



W2/1099

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**I.**

**INDEPENDENT  
CONTRACTOR OR  
EMPLOYEE?**

## **Independent Contractor or Employee?**

The business relationship between the organization and the person performing the services must first be analyzed to determine how payments should be treated. The person performing the services may be classified as a common law employee, statutory employee, statutory non-employee, or an independent contractor.

### **Common-Law Employees**

Under common-law rules, anyone performing services for an organization is the organization's employee if the organization can control what will be done and how it will be done. This is so even when the organization gives the employee freedom of action. What matters is that the organization has the right to control the details of how the services are performed. If there is an employer-employee relationship, it makes no difference how it is labeled. The substance of the relationship, not the label, governs the worker's status. Nor does it matter whether the individual is employed full-time or part-time. For employment tax purposes, no distinction is made between classes of employees. Superintendents, managers, and supervisory personnel are all employees.

An officer of a corporation is generally an employee. An officer who performs no services or only minor services, and who neither receives nor is entitled to receive any pay, is not considered an employee. A director of a corporation is not an employee with respect to services performed as a director.

Partners are not employees.

### **Statutory Employees:**

Workers may be treated as employees by statute ("statutory employees") even if they are independent contractors under the common law rules. If the worker falls within any one of the following four categories and meets the three conditions below, they must be treated as an employee for certain employment tax purposes.

- 1) A driver who distributes beverages (other than milk) or meat, vegetable, fruit, or bakery products; or who picks up and delivers laundry or dry cleaning, if the driver is the organization's agent or is paid on commission.
- 2) A full-time life insurance sales agent whose principal business activity is selling life insurance or annuity contracts, or both, primarily for one life insurance company.
- 3) An individual who works at home on materials or goods that the organization supplies and that must be returned to the organization or to a person named by the organization, if the organization also furnishes specifications for the work to be done.
- 4) A full-time traveling or city salesperson who works on the organizations behalf and turns in orders to the organization from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments. The goods sold must be merchandise for resale or supplies for use in the buyer's business operation. The work performed for the organization must be the salesperson's principal business activity.

Withhold social security and Medicare taxes from the wages of statutory employees if all three of the following conditions apply.

- 1) The service contract states or implies that substantially all the services are to be performed personally by them.



- 2) They do not have a substantial investment in the equipment and property used to perform the services (other than an investment in transportation facilities, such as a car or truck).
- 3) The services are performed on a continuing basis for the same payer.

For FUTA tax, the term “employee” means the same as it does for social security and Medicare taxes, except that it does not include statutory employees in categories 2 and 3 above. Thus any individual who is an employee under category 1 or 4 above is also an employee for FUTA tax purposes and subject to FUTA tax.

Federal income tax is not withheld from the wages of statutory employees; however the wages are still reported in Box 1 of Form W-2. Be sure to check “Statutory Employee” in Box 13.

### **Statutory Nonemployees:**

There are three categories of statutory nonemployees: direct sellers, licensed real estate agents, and certain companion sitters. Direct sellers and licensed real estate agents are treated as self-employed for all federal tax purposes, including income and employment taxes, if:

- Substantially all payments for their services as direct sellers or real estate agents are directly related to sales or other output, rather than to the number of hours worked and
- Their services are performed under a written contract providing that they will not be treated as employees for federal tax purposes.
  - Direct sellers include persons falling within any of the following three groups:
    - 1) Persons engaged in selling (or soliciting the sale of) consumer products in the home or place of business other than in a permanent retail establishment.
    - 2) Persons engaged in selling (or soliciting the sale of) consumer products to any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis prescribed by regulations, for resale in the home or at a place of business other than in a permanent retail establishment.
    - 3) Persons engaged in the trade or business of delivering or distributing newspapers or shopping news (including any services directly related to such delivery or distribution).

Direct selling includes activities of individuals who attempt to increase direct sales activities of their direct sellers and who earn income based on the productivity of their direct sellers. Such activities include providing motivation and encouragement; imparting skills, knowledge, or experience; and recruiting.

- Licensed Real Estate Agents include individuals engaged in appraisal activities for real estate sales if they earn income based on sales or other output.
- Companion sitters include individuals who furnish personal attendance, companionship, or household care services to children, or individuals who are elderly or disabled. A person engaged in the trade or business of putting the sitters in touch with individuals who wish to employ them (a companion sitting placement service) will not be treated as the employer of the sitters if that person does not receive or pay the salary or wages of the sitters and is compensated by the sitters or the persons who employ them on a fee basis. Companion sitters

who are not employees of a companion sitting placement service are generally treated as self-employed for federal tax purposes.

### **Determining who is an employee:**

The primary method used to determine whether an employee-employer relationship exists is the “common law” test. The central focus of the common law test is determining who has the right to control two basic elements: (1) what must be done – i.e., the results of the work, and (2) how it must be done – i.e., the method by which the work or services are performed. Under this test, a worker is considered an employee subject to payroll tax withholding if the employer has the right to control both the result to be accomplished and the method or means by which the result is achieved. If the employer has the right to control or direct only the result of the work – and not the method or means used to accomplish the result – the individual generally qualifies as an independent contractor.

The common law test can be difficult to apply to specific cases or situations. Proper application of the test requires an employer to consider a number of factors or characteristics of the work in question to determine whether an employer-employee relationship exists. The two primary characteristics that typically indicate that an individual is an employee are: (1) the employer has the right to discharge the worker, and (2) the employer supplies the worker with tools and a place to work. On the other hand, individuals such as lawyers, physicians, and contractors who offer their services to the general public in the pursuit of an independent trade, business, or profession normally are not considered employees.

Keep in mind, however, that no one factor or set of factors is automatically controlling. All the facts and circumstances of a particular situation must be taken into account in determining whether an individual worker should be treated as an employee or as an independent contractor.

### **Factors Used by IRS in Determining Employee Status:**

The general rule for determining if a worker is an independent contractor is if the organization for which the services are performed, has the right to control or direct only the result of the work and not the means or methods of accomplishing the result.

Facts that provide evidence of the degree of control and independence fall into three categories, behavioral control, financial control, and type of relationship.

### **Behavioral Control:**

May be demonstrated by facts which illustrate that there is a right to direct or control how the worker performs the specific tasks for which he/she is engaged.

#### Types of Instructions given to an employee –

- When, where, and how to work
- What tools or equipment to use
- What workers to hire or to assist with the work
- Where to purchase supplies and services
- What work must be performed by a specified individual
- What order or sequence to follow

Instructions given in order to be in compliance with governmental agencies or industry governing bodies will be given little weight in determining worker status. More detailed instructions indicate the worker is an employee. Less detailed instruction affirms less control, indicating the workers is more likely to be an independent contractor.

Evaluation – An evaluation system measuring the details of how work is performed would point to an employee. If the evaluation system measures only the end result, the individual could be either an independent contractor or employee.

Training – Periodic or ongoing training provided by a business about procedures to be followed and methods to be used indicates that the business wants the services performed in a particular manner and is evidence of an employer-employee relationship. However, information about the business' policies or products or about applicable governmental statutes or regulations are not considered training for worker status determination purposes, nor are training programs that are voluntary and for which no compensation is given. Independent contractors ordinarily use their own methods to perform services.

### **Financial Control:**

May be demonstrated by facts which illustrate that there is a right to direct or control the economic aspects of the worker's activities. Whether or not the worker is personally economically dependent on the business has no bearing on this category of evidence, nor does the worker's general economic status.

Significant Investment – An independent contractor often has a significant investment in the facilities or tools used in performing the services for someone else. However; although a significant investment is not necessary for independent contractor status, the rental or purchase of items at fair market value will give a greater weight to the consideration of a worker as an independent contractor.

Unreimbursed Expenses – The extent to which a worker chooses to incur expenses and bear their cost impact the worker's opportunity for profit or loss and lends evidence towards the worker's status as an independent contractor. Businesses may pay portions of the expenses of an independent contractor, so the focus should be on unreimbursed expenses, especially fixed, ongoing costs that are incurred regardless of whether work is performed. Examples include rent and utilities, training, advertising, wages of assistants, licensing, insurance, and travel. Minor tool expenses generally do not lend evidence toward an independent contractor status.

Services Available to the Relevant Market – Independent contractors often advertise and maintain a visible location in order to be available to work for the relevant market. However, the absence of these activities is a neutral fact, as an independent contractor may rely on word of mouth or may be under a long-term contract.

Method of Payment – Employees generally are paid by the hour, day, week, or month, indicating a guaranteed return for labor. Independent contractors typically are paid a flat fee or on a time and material basis for performance of a task. The frequency under which payments are made is not relevant. However, it is customary in certain types of businesses, such as law or accounting, to pay independent contractors by the hour.

Opportunity for Profit or Loss – This is probably the most important type of evidence within the category of financial control, and the other four items (significant investment, unreimbursed expenses, services available, and method of payment) all have an impact on this one. However, not all four are required in order for there to be an opportunity for profit or loss. Most important in this type of evidence is whether the worker is free to make business decisions affecting his/her own profit or loss. To the extent the worker makes such decisions, more weight will be given toward the status of independent contractor. Examples include decisions regarding types and quantity of inventory, capital investment, and purchase or lease of premises and equipment. If the

individual has the possibility of incurring a loss, they are an independent contractor. The fact that a worker may receive more money by working longer hours does not enter into consideration.

### **Relationship of the Parties:**

The relationship of how the worker and business perceive each other in terms of their intent concerning control will be considered by IRS auditors.

Intent of Parties/Written Contracts – A written agreement describing the worker as an independent contractor is viewed as evidence of the parties' intent, but is not, in itself, sufficient evidence for determining worker status. However, the contract may specify items that are relevant, such as methods of compensation, expenses to be reimbursed, or how work will be performed. If it is otherwise impossible for IRS to determine a worker's status, the intent of the parties may be used to resolve the issue.

Employee Benefits – Providing a worker with benefits traditionally associated with employee status will lend weight to the determination of the worker as an employee. Examples of such benefits include paid vacation or sick pay, health insurance, life insurance, and a pension plan. The determination that a worker is an employee under certain state or federal laws, such as for unemployment benefits or for worker's compensation coverage, shall have no impact on the IRS consideration.

Permanency of the Relationship – Traditionally, the ability to immediately terminate the relationship on the part of either the business or the worker indicates an employee status, and the opposite was the case for an independent contractor. However, this is not universally the case anymore, and this type of evidence is used to a much lesser extent than it used to be, except in the case of a business' ability to refuse payment for unsatisfactory work by an independent contractor. Employees usually are hired for an indefinite period, rather than for a specific project or period. This is not to be confused with the potentially long-term (but definite) period of time for which independent contractors are often hired. Occasionally, employees are hired for definite periods of time (long- or short-term). For this reason, a relationship that is indefinite in length may be viewed as evidence of an employee status, but a relationship that is not indefinite is a neutral fact.

Regular Business Activity – The fact that an individual's services are a key aspect of the regular business of the organization may indicate that the individual is subject to a certain amount of control by the organization, which would lend evidence toward an employee status. However, this would need to be investigated. The fact that the services performed are part of the regular business does not itself lend weight toward determination as an employee.

### **IRS assistance is available by filing a Form SS-8:**

Employers or workers who have doubts about an individual's status under the federal employment tax and income tax withholding laws can fill out Form SS-8 and send it to IRS. The agency will use the information provided on the form, along with any information that it can obtain from all parties involved, to determine the status of a worker. Even if it is not mailed to the IRS, it may be beneficial to complete the SS-8 form on the worker in question to help analyze if they are an employee or an independent contractor.

### **IRS Reclassification: Employer Liability:**

You will generally be liable for social security and Medicare taxes and withheld income tax if you do not deduct and withhold these taxes because you treated an employee as a nonemployee. You may be able to calculate your liability using special rates in Internal Revenue Code Section 3509 for the employee's share of social security, Medicare taxes and federal income tax withholding. The applicable rates depend on whether you filed required Forms 1099. You cannot recover the employee share of social security, Medicare tax, or

income tax withholding from the employee. You are liable for the income tax withholding regardless of whether the employee paid income tax on the wages. You continue to owe the full employer share of social security and Medicare taxes. See Internal Revenue Code section 3509 for details. Also see IRS Publication 15. Section 3509 rates are not available if you intentionally disregard the requirement to withhold taxes from the employee, or if you withheld income taxes but not social security or Medicare taxes. Section 3509 is not available for reclassifying statutory employees and for wages paid to employees in the current year.

If the employer issued required information returns, the section 3509(a) rates are:

- For social security taxes; employer rate of 6.2% plus 20% of the employee rate of 6.2%, for a total rate of 7.44% of wages. (see IRS Publication 15).
- For Medicare taxes; employer rate of 1.45% plus 20% of the employee rate of 1.45%, for a total rate of 1.74% of wages.
- For income tax withholding, the rate is 1.5% of wages.
- The rate is .18% for additional Medicare tax on excess wages over \$200,000.

If the employer did not issue required information returns, the section 3509(b) rates are:

- For social security taxes; employer rate of 6.2% plus 40% of the employee rate of 6.2%, for a total rate of 8.68% of wages (see IRS Publication 15).
- For Medicare taxes; employer rate of 1.45% plus 40% of the employee rate of 1.45%, for a total rate of 2.03% of wages.
- For income tax withholding, the rate is 3.0% of wages.
- The rate is .36% for additional Medicare tax on excess wages over \$200,000.

### **Relief Provisions:**

Under Section 530, an organization may receive relief from owing employment taxes if they meet the relief requirements. If the organization does not meet the relief requirements, the IRS will need to determine whether the workers are independent contractors or employees and whether the organization owes employment taxes for those workers.

To receive the relief, all three of the following requirements must be met:

- Reasonable basis – there was a reasonable basis for not treating the workers as employees. To establish reasonable basis, the following must be shown:
  - You reasonably relied on a court case about Federal taxes or a ruling issued to you by the IRS; or
  - Your business was audited by the IRS at a time when you treated similar workers as independent contractors and the IRS did not reclassify those workers as employees; or
  - You treated the workers as independent contractors because you knew that was how a significant segment of your industry treated similar workers; or
  - You relied on some other reasonable basis. For example, you relied on the advice of a business lawyer or accountant who knew the facts about your business.

If you did not have a reasonable basis for treating the workers as independent contractors, you do not meet the relief requirements.

- **Substantive Consistency** – In addition, you (and any predecessor business) must have treated the workers, and any similar workers, as independent contractors. If you treated similar workers as employees, this relief provision is not available. If you are paying an individual who is providing services as a test proctor or room supervisor assisting in the administration of college entrance or placements examinations, the substantive consistency requirement does not apply with respect to services performed after December 31, 2006, (and remuneration paid with respect to such services). The provision applies if the individual (1) is performing the services for a tax-exempt organization, and (2) is not otherwise treated as an employee of such organization for purposes of employment taxes.
- **Reporting Consistency** – Finally, you must have filed all required federal tax returns (including information returns) consistent with your treatment of each worker as not being employees. This means, for example, that if you treated a worker as an independent contractor and paid him or her \$600 or more, you must have filed Form 1099-MISC for the worker. Relief is not available for any year and for any workers for whom you did not file the required information returns.

### **Examples:**

1. Kathy works for ABC, Inc. as a secretary from 8:00 to 5:00, Monday thru Friday. She learns that the company that was cleaning their offices has quit. Kathy offers to clean the offices after working hours. The office manager agrees and shows Kathy where the vacuum and cleaning supplies are kept and instructs her to start cleaning at 7:00 pm and to be finished by 9:00 pm each evening. The manager also tells her that the nightly security guard will be checking on her periodically to make sure that she is there doing her work.

Since Kathy has been given specific instructions on how to do the work, the hours in which to do it, will be supervised, and is provided with the necessary tools, she is an employee for payroll tax purposes. Since she is also working 40 hours per week, she must also be paid overtime for her after hours work.

2. Bill also works for ABC, Inc as a shop foreman. Bill has his own cleaning service and cleans for several office buildings in the area. He discusses his services with the office manager and explains he has a cleaning crew. He will bring his crew sometime between 7:00 pm and 6:00 am with their cleaning tools and supplies with them. The office manager agrees to the arrangement.

Since Bill has an opportunity for profit or loss, a significant investment in supplies and labor, services are available to the market, and is not supervised or managed, he is an independent contractor.

**Determination of Worker Status for Purposes  
of Federal Employment Taxes and  
Income Tax Withholding**► Information about Form SS-8 and its separate instructions is at [www.irs.gov/formss8](http://www.irs.gov/formss8).**For IRS Use Only:**  
**Case Number:** \_\_\_\_\_**Earliest Receipt Date:** \_\_\_\_\_

Name of firm (or person) for whom the worker performed services		Worker's name	
Firm's mailing address (include street address, apt. or suite no., city, state, and ZIP code)		Worker's mailing address (include street address, apt. or suite no., city, state, and ZIP code)	
Trade name	Firm's email address	Worker's daytime telephone number	Worker's email address
Firm's fax number	Firm's website	Worker's alternate telephone number	Worker's fax number
Firm's telephone number (include area code)	Firm's employer identification number	Worker's social security number	Worker's employer identification number (if any)

**Note.** If the worker is paid for these services by a firm other than the one listed on this form, enter the name, address, and employer identification number of the payer. ► \_\_\_\_\_

**Disclosure of Information**

The information provided on Form SS-8 may be disclosed to the firm, worker, or payer named above to assist the IRS in the determination process. For example, if you are a worker, we may disclose the information you provide on Form SS-8 to the firm or payer named above. The information can only be disclosed to assist with the determination process. If you provide incomplete information, we may not be able to process your request. See *Privacy Act and Paperwork Reduction Act Notice* in the separate instructions for more information. **If you do not want this information disclosed to other parties, do not file** \_\_\_\_\_

[Click here to use the form.](#)

**Parts I–V.** All filers of Form SS-8 must provide the following information. If you are a worker, you must provide the information if you provide a service directly to customers or are a salesperson. If you cannot answer a question, enter "Unknown" or "Does not apply." If you need more space for a question, attach another sheet with the part and question number clearly identified. Write your firm's name (or worker's name) and employer identification number (or social security number) at the top of each additional sheet attached to this form.

**Part I General Information**

- This form is being completed by: ☐ Firm ☐ Worker; for services performed \_\_\_\_\_ to \_\_\_\_\_.  
(beginning date) (ending date)
- Explain your reason(s) for filing this form (for example, you received a bill from the IRS, you believe you erroneously received a Form 1099 or Form W-2, you are unable to get workers' compensation benefits, or you were audited or are being audited by the IRS). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Total number of workers who performed or are performing the same or similar services: \_\_\_\_\_.
- How did the worker obtain the job? ☐ Application ☐ Bid ☐ Employment Agency ☐ Other (specify) \_\_\_\_\_
- Attach copies of all supporting documentation (for example, contracts, invoices, memos, Forms W-2 or Forms 1099-MISC issued or received, IRS closing agreements or IRS rulings).** In addition, please inform us of any current or past litigation concerning the worker's status. If no income reporting forms (Form 1099-MISC or W-2) were furnished to the worker, enter the amount of income earned for the year(s) at issue \$ \_\_\_\_\_.  
If both Form W-2 and Form 1099-MISC were issued or received, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Describe the firm's business. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Part I** General Information (continued)

- 7** If the worker received pay from more than one entity because of an event such as the sale, merger, acquisition, or reorganization of the firm for whom the services are performed, provide the following: Name of the firm's previous owner: \_\_\_\_\_  
 Previous owner's taxpayer identification number: \_\_\_\_\_ Change was a: ☐ Sale ☐ Merger ☐ Acquisition ☐ Reorganization  
☐ Other (specify) \_\_\_\_\_  
 Description of above change: \_\_\_\_\_  
 \_\_\_\_\_  
 Date of change (MM/DD/YY): \_\_\_\_\_
- 8** Describe the work done by the worker and provide the worker's job title. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 9** Explain why you believe the worker is an employee or an independent contractor. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 10** Did the worker perform services for the firm in any capacity before providing the services that are the subject of this determination request?  
☐ Yes ☐ No ☐ N/A  
 If "Yes," what were the dates of the prior service? \_\_\_\_\_  
 If "Yes," explain the differences, if any, between the current and prior service. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 11** If the work is done under a written agreement between the firm and the worker, attach a copy (preferably signed by both parties). Describe the terms and conditions of the work arrangement. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Part II** Behavior

**Click here to use the form.**

- 1** What specific training and/or instruction is the worker given by the firm? \_\_\_\_\_  
 \_\_\_\_\_
- 2** How does the worker receive work assignments? \_\_\_\_\_  
 \_\_\_\_\_
- 3** Who determines the methods by which the assignments are performed? \_\_\_\_\_
- 4** Who is the worker required to contact if problems or complaints arise and who is responsible for their resolution? \_\_\_\_\_  
 \_\_\_\_\_
- 5** What types of reports are required from the worker? Attach examples. \_\_\_\_\_  
 \_\_\_\_\_
- 6** Describe the worker's daily routine such as his or her schedule or hours. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 7** At what location(s) does the worker perform services (for example, firm's premises, own shop or office, home, customer's location)? Indicate the appropriate percentage of time the worker spends in each location, if more than one. \_\_\_\_\_  
 \_\_\_\_\_
- 8** Describe any meetings the worker is required to attend and any penalties for not attending (for example, sales meetings, monthly meetings, staff meetings). \_\_\_\_\_  
 \_\_\_\_\_
- 9** Is the worker required to provide the services personally? . . . . . ☐ Yes ☐ No
- 10** If substitutes or helpers are needed, who hires them? \_\_\_\_\_
- 11** If the worker hires the substitutes or helpers, is approval required? . . . . . ☐ Yes ☐ No  
 If "Yes," by whom? \_\_\_\_\_
- 12** Who pays the substitutes or helpers? \_\_\_\_\_
- 13** Is the worker reimbursed if the worker pays the substitutes or helpers? . . . . . ☐ Yes ☐ No  
 If "Yes," by whom? \_\_\_\_\_



**Part III Financial Control** (Provide names and titles of specific individuals, if applicable.)

- 1 List the supplies, equipment, materials, and property provided by each party:  
The firm: \_\_\_\_\_  
The worker: \_\_\_\_\_  
Other party: \_\_\_\_\_
- 2 Does the worker lease equipment, space, or a facility? . . . . . ☐ Yes ☐ No  
If "Yes," what are the terms of the lease? (Attach a copy or explanatory statement.) \_\_\_\_\_
- 3 What expenses are incurred by the worker in the performance of services for the firm? \_\_\_\_\_
- 4 Specify which, if any, expenses are reimbursed by:  
The firm: \_\_\_\_\_  
Other party: \_\_\_\_\_
- 5 Type of pay the worker receives: ☐ Salary ☐ Commission ☐ Hourly Wage ☐ Piece Work  
☐ Lump Sum ☐ Other (specify) \_\_\_\_\_  
If type of pay is commission, and the firm guarantees a minimum amount of pay, specify amount. \$ \_\_\_\_\_
- 6 Is the worker allowed a drawing account for advances? . . . . . ☐ Yes ☐ No  
If "Yes," how often? \_\_\_\_\_  
Specify any restrictions. \_\_\_\_\_
- 7 Whom does the customer pay? . . . . . ☐ Firm ☐ Worker  
If worker, does the worker pay the total amount to the firm? ☐ Yes ☐ No If "No," explain. \_\_\_\_\_
- 8 Does the firm carry a drawing account for advances on the worker's part? . . . . . ☐ Yes ☐ No
- 9 What economic loss (for example, loss of time, loss of materials, or damage of equipment, material)? \_\_\_\_\_
- 10 Does the worker establish the level of payment for the services provided or the products sold? . . . . . ☐ Yes ☐ No  
If "No," who does? \_\_\_\_\_

**Click here to use the form.**

**Part IV Relationship of the Worker and Firm**

- 1 Please check the benefits available to the worker: ☐ Paid vacations ☐ Sick pay ☐ Paid holidays  
☐ Personal days ☐ Pensions ☐ Insurance benefits ☐ Bonuses  
☐ Other (specify) \_\_\_\_\_
- 2 Can the relationship be terminated by either party without incurring liability or penalty? . . . . . ☐ Yes ☐ No  
If "No," explain your answer. \_\_\_\_\_
- 3 Did the worker perform similar services for others during the time period entered in Part I, line 1? . . . . . ☐ Yes ☐ No  
If "Yes," is the worker required to get approval from the firm? . . . . . ☐ Yes ☐ No
- 4 Describe any agreements prohibiting competition between the worker and the firm while the worker is performing services or during any later period. Attach any available documentation. \_\_\_\_\_
- 5 Is the worker a member of a union? . . . . . ☐ Yes ☐ No
- 6 What type of advertising, if any, does the worker do (for example, a business listing in a directory or business cards)? Provide copies, if applicable. \_\_\_\_\_
- 7 If the worker assembles or processes a product at home, who provides the materials and instructions or pattern? \_\_\_\_\_
- 8 What does the worker do with the finished product (for example, return it to the firm, provide it to another party, or sell it)? \_\_\_\_\_
- 9 How does the firm represent the worker to its customers (for example, employee, partner, representative, or contractor), and under whose business name does the worker perform these services? \_\_\_\_\_
- 10 If the worker no longer performs services for the firm, how did the relationship end (for example, worker quit or was fired, job completed, contract ended, firm or worker went out of business)? \_\_\_\_\_

**Part V For Service Providers or Salespersons.** Complete this part if the worker provided a service directly to customers or is a salesperson.

- 1 What are the worker's responsibilities in soliciting new customers? .....
- 2 Who provides the worker with leads to prospective customers? .....
- 3 Describe any reporting requirements pertaining to the leads. ....
- 4 What terms and conditions of sale, if any, are required by the firm? .....
- 5 Are orders submitted to and subject to approval by the firm? . . . . . ☐ **Yes** ☐ **No**
- 6 Who determines the worker's territory? .....
- 7 Did the worker pay for the privilege of serving customers on the route or in the territory? . . . . . ☐ **Yes** ☐ **No**  
 If "Yes," whom did the worker pay? .....
- 8 If "Yes," how much did the worker pay? . . . . . \$ .....
- 8 Where does the worker sell the product (for example, in a home, retail establishment)? .....
- 9 List the product and/or services distributed by the worker (for example, meat, vegetables, fruit, bakery products, beverages, or laundry or dry cleaning services). If more than one type of product and/or service is distributed, specify the principal one. ....
- 10 Does the worker sell life insurance full time? . . . . . ☐ **Yes** ☐ **No**
- 11 Does the worker sell other types of insurance for the firm? . . . . . ☐ **Yes** ☐ **No**  
 If "Yes," enter the percentage of the worker's total working time spent in selling other types of insurance . . . . . %
- 12 If the worker solicits orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments, enter the percentage of the worker's time spent in the solicitation . . . . . %
- 13 Is the merchandise purchased by the customers for resale or use in their business operations? . . . . . ☐ **Yes** ☐ **No**  
 Describe the merchandise and state the conditions of sale as indicated on the questionnaire. ....

