

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

2015 Forms W-2 issued to its clients' employees. ADP will generate the alphanumeric code based on select data elements on each Form W-2, and an algorithm provided ...

Dec. 11, 2015

As part of an effort to support programs that defend against global financial crimes against businesses and consumers, ADP is collaborating with the U.S. Internal Revenue Service (IRS) to test the capability of a new Form W-2 Verification Code. The Verification Code has been designed to help reduce billions of dollars in Form W-2 fraud that impacts U.S. consumers annually.

This cooperative development effort seeks to improve the authentication of Form W-2 data reported on individual income tax returns, and is one of several IRS efforts under way to combat identity theft and tax-refund fraud.

For selected clients, ADP will include the Verification Code in a designated box of the 2015 Forms W-2 issued to its clients' employees. ADP will generate the alphanumeric code based on select data elements on each Form W-2, and an algorithm provided by the IRS.

The Verification Code will appear on copies B and C of Form W-2 received by employees, who file copy B with their federal tax return and retain copy C with their tax records. It will appear within a box labeled "Verification Code," and instructions will appear on the back along with other Form W-2 instructions.

The Verification Code will not be included in the Forms W-2 that are filed with the Social Security Administration or any state or local tax authorities, and will not appear on the employer's copy of Form W-2. The pilot will not affect state or local income tax returns.

“Protecting the sensitive data of our clients and their employees is a core business

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

individual income tax returns. The pilot will not include paper-filed individual income tax returns. Missing or incorrect Form W-2 Verification Codes will not delay the processing of a tax return.

The IRS will analyze pilot results following the end of the 2015 tax season to assess its usefulness in evaluating the integrity of Form W-2 information submitted by taxpayers. If successful, it will likely remain as a Form W-2 element in the future.

[Income Tax](#) • [Payroll](#) • [Taxes](#)

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved