

## New W-2 Verification Code

### Cross References

- [www.irs.gov](http://www.irs.gov)

For filing season 2016, the Internal Revenue Service will test a capability to verify the authenticity of Form W-2 data. This test is one in a series of steps to combat tax-related identity theft and refund fraud.

The objective is to verify Form W-2 data submitted by taxpayers on e-filed individual tax returns. The IRS has partnered with certain Payroll Service Providers (PSPs) to include a 16-digit code and a new Verification Code field on a limited number of Form W-2 copies provided to employees.

The code will be displayed in four groups of four alphanumeric characters, separated by hyphens. *Example: XXXX-XXXX-XXXX-XXXX.*

The Verification Code will appear on some versions of payroll firms' Form W-2 copies B and C, in a separate, labeled box (Copy B is "To be filed with employee's federal tax return" and Copy C is "For employee's records.")

The form will include these instructions to taxpayer and tax preparers:

*Verification Code. If this field is populated, enter this code when it is requested by your tax return preparation software. It is possible your software or preparer will not request the code. The code is not entered on paper-filed returns.*

Some W-2s that employees receive will have a "Verification Code" box which is blank. These taxpayers do not need to enter any code data into their tax software product.

For the purposes of the test, omitted and incorrect W-2 Verification Codes will not delay the processing of a tax return. The IRS will analyze this pilot data in a "test-and-learn" review to see if it is useful in evaluating the integrity of W-2 information.

The code will not be included in Forms W-2 or W-2 data submitted by the PSPs to the Social Security Administration or any state or local departments of revenue. Nor will this pilot affect state and local income tax returns or paper federal returns.