**Click here to use the form.**

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented are true, correct, and complete.



Type or print name below signature.

Title ►

Date ►

**II.**

**1099**

**INFORMATION  
RETURNS**

## **FORM 1099 SERIES: GENERAL FILING REQUIREMENTS**

### **General Requirements**

Taxpayers that make certain payments to nonemployees during a calendar year must furnish annual information returns both to the IRS and to the nonemployee recipient of the payment. The filing of these returns helps the IRS determine whether the nonemployee is reporting all income received during the year.

In order to facilitate the reporting of these payments, IRS has developed the Form 1099 Series, which is a group of forms used to report ordinary kinds of payments made by a taxpayer, such as dividends, interest, retirement distributions, and miscellaneous income payments. Although each Form 1099 has its own specific reporting requirements, there are several filing requirements that apply uniformly to each of these forms.

Certain foreign financial institutions (FFI) or U.S. payors having a FATCA filing requirement under chapter 4 may satisfy their requirements by reporting on Forms 1099 under the election described in Regs 1.1471-4(d)(5)(i)(A) or (B). Specific check boxes are included on the 1099 forms to identify an FFI filing this form to satisfy the chapter 4 requirement.

### **Normal and Extended Due Dates**

Form 1099 must be furnished to recipients either in person or by first-class mail by January 31<sup>st</sup> of the year following the calendar year to which such forms relate. These forms also must be filed with the IRS on or before February 28<sup>th</sup> of the following year, or by March 31<sup>st</sup> if filing electronically. However, beginning in 2016 all Forms 1099-MISC reporting Nonemployee compensation in Box 7 must be filed with the IRS on or before January 31, 2017. This applies to both paper and electronically filed forms.

If the due date for filing a Form 1099 with a recipient or with the IRS falls on a Saturday, Sunday, or legal holiday, the form is deemed timely if it is filed the next succeeding business day.

The due date for furnishing statements to recipients for Forms 1099-B, 1099-S, and 1099-MISC (**if reporting amounts in boxes 8 or 14**) has been extended to February 15.

Taxpayers can request an automatic 30-day extension of time for filing by completing Form 8809 "Application for Extension of Time to File Information Returns." The form may be submitted on paper, or through the FIRE system either as a fill-in form or an electronic file. No signature or explanation is required for the extension. However, you must file Form 8809 by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See the instructions for Form 8809 for more information.

### **How to File Form 1099 with the IRS**

Forms 1099 filed by paper with the IRS must be accompanied by transmittal Form 1096, "Annual Summary and Transmittal of U.S. Information Returns." Taxpayers must use a separate Form 1096 for each type of return. Because paper forms are scanned, all Forms 1096 and Copies A must be prepared in accordance with IRS instructions and mailed to the applicable service center.

To order official IRS forms, call 1-800-TAX-FORM (1-800-829-3676) or order online, and scannable forms will be mailed to you.

## **State and Local Tax Departments**

Contact the applicable state and local tax department as necessary for reporting requirements and where to file Copy 1 (Forms 1099-MISC and 1099-R). Generally, the state or local tax department you need to contact will be located in the recipient's state of legal residence.

## **Substitute Statement to Recipients**

Substitute Forms 1099 (generally Copy B) can be used, provided they comply with format and content requirements as specified in Pub. 1179, which is revised annually. All substitute statements to recipients must contain the tax year, form number, and form name prominently displayed together in one area of the statement.

## **Backup Withholding**

In some situations backup withholding may be required at a 28% rate for interest payments, dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments. If the payment is one of these reportable payments, backup withholding will apply if:

- The payee fails to furnish his or her taxpayer identification number.
- For interest, dividend, and broker and barter exchange accounts opened or instruments acquired after 1983, the payee fails to certify, under penalties of perjury, that the TIN provided is correct.
- The IRS notifies the payer to impose backup withholding because the payee furnished an incorrect TIN.
- For interest and dividend accounts or instruments, the payer is notified that the payee is subject to backup withholding (under section 3406(a)(1)(C)), or
- For interest and dividend accounts opened or instruments acquired after 1983, the payee fails to certify to the payer, under penalties of perjury, that he or she is not subject to backup withholding.

Examples of payments to which backup withholding does not apply include but are not limited to:

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA, an owner-employee plan, or other deferred compensation plan.
- Distributions from a medical or health savings account and long-term care benefits.
- Certain surrenders of life insurance contracts.
- Distribution from qualified tuition programs or Coverdell ESAs.
- Gambling winnings if regular gambling winnings withholding is required under section 3402(q). However, if regular gambling winnings withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Fish purchases for cash reportable under section 6050R.

Generally, the period for which the 28% should be withheld is as follows:

- Withhold on payments made until the TIN is furnished in the manner required. Special backup withholding rules may apply if the payee has applied for a TIN. The payee may certify this on Form W-9 by noting "Applied For" in the TIN block and by signing the form. This form then becomes an "awaiting-TIN" certificate, and the payee has 60 days to obtain a TIN and furnish it to you. If no TIN is received from the payee within 60 days, begin backup withholding and continue until the TIN is provided. The 60-day exemption from backup withholding applies only

to interest and dividend payments and certain payments made with respect to readily tradable instruments. Therefore, any other payment, such as nonemployee compensation, is subject to backup withholding even if the payee has applied for and is awaiting a TIN.

- If a notice is received from the IRS that the payee's TIN is incorrect, you may choose to withhold on any reportable payment made to the account(s) subject to backup withholding after receipt of the notice but you must begin backup withholding with any reportable payment made to the account more than 30 business days after the notice is received. Stop withholding within 30 days after you receive a certified Form W-9 (or other form that requires the payee to certify under penalty of perjury). The IRS will furnish a notice to the payer and the payer is required to promptly furnish a "B" notice or an acceptable substitute to the payee.
- If an IRS notice is received that states that the payee is subject to backup withholding due to notified payee underreporting, you may choose to withhold on any reportable payment made to the account(s) subject to withholding after receipt of the notice, but you must withhold on any reportable payment made to the account more than 30 business days after you receive the notice. The payer must notify the payee when this procedure starts. The IRS will notify the payer in writing when the withholding can stop, or the payee may furnish a written certification from the IRS stating when the withholding will stop. In most cases, the stop date will be January 1 of the year following the year of the notice.

Report backup withholding on Form 945, Annual Return of Withheld Federal Income Tax. Also, report backup withholding and the amount of the payment on Forms W-2G, 1099-B, DIV, G, INT, MISC, OID, or PATR even if the amount of the payment is less than the amount for which an information return is normally required. Payments of withheld taxes must be deposited using EFTPS.

### **Taxpayer Identification Number (TIN) Matching**

TIN Matching allows a payer to match TIN and name combinations with IRS records before submitting the forms to the IRS. TIN Matching is one of the e-services products that is offered and is accessible through the IRS website. See Publication 2108-A, On-Line Taxpayer Identification (TIN) Matching Program, or go to the IRS.gov and enter keyword "TIN matching" in the upper right corner for the registration procedure.

### **Truncating Payee Identification Number**

Final regulations permit filers of information returns in the Form 1098, 1099 and Form 5498 series to truncate a payee's SSN, EIN, ITIN, or ATIN number on recipient statements for the tax year 2016. Filers may truncate a payee's identification number on the payee statement (including substitute and composite substitute statements) furnished to the payee in paper form or electronically. Generally, the payee statement is that copy of an information return designated "Copy B" on the form. For some forms, the term "payee" will refer to beneficiary, borrower, debtor, insured, participant, payer, policyholder, recipient, shareholder, student, or transferor. If a filer truncates an identification number on Copy B, other copies of the form furnished to the payee may also include a truncated number.

A filer may not truncate a payee's identification number on any forms filed with the IRS or with state or local governments, on any payee statement furnished electronically, or on any payee statement not in the Form 1098, 1099, or 5498 series. A filer's identification number may not be truncated.

To truncate, replace the first 5 digits of the 9-digit number with asterisk (\*) or Xs (for example, an SSN 123-45-6789 would appear on the paper payee statement as \*\*\*-\*\*-6789 or XXX-XX-6789).

## Electronic Filing

If the payer is required to file 250 or more returns of any individual Form 1099 type, it must file these returns electronically. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1098 and 100 Forms 1099-A, you must file Forms 1098 electronically, but you are not required to file Forms 1099-A electronically. To receive a waiver from the required filing of information returns electronically, submit Form 8508, Request for Waiver From Filing Information Returns Electronically, at least 45 days before the due date of the returns. You cannot apply for a waiver for more than 1 tax year at a time. If a waiver for original returns is approved, any corrections for the same types of returns will be covered under the waiver. 1099s may be filed electronically through the Filing Information Returns Electronically System (FIRE System); however you must have the software that can produce a file in the proper format according to Pub 1220. The FIRE system does not provide a fill-in form option for information return reporting. You can access the FIRE system via the internet at <http://FIRE.IRS.gov>.

## Penalties for Noncompliance

The penalties which can be imposed for failing to comply with the reporting and filing requirements associated with the Form 1099 Series, such as failing to file timely or electronically when required, failing to include all information required, or incorrect information included on the return has increased substantially. The amount of the penalty is based on when the correct information return is filed:

- **\$50 per information return if correctly filed within 30 days**; maximum penalty \$532,000 per year (\$186,000 for small businesses)
- **\$100 per information return if correctly filed more than 30 days after the due date** but by August 1<sup>st</sup>; maximum penalty \$1,596,500 per year (\$532,000 for small businesses)
- **\$260 per information return if filed after August 1<sup>st</sup> or not filed at all**; maximum penalty \$3,193,000 per year (\$1,064,000 for small businesses)

A small business is defined as having average annual gross receipts for the three most recent tax years (or for the period of existence, if shorter) ending before the calendar year in which the information returns were due of \$5 million or less.

The following are exceptions to the failure to file penalty:

- The penalty will not apply to any failure that was due to reasonable cause and not to willful neglect. In general, one must be able to show that the failure was due to an event beyond control or due to significant mitigating factors. It must also be shown that the company acted in a responsible manner and steps were taken to avoid the failure.
- An inconsequential error or omission is not considered a failure to include incorrect information. An inconsequential error or omission does not prevent or hinder the IRS from processing the return, from correlating the information required to be shown on the return with the information shown on the payee's tax return, or from otherwise putting the return to its intended use. Errors and omissions that are never inconsequential are those related to (a) a TIN, (b) a payee's surname, and (c) any money amount.

- *De minimus* rule for corrections. If reasonable cause cannot be shown, the penalty for failure to file correct information returns will not apply to a certain number of returns if:
  - a. The information returns were filed.
  - b. Either all the information was not included or the incorrect information was included.
  - c. The corrections were filed by August 1<sup>st</sup>.

If all of the conditions in a, b, and c above are met, the penalty for filing incorrect returns (but not for filing late) will not apply to the greater of 10 information returns or ½ of 1% of the total number of information returns that are required to file for the calendar year.

Failure to provide correct payee/recipient statements by January 31 or February 15 (as required) without reasonable cause is subject to the same penalty provisions as those for late or failure to file noted earlier.

Any failure to file or provide a correct information return that is due to intentional disregard of the filing or correct information requirements is penalized at a minimum of \$530 per information return with no maximum penalty.

### **Keeping Copies**

Generally, keep copies of information returns filed with the IRS or have the ability to reconstruct the data for at least 3 years, 4 years for Form 1099-C, from the due date of the returns. Keep copies of information returns 4 years if backup withholding was imposed.

Special reporting requirements apply in many cases, the complete instructions for the proper completion and reporting of the following Forms 1099 can be found at [www.irs.gov](http://www.irs.gov) under the Forms and Publications tab.

### **FORM 1096 - ANNUAL SUMMARY AND TRANSMITTAL**

Information return filers use Form 1096 to transmit paper Forms 1099, 1098, 3921, 3922, 5498, and W-2G - to the IRS. Do not use the paper Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220, "Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically". When transmitting information returns to IRS, filers should use a separate Form 1096 for different groups of information returns - e.g., a separate 1096 for a group of Form 1099-MISC and another 1096 for a group of Form 1099-R.

Form 1096 generally must be filed by the last day of January (in the case of Forms 1099-MISC reporting income in Box 7) or February when used to transmit Forms 1098, 1099, 3921, 3922, and W-2G. When used to transmit a Form 5498, 5498-ESA or 5498-SA the Form 1096 generally is due by May 31.



Form <b>1096</b>  Department of the Treasury Internal Revenue Service	<b>Annual Summary and Transmittal of U.S. Information Returns</b>	OMB No. 1545-0108  <div style="font-size: 2em; font-weight: bold;">2016</div>
FILER'S name _____		
Street address (including room or suite number) _____		
City or town, state or province, country, and ZIP or foreign postal code _____		
Name of person to contact _____		Telephone number _____
Email address _____		Fax number _____
<b>For Official Use Only</b> <div style="border: 1px solid black; width: 100px; height: 30px; margin: 5px auto;"></div>		
<b>1</b> Employer identification number	<b>2</b> Social security number	<b>3</b> Total number of forms
<b>4</b> Federal income tax withheld \$		<b>5</b> Total amount reported with this Form 1096 \$
<b>6</b> Enter an "X" in only one box below to indicate the type of form being filed.		
W-2G 32	1097-BTC 50	1098 81
1098-C 78	1098-E 84	1098-Q 74
1098-T 83	1099-A 80	1099-B 79
1099-C 85	1099-CAP 73	1099-DIV 91
1099-G 86	1099-INT 92	1099-K 10
1099-LTC 93	1099-MISC 95	1099-OID 96
1099-PATR 97	1099-Q 31	1099-QA 1A
1099-R 98	1099-S 75	1099-SA 94
3921 25	3922 26	5498 28
5498-ESA 72	5498-QA 2A	5498-SA 27

Click here to use the form.

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ►

Title ►

Date ►

## Instructions

**Future developments.** For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go to [www.irs.gov/form1096](http://www.irs.gov/form1096).

**Reminder.** The only acceptable method of filing the information returns listed on this form in box 6 electronically with the Internal Revenue Service is through the FIRE system. See Pub. 1220.

**Purpose of form.** Use this form to transmit paper Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service.

**Caution:** If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2016 General Instructions for Certain Information Returns.

Forms 1099-QA and 5498-QA can be filed on paper only, regardless of the number of returns.

**Who must file.** The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1097, 1098, 1099, 3921, 3922, 5498, or W-2G. A filer is any person or entity who files any of the forms shown in line 6 above.

Enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

**When to file.** File Form 1096 as follows.

- With Forms 1097, 1098, 1099, 3921, 3922, or W-2G, file by February 28, 2017.

**Caution:** File Form 1099-MISC by January 31, 2017, if you are reporting **nonemployee compensation** in box 7. Also, check box 7 above.

- With Forms 5498, file by May 31, 2017.

## Where To File

Send all information returns filed on paper with Form 1096 to the following.

**If your principal business, office or agency, or legal residence in the case of an individual, is located in**

**Use the following three-line address**

Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia

Department of the Treasury  
Internal Revenue Service Center  
Austin, TX 73301

## **FORM 1099-MISC**

Form 1099-MISC, "Miscellaneous Income," must be filed by a business for certain payments made to nonemployees in the course of trade or business. Personal payments are not reportable. A trade or business is any entity that operates for gain or profit. However, non-profit organizations are also subject to these reporting requirements. Organizations also subject to these reporting requirements include trusts of qualified pension or profit-sharing plans of employers, certain organizations exempt from tax under section 501(c) or (d), farmers' cooperatives that are exempt from tax under section 521, and widely held fixed investment trusts. Payments made by federal, state, or local governments are also reportable.

Form 1099-Misc is required for each person to whom payments have been made during the year:

- \$10 or more in royalties or broker payments in lieu of dividends or tax-exempt interest;
- \$600 or more in rents, services (including parts and materials), prizes and awards, other income payments, medical and health care payments, crop insurance proceeds, cash payments for fish you purchase from anyone engaged in the trade or business of catching fish, or generally, the cash paid from notional principal contract to an individual, partnership, or estate;
- Any fish boat proceeds;
- Gross proceeds to an attorney;
- In addition, use Form 1099-Misc to report direct sales of at least \$5000 of consumer products to a buyer for resale anywhere other than a permanent retail establishment; or
- Any backup withholding regardless of the amount of payment.

Examples of payments for which Forms 1099 are **not** required:

- Generally payments to a corporation;\*
- Payments for merchandise, telegrams, telephone, freight, storage and similar items;
- Payments of rent to real estate agents;
- Wages paid to employees (report on Form W-2);
- Military differential wage payments made to employees while they are on active duty in the Armed forces or other uniformed services (report on W-2);
- Business travel allowances paid to employee (may be reportable on W-2);
- Cost of current life insurance protection (report on Form W-2 or Form 1099-R, Distributions from Pensions, Annuities, Retirement, or Profit-Sharing plans, IRAs, Insurance Contracts, etc.);
- Payments to a tax-exempt organization including tax-exempt trusts (IRAs, HSAs, Archer MSAs, and Coverdell ESAs), the United States, a state, the District of Columbia, a U.S. possession, or a foreign government; and
- Payments made to or for homeowners from the HFA Hardest Hit Fund or the Emergency Homeowners' Loan Program or similar state program.
- Payments made with a credit card or payment card and certain other types of payments, including third party network transactions, must be reported on Form 1099-K by the payment settlement entity under section 6050W and are not subject to reporting on Form 1099-Misc.
- A payment to an informer as an award, fee, or reward for information about criminal activity is not required to be reported if the payment is made by a federal, state, or local government agency, or by a nonprofit organization exempt from tax under section 501(c)(3) that makes the payment to further the charitable purpose of lessening the burdens of government.
- Do not use Form 1099-MISC to report scholarship or fellowship grants. Scholarship or fellowship grants that are taxable to the recipient because they are paid for teaching, research, or other services as a condition for receiving the grant are considered wages and must be reported on Form W-2. Other taxable scholarships or fellowship payments (to a degree or nondegree candidate) are not required to be reported to the IRS on any form.

- Difficulty-of-care payments that are excludable from the recipient's gross income are not required to be reported. Difficulty-of-care payments to foster care providers are not reportable if paid for not more than 11 children under age 19 and not more than six individuals age 19 or older. Amounts paid for more than 10 children or more than five other individuals are reportable on Form 1099-MISC.
- A canceled debt is not reportable on Form 1099-MISC. Canceled debts are required to be reported on Form 1099-C.

\*Reportable payments to corporations include medical and health payments reported in box 6, fish purchases for cash reported in box 7, attorneys' fees reported in box 7, gross proceeds paid to an attorney reported in box 14, substitute payments in lieu of dividends or tax exempt interest reported in box 8, and payments by a federal executive agency for services reported in box 7.

### **Rents-Box 1**

Form 1099-MISC must be filed for each person to whom a taxpayer has paid at least \$600 in rents. For these purposes, rents include real estate rentals paid for office space (unless paid to a real estate agent) and machine rentals (for example, renting a bulldozer to level your parking lot), and pasture rentals. Note that if a rental fee for a machine is included in a contract that covers both the use of the machine and the operator, the contract fee rental should be prorated between the rent of the machine, reporting in box 1 and the operator's charge (reported as nonemployee compensation) in box 7.

Public housing agencies must report in box 1 rental assistance payments made to owners of housing projects. See Rev. Rul. 88-53, 1988-1 C.B. 384.

Coin-operated amusements: If an arrangement between an owner of coin-operated amusements and an owner of a business establishment where the amusements are placed is a lease of the amusements or the amusement space, the owner of the amusements or the owner of the space, whoever makes the payments, must report the lease payments in box 1 of Form 1099-MISC if the payments total at least \$600. However, if the arrangement is a joint venture, the joint venture must file a Form 1065, U.S. Return or Partnership Income, and provide each partner with the information necessary to report the partner's share of the taxable income. Coin-operated amusements include video games, pinball machines, jukeboxes, pool tables, slot machines, and other machines and gaming devices operated by coins or tokens inserted into the machines by individual users. For more information, see Rev. Rul. 92-49, 1992-1 C.B. 433.

### **Royalties-Box 2**

If a taxpayer made royalty payments during the calendar year of at least \$10 or more before reduction for severance and other taxes that may have been withheld and paid, it must file Form 1099-MISC. Royalty payments that must be reported include royalty payments for oil, gas, coal, timber, sand, gravel and other mineral interests. Also include payments for intangible property such as patents, copyrights, trade names, trademarks, franchises, books and other literary compositions, musical compositions, artistic works, secret processes and formulas.

Report gross royalties (before reduction for fees, commissions, or expenses) paid by a publisher directly to an author or literary agent in box 2 unless the agent is a corporation. The literary agent (whether or not a corporation) that received the royalty payment on behalf of the author must report the gross amount of royalty payments to the author on Form 1099-MISC whether or not the publisher reported the payment to the agent on its Form 1099-MISC.

Payments for surface royalties should be reported in box 1. Oil or gas payments for a working interest should be reported in box 7. Do not report timber royalties made under a pay-as-cut contract; report these timber royalties on Form 1099-S, Proceeds From Real Estate Transactions.

### Other Income-Box 3

Enter other income of \$600 or more to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form. Prizes and awards of \$600 or more that are not for services rendered are reported on Form 1099-MISC box 3. Include the FMV (fair market value) of merchandise won on game shows. Also include amounts paid to a winner of a sweepstakes not involving a wager. If a wager is made, report the winnings on Form W-2G, Certain Gambling Winnings. Prizes and awards granted in recognition of past accomplishments in religious, charitable, scientific, artistic, educational, literary, or civic fields are **not** reported on Form 1099-MISC if: (1) the winners are chosen without action on their part, and (2) the winners are not expected to perform future services, and (3) the payer transfers the prize or award to a charitable organization or governmental unit pursuant to a designation made by the recipient.

Do not include prizes and awards paid to your employees. Report these on Form W-2. Prizes and awards for services performed by nonemployees, such as an award for the top commission salesperson should be reported in box 7.

Other items required to be reported in box 3 include the following:

- Generally, all punitive damages, any damages for nonphysical injuries or sickness, and any other taxable damages. Report punitive damages even if they relate to physical injury or physical sickness. Generally, report all compensatory damages for nonphysical injuries or sickness, such as employment discrimination or defamation. However, do not report damages (other than punitive damages):
  - Received on account of personal physical injuries or physical sickness;
  - That do not exceed the amount paid for medical care for emotional distress;
  - Received on account of nonphysical injuries (for example, emotional distress) under a written binding agreement, court decree, or mediation award in effect on or issued by September 13, 1995; or
  - That are for replacement of capital, such as damages paid to a buyer by a contractor who failed to complete construction of a building.

Damages received on account of emotional distress, including physical symptoms such as insomnia, headaches, and stomach disorders, are not considered received for a physical injury or physical sickness and are reportable unless described above. However, damages received on account of emotional distress due to physical injuries or physical sickness are not reportable.

- Payments for deceased employee wages. (See W-2 section)
- Termination payments to former self-employed insurance salespeople. These payments are not subject to self-employment tax and are reportable in box 3 (rather than box 7) if all the following apply:
  - The payments are received from an insurance company because of services performed as an insurance salesperson for the company.
  - The payments are received after termination of the salesperson's agreement to perform services for the company.
  - The salesperson did not perform any services for the company after termination and before the end of the year.
  - The salesperson enters into a covenant not to compete against the company for at least 1 year after the date of termination.
  - The amount of the payments depends primarily on policies sold by the salesperson or credited to the salesperson's account during the last year of the service agreement or to the extent those policies remain in force for some period after termination, or both.
  - The amount of the payments does not depend at all on length of service or overall earnings from the company (regardless of whether eligibility for payment depends on length of service).

If the termination payments do not meet all these requirements, report them in box 7.

- A payment or series of payments made to individuals for participating in a medical research study or studies.
- Payments for H-2A visa agricultural workers who did not give you a valid taxpayer identification number. You must also withhold federal income tax under the backup withholding rules

#### **Federal Income Tax-Box 4**

Withholding for federal income taxes ordinarily is not required for payments to independent contractors. However, if at least \$600 of "reportable payments" is made within a calendar year to an independent contractor or other nonemployee, and that individual fails to provide a correct taxpayer identification number before payment is made, the payer is required to withhold federal income taxes under the backup withholding rules. A flat 28 % of the payment must be withheld. Payers that withhold federal income taxes on miscellaneous income under the backup withholding rules must file Form 1099-MISC to report such amounts. Backup withholding must be paid by EFTPS.

#### **Fishing Boat Proceeds- Box 5**

Enter the individual's share of all proceeds from the sale of catch or the FMV of a distribution in kind to each crew member of fishing boats with normally fewer than 10 crew members, or payments of up to \$100 per trip that are contingent on a minimum catch and are paid solely for additional duties.

#### **Medical and Health Care Payments-Box 6**

Enter payments of \$600 or more made in the course of your trade or business to each physician or other supplier or provider of medical or health care services in box 6. Include payments made by medical or health care insurers under health, accident, and sickness insurance programs. If payment is made to a corporation, list the corporation as the recipient rather than the individual providing the services. Payments to persons providing health care services often include charges for injections, drugs, dentures, and similar items. In these cases the entire payment is subject to information reporting. Payments to pharmacies for prescription drugs are not required to be reported.

The exemption from issuing Form 1099-MISC to a corporation does not apply to payments for medical or health care services provided by corporations, including professional corporations. However, it is not required to report payments made to a tax-exempt hospital or extended care facility or to a United States (or its possessions), a state, the District of Columbia, or any of their political subdivisions, agencies, or instrumentalities.

Generally, payments made under a flexible spending arrangement or a health reimbursement arrangement which is treated as employer-provided coverage under an accident or health plan for purposes of section 106 are exempt from the reporting requirements of section 6041.

#### **Nonemployee Compensation-Box 7**

The types of nonemployee compensation that must be reported on Form 1099-MISC, box 7 include fees, commissions, prizes and awards for services performed by a nonemployee, other forms of compensation for services performed for a trade or business by an individual who is not an employee, and fish purchases for cash. Include oil and gas payments for a working interest, whether or not services are performed. Also include expenses incurred for the use of an entertainment facility that you treat as compensation to a nonemployee. Federal executive agencies that make payments to vendors for services, including payments to corporations, must report the payments in this box.

If the following four conditions are met, you must generally report a payment as nonemployee compensation:

- The payment is made to someone who is not your employee;
- The payment is for services in the course of your trade or business (including government agencies and nonprofit organizations).
- The payment is made to an individual, partnership, estate or, in some cases, a corporation; and
- The payment is at least \$600 during the year.

Generally, amounts reportable in box 7 are subject to self-employment tax. If payments to individuals are not subject to this tax and are not reportable elsewhere on Form 1099-MISC, report the payment in box 3.

Examples of payments to be reported on Form 1099-MISC include:

- Professional service fees, such as fees to attorneys (including corporations), accountants, contractors, engineers, architects, etc.
- Fees paid by one professional to another, such as fee-splitting or referral fees.
- Payments by attorneys to witnesses or experts in legal adjudication.
- Payment for services, including payment for parts or materials used to perform the services if supplying the parts or materials was incidental to providing the service.
- Commissions paid to nonemployee salespersons that are subject to repayment but not repaid during the calendar year.
- A fee paid to a nonemployee, including an independent contractor, or travel reimbursement for which the nonemployee did not account to the payer, if the fee and reimbursement total at least \$600.
- Payments to nonemployee entertainers for services.
- Exchanges of services between individuals in the course of their trade or businesses.
- Taxable fringe benefits for nonemployees.
- Gross oil and gas payments for a working interest.
- Payments to an insurance salesperson who is not your common law or statutory employee.
- Directors' fees – see below.
- Commissions paid to licensed lottery ticket sales agents.
- Fish purchases for cash.
- Nonqualified deferred compensation. (Section 409A)
- Golden parachute payments. Excess payments are reported in box 13.

## Director's Fees

Directors of a corporation are defined by statute as nonemployees. If an organization pays its board members to attend board meetings or otherwise compensates them for performing their duties as directors, the organization should treat them as independent contractors. Directors' fees and other remuneration, including payments made after retirement must be reported on Form 1099-MISC, box 7.

An employer can provide certain benefits (insurance premiums, for example) to directors as taxable income which is also reported on Form 1099-MISC. Reimbursement of expenses without proper documentation paid to directors are also reportable to the IRS on Form 1099-MISC. Per diem allowances may be used for directors without including them on Form 1099 provided the time, place, and business purpose of the travel are substantiated by adequate records and the director does not directly or indirectly own 10% of the entity paying the per diem.

	No reporting requirement	Reportable
Fee for attendance at meetings		X
Reimbursement of actual expenses based on proper record-keeping and qualifying per diems:		
Public transportation	X	
Lodging, Mileage	X	
Meals	X	
Convention or conference	X	
Other	X	
Reimbursement of expenses without documentation or via non-qualifying per diem:		
Mileage		X
Lodging		X
Meals		X
Convention or conference		X
Medical insurance premiums		X
Life insurance premiums:		
Payer is beneficiary	X	
Director names beneficiary		X

## Substitute Payments in Lieu of Dividends or Interest-Box 8

Enter aggregate payments of at least \$10 received by a broker for a customer in lieu of dividends or tax-exempt interest as a result of a loan of a customer's securities. For this purpose, a customer includes an individual, trust, estate, partnership, association, company, or corporation. It does not include a tax-exempt organization, the United States, any state, the District of Columbia, a U.S. possession, or a foreign government. Substitute payment means a payment in lieu of (a) a dividend or (b) tax-exempt interest to the extent that interest (including OID) has accrued while the securities were on loan.

## Payer Made Direct Sales-Box 9

For reporting direct sales of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other commission basis for resale anywhere other than a permanent retail establishment. Enter an "X" in the checkbox for sales-box 9, not a dollar amount.

**Crop Insurance Proceeds-Box 10**

Crop insurance proceeds paid to farmers by insurance companies must be reported on Form 1099-MISC, box 10, unless the farmer has informed the insurance company that expenses have been capitalized under Internal Revenue Code Section 278, 263A, or 447.

**Foreign Tax-Box 11**

Enter any foreign tax paid on Form 1099-MISC payments. Report the tax in U.S. dollars.

**Foreign Country or Possession-Box 12**

Enter the foreign country or U.S. possession for which the foreign tax was reported in Box 11.

**Excess Golden Parachute Payments-Box 13**

A parachute payment is any payment that meets all of the following conditions:

1. The payment is in the nature of compensation.
2. The payment is to, or for the benefit of, a disqualified individual\*.
3. The payment is contingent on a change in the ownership of a corporation, the effective control of a corporation, or the ownership of a substantial portion of the assets of a corporation (a change in ownership or control).
4. The payment has (together with other payments described in 1, 2, and 3, above, made to the same individual) an aggregate present value of at least three times the individual's base amount.

\*A disqualified individual is one who at any time during the 12-month period prior to and ending on the date of the change in ownership or control of the corporation (the disqualified individual determination period) was an employee or independent contractor and was, in regard to that corporation, a shareholder, an officer, or a highly compensated individual.

Enter any excess golden parachute payments. An excess parachute payment is the amount of the excess of any parachute payment over the base amount (the average annual compensation for services includible in the individual's gross income over the most recent 5 tax years).

**Gross Proceeds Paid to Attorneys-Box 14**

Attorneys' fees of \$600 or more paid in the course of your trade or business are reportable on Form 1099-MISC, box 7. However, if you make a payment to an attorney in connection with a legal settlement and the attorney's fee cannot be specifically determined, the total amount paid to the attorney (gross proceeds) must be reported in box 14. If the attorney fees are part of a legal settlement and can be specifically determined, the amount of fees must be reported in box 7. For example, an insurance company pays to settle a claim directly to the attorney. These rules apply whether or not the legal services are provided to the payer and whether or not the attorney is the exclusive payee. The exemption from filing for corporations does not apply to attorneys. Gross proceeds payments must be reported to the attorney even though some or all of the payment also must be reported to another party (e.g., the attorney's client).

Under the regulations, "payments to an attorney" include payments by check or other method such as cash, wire, or electronic transfer. A payment to an attorney, in the case of a payment by check, means a check on which the attorney is named as a sole, joint, or alternative payee.

The attorney is the payee on a check written to the attorney's client trust fund. However, the attorney is not a payee when the attorney's name is included on the payee line as "in care of", such as a check written to "client c/o attorney," or if the attorney's name is included on the check in any other manner that does not give the attorney the right to negotiate the check. The regulations define a payer as a person who makes a payment if that person is an obligor on the payment, or the obligor's insurer or guarantor. Under the regulations, the term "legal services" means all services related to, or supportive of, the



practice of law performed by, or under the supervision of, an attorney. In addition, payments to an attorney that are unrelated to the practice of law are not subject to reporting.

Joint or multiple payees:

- Check delivered to one payee attorney – If more than one attorney is listed as payee on a check, the information return should be filed with respect to the attorney who received the check.
- Check delivered to payee non-attorney – If at least one attorney is listed as a payee on a check and the check is delivered to a payee who is not an attorney, then an information return must be filed with respect to the first listed payee attorney on the check.
- Check delivered to non-payee – If two or more attorneys are listed as payees on a check and the check is delivered to a non-payee, then an information return must be filed with respect to the first-listed payee attorney on the check.

Exceptions- A 1099 information return is not required with respect to the following payments:

- Payments of wages or other compensation paid to an attorney by the attorney's employer. These payments must be reported on Form W-2.
- Payments of compensation or profits paid or distributed to its partners by a partnership engaged in providing legal services.
- Payments of dividends or corporate earnings and profits paid to its shareholders by a corporation engaged in providing legal services.
- Payments of attorney fees only that are required to be reported as nonemployee compensation on Form 1099-MISC in box 7. Payments made to an attorney in the attorney's capacity as the person responsible for closing a real estate sale or financing transaction. Note that this exception was expanded to include payments made to attorneys in connection with real estate financing. The exception now covers, for example, payments made to attorneys in connection with refinancing and mortgages (not limited to purchase-money mortgages).
- Payments made to an attorney in the attorney's capacity as a bankruptcy trustee.

### **Section 409A Deferrals-Box 15a**

You do not have to complete this box. If you do complete this box, enter the total amount deferred during the year of at least \$600 for the nonemployee under all nonqualified plans. The deferrals during the year include earnings on the current year and prior year deferrals.

For deferrals and earnings under nonqualified deferred compensation plans for employees, see the instructions for Forms W-2 and W-3.

### **Section 409A Income-Box 15b**

Enter all amounts deferred (including earnings on amounts deferred) that are includible in income under Section 409A because the nonqualified deferred compensation plan fails to satisfy the requirements of Section 409A. Do not include amounts properly reported on a Form 1099-MISC, corrected Form 1099-MISC, Form W-2, or Form W-2c for a prior year. Also, do not include amounts that are considered to be subject to a substantial risk of forfeiture for purposes of section 409A.

The amount included in box 15b is also includible in box 7 and generally is subject to self-employment tax.

### **State Information-Boxes 16-18**

These boxes, and Copies 1 and 2, are provided for your convenience only and need not be completed for the IRS. If you withheld state income tax on a payment, you may enter it in box 16. In box 17 enter the state code and payer's state identification number. In box 18 you may enter the amount of the state payment. Use Copy 1 to provide information to the state tax department. Give Copy 2 to the recipient.

## **FORM 1099-DIV**

Form 1099-DIV, "Dividends and Distributions," must be filed for each person to or for whom a payer:

- Paid dividends (including capital gains and exempt-interest dividends) and other distributions on stock of \$10 or more;
- Withheld and paid any foreign tax on dividends and other distributions on stock;
- Withheld any federal income tax under the backup withholding rules; or
- Paid \$600 or more as part of a liquidation.

A distinction is made for qualified dividends paid during the tax year from domestic corporations and qualified foreign corporations which receive preferred tax treatment. These payments should be reported in both boxes 1a and 1b. See the instructions for 1099-DIV for exceptions to this preferred tax treatment.

If a payer receives a dividend payment of \$10 or more as a trustee or middleman for another person and the payer pays such dividend to any other person, the payer must file Form 1099-DIV.

Taxable dividend distributions from life insurance contracts and employee stock ownership plans are reported on Form 1099-R. Payments of section 404(k) dividends directly from the corporation to the plan participants must be reported on Form 1099-DIV.

A payer does not report on Form 1099-DIV payments made to certain payees, including a corporation, a tax-exempt organization, any IRA, Archer MSA, or HSA, a U.S. agency, a state, the District of Columbia, a U.S. possession, or a registered securities or commodities dealer. A payer also does not report on Form 1099-DIV certain distributions, commonly referred to as "dividends," that are actually interest. Instead, these payments are reported on Form 1099-INT. Such payments include "dividends" on deposits or on share accounts in cooperative banks, credit unions, domestic building and loan associations, domestic and federal savings and loan associations, and mutual savings banks.

If a payment is made that may be a dividend, but it is not possible to determine if any part of a payment may be a dividend by the time the Form 1099-DIV must be filed, the entire payment must be reported as a dividend.

## **FORM 1099-INT**

Form 1099-INT, "Interest Income" interest payments are only reported when:

- Interest of \$10 or more paid or credited on earnings from savings and loan associations, credit unions, bank deposits, corporate bond holders of tax credit bonds, etc.
- Interest of \$600 or more from other sources, in the course of your trade or business.
- Forfeited interest due to premature withdrawals of time deposits.
- Federal backup withholding and foreign tax withheld and paid on interest.
- Payments of any interest to bearers of certificates of deposit.

Report only interest payments made in the course of your trade or business including federal, state and local government agencies and activities deemed nonprofit, or for which you were a nominee/middleman.

Exempt-interest dividends from a mutual fund or other regulated investment company (RIC) are no longer reported on Form 1099-INT. Those amounts will now be reported on Form 1099-DIV.

No form 1099-INT is required to be filed for payments made to exempt recipients or for interest excluded from reporting. Do not report tax deferred interest, such as interest that is earned but not distributed from an IRA.

If a payer receives an interest payment of \$10 or more as a trustee or middleman for another person and the payer pays such interest to any other person, the payer must file Form 1099-INT.

Use box 10 to report the Committee on Uniformed Security Identification Procedures (CUSIP) number for each tax-exempt bond for which interest was reported in box 8.

Box 13 has been added to report bond premium on tax-exempt bonds.

### **FORM 1099-OID**

File Form 1099-OID, Original Issue Discount, if the original issue discount (OID) includible in gross income is at least \$10 and you are any of the following:

- An issuer with any bond outstanding or other evidence of indebtedness in registered or bearer form issued with OID;
- An issuer of a certificate of deposit (CD) made, purchased, or renewed after 1970 if the CD has OID and a term of more than 1 year;
- A financial institution having other deposit arrangements such as time deposits or bonus-savings plans, if the arrangements have OID and a term of more than 1 year;
- A broker or other middleman holding an OID obligation, including CDs, as nominee for the actual owner;
- A trustee or middleman of a widely held fixed investment trust (WHFIT) or widely held mortgage trust (WHMT) or;
- A real estate mortgage investment conduit (REMIC), a holder of an ownership interest in a financial asset securitization investment trust (FASIT), or an issuer of a collateralized debt obligation (CDO).

Also, a Form 1099-OID must be filed for any person for whom any foreign tax or federal income tax under the backup withholding rules was withheld and paid on OID even if the amount of the OID is less than \$10.

Use the Description box 5 to report the CUSIP number, abbreviation of the issuer, coupon rate or year of maturity when applicable.

### **FORM 1099-R**

Form 1099-R, "Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc." is used to report any distribution of \$10 or more from pension sharing or retirement plans, any individual retirement arrangements, annuities, pensions, insurance contracts, survivor income benefit plans, permanent and total disability payments under life insurance contracts, charitable gift annuities, etc. This form is used when the payment is a total distribution, in which the recipient's entire account balance is paid out in a single taxable year, as well as for reporting periodic payments made from retirement income plans. Form 1099-R is also used to report death benefit payments made by employers that are not made as part of a pension, profit-sharing, or retirement plan. Reportable disability payments made from a retirement plan must also be reported on Form 1099-R.

There are 9 numeric codes and 18 alpha codes to use when reporting amounts in box 7 of Form 1099-R. Enter the total amount of the distribution before income tax or other deductions were withheld in box 1, gross distribution. Include direct rollovers, IRA rollovers to accepting employer plans, premiums paid by a trustee or custodian for the cost of current life or other insurance protection, including a recharacterization and a Roth IRA conversion. Also include in this box distributions to plan participants from governmental §457(b) plans. However, in the case of a distribution by a trust representing certificates of deposit redeemed early, report the net amount distributed.

Include in box 1 the value of U.S. Savings Bonds distributed from a plan. Enter the appropriate taxable amount in Box 2a. Also include in box 1 amounts distributed from a qualified retirement plan for which the recipient elects to pay health insurance premiums under a cafeteria plan or that are paid to the recipient. In addition to reporting distributions to beneficiaries of deceased employees, report here any death benefit payments made by employers that are not made as part of a pension, profit sharing, or retirement plan. Also enter these amounts in box 2a; enter Code 4 in box 7. Do not report accelerated death benefits on Form 1099-R. Report them on Form 1099-LTC.

For section 1035 exchanges that are reportable on Form 1099-R, enter the total value of the contract in box 1, 0 in box 2a, the total premiums paid in box 5, and Code 6 in box 7. If you are making a distribution from a designated Roth account, enter the gross distribution in box 1, the taxable portion in box 2a, the basis included in the distributed amount in box 5, any amount allocable to an IRR made within the previous 5 years in box 10, and the first year of the 5-taxable-year period for determining qualified distributions in box 11. If you distribute employer securities or other property, include in box 1 the FMV of the securities or other property on the date of distribution. If cash or capital gain property is donated in exchange for a charitable gift annuity, report the total amount distributed during the year in box 1.

When determining the taxable amount to be entered in box 2a, do not reduce the taxable amount by any portion of the \$3,000 exclusion for which the participant may be eligible as a payment of qualified health and long-term care insurance premiums for retired public safety officers under §402(l).

Generally, you must enter the taxable amount in box 2a. However, if you are unable to reasonably obtain the data needed to compute the taxable amount, leave this box blank and check box 2b – Taxable amount not determined. Do not enter excludable or tax-deferred amounts reportable in boxes 5, 6, and 8. Enter 0 in box 2a for:

- A direct rollover (other than a qualified rollover contribution under §408A(e) from a qualified plan (including a governmental § 457(b) plan) or section 403(b) plan or a rollover from a designated Roth account into a Roth IRA,
- A traditional, SEP, or SIMPLE IRA directly transferred to an accepting employer plan,
- An IRA recharacterization, or
- A non-taxable section 1035 exchange of life insurance, annuity, or endowment or long-term care insurance contracts.
- A nontaxable charge or payment, for the purchase of a qualified long-term care insurance contract, against the cash value of an annuity contract or the cash surrender value of a life insurance contract.

Report payments to military retirees or payments of survivor benefit annuities on Form 1099-R. Report military retirement pay awarded as a property settlement to a former spouse under the name and taxpayer identification number of the recipient, not that of the military retiree.

Report on Form 1099-R, not Form W-2, income tax withholding and distributions from a governmental section 457(b) plan maintained by a state or local government employer. Distributions from a governmental section 457(b) plan to a participant or beneficiary include all amounts that are paid from the plan.

Report any reportable distributions from commercial annuities. Also report distributions to employee plan participants from section 409A nonqualified deferred compensation plans including nongovernmental section 457(b) plans on Form W-2, not on Form 1099-R; for nonemployees, these payments are reportable on Form 1099-MISC.

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ... (if applicable)
<b>1—Early distribution, no known exception.</b>	Use Code 1 only if the participant has not reached age 59½, and you do not know if any of the exceptions under Code 2, 3, or 4 apply. However, use Code 1 even if the distribution is made for medical expenses, health insurance premiums, qualified higher education expenses, a first-time home purchase, or a qualified reservist distribution under section 72(t)(2)(B), (D), (E), (F), or (G). Code 1 must also be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period which began with the first payment.	8, B, D, K, L, or P
<b>2—Early distribution, exception applies.</b>	Use Code 2 <b>only</b> if the participant has not reached age 59½ <b>and you know</b> the distribution is the following. <ul style="list-style-type: none"> <li>• A Roth IRA conversion (an IRA converted to a Roth IRA).</li> <li>• A distribution made from a qualified retirement plan or IRA because of an IRS levy under section 6331.</li> <li>• A governmental section 457(b) plan distribution that is not subject to the additional 10% tax. But see <i>Governmental section 457(b) plan distributions</i>, earlier, for information on distributions that may be subject to the 10% additional tax.</li> <li>• A distribution from a qualified retirement plan after separation from service in or after the year the participant has reached age 55.</li> <li>• A distribution from a governmental defined benefit plan to a public safety employee (as defined in 72(t)(10)(B)) after separation from service, in or after the year the employee has reached age 50.</li> <li>• A distribution that is part of a series of substantially equal periodic payments as described in section 72(q), (t), (u), or (v).</li> <li>• A distribution that is a permissible withdrawal under an eligible automatic contribution arrangement (EACA).</li> <li>• Any other distribution subject to an exception under section 72(q), (t), (u), or (v) that is not required to be reported using Code 1, 3, or 4.</li> </ul>	8, B, D, K, or P
<b>3—Disability.</b>	For these purposes, see section 72(m)(7).	D
<b>4—Death.</b>	Use Code 4 regardless of the age of the participant to indicate payment to a decedent's beneficiary, including an estate or trust. Also use it for death benefit payments made by an employer but not made as part of a pension, profit-sharing, or retirement plan.	8, A, B, D, G, H, K, L, or P
<b>5—Prohibited transaction.</b>	Use Code 5 if there was a prohibited transaction involving the IRA account. Code 5 means the account is no longer an IRA.	None
<b>6—Section 1035 exchange.</b>	Use Code 6 to indicate the tax-free exchange of life insurance, annuity, long-term care insurance, or endowment contracts under section 1035.	W
<b>7—Normal distribution.</b>	Use Code 7: (a) for a normal distribution from a plan, including a traditional IRA, section 401(k), or section 403(b) plan, if the employee/taxpayer is at least age 59½; (b) for a Roth IRA conversion if the participant is at least age 59½; and (c) to report a distribution from a life insurance, annuity, or endowment contract and for reporting income from a failed life insurance contract under section 7702(g) and (h). See Rev. Proc. 2008-42, 2008-29 I.R.B. 160, available at <a href="http://www.irs.gov/irb/2008-29_IRB/ar19.html">www.irs.gov/irb/2008-29_IRB/ar19.html</a> . Generally, use Code 7 if no other code applies. Do not use Code 7 for a Roth IRA. <b>Note.</b> Code 1 must be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period which began with the first payment.	A, B, D, or K
<b>8—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2017.</b>	Use Code 8 for an IRA distribution under section 408(d)(4), unless Code P applies. Also use this code for corrective distributions of excess deferrals, excess contributions, and excess aggregate contributions, unless Code P applies. See <i>Corrective Distributions</i> , earlier, and <i>IRA Revocation or Account Closure</i> , earlier, for more information.	1, 2, 4, B, J, or K
<b>9—Cost of current life insurance protection.</b>	Use Code 9 to report premiums paid by a trustee or custodian for current life or other insurance protection. See the instructions for box 2a, earlier, for more information.	None
<b>A—May be eligible for 10-year tax option.</b>	Use Code A only for participants born before January 2, 1936, or their beneficiaries to indicate the distribution may be eligible for the 10-year tax option method of computing the tax on lump-sum distributions (on Form 4972, Tax on Lump-Sum Distributions). To determine whether the distribution may be eligible for the tax option, you need not consider whether the recipient used this method (or capital gain treatment) in the past.	4 or 7
<b>B—Designated Roth account distribution.</b>	Use Code B for a distribution from a designated Roth account. But use Code E for a section 415 distribution under EPCRS (see Code E) or Code H for a direct rollover to a Roth IRA.	1, 2, 4, 7, 8, G, L, P, or U

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ... (if applicable)
<b>D—Annuity payments from nonqualified annuities and distributions from life insurance contracts that may be subject to tax under section 1411.</b>	Use Code D for a distribution from any plan or arrangement not described in sections 401(a), 403(a), 403(b), 408, 408A, or 457(b).	1, 2, 3, 4, or 7
<b>E—Distributions under Employee Plans Compliance Resolution System (EPCRS).</b>	See <i>Distributions Under Employee Plans Compliance Resolution System (EPCRS)</i> , earlier.	None
<b>F—Charitable gift annuity.</b>	See <i>Charitable gift annuities</i> , earlier.	None
<b>G—Direct rollover and direct payment.</b>	Use Code G for a direct rollover from a qualified plan, a section 403(b) plan, or a governmental section 457(b) plan to an eligible retirement plan (another qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA). See <i>Direct Rollovers</i> , earlier. Also use Code G for a direct payment from an IRA to an accepting employer plan, and for IRRs that are direct rollovers. <b>Note.</b> Do not use Code G for a direct rollover from a designated Roth account to a Roth IRA. Use Code H.	4, B, or K
<b>H—Direct rollover of a designated Roth account distribution to a Roth IRA.</b>	Use Code H for a direct rollover of a distribution from a designated Roth account to a Roth IRA.	4
<b>J—Early distribution from a Roth IRA.</b>	Use Code J for a distribution from a Roth IRA when Code Q or Code T does not apply. But use Code 2 for an IRS levy and Code 5 for a prohibited transaction.	8 or P
<b>K—Distribution of traditional IRA assets not having a readily available FMV.</b>	Use Code K to report distributions of IRA assets not having a readily available FMV. These assets may include: <ul style="list-style-type: none"> <li>• stock, other ownership interest in a corporation, short- or long-term debt obligations, not readily tradable on an established securities market;</li> <li>• ownership interest in a limited liability company (LLC), partnership, trust, or similar entity (unless the interest is traded on an established securities market);</li> <li>• real estate;</li> <li>• option contracts or similar products not offered for trade on an established option exchange; or</li> <li>• other asset that does not have a readily available FMV.</li> </ul>	1, 2, 4, 7, 8, or G
<b>L—Loans treated as deemed distributions under section 72(p).</b>	Do not use Code L to report a loan offset. See <i>Loans Treated as Distributions</i> , earlier.	1, 4, or B
<b>N—Recharacterized IRA contribution made for 2017.</b>	Use Code N for a recharacterization of an IRA contribution made for 2017 and recharacterized in 2017 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
<b>P—Excess contributions plus earnings/excess deferrals taxable in 2016.</b>	See the explanation for Code 8. The IRS suggests that anyone using Code P for the refund of an IRA contribution under section 408(d)(4), including excess Roth IRA contributions, advise payees, at the time the distribution is made, that the earnings are taxable in the year in which the contributions were made.	1, 2, 4, B, or J
<b>Q—Qualified distribution from a Roth IRA.</b>	Use Code Q for a distribution from a Roth IRA if you know that the participant meets the 5-year holding period and: <ul style="list-style-type: none"> <li>• The participant has reached age 59½,</li> <li>• The participant died, or</li> <li>• The participant is disabled.</li> </ul> <b>Note.</b> If any other code, such as 8 or P, applies, use Code J.	None
<b>R—Recharacterized IRA contribution made for 2016.</b>	Use Code R for a recharacterization of an IRA contribution made for 2016 and recharacterized in 2017 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
<b>S—Early distribution from a SIMPLE IRA in the first 2 years, no known exception.</b>	Use Code S only if the distribution is from a SIMPLE IRA in the first 2 years, the employee/taxpayer has not reached age 59½, and none of the exceptions under section 72(t) is known to apply when the distribution is made. The 2-year period begins on the day contributions are first deposited in the individual's SIMPLE IRA. Do not use Code S if Code 3 or 4 applies.	None
<b>T—Roth IRA distribution, exception applies.</b>	Use Code T for a distribution from a Roth IRA if you do not know if the 5-year holding period has been met but: <ul style="list-style-type: none"> <li>• The participant has reached age 59½,</li> <li>• The participant died, or</li> <li>• The participant is disabled.</li> </ul> <b>Note.</b> If any other code, such as 8 or P, applies, use Code J.	None
<b>U—Dividends distributed from an ESOP under section 404(k).</b>	Use Code U for a distribution of dividends from an employee stock ownership plan (ESOP) under section 404(k). These are not eligible rollover distributions. <b>Note.</b> Do <b>not</b> report dividends paid by the corporation directly to plan participants or their beneficiaries. Continue to report those dividends on Form 1099-DIV.	B
<b>W—Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.</b>	Use Code W for charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements which are excludable under section 72(e)(11) against the cash value of an annuity contract or the cash surrender value of a life insurance contract.	6
*See the first Caution for box 7 instructions, earlier.		

