

CALTRANS TRAVEL TIP 2005-04
HOW TO AVOID A CORRECTED W-2 FORM
(October 28, 2005)

This note has been approved by Clark Paulsen, Chief of the Division of Accounting, to be sent to all Caltrans e-mail users by the Travel Policy Section. The Caltrans Travel Tip is intended to communicate the Department's travel policies quickly and efficiently to all Caltrans employees.

How do I avoid receiving a Corrected Wage and Tax Statement, Form W-2C (W-2C)?

Employees can avoid a W-2C by submitting Travel Expense Claims (TECs) that contain reimbursable travel expenses considered to be taxable fringe benefits (see definition below) to the Employee Payment Section (Mail Stop 25) by **Wednesday, November 9, 2005**.

Why do I receive a W-2C?

There are many reasons why an employee may receive a W-2C. A common reason is when an employee files a TEC and is reimbursed taxable fringe benefits between December 1, 2005, and December 31, 2005. When taxable fringe benefits are reimbursed during this period, the State Controller's Office will not have sufficient time to report the benefits on the employee's Wage and Tax Statement, Form W-2. As a result, a W-2C is issued.

If I miss the November 9, 2005 cut-off, can I submit the TEC after December 31, 2005 without receiving a W-2C?

Yes. All fringe benefits reimbursed after December 31, 2005 will be reported in tax year 2006.

Background

The Internal Revenue Service requires all taxable fringe benefits be reported on a Wage and Tax Statement, Form W-2, for **the tax year in which the reimbursement was paid**.

The State Controller's Office requires all taxable fringe benefits to be reported by November 30, 2005. Employees reimbursed taxable fringe benefits between December 1, 2005, and December 31, 2005, will receive a W-2C. Fringe benefits reimbursed after December 31, 2005 will not generate a W-2C because the fringe benefit will be reported in tax year 2006.

To avoid receiving a W-2C, employees are encouraged where possible to submit TECs with taxable fringe benefits by **Wednesday, November 9, 2005**, to allow processing prior to the November 30, 2005 deadline.

Taxable fringe benefits include:

- Call back/overtime mileage.
- Overtime meals.
- Meals for travel less than 24 hours.
- Long-term assignment reimbursements (Assignments Over 365 Days).
- Private aircraft mileage.
- Travel reimbursements with approved 50-Mile Rule exceptions.
- Travel advances with outstanding balances over 90 days old.
- Moving expenses (Relocation).
- Mileage in excess of 34 cents a mile (Specialized vehicles only).

To check on the status of a W-2C, please contact your personnel specialist in the Division of Human Resources.

If you have any other questions regarding fringe benefit reporting, please contact Katie Kennedy at (916) 227-8652 or Gilbert Petrissans at (916) 227-9079.

If you have a question regarding the status of a TEC, please contact the Travel Information Hotline at (916) 227-9061.

For individuals with sensory disabilities, documents may be obtained in alternate formats. To obtain such services, please e-mail Gilbert Petrissans at Gilbert_Petrissans/HQ/Caltrans/CAGov@DOT. TTY users may also call 1-800-735-2922.

Happy Travels.



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