

Workers' Compensation Abatements

When a third party such as a claims adjuster makes payments to an employee for worker's compensation, the payments are non-taxable. If the adjuster makes the payments directly to the district, instead of to the employee, the payments are also non-taxable. The employee's taxable wages need to be decreased by the amount of the worker's compensation payment to the district. All applicable taxes need to be refunded to the employee. It is up to the employer to ensure their employees receive an accurate W-2 at year end.

All remaining abatements for calendar year 2022, not completed and processed on the November payroll, must be received by the Payroll Services team no later than Thursday, **November 17th @ Noon**. The remaining abatements need to be submitted on the Abatement Adjustment Form. Balance adjustments must be completed by Payroll Services to ensure the annual W-2 data is correct.

Social Security and Medicare refunds will be processed on the December off cycle (12/1/22) by Payroll Services, do **not** refund through commercial warrant, this will create additional work to correct the payroll data prior to W2s being generated. Federal/State withholding will be accounted for when the employee files their 2022 individual tax return.

This is the last opportunity to submit abatements for calendar year 2022. **Missing these deadlines will require the district to issue the employee a Form W-2C.**

Helpful Links:

[Abatement Adjustment Form](#)