## **FORM 1099-PATR**

Form 1099-PATR, “Taxable Distributions Received from Cooperatives”, must be filed by a cooperative if:

- Paid \$10 or more in patronage dividends (as defined below) and other distributions described in Internal Revenue Code Section 6044(b); or
- Withheld federal income tax on patronage dividends and other distributions under the backup withholding rules regardless of the amount of payment.

A patronage dividend is a distribution from cooperatives that is passed through to their patrons. Include in boxes 6 – 10 the patron’s share of unused credits and deductions, including the Domestic Production Activities Deduction.

## **FORM 1099-LTC**

File Form 1099-LTC, “Long-Term Care and Accelerated Death Benefits”, if you pay any long-term care benefits, including accelerated death benefits. Payers include insurance companies, governmental units, and viatical settlement providers.

Long-term care benefits means:

- Any payments made under a product that is advertised, marketed, or offered as long-term care insurance (whether qualified or not); and
- Accelerated death benefits (excludable in whole or in part from gross income under section 101(g)) paid under a life insurance contract or paid by a viatical settlement provider.

### **Long-Term Care Benefits Paid:**

These benefits are all the amounts paid out on a per diem or other periodic basis or on a reimbursed basis. It includes amounts paid to the insured, to the policyholder, and to third parties. You are not required to determine whether any benefits are taxable or nontaxable.

### **Accelerated Death Benefits:**

An accelerated death benefit is any amount paid under a life insurance contract to or on behalf of an insured that is terminally or chronically ill. It also includes any amount paid by a viatical settlement provider for the sale or assignment of a death benefit under a life insurance contract.

## **FORM 1099-SA**

File Form 1099-SA, “Distributions from an HSA, Archer MSA or Medicare Advantage MSA”, to report distributions made from a HSA, Archer MSA or Medicare Advantage MSA (MA MSA). The distribution may have been paid directly to a medical service provider or to the account holder. A separate return must be filed for each plan type.

Excess employer contributions (and the earnings on them) withdrawn from employee HSA’s by the employer should not be reported as a distribution on form 1099-SA or as a contribution on Form 5498-A.

Qualified health savings accounts (HSA) distributions from flexible spending arrangements (FSA’s) may no longer be made.

## **FORM 1042-S**

Form 1042-S, “Foreign Person’s U.S. Source Income Subject to Withholding” is filed to report income subject to withholding paid to nonresident aliens, foreign partnerships, foreign corporations, or nonresident alien or foreign fiduciaries of estates or trusts. You must file a 1042-S even if you did not withhold tax because the income was exempt due to a U.S. tax treaty or the Code. This includes but not limited to certain interest, dividends, rents, compensation for services performed in the United States, premiums, annuities or other gains, profits, or income unless specifically exempted under the Internal Revenue Code or a tax treaty. IRS Publication 901 (U.S. Tax Treaties) is a useful tool in determining what withholding percentages or exemptions apply for particular countries.

If Form 1042-S is required, Form 1042-T Annual Summary and Transmittal of Forms 1042-S and Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, must also be filed.

## **FORM 1099-A**

File Form 1099-A, “Acquisition or Abandonment of Secured Property”, for each borrower if you lend money in connection with your trade or business and, in full or partial satisfaction of the debt, acquire an interest in the property that is security for the debt, or there is reason to know that the property has been abandoned. You need not be in the business of lending money to be subject to this reporting requirement.

If, in the same calendar year, you cancel a debt in connection with a foreclosure or abandonment of secured property, it is not necessary to file both Form 1099-A and Form 1099-C for the same debtor. You may file Form 1099-C only. You will meet the Form 1099-A filing requirement for the debtor by completing boxes 4, 5 and 7 on Form 1099-C. However, if you file both Forms 1099-A and 1099-C, do not complete boxes 4, 5 and 7 on Form 1099-C.

Property means any real property (such as a personal residence), any tangible property, and tangible personal property except:

- No reporting is required for tangible personal property (such as a car) held only for personal use. However you must file Form 1099-A, if the property is totally or partly held for use in a trade or business or for investment.
- No reporting is required if the property securing the loan is located outside the United States and the borrower has furnished the lender a statement, under penalties of perjury, that the borrower is an exempt foreign person (unless the lender knows the statement is false).

Truncating an individual’s identifying number is no longer available on Forms 1099-A or C. Complete nine digit numbers must now be reported.

## **FORM 1099-C**

File Form 1099-C, “Cancellation of Debt”, for each debtor for whom debt was canceled of \$600 or more only if: You are an entity described below and if an identifiable event has occurred. It does not matter whether the actual cancellation is on or before the date of the identifiable event. The creditor’s phone number must be provided in the creditor’s information box. Form 1099-C is not filed when fraudulent debt is canceled due to identity theft.

Codes for identifying the type of event or other actual discharge before an identifiable event that led to the issuance of Form 1099-C are required in Box 6.



File Form 1099-C if you are:

- A financial institution described in section 581 and 591(a) (such as a domestic bank, trust company, building and loan or savings and loan association).
- A credit union.
- Any of the following, its successor, or subunit of one of the following: Federal Deposit Insurance Corporation, Resolution Trust Corporation, National Credit Union Administration, any federal executive agency, including government corporations, any military department, U.S. Postal Service or Postal Rate Commission,
- a corporation that is a subsidiary of a financial institution or credit union,
- a federal government agency (including: department, agency, court or court administrative office, or an instrumentality in the judicial or legislative branch of the government), and
- an organization whose significant trade or business is the lending of money.

A debt is deemed canceled on the date an identifiable event occurs or, if earlier, the date of the actual discharge if you choose to file Form 1099-C for the year of cancellation. An identifiable event is:

- A discharge in bankruptcy under Title 11 of the U.S. Code for business or investment debt.
- A cancellation or extinguishment making the debt unenforceable in receivership or foreclosure.
- A cancellation or extinguishment when the statute of limitations of collecting the debt expires.
- A cancellation or extinguishment when the creditor elects foreclosure remedies that by law end or bar the creditor's rights to collect the debt.
- A cancellation or extinguishment due to probate or similar proceeding.
- A discharge of indebtedness under an agreement between the creditor and the debtor.
- A discharge of indebtedness because of a decision or a defined policy of the creditor to discontinue collection activity and cancel the debt.
- And the expiration of nonpayment testing period.

The titles of boxes 1, 2 and 6 on form 1099-C have changed. Box 1 is now Date of Identifiable Event; box 2 is now Amount of Debt Discharged; and box 6 is now Identifiable Event Code, and required the entry of a code for the identifiable event.

### **FORM 1099-B**

A broker or barter exchange must file Form 1099-B for each person for whom the broker:

- Sold (including short sales) stocks, bonds commodities, regulated futures contracts, foreign currency contracts, forward contracts, debt instruments, etc. for cash,
- Received cash, stock or other property from a corporation that the broker knows or has reason to know has had stock acquired in an acquisition of control or had a substantial change in capital structure reportable on Form 8806, or
- Exchanged property or services through a barter exchange.

A broker is any person who, in the ordinary course of a trade or business, stands ready to effect sales to be made by others, including an obligor that regularly issues and retires its own debt obligations, or a corporation that redeems its own stock. The reporting requirement for Form 1099-B has expanded greatly in recent years, including acquisition dates and cost basis reporting beginning in 2011. The IRS instructions should be reviewed for detailed information.

### **FORM 1099-K**

A payment settlement entity (PSE) must file Form 1099-K, Payment Card and Third-Party Network Transactions, for payments made in settlement of reportable payment transactions for each calendar year. A PSE makes a payment in settlement of a reportable payment transaction if the PSE submits the instruction to transfer funds to the account of the participating payee to settle the reportable payment transaction. Every PSE, which in any calendar year makes one or more payments in settlement of reportable payment transactions, must file a Form 1099-K reporting monthly transaction totals with respect to each participating payee for that calendar year.

### **FORM 1099-Q**

File Form 1099-Q, Payments From Qualified Education Programs (under Sections 529 and 530), if you (a) are an officer or an employee having control of a program established by a state or eligible educational institution; and (b) made a distribution from a qualified tuition program (QTP). A trustee of a Coverdell education savings account (ESA) must file Form 1099-Q to report distributions made from Coverdell ESAs.

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				1 Rents		OMB No. 1545-0115		<b>Miscellaneous Income</b>  <b>2016</b>  Form <b>1099-MISC</b>
				\$				
				2 Royalties				
				\$				<b>Copy A</b>  <b>For Internal Revenue Service Center</b>  <b>File with Form 1096.</b>  <b>For Privacy Act and Paperwork Reduction Act Notice, see the 2016 General Instructions for Certain Information Returns.</b>
				3 Other income		4 Federal income tax withheld		
				\$		\$		
PAYER'S federal identification number		RECIPIENT'S identification number		5 Fishing boat proceeds		6 Medical and health care payments		<b>For Privacy Act and Paperwork Reduction Act Notice, see the 2016 General Instructions for Certain Information Returns.</b>
				\$		\$		
RECIPIENT'S name				7 Nonemployee compensation		8 Substitute payments in lieu of dividends or interest		
Street address (including apt. no.)				\$		\$		
City or town, state or province, country, and ZIP or foreign postal code				9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		10 Crop insurance proceeds		
				\$		\$		
				11		12		
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>		2nd TIN not <input type="checkbox"/>		13 Excess golden parachute payments		
						\$		\$
15a Section 409A deferrals		15b Section 409A income		16 State tax withheld		17 State/Payer's state no.		18 State income
\$		\$		\$				\$

Form **1099-MISC**

Cat. No. 14425J

[www.irs.gov/form1099misc](http://www.irs.gov/form1099misc)

Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1a Total ordinary dividends		OMB No. 1545-0110	
		\$		2016	
		1b Qualified dividends			
		\$		Form 1099-DIV	
		2a Total capital gain distr.		2b Unrecap. Sec. 1250 gain	
		\$		\$	
PAYER'S federal identification number	RECIPIENT'S identification number	2c Section 1202 gain		2d Collectibles (28%) gain	
		\$		\$	
RECIPIENT'S name		3 Nondividend distributions		4 Federal income tax withheld	
		\$		\$	
Street address (including apt. no.)				5 Investment expenses	
		6 Foreign tax paid		\$	
City or town, state or province, country, and ZIP or foreign postal code		\$		7 Foreign country or U.S. possession	
		8 Cash liquidation distributions		9 Noncash liquidation distributions	
		\$		\$	
		10 Exempt-interest dividends		11 Specified private activity bond interest dividends	
		\$		\$	
Account number (see instructions)		2nd TIN not.	12 State	13 State identification no.	14 State tax withheld
		<input type="checkbox"/>			\$
					\$

## Dividends and Distributions

**Copy A**  
**For**  
**Internal Revenue**  
**Service Center**

File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the **2016 General Instructions for Certain Information Returns.**

Form 1099-DIV

Cat. No. 14415N

www.irs.gov/form1099div

Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112		<b>Interest Income</b>
		1 Interest income		<b>2016</b> Form <b>1099-INT</b>		
		\$				
PAYER'S federal identification number		RECIPIENT'S identification number		2 Early withdrawal penalty		<b>Copy A</b>
				\$		
				3 Interest on U.S. Savings Bonds and Treas. obligations		<b>For Internal Revenue Service Center</b>
				\$		
RECIPIENT'S name		4 Federal income tax withheld		5 Investment expenses		<b>File with Form 1096.</b>
		\$		\$		
Street address (including apt. no.)		6 Foreign tax paid		7 Foreign country or U.S. possession		<b>For Privacy Act and Paperwork Reduction Act Notice, see the 2016 General Instructions for Certain Information Returns.</b>
		\$				
City or town, state or province, country, and ZIP or foreign postal code		8 Tax-exempt interest		9 Specified private activity bond interest		
		\$		\$		
		10 Market discount		11 Bond premium		
		\$		\$		
		FATCA filing requirement		12 Bond premium on Treasury obligations		
		<input type="checkbox"/>		\$		
Account number (see instructions)		2nd TIN not.		13 Bond premium on tax-exempt bond		
				\$		
		14 Tax-exempt and tax credit bond CUSIP no.		15 State		16 State identification no.
				17 State tax withheld		
				\$		

Form **1099-INT**

Cat. No. 14410K

[www.irs.gov/form1099int](http://www.irs.gov/form1099int)

Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Original issue discount for 2016		OMB No. 1545-0117	
		\$		2016	
		2 Other periodic interest			
		\$		Form 1099-OID	
PAYER'S federal identification number		RECIPIENT'S identification number		3 Early withdrawal penalty	
				4 Federal income tax withheld	
				\$	
				5 Market discount	
				6 Acquisition premium	
RECIPIENT'S name				\$	
Street address (including apt. no.)				7 Description	
City or town, state or province, country, and ZIP or foreign postal code		8 Original issue discount on U.S. Treasury obligations			
		\$			
		FATCA filing requirement		9 Investment expenses	
		<input type="checkbox"/>		10 Bond premium	
				\$	
Account number (see instructions)		2nd TIN not.		11 State	
		<input type="checkbox"/>		12 State identification no.	
				13 State tax withheld	
				\$	
				\$	

**Original Issue Discount****Copy A****For Internal Revenue Service Center****File with Form 1096.**

For Privacy Act and Paperwork Reduction Act Notice, see the **2016 General Instructions for Certain Information Returns.**

Form **1099-OID**

Cat. No. 14421R

[www.irs.gov/form1099oid](http://www.irs.gov/form1099oid)

Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code			1 Gross distribution		OMB No. 1545-0119		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>  <b>Copy A</b> <b>For Internal Revenue Service Center</b>  <b>File with Form 1096.</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2016 General Instructions for Certain Information Returns.</b>	
			\$		<div style="font-size: 2em; font-weight: bold;">2016</div> Form <b>1099-R</b>			
			2a Taxable amount					
			\$					
			2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>			
PAYER'S federal identification number		RECIPIENT'S identification number		3 Capital gain (included in box 2a)		4 Federal income tax withheld		
				\$		\$		
RECIPIENT'S name				5 Employee contributions /Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		
				\$		\$		
Street address (including apt. no.)				7 Distribution code(s)		8 Other		
				IRA/SEP/SIMPLE <input type="checkbox"/>		\$ %		
City or town, state or province, country, and ZIP or foreign postal code				9a Your percentage of total distribution %		9b Total employee contributions		
				\$ %		\$		
10 Amount allocable to IRR within 5 years		11 1st year of desig. Roth contrib.		FATCA filing requirement <input type="checkbox"/>		12 State tax withheld		13 State/Payer's state no.
\$						\$		14 State distribution
								\$
Account number (see instructions)				15 Local tax withheld		16 Name of locality		17 Local distribution
				\$				\$
				\$				\$

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Patronage dividends	OMB No. 1545-0118  <b>2016</b>  Form <b>1099-PATR</b>
		\$	
		2 Nonpatronage distributions	
		\$	
		3 Per-unit retain allocations	
		\$	
PAYER'S federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld	
		\$	
RECIPIENT'S name		5 Redemption of nonqualified notices and retain allocations	6 Domestic production activities deduction
		\$	\$
Street address (including apt. no.)			7 Investment credit
			\$
City or town, state or province, country, and ZIP or foreign postal code		8 Work opportunity credit	9 Patron's AMT adjustment
		\$	\$
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	10 Other credits and deductions	
		\$	

**Taxable  
Distributions  
Received From  
Cooperatives**

**Copy A  
For  
Internal Revenue  
Service Center**  
  
**File with Form 1096.**  
For Privacy Act  
and Paperwork  
Reduction Act  
Notice, see the  
**2016 General  
Instructions for  
Certain Information  
Returns.**

Form **1099-PATR**

Cat. No. 14435F

[www.irs.gov/form1099patr](http://www.irs.gov/form1099patr)

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross long-term care benefits paid	OMB No. 1545-1519  <b>2016</b> Form <b>1099-LTC</b>	
		\$		
PAYER'S federal identification number		POLICYHOLDER'S identification number		INSURED'S taxpayer identification no.
		POLICYHOLDER'S name		
Street address (including apt. no.)		INSURED'S name		
City or town, state or province, country, and ZIP or foreign postal code		Street address (including apt. no.)		
City or town, state or province, country, and ZIP or foreign postal code		City or town, state or province, country, and ZIP or foreign postal code		
Account number (see instructions)	4 Qualified contract <input type="checkbox"/> (optional)	5 Check, if applicable: <input type="checkbox"/> Chronically ill <input type="checkbox"/> Terminally ill	Date certified	

**Long-Term Care and  
Accelerated Death  
Benefits**

**Copy A**  
**For**  
**Internal Revenue**  
**Service Center**  
**File with Form 1096.**  
For Privacy Act  
and Paperwork  
Reduction Act  
Notice, see the  
**2016 General**  
**Instructions for**  
**Certain**  
**Information**  
**Returns.**

Form **1099-LTC**

Cat. No. 23021Z

[www.irs.gov/form1099ltc](http://www.irs.gov/form1099ltc)

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TRUSTEE'S/PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		<div style="text-align: center;"> <b>2016</b>            Form <b>1099-SA</b> </div>		<b>Distributions From an HSA, Archer MSA, or Medicare Advantage MSA</b>
PAYER'S federal identification number	RECIPIENT'S identification number	<b>1</b> Gross distribution \$	<b>2</b> Earnings on excess cont. \$	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2016 General Instructions for Certain Information Returns.</b>
RECIPIENT'S name		<b>3</b> Distribution code	<b>4</b> FMV on date of death \$	
Street address (including apt. no.)		<b>5</b> HSA <input type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code				
Account number (see instructions)				

Form **1099-SA**

Cat. No. 38471D

[www.irs.gov/form1099sa](http://www.irs.gov/form1099sa)

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LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

OMB No. 1545-0877

2016

Form 1099-A

**Acquisition or  
Abandonment of  
Secured Property****Copy A****For  
Internal Revenue  
Service Center****File with Form 1096.**For Privacy Act  
and Paperwork  
Reduction Act  
Notice, see the  
**2016 General  
Instructions for  
Certain  
Information  
Returns.**

LENDER'S federal identification number

BORROWER'S identification number

**1** Date of lender's acquisition or  
knowledge of abandonment**2** Balance of principal  
outstanding

\$

BORROWER'S name

**3****4** Fair market value of property

\$

Street address (including apt. no.)

**5** If checked, the borrower was personally liable for repayment  
of the debt . . . . . ☐

City or town, state or province, country, and ZIP or foreign postal code

**6** Description of property

Account number (see instructions)

Form **1099-A**

Cat. No. 14412G

www.irs.gov/form1099a

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.			Applicable check box on Form 8949		OMB No. 1545-0715		<b>Proceeds From Broker and Barter Exchange Transactions</b>
					<b>2016</b> Form <b>1099-B</b>		
			1a Description of property (Example 100 sh. XYZ Co.)				<b>Copy A</b>  <b>For Internal Revenue Service Center</b>  <b>File with Form 1096.</b>   For Privacy Act and Paperwork Reduction Act Notice, see the <b>2016 General Instructions for Certain Information Returns.</b>
			1b Date acquired		1c Date sold or disposed		
PAYER'S federal identification number		RECIPIENT'S identification number		1d Proceeds	1e Cost or other basis		
				\$	\$		
				1f Accrued market discount	1g Wash sale loss disallowed		
				\$	\$		
RECIPIENT'S name			2 Short-term gain or loss <input type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>		3 Check if basis reported to IRS <input type="checkbox"/>		
Street address (including apt. no.)			4 Federal income tax withheld \$		5 Check if noncovered security <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code			6 Reported to IRS: Gross proceeds <input type="checkbox"/> Net proceeds <input type="checkbox"/>		7 Check if loss is not allowed based on amount in 1d <input type="checkbox"/>		
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>		8 Profit or (loss) realized in 2016 on closed contracts \$	9 Unrealized profit or (loss) on open contracts—12/31/2015 \$		
CUSIP number		FATCA filing requirement <input type="checkbox"/>		10 Unrealized profit or (loss) on open contracts—12/31/2016 \$	11 Aggregate profit or (loss) on contracts \$		
14 State name	15 State identification no.	16 State tax withheld		12 Check if proceeds from collectibles <input type="checkbox"/>	13 Bartering \$		
		\$					
		\$					

Form **1099-B**

Cat. No. 14411V

[www.irs.gov/form1099b](http://www.irs.gov/form1099b)

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CREDITOR'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Date of identifiable event	OMB No. 1545-1424  <b>2016</b>  Form <b>1099-C</b>
		2 Amount of debt discharged \$	
		3 Interest if included in box 2 \$	
CREDITOR'S federal identification number	DEBTOR'S identification number	4 Debt description	
DEBTOR'S name			
Street address (including apt. no.)		5 Check here if the debtor was personally liable for repayment of the debt . . . . . <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code			
Account number (see instructions)		6 Identifiable event code	7 Fair market value of property \$

## Cancellation of Debt

**Copy A**  
**For**  
**Internal Revenue**  
**Service Center**

**File with Form 1096.**  
For Privacy Act and  
Paperwork Reduction  
Act Notice, see the  
**2016 General**  
**Instructions for**  
**Certain Information**  
**Returns.**

Form **1099-C**

Cat. No. 26280W

www.irs.gov/form1099c

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FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		FILER'S federal identification no.		OMB No. 1545-2205	
		PAYEE'S taxpayer identification no.		<div style="font-size: 2em; font-weight: bold;">2016</div>	
		<b>1a</b> Gross amount of payment card/third party network transactions \$			
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input type="checkbox"/>		Form <b>1099-K</b>	
				<b>1b</b> Card Not Present transactions \$	
<b>2</b> Merchant category code		<b>3</b> Number of payment transactions		<b>4</b> Federal income tax withheld \$	
				<b>5a</b> January \$	
<b>5b</b> February \$		<b>5c</b> March \$		<b>5d</b> April \$	
				<b>5e</b> May \$	
<b>5f</b> June \$		<b>5g</b> July \$		<b>5h</b> August \$	
				<b>5i</b> September \$	
<b>5j</b> October \$		<b>5k</b> November \$		<b>5l</b> December \$	
				<b>6</b> State	
<b>7</b> State identification no.		<b>8</b> State income tax withheld \$		<b>9</b> State income tax withheld \$	

# Payment Card and Third Party Network Transactions

**Copy A**  
For  
Internal Revenue  
Service Center

File with Form 1096.

For Privacy Act  
and Paperwork  
Reduction Act  
Notice, see the  
**2016 General  
Instructions for  
Certain Information  
Returns.**

Form **1099-K**

Cat. No. 54118B

[www.irs.gov/form1099k](http://www.irs.gov/form1099k)

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FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Date of closing	OMB No. 1545-0997  <b>2016</b> Form <b>1099-S</b>	<b>Proceeds From Real Estate Transactions</b>
		2 Gross proceeds		
		\$		
FILER'S federal identification number	TRANSFEROR'S identification number	3 Address or legal description (including city, state, and ZIP code)		<b>Copy A</b> <b>For</b> <b>Internal Revenue</b> <b>Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2016 General Instructions for Certain Information Returns.</b>
TRANSFEROR'S name				
Street address (including apt. no.)				
City or town, state or province, country, and ZIP or foreign postal code				
Account or escrow number (see instructions)		4 Check here if the transferor received or will receive property or services as part of the consideration ► <input type="checkbox"/>	5 Buyer's part of real estate tax	
		\$		

Form **1099-S**

Cat. No. 64292E

[www.irs.gov/form1099s](http://www.irs.gov/form1099s)

Department of the Treasury - Internal Revenue Service

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PAYER'S/TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution	OMB No. 1545-1760  <b>2016</b> Form <b>1099-Q</b>	<b>Payments From Qualified Education Programs (Under Sections 529 and 530)</b>
		\$		
		2 Earnings		
		\$		
PAYER'S/TRUSTEE'S federal identification no.	RECIPIENT'S taxpayer identification no.	3 Basis	4 Trustee-to-trustee transfer <input type="checkbox"/>	<b>Copy A For Internal Revenue Service Center</b>  <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2016 General Instructions for Certain Information Returns.</b>
RECIPIENT'S name		5 Check one:	6 Check if the recipient is not the designated beneficiary <input type="checkbox"/>	
Street address (including apt. no.)		• Qualified tuition program— Private <input type="checkbox"/> <b>or</b> State <input type="checkbox"/> • Coverdell ESA <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code				
Account number (see instructions)				

Form **1099-Q**

Cat. No. 32223J

[www.irs.gov/form1099q](http://www.irs.gov/form1099q)

Department of the Treasury - Internal Revenue Service

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☐ **PRO-RATA BASIS REPORTING**

<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Chapter indicator. Enter "3" or "4"		<b>13e</b> Recipient's U.S. TIN, if any		
		<b>3a</b> Exemption code	<b>4a</b> Exemption code			
		<b>3b</b> Tax rate	<b>4b</b> Tax rate			
<b>5</b> Withholding allowance				<b>13f</b> Ch. 3 status code		
<b>6</b> Net income				<b>13g</b> Ch. 4 status code		
<b>7a</b> Federal tax withheld				<b>13h</b> Recipient's GIIN		
<b>7b</b> Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>				<b>13i</b> Recipient's foreign tax identification number, if any		
<b>8</b> Tax withheld by other agents				<b>13j</b> LOB code		
<b>9</b> Tax paid by withholding agent				<b>13k</b> Recipient's account number		
<b>10</b> Total withholding credit				<b>13l</b> Recipient's date of birth		
<b>11</b> Amount repaid to recipient				<b>14a</b> Primary Withholding Agent's Name (if applicable)		
<b>12a</b> Withholding agent's EIN				<b>14b</b> Primary Withholding Agent's EIN		
<b>12b</b> Ch. 3 status code		<b>12c</b> Ch. 4 status code		<b>15a</b> Intermediary or flow-through entity's EIN, if any		
				<b>15b</b> Ch. 3 status code		<b>15c</b> Ch. 4 status code
<b>12d</b> Withholding agent's name				<b>15d</b> Intermediary or flow-through entity's name		
<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)				<b>15e</b> Intermediary or flow-through entity's GIIN		
<b>12f</b> Country code		<b>12g</b> Foreign taxpayer identification number, if any		<b>15f</b> Country code		<b>15g</b> Foreign tax identification number, if any
<b>12h</b> Address (number and street)				<b>15h</b> Address (number and street)		
<b>12i</b> City or town, state or province, country, ZIP or foreign postal code				<b>15i</b> City or town, state or province, country, ZIP or foreign postal code		
<b>13a</b> Recipient's name		<b>13b</b> Recipient's country code		<b>16a</b> Payer's name		<b>16b</b> Payer's TIN
				<b>16c</b> Payer's GIIN		<b>16d</b> Ch. 3 status
<b>13c</b> Address (number and street)						<b>16e</b> Ch. 4 status code
<b>13d</b> City or town, state or province, country, ZIP or foreign postal code				<b>17a</b> State income tax withheld		<b>17b</b> Payer's state tax no.
						<b>17c</b> Name of state

