mark Regular.
 - If you're printing W-2 statements for employees who are exempt from FICA/Social Security tax but subject to FICA/Medicare tax, mark Medicare Qualified Government Employee; also mark Medicare Qualified Government Employee in the Employee Tax Maintenance window.
5. Mark All to print W-2 statements for every employee, or enter a starting and ending employee ID to print statements for a select group of employees.
6. Select a sorting order for the W-2 statements: Employee ID, Employee Name, Department/Employee Name, or Social Security Number.
7. Enter the company name, and select the company address ID. Also verify the federal government employer identification number (EIN).
8. Select a form type to print.

1 Wide-Continuous Select this option to print your form or report in a continuous form, with one copy of the form or report for each page printed.

2 Wide-Continuous Select this option, also called Alternate Format, to print your form or report in a continuous form, with two copies of the form or report for each page printed.

1-Wide Single Feed Select this option to print your form or report on a single sheet of paper. To print all forms for all employees using this format, repeat the procedure for each form. For example, to print the A, B, and C copies of the W-2 statements, first put the Copy A sheets in the printer and complete this procedure; next put the Copy B sheets into the printer and complete this procedure; finally, put the Copy C sheets into the printer and complete this procedure.

4-Up Laser Forms Select this option to print your form or report in a sheet of paper, but with four forms or reports for each page. The page contains Copy B, Copy C, and two Copy 2 forms. Copy A and Copy D must be printed separately. Copy A will be included in EFW2 files, if you are submitting federal W-2 files electronically.

9. Select the form or report to print.
10. Verify that you've loaded the correct form in the printer.
11. Choose Print.

You can print as many copies of W-2 statements as needed. To print all the required forms for each employee (using laser form sets), enter the number of copies you need in the Print dialog box. Information for two employees will be printed per page, on each form, Copy A through Copy D, until the required number of copies have been printed. For more information, refer to the “How do I print multiple W-2 statements for each employee?” question in [Frequently asked questions](#) on page 10.



If you need to reprint W-2s for any reason, you can reprint them as a group or individually. Use the Employee ID field to restrict the range of W-2 statements printed.

Printing 1099-R forms and reports

Use the Print 1099-R Forms window to print the following forms and reports:

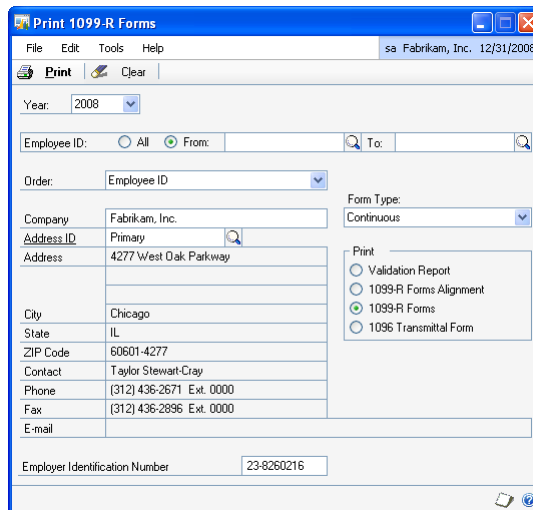
Report	Description
1099-R Validation Report	Shows 1099-R information before printing 1099-R statements, usually to ensure the information printed on the 1099-R statements is correct.
1099-R Alignment Form	Shows if the forms are aligned correctly in the printer before printing statements. Print this before printing 1099-R statements.
1099-R Statements	Shows the distribution of pension payments for use in preparing federal, state, and local tax returns. It also shows an employee’s distribution from a retirement plan.
1096 Transmittal Form	Contains a summary of the 1099-R statements.

You can print 1099-R statements and related reports any time.

If the 1099-R Validation Report shows errors, update the statements that have errors in the Print 1099-R Forms window and the Edit 1099-R Information window. For more information, see [Editing 1099-R statement information](#) on page 24.

To print 1099-R forms and reports:

1. Open the Print 1099-R Forms window.
(9.0 Tools >> Routines >> Payroll >> Print 1099-Rs)
(10.0 Microsoft Dynamics GP menu >> Tools >> Routines >> Payroll >> Print 1099-Rs)



2. Enter 2008 for the calendar year. The default year is the current system year.
3. Mark All to print 1099-R statements for every employee, or enter a starting and ending employee ID to print statements for a select group of employees.
4. Select the sorting order for the 1099-R statements: Employee ID, Employee Name, Department/Name, or Social Security Number.
5. Enter the company name, and select the appropriate company address ID. Also verify the federal government employer identification number (EIN).
6. Select a form type to print: Continuous or Single Feed.
7. Select the form or report to print.
8. Verify that you've loaded the correct form in the printer.
9. Choose Print.

