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W-2 Processing Policy

Effective: July 1, 2004
Last Updated: February 23, 2026

Executive Summary

Once an employer has paid wages that are taxable to an employee in a calendar year, the employer must report to the employee the taxable amounts paid and any tax withheld so the employee can file their individual income tax returns. These amounts must also be reported to the Department of Revenue and the Social Security Administration (SSA) so an employee's earnings and benefit accounts can be properly credited. The SSA shares employee earnings and tax information with the IRS.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

The employer reports Forms W-2 (Wage and Tax Statements) to the SSA, and the state and local taxing agencies. Commonwealth departments are responsible for validating the social security and work eligibility information (see Office of the Comptroller policies on Employer Relationships). The deadline for issue of a Form W-2 is January 31st of the following year.

Distribution of Form W-2

The Commonwealth's policy is to mail Forms W-2 to employees at their home addresses. When an employer is unable, after a reasonable effort, to deliver an employee's Form W-2, the employee's Department is required to keep those copies for four years. Mailing the Form W-2 to an employee's last known address is considered a reasonable effort to make delivery. Employee Forms W-2 are available on Human Resources/Compensation Management System (HR/CMS) for a period of 7 years. To ensure proper delivery of Forms W-2, payroll managers must verify that employees' home addresses are accurately recorded in the payroll system prior to W-2 processing. Undeliverable Forms W-2 will be returned to the Office of the Comptroller and destroyed. Employees should contact their employing Department to provide them their Form W-2.

Reissued Form W-2

If an employee loses a Form W-2 or it is destroyed, the employee's Department will reprint Form W-2 using HR/CMS.

Form W-2 Corrections

There are two types of corrections that can be made to a Form W-2, Non-Financial and Financial. Non-Financial corrections are necessary when the employee's name, social security number or address is incorrect on the Form W-2. Financial corrections are necessary when the employee has incorrect wage or tax information on the Form W-2.

Non-Financial W-2 Corrections

If the Department or employee determines that the name or social security number, on an employee's Form W-2 is incorrect, the Department must correct the error in HR/CMS and submit a Form W-2 C to the Office of the Comptroller. The Office of the Comptroller will create the Form W-2 C in HR/CMS and file the required forms with both the Social Security Administration (SSA) and the Department of Revenue (DOR). Please refer to the IRS Instructions for Forms W-2 C for more detailed guidance on non-financial W-2 corrections. Changes to non-financial information, do not require a W-3 C.

Financial W-2 Corrections

If the Department or employee determines that the wage or tax information on an employee's Form W-2 is incorrect, the Department must request a Form W-2 C and Form W-3 C (Transmittal of Wage and Tax Statements) from the Office of the Comptroller. The Office of the Comptroller will make the necessary changes in HR/CMS, create the Form W-2 C and file the required Forms W-2 C and W-3 C with SSA and DOR.

Internal Controls

- Job Aid: Best Practices For Payroll

Information Sources

Legal Authority

- 26 USC § 6051
- 26 USC § 31.6051 – 1(d)(1)
- M.G.L. c. 7A §§ 3, 7, 8
- M.G.L. c. 58 § 28B
- M.G.L. c. 62B § 5
- Form W-2 and Instructions
- Form W-2 C and Instructions
- Form W-3 C and Instructions

Contacts

- CTR Solution Desk

Links

- MAComptroller.org