**Click here to use the form.**

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☐ **PRO-RATA BASIS REPORTING**

<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Chapter indicator. Enter "3" or "4"		<b>13e</b> Recipient's U.S. TIN, if any		
		<b>3a</b> Exemption code	<b>4a</b> Exemption code			
		<b>3b</b> Tax rate	<b>4b</b> Tax rate			
<b>5</b> Withholding allowance				<b>13f</b> Ch. 3 status code		
<b>6</b> Net income				<b>13g</b> Ch. 4 status code		
<b>7a</b> Federal tax withheld				<b>13h</b> Recipient's GIIN		
<b>7b</b> Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>				<b>13i</b> Recipient's foreign tax identification number, if any		
<b>8</b> Tax withheld by other agents				<b>13j</b> LOB code		
<b>9</b> Tax paid by withholding agent				<b>13k</b> Recipient's account number		
<b>10</b> Total withholding credit				<b>13l</b> Recipient's date of birth		
<b>11</b> Amount repaid to recipient				<b>14a</b> Primary Withholding Agent's Name (if applicable)		
<b>12a</b> Withholding agent's EIN				<b>14b</b> Primary Withholding Agent's EIN		
<b>12b</b> Ch. 3 status code		<b>12c</b> Ch. 4 status code		<b>15a</b> Intermediary or flow-through entity's EIN, if any		
				<b>15b</b> Ch. 3 status code		<b>15c</b> Ch. 4 status code
<b>12d</b> Withholding agent's name				<b>15d</b> Intermediary or flow-through entity's name		
<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)				<b>15e</b> Intermediary or flow-through entity's GIIN		
<b>12f</b> Country code		<b>12g</b> Foreign taxpayer identification number, if any		<b>15f</b> Country code		
				<b>15g</b> Foreign tax identification number, if any		
<b>12h</b> Address (number and street)				<b>15h</b> Address (number and street)		
<b>12i</b> City or town, state or province, country, ZIP or foreign postal code				<b>15i</b> City or town, state or province, country, ZIP or foreign postal code		
<b>13a</b> Recipient's name				<b>16a</b> Payer's name		
		<b>13b</b> Recipient's country code		<b>16b</b> Payer's TIN		
<b>13c</b> Address (number and street)				<b>16c</b> Payer's GIIN		<b>16d</b> Ch. 3 status
						<b>16e</b> Ch. 4 status code
<b>13d</b> City or town, state or province, country, ZIP or foreign postal code				<b>17a</b> State income tax withheld		<b>17b</b> Payer's state tax no.
						<b>17c</b> Name of state

**Click here to use the form.**

(keep for your records)

Form **1042-S** (2016)

U.S. Income Tax Filing Requirements

Generally, every nonresident alien individual, nonresident alien fiduciary, and foreign corporation with United States income, including income that is effectively connected with the conduct of a trade or business in the United States, must file a United States income tax return. However, no return is required to be filed by a nonresident alien individual, nonresident alien fiduciary, or foreign corporation if such person was not engaged in a trade or business in the United States at any time during the tax year and if the tax liability of such person was fully satisfied by the withholding of United States tax at the source. Corporations file Form 1120-F; all others file Form 1040NR (or Form 1040NR-EZ if eligible). You may get the return forms and instructions at any United States Embassy or consulate or by writing to: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

En règle générale, tout étranger non-résident, tout organisme fidéicommissaire étranger non-résident et toute société étrangère percevant un revenu aux Etats-Unis, y compris tout revenu dérivé, en fait, du fonctionnement d'un commerce ou d'une affaire aux Etats-Unis, doit produire une déclaration d'impôt sur le revenu auprès des services fiscaux des Etats-Unis. Cependant aucune déclaration d'impôt sur le revenu n'est exigée d'un étranger non-résident, d'un organisme fidéicommissaire étranger non-résident, ou d'une société étrangère s'ils n'ont pris part à aucun commerce ou affaire aux Etats-Unis à aucun moment pendant l'année fiscale et si les impôts dont ils sont redevables, ont été entièrement acquittés par une retenue à la source sur leur salaire. Les sociétés doivent faire leur déclaration d'impôt en remplissant le formulaire 1120-F; tous les autres redevables doivent remplir le formulaire 1040NR (ou 1040NR-EZ s'ils en remplissent les conditions). On peut se procurer les formulaires de déclarations d'impôts et les instructions y afférentes dans toutes les Ambassades et tous les Consultats des Etats-Unis. L'on peut également s'adresser pour tout renseignement à: Internal Revenue Service, 1201 N. Mits

Por regla general, todo extranjero no residente, todo organismo fideicomisario extranjero no residente y toda sociedad anónima extranjera que reciba ingresos en los Estados Unidos, incluyendo ingresos relacionados con la conducción de un negocio o comercio dentro de los Estados Unidos, deberá presentar una declaración estadounidense de impuestos sobre el ingreso. Sin embargo, no se requiere declaración alguna a un individuo extranjero, una sociedad anónima extranjera u organismo fideicomisario extranjero no residente, si tal persona no ha efectuado comercio o negocio en los Estados Unidos durante el año fiscal y si la responsabilidad con los impuestos de tal persona ha sido satisfecha plenamente mediante retención del impuesto de los Estados Unidos en la fuente. Las sociedades anónimas envían el Formulario 1120-F; todos los demás contribuyentes envían el Formulario 1040NR (o el Formulario 1040NR-EZ si les corresponde). Se podrá obtener formularios e instrucciones en cualquier Embajada o Consulado de los Estados Unidos o escribiendo directamente a: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Im allgemeinen muss jede ausländische Einzelperson, jeder ausländische Bevollmächtigte und jede ausländische Gesellschaft mit Einkommen in den Vereinigten Staaten, einschliesslich des Einkommens, welches direkt mit der Ausübung von Handel oder Gewerbe innerhalb der Staaten verbunden ist, eine Einkommensteuererklärung der Vereinigten Staaten abgeben. Eine Erklärung, muss jedoch nicht von Ausländern, ausländischen Bevollmächtigten oder ausländischen Gesellschaften in den Vereinigten Staaten eingereicht werden, falls eine solche Person während des Steuerjahres kein Gewerbe oder Handel in den Vereinigten Staaten ausgeübt hat und die Steuerschuld durch Einbehaltung der Steuern der Vereinigten Staaten durch die Einkommensquelle abgegolten ist. Gesellschaften reichen den Vordruck 1120-F ein; alle anderen reichen das Formblatt 1040NR (oder wenn passend das Formblatt 1040NR-EZ) ein.

Eintrag in den Steuerunterlagen der Vereinigten Staaten eingeholt n sich bitte an: Internal ay, Bloomington, IL 61705-6613.

Click here to use the form.

Explanation of Codes

Box 1. Income code.

	Code	Types of Income
Interest	01	Interest paid by U.S. obligors—general
	02	Interest paid on real property mortgages
	03	Interest paid to controlling foreign corporations
	04	Interest paid by foreign corporations
	05	Interest on tax-free covenant bonds
	22	Interest paid on deposit with a foreign branch of a domestic corporation or partnership
	29	Deposit Interest
	30	Original issue discount (OID)
	31	Short-term OID
	33	Substitute payment—interest
Dividend	51	Interest paid on certain actively traded or publicly offered securities <sup>1</sup>
	06	Dividends paid by U.S. corporations—general
	07	Dividends qualifying for direct dividend rate
	08	Dividends paid by foreign corporations
	34	Substitute payment—dividends

Dividend	40	Other dividend equivalents under IRC section 871(m) (formerly 871(l))
	52	Dividends paid on certain actively traded or publicly offered securities <sup>1</sup>
	53	Substitute payments-dividends from certain actively traded or publicly offered securities <sup>1</sup>
Other	09	Capital gains
	10	Industrial royalties
	11	Motion picture or television copyright royalties
	12	Other royalties (e.g., copyright, software, broadcasting, endorsement payments)
	13	Royalties paid on certain publicly offered securities <sup>1</sup>
	14	Real property income and natural resources royalties
	15	Pensions, annuities, alimony, and/or insurance premiums
	16	Scholarship or fellowship grants
	17	Compensation for independent personal services <sup>2</sup>
	18	Compensation for dependent personal services <sup>2</sup>
	19	Compensation for teaching <sup>2</sup>

See back of Copy C for additional codes

<sup>1</sup> This code should only be used if the income paid is described in Regulations section 1.1441-6(c)(2) and withholding agent has reduced the rate of withholding under an income tax treaty without the recipient providing a U.S. or foreign TIN.  
<sup>2</sup> If compensation that otherwise would be covered under Income Codes 17 through 20 is directly attributable to the recipient's occupation as an artist or athlete, use Income Code 42 or 43 instead.

☐ **AMENDED**

☐ **PRO-RATA BASIS REPORTING**

<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Chapter indicator. Enter "3" or "4"		<b>13e</b> Recipient's U.S. TIN, if any		
		<b>3a</b> Exemption code	<b>4a</b> Exemption code			
		<b>3b</b> Tax rate	<b>4b</b> Tax rate			
<b>5</b> Withholding allowance				<b>13f</b> Ch. 3 status code		
<b>6</b> Net income				<b>13g</b> Ch. 4 status code		
<b>7a</b> Federal tax withheld				<b>13h</b> Recipient's GIIN		
<b>7b</b> Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>				<b>13i</b> Recipient's foreign tax identification number, if any		
<b>8</b> Tax withheld by other agents				<b>13j</b> LOB code		
<b>9</b> Tax paid by withholding agent				<b>13k</b> Recipient's account number		
<b>10</b> Total withholding credit				<b>13l</b> Recipient's date of birth		
<b>11</b> Amount repaid to recipient				<b>14a</b> Primary Withholding Agent's Name (if applicable)		
<b>12a</b> Withholding agent's EIN				<b>14b</b> Primary Withholding Agent's EIN		
<b>12b</b> Ch. 3 status code		<b>12c</b> Ch. 4 status code		<b>15a</b> Intermediary or flow-through entity's EIN, if any		
				<b>15b</b> Ch. 3 status code		<b>15c</b> Ch. 4 status code
<b>12d</b> Withholding agent's name				<b>15d</b> Intermediary or flow-through entity's name		
<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)				<b>15e</b> Intermediary or flow-through entity's GIIN		
<b>12f</b> Country code		<b>12g</b> Foreign taxpayer identification number, if any		<b>15f</b> Country code		<b>15g</b> Foreign tax identification number, if any
<b>12h</b> Address (number and street)				<b>15h</b> Address (number and street)		
<b>12i</b> City or town, state or province, country, ZIP or foreign postal code				<b>15i</b> City or town, state or province, country, ZIP or foreign postal code		
<b>13a</b> Recipient's name		<b>13b</b> Recipient's country code		<b>16a</b> Payer's name		<b>16b</b> Payer's TIN
				<b>16c</b> Payer's GIIN		<b>16d</b> Ch. 3 status
<b>13c</b> Address (number and street)						<b>16e</b> Ch. 4 status code
<b>13d</b> City or town, state or province, country, ZIP or foreign postal code				<b>17a</b> State income tax withheld		<b>17b</b> Payer's state tax no.
						<b>17c</b> Name of state

**Click here to use the form.**

**Explanation of Codes (continued)**

Other	20	Compensation during studying and training <sup>2</sup>
	23	Gross income—Other
	24	Real estate investment trust (REIT) distributions of capital gains
	25	Trust distributions subject to IRC section 1445
	26	Unsevered growing crops and timber distributions by a trust subject to IRC section 1445
	27	Publicly traded partnership distributions subject to IRC section 1446
	28	Gambling winnings <sup>3</sup>
	32	Notional principal contract income <sup>4</sup>
	35	Substitute payment—other
	36	Capital gains distributions
	37	Return of capital
	38	Eligible deferred compensation items subject to IRC section 877A(d)(1)
	39	Distributions from a nongrantor trust subject to IRC section 877A(f)(1)
	41	Guarantee of indebtedness
	42	Earnings as an artist or athlete—no central withholding agreement <sup>5</sup>
	43	Earnings as an artist or athlete—central withholding agreement <sup>5</sup>
	44	Specified Federal procurement payments
	50	Income previously reported under escrow procedure <sup>6</sup>
	54	Other income

Boxes 3a and 4a. Enter the amount of income reported in boxes 3b and 4b is 00.00).

Code	Authority for Exemption
<b>Chapter 3</b>	
01	Effectively connected income
02	Exempt under IRC (other than portfolio interest)
03	Income is not from U.S. sources

04	Exempt under tax treaty
05	Portfolio interest exempt under IRC
06	QI that assumes primary withholding responsibility
07	WFP or WFT
08	U.S. branch treated as U.S. Person
09	Territory FI treated as U.S. Person
10	QI represents that income is exempt
11	QSL that assumes primary withholding responsibility
12	Payee subjected to chapter 4 withholding

**Chapter 4**

13	Grandfathered payment
14	Effectively connected income
15	Payee not subject to chapter 4 withholding
16	Excluded nonfinancial payment
17	Foreign Entity that assumes primary withholding responsibility
18	U.S. Payees—of participating FFI or registered deemed-compliant FFI
19	Exempt from withholding under IGA <sup>7</sup>
20	Dormant account <sup>8</sup>
21	Excluded payment on offshore obligation
22	Excluded payments on Collateral <sup>9</sup>

**Type of Recipient, Withholding Agent, or Intermediary****Code  
Chapter 3 Status Codes**

04	Territory FI—not treated as U.S. Person
05	U.S. branch—treated as U.S. Person
06	U.S. branch—not treated as U.S. Person
07	U.S. branch—ECI presumption applied
08	Partnership other than Withholding Foreign Partnership
09	Withholding Foreign Partnership

See back of Copy D for additional codes

<sup>2</sup> If compensation that otherwise would be covered under Income Codes 17 through 20 is directly attributable to the recipient's occupation as an artist or athlete, use Income Code 42 or 43 instead.

<sup>3</sup> Subject to 30% withholding rate unless the recipient is from one of the treaty countries listed under *Gambling winnings (Income Code 28)* in Pub. 515.

<sup>4</sup> Use appropriate Interest Income Code for embedded interest in a notional principal contract.

<sup>5</sup> Income Code 43 should only be used if Letter 4492, Venue Notification has been issued by the Internal Revenue Service (otherwise use Income Code 42 for earnings as an artist or athlete). If Income Code 42 or 43 is used, Recipient Code 22 (artist or athlete) should be used instead of Recipient Code 16 (individual), 15 (corporation), or 08 (partnership other than withholding foreign partnership).

<sup>6</sup> Use only to report gross income the tax for which is being deposited in the current year because such tax was previously escrowed for chapters 3 and 4 and the withholding agent previously reported the gross income in a prior year and checked the box to report the tax as not deposited under the escrow procedure. See the instructions to this form for further explanation.

<sup>7</sup> Use only to report a U.S. reportable account or non-consenting U.S. account that is receiving a payment subject to chapter 3 withholding.

<sup>8</sup> Use only if applying the escrow procedure for dormant accounts under Regulations section 1.1471-4(b)(6). If tax was withheld and deposited under chapter 3, do not check the "tax not deposited with IRS pursuant to escrow procedure" box. You must instead check box 3 and complete box 3b.

<sup>9</sup> This code should only be used if the income paid is not subject to withholding under chapter 4 pursuant to Regulations section 1.1473-1(a)(4)(vii).

**Click here to use the form.**

☐ **AMENDED**

☐ **PRO-RATA BASIS REPORTING**

<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Chapter indicator. Enter "3" or "4"		<b>13e</b> Recipient's U.S. TIN, if any		
		<b>3a</b> Exemption code	<b>4a</b> Exemption code			
		<b>3b</b> Tax rate	<b>4b</b> Tax rate			
<b>5</b> Withholding allowance				<b>13f</b> Ch. 3 status code		
<b>6</b> Net income				<b>13g</b> Ch. 4 status code		
<b>7a</b> Federal tax withheld				<b>13h</b> Recipient's GIIN		
<b>7b</b> Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>				<b>13i</b> Recipient's foreign tax identification number, if any		
<b>8</b> Tax withheld by other agents				<b>13j</b> LOB code		
<b>9</b> Tax paid by withholding agent				<b>13k</b> Recipient's account number		
<b>10</b> Total withholding credit				<b>13l</b> Recipient's date of birth		
<b>11</b> Amount repaid to recipient				<b>14a</b> Primary Withholding Agent's Name (if applicable)		
<b>12a</b> Withholding agent's EIN				<b>14b</b> Primary Withholding Agent's EIN		
<b>12b</b> Ch. 3 status code		<b>12c</b> Ch. 4 status code		<b>15a</b> Intermediary or flow-through entity's EIN, if any		
				<b>15b</b> Ch. 3 status code		<b>15c</b> Ch. 4 status code
<b>12d</b> Withholding agent's name				<b>15d</b> Intermediary or flow-through entity's name		
<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)				<b>15e</b> Intermediary or flow-through entity's GIIN		
<b>12f</b> Country code		<b>12g</b> Foreign taxpayer identification number, if any		<b>15f</b> Country code		
				<b>15g</b> Foreign tax identification number, if any		
<b>12h</b> Address (number and street)				<b>15h</b> Address (number and street)		
<b>12i</b> City or town, state or province, country, ZIP or foreign postal code				<b>15i</b> City or town, state or province, country, ZIP or foreign postal code		
<b>13a</b> Recipient's name		<b>13b</b> Recipient's country code		<b>16a</b> Payer's name		
				<b>16b</b> Payer's TIN		
<b>13c</b> Address (number and street)				<b>16c</b> Payer's GIIN		
				<b>16d</b> Ch. 3 status		<b>16e</b> Ch. 4 status code
<b>13d</b> City or town, state or province, country, ZIP or foreign postal code				<b>17a</b> State income tax withheld		
				<b>17b</b> Payer's state tax no.		<b>17c</b> Name of state

**Click here to use the form.**

## Explanation of Codes (continued)

- 10 Trust other than Withholding Foreign Trust
- 11 Withholding Foreign Trust
- 12 Qualified Intermediary
- 13 Qualified Securities Lender—Qualified Intermediary
- 14 Qualified Securities Lender—Other
- 15 Corporation
- 16 Individual
- 17 Estate
- 18 Private Foundation
- 19 Government or International Organization
- 20 Tax Exempt Organization (Section 501(c) entities)
- 21 Unknown Recipient
- 22 Artist or Athlete
- 23 Pension
- 24 Foreign Central Bank of Issue
- 25 Nonqualified Intermediary
- 26 Hybrid entity making Treaty Claim
- 34 U.S. Withholding Agent—Foreign branch of FI

### Pooled Reporting Codes<sup>10</sup>

- 27 Withholding Rate Pool—General
- 28 Withholding Rate Pool—Exempt Organization
- 29 PAI Withholding Rate Pool—General
- 30 PAI Withholding Rate Pool—Exempt Organization
- 31 Agency Withholding Rate Pool—General
- 32 Agency Withholding Rate Pool—Exempt Organization
- 33 Joint account

### Chapter 4 Status Codes

- 01 U.S. Withholding Agent—FI
- 02 U.S. Withholding Agent—Other
- 03 Territory FI—not treated as U.S. Person
- 04 Territory FI—treated as U.S. Person
- 05 Participating FFI—Other
- 06 Participating FFI—Reporting Model 2 FFI
- 07 Registered Deemed-Compliant FFI—Reporting Model 1 FFI
- 08 Registered Deemed-Compliant FFI—Sponsored Entity
- 09 Registered Deemed-Compliant FFI—Other
- 10 Certified Deemed-Compliant FFI—Other
- 11 Certified Deemed-Compliant FFI—FFI with Low Value Accounts
- 12 Certified Deemed-Compliant FFI—Non-Registering Local Bank
- 13 Certified Deemed-Compliant FFI—Sponsored Entity
- 14 Certified Deemed-Compliant FFI—Investment Advisor or Investment Manager
- 15 Nonparticipating FFI
- 16 Owner-Documented FFI
- 17 Limited Branch treated as Nonparticipating FFI
- 18 Limited FFI treated as Nonparticipating FFI
- 19 Passive NFFE identifying Substantial U.S. Owners
- 20 Passive NFFE with no Substantial U.S. Owners

- 21 Publicly Traded NFFE or Affiliate of Publicly Traded NFFE
- 22 Active NFFE
- 23 Individual
- 24 Section 501(c) Entities
- 25 Excepted Territory NFFE
- 26 Excepted NFFE — Other
- 27 Exempt Beneficial Owner
- 28 Entity Wholly Owned by Exempt Beneficial Owners
- 29 Unknown Recipient
- 30 Recalcitrant Account Holder
- 31 Nonreporting IGA FFI
- 32 Direct reporting NFFE
- 33 U.S. reportable account
- 34 Non-consenting U.S. account
- 35 Sponsored direct reporting NFFE
- 36 Excepted Inter-affiliate FFI
- 37 Undocumented Preexisting Obligation
- 38 U.S. Branch—ECI presumption applied
- 39 Account Holder of Excluded Financial Account<sup>11</sup>
- 40 Passive NFFE reported by FFI<sup>12</sup>
- 41 NFFE subject to 1472 withholding
- 50 U.S. Withholding Agent—Foreign branch of FI

### Pooled Reporting Codes

- 42 Recalcitrant Pool—U.S. Persons
- 43 Recalcitrant Pool—U.S. Persons
- 44 Recalcitrant Pool—U.S. Persons
- 45 Recalcitrant Pool—U.S. Persons
- 46 Recalcitrant Pool—Passive NFFEs
- 47 Nonparticipating FFI Pool
- 48 U.S. Payees Pool
- 49 QI-Recalcitrant Pool—General<sup>13</sup>

**Box 13 j. LOB Code (enter the code that best describes the applicable limitation on benefits (LOB) category that qualifies the taxpayer for the requested treaty benefits).**

LOB Code	LOB Treaty Category
01	Individual
02	Government – contracting state/political subdivision/local authority
03	Tax exempt pension trust/Pension fund
04	Tax exempt/Charitable organization
05	Publicly-traded corporation
06	Subsidiary of publicly-traded corporation
07	Company that meets the ownership and base erosion test
08	Company that meets the derivative benefits test
09	Company with an item of income that meets the active trade or business test
10	Discretionary determination
11	Other

<sup>10</sup> These codes should only be used by a QI, QSL, WP, or WT.

<sup>11</sup> This code should only be used if income is paid to an account that is excluded from the definition of financial account under Regulations section 1.1471-5(b)(2) or under Annex II of the applicable Model 1 IGA or Model 2 IGA.

<sup>12</sup> This code should only be used when the withholding agent has received a certification on the FFI withholding statement of a participating FFI or registered deemed-compliant FFI that maintains the account that the FFI has reported the account held by the passive NFFE as a U.S. account (or U.S. reportable account) under its FATCA requirements. The withholding agent must report the name and GIIN of such FFI in boxes 15d and 15e.

<sup>13</sup> This code should only be used by a withholding agent that is reporting a payment (or portion of a payment) made to a QI with respect to the QI's recalcitrant account holders.

Form **1042-S**Department of the Treasury  
Internal Revenue Service**Foreign Person's U.S. Source Income Subject to Withholding**► Information about Form 1042-S and its separate instructions is at [www.irs.gov/form1042s](http://www.irs.gov/form1042s).**2016**

OMB No. 1545-0096

**Copy E**  
for Withholding Agent☐**AMENDED**☐**PRO-RATA BASIS REPORTING**

<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Chapter indicator. Enter "3" or "4"		<b>13e</b> Recipient's U.S. TIN, if any		
		<b>3a</b> Exemption code	<b>4a</b> Exemption code			
		<b>3b</b> Tax rate	<b>4b</b> Tax rate			
<b>5</b> Withholding allowance				<b>13f</b> Ch. 3 status code		
<b>6</b> Net income				<b>13g</b> Ch. 4 status code		
<b>7a</b> Federal tax withheld				<b>13h</b> Recipient's GIIN		
<b>7b</b> Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>				<b>13i</b> Recipient's foreign tax identification number, if any		
<b>8</b> Tax withheld by other agents				<b>13j</b> LOB code		
<b>9</b> Tax paid by withholding agent				<b>13k</b> Recipient's account number		
<b>10</b> Total withholding credit				<b>13l</b> Recipient's date of birth		
<b>11</b> Amount repaid to recipient				<b>14a</b> Primary Withholding Agent's Name (if applicable)		
<b>12a</b> Withholding agent's EIN				<b>14b</b> Primary Withholding Agent's EIN		
<b>12b</b> Ch. 3 status code		<b>12c</b> Ch. 4 status code		<b>15a</b> Intermediary or flow-through entity's EIN, if any		
				<b>15b</b> Ch. 3 status code		<b>15c</b> Ch. 4 status code
<b>12d</b> Withholding agent's name				<b>15d</b> Intermediary or flow-through entity's name		
<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)				<b>15e</b> Intermediary or flow-through entity's GIIN		
<b>12f</b> Country code		<b>12g</b> Foreign taxpayer identification number, if any		<b>15f</b> Country code		<b>15g</b> Foreign tax identification number, if any
<b>12h</b> Address (number and street)				<b>15h</b> Address (number and street)		
<b>12i</b> City or town, state or province, country, ZIP or foreign postal code				<b>15i</b> City or town, state or province, country, ZIP or foreign postal code		
<b>13a</b> Recipient's name				<b>16a</b> Payer's name		<b>16b</b> Payer's TIN
<b>13b</b> Recipient's country code				<b>16c</b> Payer's GIIN		<b>16d</b> Ch. 3 status
<b>13c</b> Address (number and street)						<b>16e</b> Ch. 4 status code
<b>13d</b> City or town, state or province, country, ZIP or foreign postal code				<b>17a</b> State income tax withheld		<b>17b</b> Payer's state tax no.
						<b>17c</b> Name of state

**Click here to use the form.**Form **1042-S** (2016)



DO NOT STAPLE

Form <b>1042-T</b> Department of the Treasury Internal Revenue Service	<b>Annual Summary and Transmittal of Forms 1042-S</b>		OMB No. 1545-0096	
			<b>2016</b>	
Name of withholding agent		Ch. 4 Status Code <input type="checkbox"/>	Employer identification number	
		Ch. 3 Status Code <input type="checkbox"/>		
Number, street, and room or suite no.				
City or town, state or province, country, and ZIP or foreign postal code				
<p><b>1</b> Type of paper Forms 1042-S attached:</p> <p><b>a</b> Choose only one: <input type="checkbox"/> Chapter 4 or Chapter 3 (enter 4 or 3)</p> <p><b>b</b> Check only one box: <input type="checkbox"/> Original <input type="checkbox"/> Amended</p> <p><b>c</b> Check if pro-rata <input type="checkbox"/></p> <p><b>d</b> Enter the number of paper Forms 1042-S attached <input type="text"/></p> <p><b>2</b> Total gross income reported on all paper Forms 1042-S (box 2) attached . . . . . \$ <input type="text"/></p> <p><b>3</b> Total federal tax withheld . . . . .</p> <div style="border: 1px solid black; padding: 10px; text-align: center; margin: 10px auto; width: 60%;">Click here to use the form.</div> <p><b>a</b> Total federal tax withheld under Chapter 4 . . . . . \$ <input type="text"/></p> <p><b>b</b> Total federal tax withheld under Chapter 3 . . . . . \$ <input type="text"/></p> <p><b>Caution:</b> If you have already filed a Form 1042 and an attached Form 1042-S causes the gross income or tax withheld information shown on your previously filed Form 1042 to change, you must file an amended Form 1042. See the instructions on page 2.</p> <p style="text-align: right;">If this is your FINAL return, enter an "X" here (see instructions) <input type="checkbox"/></p>				

**Please return this entire page to the Internal Revenue Service.**

**Sign Here** Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Your signature

Title

Date

Daytime phone number

For more information and the Privacy Act and Paperwork Reduction Act Notice, see Form 1042-S.

