



COMPTROLLER of MARYLAND

Brooke E. Lierman
Comptroller

Dhiren V. Shah
Director
Central Payroll Bureau

TO: Payroll Offices for the Regular Payroll System

FROM: Dhiren V. Shah, Director
Central Payroll Bureau

DATE: November 9, 2023

SUBJECT: CONTRACTUAL PAYROLL SYSTEM -YEAR END ADJUSTMENTS

This memo is to inform you that the Central Payroll Bureau (CPB) plans to mail 2023 W-2s in late-January 2024. To ensure that employees' W-2s reflect accurate information, year-end adjustments must be reported timely. Check cancellations, wage recoveries, and/or other adjustments, including those for pay period ending November 21, 2023, **must be received by CPB no later than Friday, December 1, 2023.**

LATE ADJUSTMENTS (GENERAL):

Adjustments received after December 1, 2023 *or* adjustments for pay period endings December 5, 2023 or December 19, 2023 may result in W-2c corrections. Agencies who fail to timely report year-end adjustments must inform affected employees that their original W-2s may be incorrect. **Those employees should also be instructed to wait for their corrected W-2cs** (Form W-2c). Failure to alert affected employees may result in them having to file amended tax returns. Please note that W-2c processing will begin in February of 2024 to correct pending adjustments and CPB will mail corrected W-2cs to the affected employees' home addresses.

LATE ADJUSTMENTS (TAXES):

Federal/State Taxes. Late adjustments that impact federal and/or state taxes may not be recoverable. Agencies may not be allowed credit for federal/state taxes due to adjustments, wage recoveries, and/or check cancellations that miss the Friday, December 1, 2023 deadline. For check cancellations, agencies may need to collect the original full-net pay amount **plus** federal and state taxes taken in that pay. Once federal/state taxes are reported on employees' W-2s, CPB is not



allowed to adjust per guidelines of the Federal and/or State governments. Requests for federal/state tax refunds that are received after December 1, 2023 may be denied. If so, employees will need to consult with their tax advisors to seek advice on recovering overpaid federal/state taxes. It is imperative that agencies submit all year-end adjustments no later than December 1, 2023 to ensure that they receive all tax credits.

FICA Taxes. Late adjustments that impact Federal Insurance Contributions Act (FICA) - Social Security and Medicare – taxes will require a signed FICA Claim Certificate. The Internal Revenue Service requires employers to obtain written consents for FICA adjustments that result in decreases. Failure to submit the form may result in a denial of an employee’s FICA tax refund or agencies’ net recovered FICA taxes. The form and instructions can be found on our website <https://www.marylandtaxes.gov/statepayroll/payroll-officers.php>

REMINDER:

Adjustment requests, including check cancellations, that occur throughout the year should be submitted to CPB immediately to ensure that the State remains compliant with tax reporting mandates.

Thank you for your ongoing support. Please refer any questions to Accounting & Reporting at (410) 260-7964 or CPBACCTG@marylandtaxes.gov