

SUPERCEDED BY HR/Salary 2005-21

THE CALIFORNIA STATE UNIVERSITY
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Date: December 2, 2004
To: Human Resource Directors
Payroll Managers
From: Cathy Robinson, Assistant Vice Chancellor
Human Resources Administration
Code: TECHNICAL LETTER
HR/Salary 2004-24
Supplement #1
Subject: Executive Housing Allowance – W2 Reporting Differences for Payment Processing Options

Pursuant to Technical Letter HR/Salary 2004-24, campuses are provided a more expedient payment option for processing executive housing allowance via the State Controller's Office (SCO's) Payroll Input Process (PIP) system, using Earnings ID "GP." This Earnings ID is available for campus use effective November 2004 pay period.

The purpose of this technical letter is to provide clarification on how the payment processing options are reported through the state payroll system for Form W2 reporting purposes. Affected campuses are requested to review the W2 reporting differences with affected personnel to determine their preferred option:

676P: Executive Housing allowance amount is identified as a fringe benefit in Box 14 of Form W2. The amount is also incorporated in Box 1 as wages, tips and other compensation. Example: \$10,000 is paid as an executive housing allowance in 2004, and wages = \$150,000. For W2 reporting purposes, Box 1 = \$160,000, and Box 14 = \$10,000.

"GP": Executive Housing allowance amount is not identified as a fringe benefit. The amount paid is incorporated as wages, tips and other compensation. Example: Using the same information above, for W2 reporting purposes, Box 1 = \$160,000, and nothing is identified in Box 14.¹

¹ The SCO has also advised that this process will report under payment type "G" for object of expenditure coding. Campuses that receive the SCO's Notice of Transfer Report (SM62) should contact their respective campus accounting office to discuss potential impacts, if any, under this payment option.

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TECHNICAL LETTER
HR/Salary 2004-24
Supplement #1
Page 2 of 2

Please note that the SCO is currently working on a fringe benefit PIP process (payment type "F") that will supersede current processing options for this and other fringe benefit payments that are reported via the 676P. Additional information will be provided by the SCO at a later date.

Payroll administrative inquiries may be directed to Human Resources Administration at (562) 951-4411. Campus processing inquiries should be directed to the respective campus' State Controller's Office CSU Audits Liaison. This technical letter is also available on Human Resources Administration's Web page at: <http://www.calstate.edu/HRAdm/memos.shtml>. Thank you.

CR/dth