Cat. No. 28848W

Form **1042-T** (2016)

**Application for Extension of Time  
To File Information Returns****(For Forms W-2, W-2G, 1042-S, 1094-C, 1095, 1097, 1098, 1099, 3921, 3922, 5498, and 8027)**

OMB No. 1545-1081

► **This form may be filled out online.** See *How to file* below.**Do not** use this form to request an extension of time to (1) file Form 1040 (use Form 4868), (2) file Form 1042 (use Form 7004), or (3) furnish statements to recipients (see Extensions under part M in the General Instructions for Certain Information Returns).**1** Payer's/filer's information. **Type or print clearly in black ink.**

Payer's/filer's name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Contact name \_\_\_\_\_ Telephone number \_\_\_\_\_

Email address \_\_\_\_\_

**3** Check your method of filing information returns (check only one box). Use a separate Form 8809 for each method.☐ electronic ☐ paper**4** If you are requesting an extension for more than one payer/filer, enter the total number of payers/filers and attach a list of names and taxpayer identification numbers. See *How to file* below for details. ►**2** Taxpayer identification number (TIN)  
(Enter the payer/filer nine-digit number.  
Do not enter hyphens.)  
\_\_\_\_\_  
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\_\_\_\_\_**5** Check this box **only** if you already requested the automatic extension and you now need an **additional** extension. See instructions. ► ☐**6** Check **only** the box(es) that apply. **Do not** enter the number of returns.

Form(s)					✓ here
W-2	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <b>Click here to use the form.</b> </div>				
1097, 1098, 1099, 3921, 3922, W-2G					
<b>1099-MISC NEC reporting only</b>					
1042-S					
	5498-ESA		1094-C, 1095-C		
	5498-QA		1095-B		
	5498-SA				

**7** If you are requesting an extension for Form W-2, or if you checked the box on line 5, you must provide a detailed explanation of why you need an extension or an additional extension of time. If you need more space, attach additional sheets. Include the filer name and taxpayer identification number on each additional page.

Under penalties of perjury, I declare that I have examined this form, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature ► \_\_\_\_\_

Title ► \_\_\_\_\_

Date ► \_\_\_\_\_

**General Instructions****Purpose of form.** Use Form 8809 to request an initial or additional extension of time to file only the forms shown in line 6 for the current tax year.**Note:** Extension requests for Forms 1099-QA and 5498-QA must be submitted only on paper.**Who should file.** Payers/filers who need more time to file information returns with the IRS should file this form before the filing due date. See *When to file*, later.**How to file.** Extensions may be requested.*There are no automatic extension requests for Form W-2. Requests must be in writing and signed by the filer/transmitter or a person who is duly authorized to sign a return.*

- Online by completing a fill-in Form 8809 through the FIRE system at <https://fire.irs.gov> for an automatic 30-day extension (not available for Form W-2). Acknowledgements are automatically displayed online if the request is made by the due date of the return.

- Electronically through the FIRE system in a file formatted according to the specifications in Pub. 1220.

- On paper Form 8809. Mail the form to the address shown in *Where to file*, later, or fax it to 1-877-477-0572 (toll free). You are encouraged to submit your request via the online fill-in form.

**Where to file.** Send Form 8809 to:
 Internal Revenue Service  
 Attn: Extension of Time Coordinator  
 240 Murall Drive, Mail Stop 4360  
 Kearneysville, WV 25430
**Need help?** If you have questions about Form 8809, call the IRS toll free at 1-866-455-7438 or 304-263-8700 (not toll free). Persons with a hearing or speech disability with access to TTY/TDD equipment can call 304-579-4827 (not toll free).Also, see Pub. 1220 and Pub. 1187. For additional information, see Topic 803, Waivers and Extensions, at [www.irs.gov/taxtopics](http://www.irs.gov/taxtopics).**Note:** Specifications for filing Forms W-2, Wage and Tax Statement, electronically are only available from the Social Security Administration (SSA). Call 1-800-772-6270 for more information or visit the SSA's Employer W-2 Filing Instructions & Information page at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer).

**When to file.** File Form 8809 as soon as you know an extension of time to file is necessary, but not before January 1 of the filing year. Form 8809 must be filed by the due date of the returns. See the chart below that shows the due dates for filing this form on paper or electronically. Payers/filers of Form W-2 whose business has terminated should see *Terminating a business* in the *Special Reporting Situations for Form W-2* section of the General Instructions for Forms W-2 and W-3 to request an extension.

If you are requesting an extension of time to file several types of forms, you may use one Form 8809, but you must file Form 8809 by the earliest due date. For example, if you are requesting an extension of time to file both Forms 1098 and 5498, you must file Form 8809 by February 28 (March 31 if you file electronically). You may complete more than one Form 8809 to avoid this problem. An extension cannot be granted if a request is filed after the filing due date of the information returns.



**CAUTION** If you plan to file Form 1099-MISC reporting **nonemployee compensation (NEC)** payments in box 7, you must request an extension no later than **January 31**.

The due dates for filing Form 8809 are shown below.

IF you file Form(s) . . .	ON PAPER, then the due date is . . .	ELECTRONICALLY, then the due date is . . .
<b>W-2</b>	<b>January 31</b>	<b>January 31</b>
W-2G	February 28	March 31
1042-S	March 15	March 15
1094-C	February 28	March 31
1095		
1097		
1098		
1099	February 28	March 31
<b>1099-MISC (NEC only)</b>	<b>January 31</b>	<b>January 31</b>
3921	February 28	March 31
3922	February 28	March 31
5498	May 31	May 31
8027	Last day of February	March 31

If any due date falls on a Saturday, Sunday, or legal holiday, file by the next business day.

**Note:** File your information returns as soon as they are ready and do not send a copy of Form 8809 or any letters with the returns you file (see exception below).

**Exception.** When filing Form 8027 on paper only, attach a copy of your timely filed Form 8809.

**Extension period.** The automatic extension (if available) is 30 days from the original due date. If you receive an automatic extension, you may request one additional extension of not more than 30 days by submitting a second Form 8809 before the end of the first extension period (see *Line 5*, later). Only one extension of time to file Form W-2 is available. Requests for additional extensions of time to file information returns, and requests for extensions of time to file Form W-2, are not automatically granted. Generally, such requests are granted only where it is shown that extenuating circumstances prevented filing by the due date of the return (determined with regard to the automatic extension, if applicable).

**Note:** The automatic extension of time to file and any approved requests for additional time will only extend the due date for filing the information returns with the IRS. It does not extend the due date for furnishing statements to recipients.

**Penalty.** Payers/filers may be subject to a late filing penalty if required information returns are filed late and you have not applied for and received an approved extension of time to file. The amount of the penalty is based on when you file the correct information return. For more information on penalties, see part O in the General Instructions for Certain Information Returns, and *Penalties* in the Instructions for Form 1042-S, the Instructions for Form 8027, and the General Instructions for Forms W-2 and W-3.

## Specific Instructions

**Line 1.** Enter the payer's/filer's name and complete mailing address, including room or suite number of the filer requesting the extension of time. Use the name and address where you want correspondence sent. For example, if you are a preparer and want to receive correspondence, enter your client's complete name, care of (c/o) your firm, and your complete mailing address.



**CAUTION** The legal name and TIN on your extension request must be exactly the same as the name you provided when you applied for your EIN using Form SS-4, the Online Internet EIN Application, or the EIN Toll-Free Telephone Service. If a name change has been submitted to the IRS, supply the current legal name and TIN. Do not use abbreviations.

Enter the name of someone who is familiar with this request whom the IRS can contact if additional information is required. Please provide your telephone number and email address.

**Line 2.** Enter the payer's/filer's nine-digit employer identification number (EIN) or qualified intermediary employer identification number (QI-EIN). If you are not required to have an EIN or QI-EIN, enter your social security number. Do not enter hyphens.

**Line 5.** Check this box only if you have already received the automatic 30-day extension, and you need an additional extension for the same year for the same forms. Do not check this box unless you requested an original extension.

If you check this box, be sure to complete line 7.

**Signature.** No signature is required for the automatic 30-day extension (not available for Form W-2). For an additional extension or to request an extension for Form W-2, Form 8809 must be signed by a person authorized to sign a

**Click here to use the form.**

**Notice.** We ask for the

information on this form to carry out the Internal Revenue laws of the United States. We use this information to determine if you qualify for an extension of time to file information returns. You are not required to request an extension of time to file; however, if you request an extension, sections 6081 and 6109 and their regulations require you to provide this information, including your identification number. Failure to provide this information may delay or prevent processing your request; providing false or fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . . . 4 hr., 4 min.  
**Learning about the law or the form** . . . . . 18 min.  
**Preparing and sending the form to the IRS** . . . . . 22 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [www.irs.gov/formspubs](http://www.irs.gov/formspubs). Click on *More Information* and then click on *Give us feedback*. Or you can send your comments to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send the form to this address. Instead, see *Where to file*, earlier.

## Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	<b>2</b> Business name/disregarded entity name, if different from above	
	<b>3</b> Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	<b>5</b> Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	<b>6</b> City, state, and ZIP code	
<b>7</b> List account number(s) here (optional)		

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in your name, then you must enter the information on this form and then check **box 4** for the guidelines on whose number to enter.

Social security number									

or

Employer identification number									

[Click here to use the form.](#)

### Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

#### Nonresident alien who becomes a U.S. resident alien

alien individual may use the tax treaty exemption from tax on certain types of income. However, a "saving clause." Exception

exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

## What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement or certification, you may be subject to a civil penalty of \$1,000 per false statement or certification, plus no backup withholding,

falsifying certifications or withholding fines and/or

implementation.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note. ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Click here to use the form.**



**Line 2**

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

**Line 3**

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

**Limited Liability Company (LLC).** If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

**Line 4, Exemptions**

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A trust exempt from tax under section 664 or described in section 4947(a)(1) or section 457(g) plan

**Note.** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Click here to use the form.**

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number

For this type of account:	
1. Individual	The individual <sup>1</sup>
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup> The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor <sup>4</sup>
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

**\*Note.** Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Phishing schemes.** Phishing is the use of electronic communication to mimic legitimate business and solicit sensitive information. It often involves sending an email to a user falsely claiming to be from a legitimate business in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

## **POINTS TO REMEMBER**

1. Furnish (postmark) statements to recipients by January 31, 2017 (February 15 for Forms 1099-B, 1099-S and 1099-MISC if amounts are reported in Boxes 8 or 14), including the Fair Market Value of an IRA or contributions to an education IRA.
2. File (postmark) Forms 1099-MISC which include reporting in Box 7 with the IRS by January 31, 2017. Other Forms 1098, 1099, 3921, 3922, W-2G can be filed with the IRS by February 28, 2017 or electronically by March 31, 2017.
3. File (postmark) Form 5498, 5498-ESA, or 5498-SA with the IRS and furnish (postmark) IRA contribution information to participants by May 31, 2017.
4. Government approved forms must be used for Copy A paper filed with the Internal Revenue Service. Submit a separate Form 1096 for each type of information return that you file.
5. You may submit originals and corrections together with one Form 1096.
6. Insure that the filer information on Form 1096 is the same as the filer information on Forms 1099, 1098, 3921, 3922 and 5498. Filer information includes name, address, and tax identification number of the person or company filing the 1096.
7. If you are required to submit an information return, you must provide that person's TIN on the return. A penalty will be charged to those who cannot demonstrate that they made a proper attempt to obtain correct numbers. Use Form W-9 to request a TIN from a payee. Proper matching of a TIN and name is important. When using a SSN the individual's name must be reported as the recipient's name, when reporting to a TIN the entities name must be used as the recipient's name to prevent future correspondence from the IRS.
8. Electronic Filing
  - a. If you file more than 250 information returns, you must file electronically.
  - b. Each information return is viewed as a separate return to determine whether you need to file electronically.
  - c. To receive approval to file electronically, complete Form 4419 "Application for Filing Information Returns Electronically (FIRE)", at least 30 days before the due date of the returns. The form only needs to be filed one time for all information returns.
  - d. If filing electronically would cause an undue hardship, it is possible to get a waiver. Submit Form 8508 "Request for Waiver from Filing Information Returns Electronically" at least 45 days before the due date of the returns. If approved, it would allow you to file your information returns on paper. You cannot apply for a waiver for more than one year at a time.
9. 1099s required recipients are for the following different types of entities:
  - A. Sole Proprietors – Yes
  - B. Partnerships – Yes
  - C. Corporations – No (except for, but not limited to attorneys' fees and medical and health care payments)
  - D. LLP – Yes
  - E. LLC – Depends on if the company is filing taxes as a corporation or as a partnership. This information can be obtained from Form W-9.
  - F. Tax Exempt Entities – No



**Guide to Information Returns (If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)**

Form	Title	What To Report	Amounts To Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	Income such as interest, dividends, royalties, pensions and annuities, etc., and amounts withheld under Chapter 3. Also, distributions of effectively connected income by publicly traded partnerships or nominees.	See form instructions	March 15	March 15
1097-BTC	Bond Tax Credit	Tax credit bond credits to shareholders.	All amounts	February 28*	On or before the 15th day of the 2nd calendar month after the close of the calendar month in which the credit is allowed
1098	Mortgage Interest Statement	Mortgage interest (including points) and certain mortgage insurance premiums you received in the course of your trade or business from individuals and reimbursements of overpaid interest.	\$600 or more	February 28*	(To Payer/Borrower) January 31
1098-C	Contributions of Motor Vehicles, Boats, and Airplanes	Information regarding a donated motor vehicle, boat, or airplane.	Gross proceeds of more than \$500	February 28*	(To Donor) 30 days from date of sale or contribution
1098-E	Student Loan Interest Statement	Student loan interest received in the course of your trade or business.	\$600 or more	February 28*	January 31
1098-MA	Mortgage Assistance Payments	Assistance payments paid to homeowners from funds allocated from the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund) or the Emergency Homeowners' Loan Program.	All amounts	February 28*	January 31
1098-Q	Qualifying Longevity Annuity Contract Information	Status of a contract that is intended to be a qualifying longevity annuity contract (QLAC), defined in section A-17 of 1.401(a)(9)-6, that is purchased or held under any plan, annuity, or account described in section 401(a), 403(a), 403(b), or 408 (other than a Roth IRA) or eligible governmental plan under section 457(b).	All amounts	February 28	January 31
1098-T	Tuition Statement	Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).	See instructions	February 28*	January 31
1099-A	Acquisition or Abandonment of Secured Property	Information about the acquisition or abandonment of property that is security for a debt for which you are the lender.	All amounts	February 28*	(To Borrower) January 31
1099-B	Proceeds From Broker and Barter Exchange Transactions	Sales or redemptions of securities, futures transactions, commodities, and barter exchange transactions (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)).	All amounts	February 28*	February 15**
1099-C	Cancellation of Debt	Cancellation of a debt owed to a financial institution, the Federal Government, a credit union, RTC, FDIC, NCUA, a military department, the U.S. Postal Service, the Postal Rate Commission, or any organization having a significant trade or business of lending money.	\$600 or more	February 28*	January 31
1099-CAP	Changes in Corporate Control and Capital Structure	Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.	Over \$1,000	February 28*	(To Shareholders) January 31
1099-DIV	Dividends and Distributions	Distributions, such as dividends, capital gain distributions, or nontaxable distributions, that were paid on stock and liquidation distributions (including distributions reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)).	\$10 or more, except \$600 or more for liquidations	February 28*	January 31**
1099-G	Certain Government Payments	Unemployment compensation, state and local income tax refunds, agricultural payments, and taxable grants.	\$10 or more for refunds and unemployment	February 28*	January 31
1099-INT	Interest Income	Interest income (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)); market discount subject to an election under section 1278(b).	\$10 or more (\$600 or more in some cases)	February 28*	January 31**
1099-K	Payment Card and Third Party Network Transactions	Payment card transactions.	All amounts	February 28*	January 31
		Third party network transactions.	\$20,000 or more and 200 or more transactions		

\*The due date is March 31 if filed electronically.

\*\*The due date is March 15 for reporting by trustees and middlemen of WHFITs.

## Guide to Information Returns (Continued)

Form	Title	What To Report	Amounts To Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1099-LTC	Long-Term Care and Accelerated Death Benefits	Payments under a long-term care insurance contract and accelerated death benefits paid under a life insurance contract or by a viatical settlement provider.	All amounts	February 28*	January 31
1099-MISC	Miscellaneous Income  (Also, use to report direct sales of \$5,000 or more of consumer goods for resale.)	Rent or royalty payments; prizes and awards that are not for services, such as winnings on TV or radio shows (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)).	\$600 or more, except \$10 or more for royalties	February 28* <b>Note:</b> If any payments for nonemployee compensation are reported in box 7, the due date is January 31.	January 31**
		Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch.	All amounts		
		Section 409A income from nonqualified deferred compensation plans (NQDCs).	All amounts		
		Payments to a physician, physicians' corporation, or other supplier of health and medical services. Issued mainly by medical assistance programs or health and accident insurance plans.	\$600 or more		
		Payments for services performed for a trade or business by people not treated as its employees (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)). Examples: fees to subcontractors or directors and golden parachute payments.	\$600 or more		February 15**
		Fish purchases paid in cash for resale.	\$600 or more		
		Crop insurance proceeds.	\$600 or more		February 15**
		Substitute dividends and tax-exempt interest payments reportable by brokers.	\$10 or more		
		Gross proceeds paid to attorneys.	\$600 or more		January 31**
		A U.S. account for chapter 4 purposes to which you made no payments during the year that are reportable on any applicable Form 1099 (or a U.S. account to which you made payments during the year that do not reach the applicable reporting threshold for any applicable Form 1099) reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A).	All amounts (including \$0)		
1099-OID	Original Issue Discount	Original issue discount (including amounts reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)); market discount subject to an election under section 1278 (b).	\$10 or more	February 28*	January 31**
1099-PATR	Taxable Distributions Received From Cooperatives	Distributions from cooperatives passed through to their patrons including any domestic production activities deduction and certain pass-through credits.	\$10 or more	February 28*	January 31
1099-Q	Payments From Qualified Education Programs (Under Sections 529 and 530)	Earnings from qualified tuition programs and Coverdell ESAs.	All amounts	February 28*	January 31
1099-QA	Distributions from ABLE Accounts	Distributions from ABLE accounts.	All amounts	February 28*	January 31
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	Distributions from retirement or profit-sharing plans, any IRA, insurance contracts, and IRA recharacterizations (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(B) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)).	\$10 or more	February 28*	January 31
1099-S	Proceeds From Real Estate Transactions	Gross proceeds from the sale or exchange of real estate and certain royalty payments.	Generally, \$600 or more	February 28*	February 15
1099-SA	Distributions From an HSA, Archer MSA, or Medicare Advantage MSA	Distributions from an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	February 28*	January 31

\*The due date is March 31 if filed electronically.

\*\*The due date is March 15 for reporting by trustees and middlemen of WHFITs.

## Guide to Information Returns (Continued)

Form	Title	What To Report	Amounts To Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
3921	Exercise of an Incentive Stock Option Under Section 422(b)	Transfer of stock pursuant to the exercise of an incentive stock option under section 422(b).	All amounts	February 28*	January 31
3922	Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)	Transfer of stock acquired through an employee stock purchase plan under section 423(c).	All amounts	February 28*	January 31
5498	IRA Contribution Information	Contributions (including rollover contributions) to any individual retirement arrangement (IRA), including a SEP, SIMPLE, and Roth IRA; Roth conversions; IRA recharacterizations; and the fair market value (FMV) of the account.	All amounts	May 31	(To Participant) For FMV/RMD, Jan 31; For contributions, May 31
5498-ESA	Coverdell ESA Contribution Information	Contributions (including rollover contributions) to a Coverdell ESA.	All amounts	May 31	April 30
5498-QA	ABLE Account Contributions Information	Contributions (including rollover contributions) to an ABLE account	All amounts	May 31	March 15
5498-SA	HSA, Archer MSA, or Medicare Advantage MSA Information	Contributions to an HSA (including transfers and rollovers) or Archer MSA and the FMV of an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	May 31	(To Participant) May 31
W-2G	Certain Gambling Winnings	Gambling winnings from horse racing, dog racing, jai alai, lotteries, keno, bingo, slot machines, sweepstakes, wagering pools, poker tournaments, etc.	Generally, \$600 or more; \$1,200 or more from bingo or slot machines; \$1,500 or more from keno	February 28*	January 31
W-2	Wage and Tax Statement	Wages, tips, other compensation; social security, Medicare, and withheld income taxes. Include bonuses, vacation allowances, severance pay, certain moving expense payments, some kinds of travel allowances, and third-party payments of sick pay.	See separate instructions	To SSA	To Recipient
				Last day of February*	January 31

\*The due date is March 31 if filed electronically.

## Types of Payments

Below is an alphabetic list of some payments and the forms to file and report them.

However, it is not a complete list of all payments, and the absence of a payment from the list does not indicate that the payment is not reportable. For instructions on a specific type of payment, see the separate instructions in the form(s) listed.

### Type of Payment Report on Form

ABLE accounts:	
Contributions	5498-QA
Distributions	1099-QA
Abandonment	1099-A
Accelerated death benefits	1099-LTC
Acquisition of control	1099-CAP
Agriculture payments	1099-G
Allocated tips	W-2
Alternate TAA payments	1099-G
Annuities	1099-R
Archer MSAs:	
Contributions	5498-SA
Distributions	1099-SA
Attorney, fees and gross proceeds	1099-MISC
Auto reimbursements, employee	W-2
Auto reimbursements, nonemployee	1099-MISC
Awards, employee	W-2
Awards, nonemployee	1099-MISC
Barter exchange income	1099-B
Bond tax credit	1097-BTC
Bonuses, employee	W-2
Bonuses, nonemployee	1099-MISC
Broker transactions	1099-B
Cancellation of debt	1099-C
Capital gain distributions	1099-DIV
Car expense, employee	W-2
Car expense, nonemployee	1099-MISC
Changes in capital structure	1099-CAP
Charitable gift annuities	1099-R
Commissions, employee	W-2
Commissions, nonemployee	1099-MISC
Commodities transactions	1099-B
Compensation, employee	W-2
Compensation, nonemployee	1099-MISC
Contributions of motor vehicles, boats, and airplanes	1098-C
Cost of current life insurance protection	1099-R
Coverdell ESA contributions	5498-ESA
Coverdell ESA distributions	1099-Q
Crop insurance proceeds	1099-MISC
Damages	1099-MISC
Death benefits	1099-R

### Type of Payment Report on Form

Accelerated	1099-LTC
Debt cancellation	1099-C
Dependent care payments	W-2
Direct rollovers	1099-Q, 1099-R, 5498
Direct sales of consumer products for resale	1099-MISC
Directors' fees	1099-MISC
Discharge of indebtedness	1099-C
Dividends	1099-DIV
Donation of motor vehicle	1098-C
Education loan interest	1098-E
Employee business expense reimbursement	W-2
Employee compensation	W-2
Excess deferrals, excess contributions, distributions of	1099-R
Exercise of incentive stock option under section 422(b)	3921
Fees, employee	W-2
Fees, nonemployee	1099-MISC
Fishing boat crew members proceeds	1099-MISC
Fish purchases for cash	1099-MISC
Foreclosures	1099-A
Foreign persons' income	1042-S
401(k) contributions	W-2
404(k) dividend	1099-DIV
Gambling winnings	W-2G
Golden parachute, employee	W-2
Golden parachute, nonemployee	1099-MISC
Grants, taxable	1099-G
Health care services	1099-MISC
Health savings accounts:	
Contributions	5498-SA
Distributions	1099-SA
Income attributable to domestic production activities, deduction for	1099-PATR
Income tax refunds, state and local	1099-G
Indian gaming profits paid to tribal members	1099-MISC
Interest income	1099-INT
Tax-exempt interest, mortgage	1098
IRA contributions	5498
IRA distributions	1099-R
Life insurance contract distributions	1099-R, 1099-LTC
Liquidation, distributions in	1099-DIV
Loans, distribution from pension plan	1099-R
Long-term care benefits	1099-LTC
Medicare Advantage MSAs:	
Contributions	5498-SA
Distributions	1099-SA
Medical services	1099-MISC
Mileage, employee	W-2
Mileage, nonemployee	1099-MISC
Military retirement	1099-R
Mortgage assistance payments	1098-MA

### Type of Payment Report on Form

Mortgage interest	1098
Moving expense	W-2
Nonemployee compensation	1099-MISC
Nonqualified deferred compensation:	
Beneficiary	1099-R
Employee	W-2
Nonemployee	1099-MISC
Original issue discount (OID)	1099-OID
Patronage dividends	1099-PATR
Payment card transactions	1099-K
Pensions	1099-R
Points	1098
Prizes, employee	W-2
Prizes, nonemployee	1099-MISC
Profit-sharing plan	1099-R
Punitive damages	1099-MISC
Qualified longevity annuity contract	1098-Q
Qualified plan distributions	1099-R
Qualified tuition program payments	1099-Q
Real estate transactions	1099-S
Recharacterized IRA contributions	1099-R, 5498
Refund, state and local tax	1099-G
Rents	1099-MISC
Retirement	1099-R
Roth conversion IRA contributions	5498
Roth conversion IRA distributions	1099-R
Roth IRA contributions	5498
Roth IRA distributions	1099-R
Royalties	1099-MISC, 1099-S
Timber, pay-as-cut contract	1099-S
Sales:	
Real estate	1099-S
Securities	1099-B
Section 1035 exchange	1099-R
SEP contributions	W-2, 5498
SEP distributions	1099-R
Severance pay	W-2
Sick pay	W-2
SIMPLE contributions	W-2, 5498
SIMPLE distributions	1099-R
Student loan interest	1098-E
Substitute payments in lieu of dividends or tax-exempt interest	1099-MISC
Supplemental unemployment	W-2
Tax refunds, state and local	1099-G
Third party network transactions	1099-K
Tips	W-2
Traditional IRA contributions	5498
Traditional IRA distributions	1099-R
Transfer of stock acquired through an employee stock purchase plan under section 423(c)	3922
Tuition	1098-T
Unemployment benefits	1099-G
Vacation allowance, employee	W-2
Vacation allowance, nonemployee	1099-MISC
Wages	W-2

## Where to File:

### Use the following address:

Department of the Treasury  
Internal Revenue Service Center  
Austin, TX 73301

Department of the Treasury  
Internal Revenue Service Center  
Kansas City, MO 64999

### If the principal business, office, or agency, or legal residence in the case of an individual, is located in:

Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia

Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

## **RETURNS, PAYMENTS, RECORDS; Combined Federal/State Filing Program for Information Returns**

***Combined Federal/State Filing Program.*** Through the Combined Federal/State Filing Program (CF/SF), the IRS electronically forwards certain information returns (original or corrected) to participating states' taxing authorities once you are approved. Separate reporting to the states is not required unless amounts were withheld (IRS Publication 1220, 10.).

