

Publication 110

November 2016

Forms W-2, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers

The information in this publication is current as of the date of the publication. Please visit our website at **tax.illinois.gov** to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes and the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, and court decisions.

For information or forms

- Visit our website at tax.illinois.gov
- Call 1 866 440-8680 or 217 524-4767
- Call our TDD (telecommunications device for the deaf) at 1 800 544-5304

About this publication

Publication 110, Forms W-2, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers, provides information about Illinois' electronic filing program for Forms W-2 and W-2c and the related storage requirements for Forms W-2, W-2c, W-2G, and 1099.

The objectives of this publication are to explain

- who is required to electronically file Forms W-2 and who may voluntarily participate,
- general procedures for the electronic filing of Forms W-2 and where to obtain current specifications,
- the Illinois requirements for storing withholding tax records for Forms W-2, W-2c, W-2G, and 1099.

Related publications:

- Publication 130, Who is Required to Withhold Illinois Income Tax.
- Publication 131, Withholding Income Tax Payment and Filing Requirements.
- Booklet IL-700-T, Illinois Withholding Income Tax Tables, to calculate withholding.

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Taxpayer Bill of Rights

You have the right to call the Department of Revenue for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.

You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.

If you have overpaid your taxes, you have the right, within specified time periods, to a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other Department procedures, you may write us at the following address:

Problems Resolution Office Illinois Department of Revenue PO Box 19014 Springfield, IL 62794-9014

Get Illinois Department of Revenue forms and information at tax.illinois.gov

General Information

What are my Form W-2 filing requirements for Illinois?

All employers and third parties (including payroll providers) mandated by the Social Security Administration (SSA) to electronically file Forms W-2 and W-2c are required to electronically file Forms W-2 and W-2c with Illinois.

All others are strongly encouraged to electronically file Forms W-2 and W-2c. Illinois' Electronic W-2 Transmittal Program requires electronic filing of Forms W-2 and W-2c returns using the SSA's EFW2 and EFW2C format. For detailed information and updates, please refer to the Electronic W-2 Transmittal Program page on our website, tax.illinois.gov.

Who can electronically file Forms W-2 or W-2c?

Any employer or third party, including payroll providers and software providers, is allowed to use the Illinois' W-2 Transmittal Program. For more information about third party arrangements, go to the Internal Revenue Service's website at **irs.gov**.

How may I electronically file Forms W-2 and W-2c?

- To file Forms W-2 or W-2c directly with us, you must use one of the electronic transmission methods described on the Electronic W-2 Transmittal Program page on our website, tax.illinois.gov. Register with us to obtain a W-2 Transmitter's logon ID (ETIN) and receive test and production passwords. The file must be developed following the Social Security Administration's Specifications for Filing Forms W-2 Electronically, and the additional Illinois requirements in our Form W-2 and W-2c Electronic Transmission Guide.
- Employers may use a third party such as a software provider to electronically create and/or transmit their Forms W-2 and W-2c file to us. An employer does not register with us as a W-2 transmitter if the thirdparty service is transmitting the file. Make sure to select the option to file

with Illinois. **Note**: Some third-party arrangements <u>only</u> create the EFW2 file and **the employer must** still electronically transmit the file to us. The transmitter of the file must be registered with us.

How do I know if my Form W-2 electronic file transmission has been accepted?

Your Form W-2 electronic filing requirement is not met until you obtain an "Accepted" transmission acknowledgement.

- If you electronically file Forms W-2 or W-2c directly with us, you must obtain your proof of filing/ transmission acknowledgement from us. For detailed instructions, please refer to the Electronic W-2 Transmittal Program page on our website, tax.illinois.gov. The Illinois Department of Revenue will not send the acknowledgement to you. Your Form W-2 and W-2c filing requirements are not met if you send us files in any other format (Illinois does not accept PDFs or spreadsheets (such as Excel) containing Form W-2 or W-2c data) or filing method. Be aware that you will not receive a "Rejected" acknowledgement for files sent to us in other formats or methods. Please refer to the file specifications if you have questions about the correct file
- If you use third-party services to transmit your Forms W-2 or W-2c, you must obtain your proof of filing/ transmission acknowledgement from the third-party service.

When is the due date?

All original 2016 Forms W-2 must be accepted as filed by the Department no later than **February 15, 2017**. Any time a due date falls on a weekend or state recognized holiday, we adjust the due date to the next business day. Form W-2c is due as soon as possible after you discover an error.

What if I do not file Forms W-2 or W-2c electronically?

If you are **required** to file electronically, failure to participate can result in a \$5 penalty per Form W-2 and W-2c. We do not accept any paper returns, media storage devices (magnetic or optical) or emailed files **unless we specifically request them.**

Regardless of how they are submitted, <u>all</u> withholding income tax Forms W-2 and W-2c must be maintained in your records for a period of three years from the due date or payment of the tax, whichever is later. You must make them available to us if and when we request them.

What are my Forms W-2G and 1099 filing requirements for Illinois?

You, as the payer, must maintain withholding income tax Forms W-2G and 1099 (such as 1099-R or 1099-MISC), in your records for a period of three years from the due date or payment of the tax, whichever is later. Do not mail these items to us unless we specifically request them. You must make them available to us if and when we request them.

May I electronically transmit other income records or statements to the Department with the Form W-2 records?

No. Only Forms W-2 or W-2c electronically transmitted in EFW2 and EFW2c formats are accepted.

What if I need additional information?

More information is available on the Electronic W-2 Transmittal Program page on our website, **tax.illinois.gov**.

Reconcile the total withheld from the Forms W-2, W-2G, and 1099 with Line 2 of your Forms IL-941 for the year. Refer to the "End of the Year Instructions" section of Form IL-941 Instructions.