Index

Numerics

1099-R records

- changing gross distribution amount 24
- controlling access to 24
- editing 24
- verifying 15

A

- Attendance Setup Options window
 - displaying 29
 - setting up attendance 27
- Attendance Setup window, setting up attendance 27
- Attendance Transaction Entry window
 - accruing with attendance 27
 - displaying 28

C

- changes for Payroll, in 2008 year-end filing 5
- checklists
 - printing 2008 statements before processing 2009 pay runs 7
 - processing 2009 pay runs before printing 2008 statements 8
- compliance update for 2008, Payroll 5
- country codes, updating 21

D

- data backup
 - minimum retention period 15
 - printing W-2 statements 15, 22
 - verifying after changing statement information 15
- documentation, symbols and conventions 2

E

- Edit 1099-R Information window, editing 1099-R records 24
- Edit W-2 Information window
 - displaying 23
 - editing W-2 records 23
- EFW2 files
 - creating 31
 - registering for a User Identification Number 10
 - submitting 33
- Electronic Filer Submitter Information window, displaying 33
- electronic filing
 - form W-2 reports 31
 - non-supported formats 10
- Electronic Filing Employer Information window, displaying 32
- Employee Archive window
 - archiving Human Resources information 25

- Employee Archive window (*continued*)
 - displaying 26
- employees, deleting inactive employee information 30
- Employer State ID Number, verifying 22

F

- fiscal periods
 - closing and reopening 26
 - reopening 15
 - setting up 15, 26
- Fiscal Periods Setup window
 - displaying 27
 - setting up fiscal periods 26
- frequently asked questions 10

H

- Human Resources information, archiving 15, 25

I

- icons, used in manual 2
- inactive employees
 - archiving Human Resources information 15, 25
 - deleting Human Resources information 15
 - deleting information 30

M

- magnetic media, *see* electronic filing

N

- navigation, symbols used for 2

O

- online tax resources 2

P

- pay runs, knowing when to complete 15
- payroll year-end closing 15
- Payroll Year-End Closing window
 - creating a Year-End Wage file 22
 - displaying 22
- Print 1099-R Forms window
 - displaying 38
 - printing 1099-R forms and reports 38
- Print W-2 Forms window
 - displaying 36
 - printing W-2 forms and reports 36
- product support
 - discontinuation dates 9
 - online tax resources 2

R

- releases, supported 9
- Remove Inactive Records window, displaying 30
- reports
 - 1099-R 15, 38
 - choosing W-2 form types 36
 - month-end 15
 - period-end 15

- reports (*continued*)
 - printing multiple copies of W-2s 36
 - quarter-end 15
 - W-2 15, 36
 - W-2 Electronic Filing Summary 31
 - W-2 Validation report 15
 - year-end wage report 35

S

- service packs, installing 9
- sick time, resetting 27
- state electronic filing, solution developer support 10
- support, discontinuation dates 9
- supported releases 9
- symbols, used in manual 2

T

- tax updates
 - installing 9
 - installing for Payroll 15

U

- User Identification Number registration, for W-2 electronic submissions 10

V

- vacation time, resetting 27
- versions, supported 9

W

- W-2
 - alignment correction 11
 - backing up data 15
 - choosing form types 36
 - creating EFW2 files 31
 - entering foreign addresses 23
 - filing electronically 31
 - printing multiple copies 11, 36
 - registering for an electronic submission User Identification Number 10
 - specifying additional printouts 23
 - submitting files electronically 33
 - verifying before year-end 15
 - verifying the Employer State ID Number 22
 - verifying wage file information 22
- W-2 Electronic Filing window
 - displaying 32
 - submitting W-2s electronically 31
- W-2 records
 - controlling access to 23
 - editing 23
- Windows Server 2008, installing client updates 21
- Windows Vista, installing client updates 21

Y

- Year End Wage Report window
 - displaying 35

INDEX

- Year End Wage Report window
 - (continued)*
 - printing the year-end wage report 35
- year-end installation
 - installing on Windows Vista and Windows Server 2008 clients 21
 - Release 10.0 19
 - Release 9.0 18
- year-end update
 - installing 17
 - obtaining for manual updates 9
- Year-End Wage file
 - creating 22
 - creating after data backup 15
 - creating before data backup 15
 - keeping multiple year wage information 22
 - verifying entries 22