A test file, properly coded for the program, must be submitted in order to participate in the Combined Federal/State filing program no later than 45 days before the due date of the information return. If the test file is acceptable, an approval letter will be sent. There is no charge to use CF/SF for approved participants.

A test file is only required for the first year a filer participates in the program; however, the IRS recommends a test file be submitted every year. Records in the test and actual file must conform to current procedures.

Within two business days, the result of the electronic transmission will be sent to the email address that was provided on the "Verify Your Filing Information" screen. If using email-filtering software, configure the software to accept email from [fire@irs.gov](mailto:fire@irs.gov) and [irs.e-helpmail@irs.gov](mailto:irs.e-helpmail@irs.gov). If the file is bad, the filer must return to <https://fire.test.irs.gov> and determine what errors are in the file. If the test file was unacceptable, a new test file can be transmitted no later than February 28, 2017.

Some participating states require separate notification that the payer is filing in this manner. The IRS acts as a forwarding agent only. It is the payer's responsibility to contact the appropriate state for further information.

**State chart.** The following quick reference chart lists participating states and valid state codes. For notification purposes, some states require employers and payers to submit a copy of the IRS approval letter. The approval no longer includes Form 6847, as it is obsolete (Rev Proc 2010-26, 2010-30 IRB).

**Details of the program.** Information regarding the program and its specifications can be found in IRS Publication 1220.

<b>States Participating in Combined Program</b>	<b>Code</b>	<b>States Participating in Combined Program</b>	<b>Code</b>
Alabama	01	Michigan	26
Arizona	04	Minnesota	27
Arkansas	05	Mississippi	28
California	06	Missouri	29
Colorado	07	Montana	30
Connecticut	08	Nebraska	31
Delaware	10	New Jersey	34
Georgia	13	New Mexico	35
Hawaii	15	North Carolina	37
Idaho	16	North Dakota	38
Indiana	18	Ohio	39
Kansas	20	South Carolina	45
Louisiana	22	Vermont	50
Maine	23	Virginia	51
Maryland	24	Wisconsin	55
Massachusetts	25		

## **CORRECTING INFORMATION RETURNS**

### **Voiding Incorrect Paper Returns**

If an error is made while preparing a return or an error is discovered before the return has been submitted to the IRS or the payee, you can cancel the return by checking the "VOID" box at the top of the form and redoing the return. Do not cut or separate the voided form from others on the same page. The entire page, including the voided form, must be submitted to the IRS.

### **Corrected Returns on Paper Forms**

If you filed a return with the IRS and later discover you made an error on it, you must correct it as soon as possible and file Copy A and Form 1096 with the IRS. Also furnish statements to recipients showing the correction.

Enter an "X" in the corrected checkbox only when correcting a form previously filed with the IRS or furnished to the recipient. You may enter a date next to the "Corrected" checkbox. This will help the recipient in the case of multiple corrections. Certain errors may require two returns to make the corrections. The General Instructions for Forms 1099, page 8 include detailed correction steps.

### **Reporting Incorrect Payer Name and/or TIN**

If a payer discovers an error in reporting the payer name and/or TIN, write a letter to IRS/ECC-MTB (see below) containing the following information:

1. Name and address of the payer,
2. Type of error (including the incorrect payer name/TIN that was reported),
3. Tax year,
4. Payer TIN,
5. Transmitter Control Code (TCC), if applicable,
6. Type of return,
7. Number of payees, and
8. Filing method (paper or electronic)
9. Was federal income tax withheld?

Send letter to:

Internal Revenue Service  
Information Returns Branch  
230 Murall Drive, Mail Stop 4360  
Kearneysville, WV 25430

If the payer realizes duplicate reporting or a large percentage of incorrect information has been filed, contact the information reporting customer service site at 1-866-455-7438 for further instructions.

### **Filing Corrections Electronically**

If you have 250 or more corrected returns of a single type to file, you must file them electronically. Electronic filing is required only for that individual type of form for which there are at least 250 corrections. For example, if you must file 250 (or more) corrected Forms 1099-MISC plus 150 corrected Forms 1099-DIV, only the 1099-MISC must be filed electronically. If you have 175 Forms 1098, 200 Forms 1099-MISC, and 150 Forms 1099-INT to correct, you are not required to file any of the corrections electronically. Similarly the 250 threshold applies separately to corrections and originals; even if 250 or more originals of a single type of return were filed, electronic filing of corrections is not required unless there are 250 or more corrected forms to be sent.

**III.**

**NEW HIRE  
REPORTING**



## **NEW HIRE REPORTING REQUIREMENTS**

### **General Federal Requirements:**

The New Hire Reporting Program was mandated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. It requires employers to report newly hired and rehired employees to designated state agencies. This information is then used to facilitate the collection of child support, medical support and/or to uncover fraud and abuse in unemployment compensation, workers' compensation, and public assistance (welfare) benefit programs.

Reporting requirements: Federal law requires seven data elements to be reported. The following six elements are found on federal Form W-4: employee's name, address, and social security number; and employer's name, address, and federal Employer Identification Number (EIN). A more recent federal law requires all employers to report the employee's date of hire. The date of hire is the date an employee first performed services for pay. This requirement was enacted in Section 802 of the Claims Resolution Act of 2010 (CRA; Pub. L. No. 111-291) signed into law by President Obama on December 8, 2010. States have the option of requiring additional information.

Format and method: Employers can report new hires on the employee's Form W-4 or an equivalent form containing the required information, and can transmit the report by first class mail, magnetically, or electronically. Many states now have secure web sites that allow employers with access to the Internet to file their reports online. Some states allow employers to report by phone, fax or to e-mail reports, either in the message itself or as a file attachment.

Multi-state employers: While employers with employees in only one state must report newly hired employees to that state, multi-state employers may designate one state where they have employees as the state to which they report all their new hires. In addition, multi-state employers do not have to report the required elements for every state in which they have employees – only those required by the state the employer has selected for new hire reporting purposes.

Multi-state employers who choose to report to one state must submit new hire reports electronically or magnetically. The multi-state employer should contact the state agency to which it will be reporting to obtain its current electronic data specifications.

Additionally, multi-state employers who report all their new hires to a single state must notify the Secretary of the U.S. Department of Health and Human Services as to which state they have designated to receive all their new hire information. Multistate employers may notify the Secretary by form, letter, fax or internet. The form is available in Adobe .pdf format at:

<http://www.acf.hhs.gov/programs/css/resource/multistate-employer-registration-form-instructions>

To register online at the federal office of Child Support Enforcement's Web site go to:

<http://www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm>.

The Claims Resolution Act of 2010 amended prior law to require an employer to report to the state Directory of New Hires, in addition to other information, "the date services for remuneration were first performed" by a newly hired employee. In other words, for each newly hired employee, as of June 8, 2011, the employer must provide the following information to the state directory:

- The employee's name, address, and social security number;
- The employer's name, address, and federal identification number (EIN); and
- The date the employee first performed services for pay.

Due dates for new hire reports: According to federal law, employers must report newly hired employees within 20 calendar days of the date of hire. However, states are given the option of establishing reporting time frames that may be shorter than 20 days. You must adhere to the reporting time frame of the state to which you report. Be sure to check with your state New Hire contact to learn your state's requirements. "Date of hire" is defined as the first day that an individual performs services for wages. If an employer elects to report new hires magnetically or electronically, it must send two transmissions per calendar month which are 12 to 16 days apart. States can establish their own time frames for reporting new hires, but they can be no longer than the federal requirements. Multi-state employers that submit reports twice monthly must submit information for a newly hired employee as soon as possible after the date of hire, but no later than the next semimonthly pay period.

Penalties for noncompliance: States have the option to impose civil penalties for failure to report new hires. The fine may not exceed \$25 per newly hired employee, with a \$500 maximum if the failure to comply is the result of a conspiracy between the employer and the employee. States may also impose non-monetary civil penalties under state law for noncompliance.

The Trade Adjustment Assistance Extension Act of 2011 clarifies that for purposes of reporting rehired employees to the Directory of New Hires, the definition of "newly hired" employee means an employee who (i) has not previously been employed by the employer; or (ii) was previously employed by the employer "but was separated from such prior employment for at least 60 consecutive days." This provision was effective April 21, 2012 (six months after the date of enactment), although states that have to pass legislation to put the new provision into effect may have more time depending on when their legislatures are in session.

A potential benefit to employers of new hire reporting is the reduction and prevention of fraudulent unemployment and workers' compensation payments. Timely receipt of new hire data allows each state to cross-match data against its active workers' compensation and unemployment insurance claimant files – either stopping payments or recovering erroneous payments.

## **EMPLOYMENT VERIFICATION RULES**

### **Employer's General Verification Obligations:**

I-9 Procedures: The purpose of the I-9 Form is to document verification of the identity and employment authorization of each new employee (both citizen and non-citizen) hired after November 6, 1986 is authorized to work in the United States.

Employers are responsible for completing and retaining Form I-9. The Form I-9 is only required for new employees. They do not need to complete new forms for current employees. However, employers must use the Form I-9 when employees require reverification.

Form I-9 general instructions: Form I-9 is made of three sections. Employers may be fined if the form is not complete. All employers, regardless of size, must verify the legal employment status of all newly-hired employees, including American citizens. However, requirements do not apply to casual domestic workers who provide sporadic or irregular services in a private home.

To fulfill this requirement, employers must complete DHS (Department of Homeland Security) Form I-9, which contains three sections.

Section one - Employee Information and Attestation, must be completed and signed by the newly-hired employees at the time of hiring. Employee must be provided both the front and the back of the I-9 when requested to complete it along with the Lists of Acceptable Documents.

Section two - Employer or Authorized Representative Review and Verification, must be completed and signed by the employer within three business days of hiring. Before completing Section 2, employers must ensure that Section 1 is completed properly and on time.

To complete Section two of the I-9 form, employers must examine one or more original document(s) establishing both the identity and employment eligibility of the newly-hired employee (eligible documents are listed below). Only unexpired, original documentation is acceptable. The employer cannot specify which documents will be accepted for employment eligibility verification or require more or different documents than specified in the law. An employer's refusal to accept the legally-designated documents provided by a newly-hired employee as proof of identity or work authorization when the documents appear to be genuine, will subject the employer to civil fines. An employer must record on the I-9 form the types of documents examined, issuing authority, document number and expiration dates, and then sign the I-9 form. Provide the name and the title of the person completing Section 2 as well as the employer's name and address.

Sometimes the newly-hired employee has lost or does not have a document required for proof of identity or work authorization. In those cases, the employer must obtain an acceptable receipt for the worker's application to secure the necessary document within three days from the date of hire. Within 90 days of hiring, the employer must also examine the necessary document and complete the I-9 form.

Section three - Reverification and Rehires, must be completed by the employer when an employee's employment authorization indicated in Section 1 or evidence of employment authorization recorded in Section 2 has expired. An employer may also reverify employment authorization, in lieu of completing a new Form I-9, when an employee is rehired within three years of the date that the Form I-9 was originally completed and the employee's work authorization or evidence of work authorization has expired.

Reverification of Authorization and Eligibility: Reverification applies if evidence of employment authorization presented in Section 2 expires, unless the employee is a US citizen, a noncitizen national, or have presented a Permanent Resident Card. Employers may either complete Section 3 of a new Form I-9 or Section 3 of the previously completed Form I-9. Any new pages of Form I-9 must be attached to the employee's original Form I-9

Employers must retain I-9 forms for as long as the individual works for the employer. Once the individual's employment ends, the employer must retain this form for 3 years after the date of hire or 1 year after date employment ends, whichever is later. Copies of identification and work authorization documents may be made by employers. If photocopies are made, they should be made for ALL new hires or reverifications. If copies are made, they must be retained with the appropriate I-9 form. The Form I-9 may be signed and retained electronically.

Verification Obligation of Other Parties: Independent contractors, and not the employers that engage the contractors' services, are responsible for verifying the legal employment status of their work force.

Recruiters and referrers for a fee are required to verify the job eligibility of those persons who are actually hired as a result of their recruitment and referral. The recruiters are permitted to designate an agent or an employer that hired a referred individual to complete the employment verification form. The agent or employer is required to provide the recruiter a photocopy of the completed I-9 form. Union hiring halls are excluded from the requirement to verify the employment status of referred persons.

**Employment Identity Only Documents:**

- Driver's license or identification card issued by a state or an outlying possession of the U.S. Must contain the bearer's photograph or specify such identifying information as the bearer's name, date of birth, gender, height, color of eyes, and address.
- School identification card with photograph.
- U.S. military card or draft record.
- Identification card issued by a federal, state, or local government agency provided that it contains a photograph or information such as name, date of birth, gender, height, eye color, and address.
- Native American tribal documents.
- U.S. Coast Guard Merchant Mariner card.
- Driver's license issued by a Canadian Government authority.
- Voter's registration card.
- Military dependent's ID card.

**Employment Eligibility Only Documents:**

- Social Security number card, except a card marked 1) not valid for employment purposes 2) valid for work only with INS authorization, or 3) valid for work only with DHS authorization.
- Certificate of birth abroad issued by Department of State (Form FS-545).
- Original or certified copy of a birth certificate issued by a state, county, or municipal authority bearing the authority's seal.
- Native American tribal document.
- U.S. citizen identification card (Form I-197).
- Identification card for use of resident citizen in the U.S. (Form I-179).
- Employment authorization document issued by the Department of Homeland Security.
- Certificate of report of birth issued by the Department of State (Form DS-1350).

**Employment Identity and Eligibility Documents:**

- US Passport or US Passport Card
- Permanent Resident Card or Alien Resident Card (Form I-551)
- Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa
- Employment Authorization Document that contains a photograph (I-766)
- For a nonimmigrant alien authorized to work for a specific employer because of his or her status:
  - a. Foreign passport, and
  - b. Form I-94 or Form I-94A that has 1) the same name as the passport and 2) an endorsement of the alien's nonimmigrant status as long as that period of endorsement has not expired.
- Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A indicating nonimmigrant admission under the Compact of Free Association between the US and the FSM or RMI.

Parents or legal guardians assisting minors under the age of 18 or certain employees with disabilities should review the guidelines in the Handbook for Employers: Instructions for completing Form I-9 on [www.uscis.gov/I-9Central](http://www.uscis.gov/I-9Central) before completing Section 1.

On Aug. 25, the Office of Management and Budget (OMB) approved a revised Form I-9, Employment Eligibility Verification. USCIS must publish a revised form by Nov. 22, 2016. Employers may continue using the current version of Form I-9 with a revision date of 03/08/2013 until Jan. 21, 2017. After Jan. 21, 2017, all previous versions of Form I-9 will be invalid.

Document Inspection: Officials from the Department of Homeland Security, employees from the Office of Special Counsel for Immigration-Related Unfair Employment Practices at the Department of Justice (DOJ), and employees from the Department of Labor (DOL) may inspect an employer's Forms I-9. Employers will generally receive a written Notice of Inspection at least three days before the inspection. These officials will inform the owner, designee, senior management official or registered agent of the business entity of an inspection in person or by certified U.S. mail, return receipt requested. Officials may also use subpoenas and warrants to obtain the forms without providing three days notice.

### **SSA Social Security Number Verification Service (SSNVS)**

An employee's SSN and name can be verified by the Social Security Administration for any employee who will have a Form W-2 prepared at year end – current or former employees and new employees after a commitment to hire has been made. SSA will not verify SSNs for those who will receive Form 1099. The IRS's TIN Matching System allows 1099 filers to check names and TINs for those receiving a form from the 1099/1098 series.

Payers reporting on Forms 1099/1098 can verify up to 25 TINs online through IRS's Interactive TIN matching System, and up to 100,000 TINs through the Bulk TIN Matching System. To register for this and IRS e-services, go the website located at <https://la.www4.irs.gov/e-services/Registration/index.htm>.

Why Employers Should Verify Employee's Names and SSNs Online: Employers are encouraged to verify names and social security numbers online for the following reasons:

- Correct names and social security numbers on W-2 wage reports are key to the successful processing of an employee's annual wage report submission.
- It is faster and easier to use the online system than submitting employer requests on paper lists or using SSA's automated telephone verification option.
- It results in more accurate wage reports.
- SSNVS will match employee names and social security numbers with SSA's records before you prepare and submit Forms W-2.
- It saves the employer additional processing costs and reduces the number of W-2c Forms.
- It allows SSA to properly credit employee's earnings records, which will be important information in determining their social security benefits, as uncredited earnings can affect future eligibility for and amounts paid under SSA's retirement, disability and survivor programs.

Two SSNVS Options: There are two internet verification options that allow employers to verify their employee's names and social security numbers against SSA's records. Employers can:

- Verify up to 10 names and SSNs (per screen) online and receive immediate results. There is no limit to the number of times the SSN Verification Web page may be used within a session. This option is ideal for verifying new hires.
- Upload a file with up to 250,000 names and SSNs. In most cases, the SSA will provide the results by the next government business day. This option is ideal for employers who want to verify an entire payroll data base or who hire a large number of workers at a time.

The SSA can verify up to 250,000 names/social security numbers if the user submits a spreadsheet SSNVS file, “as long as the file is put in the correct format.” SSA offers the following formatting tips:

- If you are using Excel, to ensure that your electronic file submission is processed successfully, the file must not be in the “.xls” format. You must save the file in the appropriate format.
- To properly save an Excel file for processing:
  - Select Save As on the File Menu;
  - In the Save As dialog box, select the drop down box Save As type;
  - Select Formatted Text (space delimited) (\*.prn); and
  - Type the filename and click Save.
- To create the file, you will need one column that is at least 130 characters long. This column will hold all data for each record. To download the specifications for the record layout, go to [www.ssa.gov/employer/ssnvs\\_handbk.htm](http://www.ssa.gov/employer/ssnvs_handbk.htm) and click on “Submission File Format” under the Table of Contents. Once you have saved your file, check it against the Submission File Format to ensure that the record length is 130 characters and that all fields are properly placed in their respective positions. The Multiple Request Indicator field in positions 128-130 must be populated with “000” and may not be left blank.
- Zip your file if you have over 500 name and SSN verification requests or if you have a slow connection.

Other features of SSNVS are being able to download and/or view submission results, and view and print the SSNVS Handbook. The SSNVS information can be accessed at <http://www.socialsecurity.gov/employer/ssnv.htm>.

To use the SSNVS, each individual who is going to use the system on behalf of an employer must first register with SSA’s Business Services Online (BSO). To register and for additional information, visit: [www.socialsecurity.gov/bsowelcome.htm](http://www.socialsecurity.gov/bsowelcome.htm).

In addition to SSNVS, SSA allows employee verification options by Telephone Number Employer Verification (TNEV) and by paper list. For more information, visit [www.socialsecurity.gov/bsowelcome.htm](http://www.socialsecurity.gov/bsowelcome.htm).

### **US Citizenship & Immigration Services E-Verify:**

E-Verify enables employers to quickly verify employment eligibility of all their newly hired employees, regardless of citizenship. E-Verify is an internet based system that compares information from an employee’s Form I-9 and involves verification checks of the SSA and Department of Homeland Security databases by using an automated system to verify an employee’s SSN and employment authorization. The system uses SSNs, alien registration numbers, and I-94 numbers (Arrival/Departure Numbers) to perform these verification checks.

Effective September 8, 2009, certain contractors and subcontractors are required to use the E-Verify system administered by the Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services, to verify that new hires and current employees working on federal contracts are eligible to work in the U.S.

State or Territory	Is E-Verify Required for Private Employers?	Is E-Verify Required for Public Employers?	Is E-Verify Required for State Contractors?
Alabama	Yes	Yes	Yes
Alaska	No	No	No
Arizona	Yes	Yes	Yes
Arkansas	No	No	No
California	No. Per the “Employment Acceleration Act of 2011,” the state of California and any of its cities, counties, or special districts are prohibited from requiring an employer (other than a government entity) to use E-Verify as a condition of receiving a government contract, applying for or maintaining a business license, or as a penalty for violating licensing or other similar laws.	No	No
Colorado	No	Yes	Yes
Connecticut	No	No	No
Delaware	No	No	No
District of Columbia	No	No	No
Florida	No	Yes	Yes
Georgia	Yes	Yes	Yes
Hawaii	No	No	No
Idaho	No	Yes	Yes
Illinois	No. Previous law had prohibited employers from participating; now they may do so voluntarily	No	No
Indiana	No	Yes	Yes
Iowa	No	No	No
Kansas	No	No	No
Kentucky	No	No	No
Louisiana	Employers must either use E-Verify or check multiple forms of ID. Employers who use E-Verify are acting in “good faith” and are protected from prosecution.	Yes	Yes
Maine	No	No	No
Maryland	No	No	No
Massachusetts	No	No	No
Michigan	No	Yes	Yes
Minnesota	No	No	No
Mississippi	Yes	Yes	Yes
Missouri	No – however, penalties for hiring unauthorized workers without using the system	Yes	Yes
Montana	No	No	No
Nebraska	No, although using e-verify will allow private employers to qualify for tax and other economic incentives.	Yes	Yes

State or Territory	Is E-Verify Required for Private Employers?	Is E-Verify Required for Public Employers?	Is E-Verify Required for State Contractors?
Nevada	No	No	No
New Hampshire	No	No	No
New Jersey	No	No	No
New Mexico	No	No	No
New York	No	No	No
North Carolina	Yes	Yes	Yes
North Dakota	No	No	No
Ohio	No	No	No
Oklahoma	No	Yes, with alternative verification also listed in the statute.	Yes, with alternative verification also listed in the statute.
Oregon	No	No	No
Pennsylvania	Yes	Yes	Yes
Puerto Rico	No	No	No
Rhode Island	No	No	No
South Carolina	Yes	Yes	Yes
South Dakota	No	No	No
Tennessee	Yes	Yes	Yes
Texas	No	No	No
Utah	Yes	Yes	Yes
Vermont	No	No	No
Virginia	Yes	Yes	Yes
Washington	No	No	No
West Virginia	No	Yes	Yes
Wisconsin	No	No	No
Wyoming	No	No	No

### Penalties for Violation

- Knowingly recruiting, referring for a fee, hiring, or continuing to employ an individual who is not authorized to work in the U.S. is punishable with a civil fine. Penalties range from \$375 to \$3,200 per unauthorized alien for the first offense; from \$3,200 to \$6,500 per alien for a second offense; and \$4,300 to \$16,000 per alien for each subsequent offense.
- Failure to comply with verification requirement and completion of the I-9 form or committing document abuse is punishable with a civil fine of not less than \$110 and not more than \$1,100. Fines depend on company size, the employer's good faith and history of previous violations, the seriousness of the violation, and whether the worker was an unauthorized alien.
- Regular repeated and intentional violations of the Act are subject to a criminal fine of not more than \$3,000 per unauthorized alien, imprisonment for not more than six months, or both.
- Unlawful discrimination is punishable with fines ranging from \$375 to \$3,200 for a first offense; from \$3,200 to \$6,500 for a second offense; and from \$4,300 to \$16,000 for each subsequent violation.
- Committing or participating in document fraud is punishable with a fine ranging from \$375 to \$3,200 for a first offense and \$3,200 to \$6,500 for each subsequent offense.
- Committing document abuse is punishable with a fine of not less than \$110 and not more than \$1,100.



## **Deposit Requirements for Employment Taxes:**

Employment tax deposits are now required to be made electronically *through the Electronic Federal Tax Payment System (EFTPS)*. To enroll in EFTPS, go to [www.eftps.gov](http://www.eftps.gov). It takes seven business days to receive a PIN and further instruction. If either (1) your employment tax deposit requirement for either the current quarter or the preceding quarter is less than \$2,500 and you did not incur a \$100,000 next-day deposit, or (2) you are a monthly schedule depositor and make a payment in accordance with the Accuracy of Deposit Rules you can still make the payment with the return. All others will be required to deposit taxes electronically. This includes:

- FICA taxes and withheld income taxes,
- FUTA taxes,
- Non-payroll taxes, including backup withholding,
- Taxes withheld on nonresident aliens and foreign corps,
- Railroad retirement taxes,
- Corporate income taxes,
- Unrelated business income taxes of tax-exempt organizations,
- Private foundation excise taxes,
- Estimated taxes on certain trusts, and
- Excise taxes reported on Form 720, Quarterly Federal Excise Tax Return.

For EFTPS deposits to be on time, you must initiate the transaction by 8 p.m. Eastern Time at least one calendar day before the date the deposit is due.

**Lookback Period:** For quarterly return filers, an employer's deposit schedule (monthly or semiweekly) is based on the total taxes reported on Form 941, in a four-quarter look-back period. An employers' deposit schedule for 2017 is based on the look-back period beginning July 1, 2015 and ending June 30, 2016. If an employer reported \$50,000 or less of Form 941 taxes for the look-back period, it is a monthly depositor. If it reported more than \$50,000, it is a semiweekly depositor.

For annual return filers (Forms 943, 944, 945, and CT-1), the look-back period is the calendar year preceding the previous year. The look-back period for 2017 is calendar year 2015. If an employer reported \$50,000 or less of taxes for the look-back period, it is a monthly depositor. If it reported more than \$50,000, it is a semiweekly depositor.

The IRS considers a new employer's tax liability to be zero, which makes new employers monthly depositors for their first year of business.

**Exceptions to monthly and semiweekly rule:** If employers accumulate a tax liability of less than \$2,500 during a quarter for Form 941 (during a calendar year for Forms 943, 944, 945, and CT-1), no deposits are required if they pay their tax in full with a timely filed return. If employers accumulate a tax liability (reduced by any advance EIC payments) of \$100,000 or more on any day during a deposit period, they must deposit the tax by the next banking day, regardless of whether they are a monthly or semiweekly depositor, and you will become a semiweekly depositor for the remainder of the calendar year and for the following year.

Under the monthly deposit schedule, deposit accumulated taxes on payments made during a calendar month by the 15<sup>th</sup> day of the following month. For instance, for payments made to employees during the month of November, the tax liability is due by the 15<sup>th</sup> of December.

Under the semiweekly deposit schedule, deposit accumulated taxes on payments based on the following table:

<b>Deposit Period (Payment Days)</b>	<b>Deposit By</b>
Wednesday, Thursday, and/or Friday	On or before the following Wednesday
Saturday, Sunday, Monday, and/or Tuesday	On or before the following Friday

### **SSN “Randomization”**

The Social Security Administration changed the way social security numbers are issued in 2011. The new method, called “randomization”, will keep the SSA from running out of SSNs in certain states and help protect against identity theft.

#### **SSN Randomization affected the SSN assignment as follows:**

- It eliminated the geographical significance of the first three digits of the SSN, referred to as the area number, by no longer allocating the area numbers for assignment to individuals in specific states.
- It eliminated the significance of the highest group number and, as a result, the High Group List is frozen in time and can only be used to see the area and group numbers SSA issued prior to the randomization implementation date.
- Previously unassigned area numbers were introduced for assignment excluding area numbers 000, 66, and 900-999.

Some Things Won’t Change: Even with randomization, some aspects of SSN assignment will not change. The SSA will not issue:

- SSNs beginning with the number “9”;
- SSNs with the number “666” or “000” in positions 1-3;
- SSNs with the number “00” in positions 4-5; or
- SSNs with the number “0000” in positions 6-9.

Employers, payroll service providers, state and local tax agencies, retirement plan administrators, and workers’ compensation agencies will need to adjust their systems and software to accept SSNs beginning with an “8”.

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Alabama</b> Phone: 334-206-6020 Fax: 334-206-6020 Email: NewHire@labor.alabama.gov Website: <a href="http://labor.alabama.gov/nh/">http://labor.alabama.gov/nh/</a>	Within 7 days of hiring or re-employment. May be subject to administrative penalty up to \$25 for each violation.	New Hire Elements; Employee: Was the employee newly hired or recalled to work.	Employers with 5 or more employees must report via the Internet through the website. Employers with less than 5 employees may use the Internet system, or they may send copies of W-4's to the New Hire unit.	No
<b>Alaska</b> Phone: 907-269-6900 Phone: 877-269-6685 Fax: 907-787-3220 Email: <a href="mailto:dor.cssd.customerservice.anchorage@alaska.gov">dor.cssd.customerservice.anchorage@alaska.gov</a> Website: <a href="http://www.childsupport.alaska.gov/employers/employer_information.asp">www.childsupport.alaska.gov/employers/employer_information.asp</a>	20 days	New Hire Elements; Employer's EIN. Employee's date of birth and Health Insurance.	Online (portal), mail, or fax.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Arizona</b> Phone: 888-282-2064 Fax: 888-262-0502 Public Phone: (888) 282-2064 Ext. 250  E-mail: <a href="https://newhire-reporting.com/AZ-Newhire/comments.aspx">https://newhire-reporting.com/AZ-Newhire/comments.aspx</a>  Website: <a href="http://www.az-newhire.com">www.az-newhire.com</a>	20 days	New Hire Elements	Online (portal), electronic reporting, mail, or fax.	Not required by law, but the New Hire Reporting Center does accept them
<b>Arkansas</b> Phone: 501-376-2125 Phone: 800-259-2095 Fax: 501-376-2682 Public Fax : (800) 259-3562  E-mail: Fill and send Customer Service/Technical Support form at <a href="http://newhire-reporting.com/AR-Newhire/contact.aspx">http://newhire-reporting.com/AR-Newhire/contact.aspx</a>  Website: <a href="http://www.ar-newhire.com">www.ar-newhire.com</a>	20 days	New Hire Elements; Employee's state of hire (only if reporting as a Multistate employer) Optional: Employee's date of birth and state of hire. Employer's phone number, fax number, and e-mail address.	Online (portal), mail, fax, or payroll service.	Not required by law, but the New Hire Center welcomes them

# State/Employer Contact and Program Information

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>California</b> Phone: 916-657-0529 Fax: 916-319-4400 E-mail: Submit form at <a href="http://www.edd.ca.gov/About_EDD/Contact_EDD.htm">http://www.edd.ca.gov/About_EDD/Contact_EDD.htm</a>  Website: <a href="http://www.edd.ca.gov/payroll_taxes/new_hire_reporting.htm">www.edd.ca.gov/payroll_taxes/new_hire_reporting.htm</a>	20 days	New Hire Elements; Employers: contact person name, phone number, and California employer account number.	Online (portal), mail, or fax.	Yes, the independent contractor information must be reported within twenty (20) calendar days of either making payments totaling \$600 or more, or entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever is earlier.
<b>Colorado</b> Phone: 303-297-2849 Phone: 800-696-1468 Fax: 303-297-2595 Email: <a href="mailto:CDHS_FSREmployerServices@state.co.us">CDHS_FSREmployerServices@state.co.us</a> Website: <a href="http://www.newhire.state.co.us/newhire">www.newhire.state.co.us/newhire</a>	20 days	New Hire Elements Optional: Employee's date of birth and date of hire.	Online (portal), mail (magnetic tape, cartridge tape, diskette), or fax.	Yes. Per Colorado Revised Statutes §13-54-104, 14-10-115 and 14-14-102, payments made to independent contractors are subject to income withholding for child/maintenance support. Independent contractors should be reported if the individual provides their SSN for tax purposes.

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Connecticut</b> Phone: 860-263-6310 Fax: 800-816-1108 Email: <a href="mailto:dol.ctnewhires@po.state.ct.us">dol.ctnewhires@po.state.ct.us</a> Website: <a href="http://www.ctnewhires.com">www.ctnewhires.com</a>	20 days	New Hire Elements	Online (FTP), mail, or fax.	As of Oct 1, 2003, report ICs if over \$5000/year payment is anticipated.
<b>Delaware</b> Phone: 855-481-0018 Fax: 855-481-0047 E-mail: Fill and send Customer Service/Technical Support Form at <a href="http://newhire.dhss.delaware.gov/de-Newhire/contact.aspx">http://newhire.dhss.delaware.gov/de-Newhire/contact.aspx</a> Website: <a href="http://newhire.dhss.delaware.gov">newhire.dhss.delaware.gov</a>	20 days	New Hire Elements; Employer's state of hire (only if reporting as a multistate employer).	Online (portal), mail, fax, or payroll services.	Governmental agencies must report independent contractors they hire and all other employers may provide the same information on their independent contractors if they choose.

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>District of Columbia</b> Phone: 877-846-9523 Fax: 877-892-6388 Public Phone: (877)-846-9523 Ext. 300  E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://dc-newhire.com/contact">https://dc-newhire.com/contact</a>  Website: <a href="http://www.dc-newhire.com">www.dc-newhire.com</a>	20 days	New Hire Elements	Online (portal, FTP), mail (diskette), fax, or payroll services.	No
<b>Florida</b> Phone: 850-656-3343 Phone: 888-854-4791 Fax: 888-656-0528 Email: <a href="mailto:newhiresupport@dor.state.fl.us">newhiresupport@dor.state.fl.us</a>  New Hire Reporting Center/Employer Services P.O. Box 6500 Tallahassee, FL 32314  Website: <a href="https://newhire.state.fl.us">https://newhire.state.fl.us</a>	20 days	New Hire Elements; employee's state of hire (only if reporting as a multistate employer). Employer's reemployment assistance identification number (if applicable).	Online (portal), phone, mail, or fax.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Georgia</b> Phone: 404-525-2985 Phone: 888-541-0469 Fax: 404-525-2983 Public Fax: (888) 541-0521  E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/GA-Newhire/Contact.aspx">https://newhire-reporting.com/GA-Newhire/Contact.aspx</a>  Website: <a href="http://www.ga-newhire.com">www.ga-newhire.com</a>	10 days	New Hire Elements; Employee's date of birth, medical insurance availability, and state of hire. Optional: Employee's monthly salary. Does Employer provide multiple medical insurances? If multiple medical insurances are available, were they offered?	Online (portal), mail, fax, or payroll services.	No



# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Guam</b> Linda Uson Phone: 671-475-3360 Phone: 671-475-3324 Fax: 671-475-3203 Email: Linda.Uson@guamcse.net Direct Phone: (671) 475-3360 ext. 1610  Direct E-mail: Linda.Uson@guamcse.net  Public E-mail: child.support@guamcse.net  Public Fax: (671) 477-2159  Website: www.guamcse.net	20 days	New Hire Elements; Employee's date of birth Optional: Employee's occupation, start wage, wage frequency, and medical insurance availability. Employer's e- mail address, phone, fax, and contact person.	E-mail, mail, or fax	Yes, for Guam government contractees
<b>Hawaii</b> Phone: 808-692-7029 Fax: 808-692-7001 Website: <a href="http://ag.hawaii.gov/csea/employer-information/">http://ag.hawaii.gov/csea/employer-information/</a>  Email: <a href="http://ag.hawaii.gov/csea/contact/email-csea/">http://ag.hawaii.gov/csea/contact/email-csea/</a>	20 days	New Hire Elements Optional: State of hire, State EIN, and employee's date of birth	Phone, fax, or mail.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Idaho</b> Phone: 208-332-8941 Phone: 800-627-3880 Fax: 208-332-7411 Email: <a href="mailto:newhire@labor.idaho.gov">newhire@labor.idaho.gov</a> Website: <a href="https://labor.idaho.gov/newhire">https://labor.idaho.gov/newhire</a>	20 days	New Hire Elements; Employers: Idaho Unemployment Insurance Number (SUTA), contact name, and contact number.	Online (portal), mail (forms, CD, diskette), or fax.	No
<b>Illinois</b> Phone: 800-327-4473 Fax: 217-557-1947 Email: <a href="mailto:DES.NHire@illinois.gov">DES.NHire@illinois.gov</a> Website: <a href="https://newhire.hfs.illinois.gov/NewHireWeb/newhire.htm?_flowExecutionKey=_cCC2BC170-3AC1-9760-CB8E-F03FD945018A_kA5AB74A5-D9F3-EDC1-3F49-40AB26FA7142">https://newhire.hfs.illinois.gov/NewHireWeb/newhire.htm?_flowExecutionKey=_cCC2BC170-3AC1-9760-CB8E-F03FD945018A_kA5AB74A5-D9F3-EDC1-3F49-40AB26FA7142</a>	20 days	New Hire Elements Optional: Employer address for child support wage withholding orders	Online (portal), mail (magnetic cartridge, diskette), or fax.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Indiana</b> Phone: 317-612-3028 Phone: 866-879-0198 Fax: 800-408-1388 Direct Fax: (317) 612-3036  E-mail: Fill and send General Comments and Feedback Form at <a href="https://newhire-reporting.com/IN-Newhire/contact.aspx">https://newhire-reporting.com/IN-Newhire/contact.aspx</a>  Website: <a href="http://www.in-newhire.com">www.in-newhire.com</a>	20 days	New Hire Elements; Employee's State of Hire (only if reporting as a Multistate employer)	Online (Portal, EFT, FTP), mail, fax, or payroll services.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Iowa</b> Phone: 877-274-2580 Fax: 800-759-5881 Email: <a href="mailto:csrue@dhs.state.ia.us">csrue@dhs.state.ia.us</a> Website: <a href="http://www.iowachildsupport.gov">www.iowachildsupport.gov</a>	15 days	New Hire Elements; Is dependent health care coverage available?, approximate date this employee qualifies for coverage, and address where income withholding and garnishment orders should be sent, if different than above address.	Online (portal), mail, or fax	Yes*  * Definition of a "contractor" in Iowa: Who is 18 years of age or older; Who performs labor in IA and to whom a payor of income makes payments which are not subject to income withholding for child support; For whom the payor of income is required by the IRS to file a 1099 MISC form; and Who is a natural, individual person, NOT a corporation, government, business trust, estate, partnership, or other legal entity, however organized.

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Kansas</b> Phone: 785-296-5000 Phone: 888-219-7801 Fax: 888-219-7798 Email: <a href="mailto:newhires@dol.ks.gov">newhires@dol.ks.gov</a> Direct Phone: (785) 296-5000, ext. 7700  Topeka Area Employers Fax: (785) 291-3423 or (785) 291-3424  Website: <a href="http://www.dol.ks.gov/KansasEmployer.aspx">http://www.dol.ks.gov/KansasEmployer.aspx</a>	20 days	New Hire Elements; (For multistate employers, include state of hire) Optional: Employer's contact person - name, phone number, fax number, and e-mail address.	Online (portal), mail, or fax	No
<b>Kentucky</b> Phone: 800-817-2262 Fax: 800-817-0099  E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://ky-newhire.com/contact">https://ky-newhire.com/contact</a>  Website: <a href="https://ky-newhire.com/">https://ky-newhire.com/</a>	20 days	New Hire Elements; Employer's State of Kentucky Employer Identification Number (KEIN) Optional: Employee's date of birth and availability of medical benefits. Employer's phone #, fax #, e-mail address, and contact name.	Online (portal, FTP), mail (diskette), fax, or payroll services.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Louisiana</b> Phone: 888-223-1461 Fax: 888-223-1462 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/LA-Newhire/Contact.aspx">https://newhire-reporting.com/LA-Newhire/Contact.aspx</a> Website: <a href="http://www.la-newhire.com">www.la-newhire.com</a>	20 days	New Hire Elements; Employee's occupation and Employer's State Identification Number.	Online (portal, FTP), mail (diskette), fax, or payroll services.	No
<b>Maine</b> Phone: 207-624-7880 Phone: 800-845-5808 Fax: 207-287-6882 Email: <a href="mailto:maine.newhire@maine.gov">maine.newhire@maine.gov</a> Website: <a href="https://portal.maine.gov/newhire/">https://portal.maine.gov/newhire/</a>	7 days	New Hire Elements; Employee's date of birth. Employer's phone number and Maine Department of Labor Number and Federal Employer Identification Number (FEIN).	Online (portal), mail, or fax.	Any individual who receives a W-2 form and any independent contractor when reimbursement for such services is anticipated to equal or exceed \$2,500 in a year.

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Maryland</b> Phone: 410-281-6000 Phone: 888-634-4737 Fax: 410-281-6004 Public Fax: (888) 657-3534  E-mail: Must fill in the "Feedback and Technical" box and submit at <a href="https://newhire-reporting.com/MD-Newhire/comments.aspx">https://newhire-reporting.com/MD-Newhire/comments.aspx</a>  Website: <a href="https://newhire-reporting.com/MD-Newhire/default.aspx">https://newhire-reporting.com/MD-Newhire/default.aspx</a>	20 days	New Hire Elements; availability of medical benefits, salary and pay frequency, and employer's State of Maryland Unemployment Insurance Number. Optional: Employee date of birth and gender. Employer's phone #, fax #, e-mail address, and contact name.	Online (portal, FTP), mail, fax, or payroll services.	The Directory welcomes Independent Contractor reports, however, the law does not require employers to report them.
<b>Massachusetts</b> Phone: 617-887-7607 Fax: 617-376-3262 Email: <a href="mailto:pdustaff@dor.state.ma.us">pdustaff@dor.state.ma.us</a>  Website: <a href="http://www.mass.gov/dor/child-support/employers/new-hire-reporting/">http://www.mass.gov/dor/child-support/employers/new-hire-reporting/</a>	14 days	New Hire Elements; Employee's work status	Online (portal,) mail, or fax	Yes

# State/Employer Contact and Program Information

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Michigan</b> Phone: 800-524-9846 Fax: 877-318-1659 E-mail: Fill and send Customer Service/Technical Support Form at <a href="http://mi-newhire.com/mi-newhire/contact.aspx">http://mi-newhire.com/mi-newhire/contact.aspx</a> Website: <a href="http://www.mi-newhire.com">www.mi-newhire.com</a>	20 days	New Hire Elements; Employee's state of hire (only if reporting as a Multistate employer). Optional: Employee's date of birth, state of hire and driver's license. Employer phone #, fax #, e-mail address, contact name, and State Identification Number (SEIN).	Online (portal, FTP), mail (diskette, reel tape, cartridges), fax, or payroll services	Governmental agencies must report independent contractors they hire and all other employers may provide the same information on their independent contractors if they choose.
<b>Minnesota</b> Phone: 800-672-4473 Fax: 800-692-4473 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/MN-Newhire/Contact.aspx">https://newhire-reporting.com/MN-Newhire/Contact.aspx</a> Website: <a href="http://www.mn-newhire.com">www.mn-newhire.com</a>	20 days	New Hire Elements; Employee's state of hire (only if reporting as a Multistate employer) Optional: Employee's date of birth	Online (portal, FTP), mail (diskette, reel tape, cartridges), fax, or payroll services.	Governmental agencies must report independent contractors they hire and all other employers may provide the same information on their independent contractors if they choose.



# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Mississippi</b> Phone: 800-241-1330 Fax: 800-937-8668 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://ms-newhire.com/contact">https://ms-newhire.com/contact</a> Website: <a href="http://www.ms-newhire.com">www.ms-newhire.com</a>	15 days	New Hire Elements; Employee's date of birth, gender, salary, payment frequency, and medical insurance availability. Optional: Employee's middle initial. Employer's phone number, contact name, e-mail address, and payroll country code	Online (portal, FTP), mail, or fax	No
<b>Missouri</b> Phone: 888-663-6751 Fax: 573-526-8079 E-mail: Must fill out general information form and submit at <a href="https://www.missouriemployer.dss.mo.gov/RequestHelpUnAuth.aspx">https://www.missouriemployer.dss.mo.gov/RequestHelpUnAuth.aspx</a> Website: <a href="https://www.missouriemployer.dss.mo.gov/">https://www.missouriemployer.dss.mo.gov/</a>	20 days	New Hire Elements Optional: Employer payroll address, employee's date of birth, employment type (full, part-time or temporary), employee state of hire (This is required if reporting as a multistate employer), and employee eligible for health insurance.	Online (portal, FTP), mail, or fax	No

# State/Employer Contact and Program Information

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Montana</b> Gary Dahlquist, New Hire Directory Specialist Phone: 406-444-9290 Phone: 888-866-0327 Fax: 888-272-1990 Email: NewHireReporting@mt.gov Direct Fax: 406-444-0745 Website: <a href="http://dphhs.mt.gov/CSED/employerinfo.aspx">http://dphhs.mt.gov/CSED/employerinfo.aspx</a>	20 days	New Hire Elements Optional: Employee's home phone number and date of birth. Employer's work phone number, fax number, state of hire, and health insurance availability	Online (portal), phone, mail (CD or diskette), or fax.	No
<b>Nebraska</b> Phone: 888-256-0293 Fax: 866-808-2007 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/NE-Newhire/feedback.aspx">https://newhire-reporting.com/NE-Newhire/feedback.aspx</a> Website: <a href="http://www.ne-newhire.com">www.ne-newhire.com</a>	20 days	New Hire Elements Optional: Employee's date of birth, state of hire, and dependent health insurance availability.	Online (portal, FTP), mail (diskette, CD-R, reel tape, cartridges), fax, or payroll services	Yes
<b>Nevada</b> Tonya Johnson Phone: 775-684-6370 Phone: 888-639-7241 Fax: 775-684-6379 Email: <a href="mailto:tonya.johnson@nvdetr.org">tonya.johnson@nvdetr.org</a> Website: <a href="https://uitax.nvdetr.org/crphhtml/new_hire_info.htm">https://uitax.nvdetr.org/crphhtml/new_hire_info.htm</a>	20 days	New Hire Elements Optional: Employee's date of birth and state of hire.	Online (portal, FTP), mail, or fax	No

# State/Employer Contact and Program Information

## State New Hire Reporting

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>New Hampshire</b> Phone: 603-229-4371 Phone: 800-803-4485 Fax: 603-224-0825 Website: <a href="http://www.nhes.state.nh.us">www.nhes.state.nh.us</a>	20 days	New Hire Elements; NHES Employer Account Number, work state, and type of hire.	Online (portal), mail (CD-R, diskette), or fax	Yes
<b>New Jersey</b> Phone: 877-654-4737 Fax: 800-304-4901 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/NJ-Newhire/contact.aspx">https://newhire-reporting.com/NJ-Newhire/contact.aspx</a> Website: <a href="http://www.nj-newhire.com">www.nj-newhire.com</a>	20 days	New Hire Elements; Employee's date of birth Optional: Employee's Availability of Medical Benefits. Employer's phone #, fax #, email address, and contact name.	Online (portal, FTP), mail (CD-R, cartridge), fax, or payroll services.	Yes
<b>New Mexico</b> Phone: 888-878-1607 Fax: 888-878-1614 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/NM-Newhire/contact.aspx">https://newhire-reporting.com/NM-Newhire/contact.aspx</a> Website: <a href="http://www.nm-newhire.com">www.nm-newhire.com</a>	20 days	New Hire Elements	Online (portal, FTP, encrypted e-mail), mail (CD-R), fax, or payroll services	The Directory welcomes Independent Contractor reports, however, the law does not require employers to report them.

# State/Employer Contact and Program Information

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Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>New York</b> Phone: 800-972-1233 Fax: 518-320-1080 Email: <a href="mailto:childsupport.fc-ny@xerox.com">childsupport.fc-ny@xerox.com</a> Website: <a href="http://www.tax.ny.gov/bus/wt/newhire.htm">http://www.tax.ny.gov/bus/wt/newhire.htm</a>	20 days	New Hire Elements Optional: If dependent health insurance benefits are available to the employee and if so, the date the employee qualifies for the benefits.	Online (portal), mail, or fax	Yes
<b>North Carolina</b> Phone: 888-514-4568 Fax: 866-257-7005 Email: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/NC-Newhire/Contact.aspx">https://newhire-reporting.com/NC-Newhire/Contact.aspx</a> Website: <a href="http://www.ncnewhires.com">www.ncnewhires.com</a>	20 days	New Hire Elements Optional: Employee's date of birth	Online (portal, FTP), mail (CD-R, diskette), fax, or payroll services	No
<b>North Dakota</b> Phone: 701-328-3582 Phone: 800-755-8530 Fax: 701-328-5497 Email: <a href="mailto:sohire@nd.gov">sohire@nd.gov</a> Website: <a href="https://www.nd.gov/dhs/services/childsupport/empinfo/newhire/">https://www.nd.gov/dhs/services/childsupport/empinfo/newhire/</a>	20 days	New Hire Elements; report whether or not the employer offers Health Insurance to the new hire	Online (portal), mail, fax, or payroll service	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Ohio</b> Phone: 614-221-5330 Phone: 888-872-1490 Fax: 888-872-1611 Direct Fax: (614) 221-7088  E-mail: Fill and send General Comments and Feedback Form at <a href="https://newhire-reporting.com/OH-Newhire/Contact.aspx">https://newhire-reporting.com/OH-Newhire/Contact.aspx</a>  Website: <a href="http://www.oh-newhire.com">www.oh-newhire.com</a>	20 days	New Hire Elements; Employee's state of hire Optional: Employee's gender, work status, and date of birth. Employer's income tax credit status and second address	Online (portal, FTP), mail, fax, or payroll services.	Yes, if paid over \$2,500 or more per year. Please Include dates payment will begin and length of contract service.
<b>Oklahoma</b> Phone: 405-325-9190 Phone: 866-553-2368 Fax: 800-317-3786 Email: <a href="mailto:ocss.contact.esc@okdhs.org">ocss.contact.esc@okdhs.org</a> Direct Fax: (405) 557-5350  Website: <a href="https://www.ok.gov/oesc/newhire/app/index.php">https://www.ok.gov/oesc/newhire/app/index.php</a>	20 days	New Hire Elements; Employee's state of hire Optional: Employees: occupation, salary, date of birth, dependent health insurance availability, and recall (rehire) date. Employers: Oklahoma Employer Account Number (Assigned by OESC)	Online (portal), mail, or fax.	If the work being performed is based on a contract rather than an employer/employee relationship, under federal laws you are not required to report.

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Oregon</b> Phone: 503-378-2868 Phone: 866-907-2857 Fax: 877-877-7416 Email: emplnewhire.help@doj.state.or.us Website: <a href="http://www.oregonchildsupport.gov/employers/pages/reporting.aspx">http://www.oregonchildsupport.gov/employers/pages/reporting.aspx</a>	20 days	New Hire Elements	Online (portal), mail (CD-R, diskette, cartridge tape), or fax.	No
<b>Pennsylvania</b> Phone: 888-724-4737 Fax: 866-748-4473 Email: RA-LI-CWDS-NewHire@pa.gov Website: <a href="http://www.cwds.state.pa.us">www.cwds.state.pa.us</a>	20 business days	New Hire Elements; Employer: contact person name, contact person phone number, and contact phone number extension (optional). Employees: state of hire and date of birth (optional).	Online (portal, FTP), mail, fax, or payroll services	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Puerto Rico</b> Phone: 787-754-5818  If you have any questions or queries regarding the Employer's Portal please call (787) 754-5818. For questions regarding how to complete the information electronically, requested in the "SIDES" application, call (787) 625-3137, extensions 2506 or 2201.  Website: <a href="https://patronos.dtrh.gobierno.pr/patronos/acercade.aspx">https://patronos.dtrh.gobierno.pr/patronos/acercade.aspx</a> (For English, select language from topic menu)	N/A	New Hire Elements: Employee: Health insurance and mother's maiden name.	Portal	N/A
<b>Rhode Island</b> Phone: 888-870-6461 Fax: 888-430-6907  Public Phone: (888) 870-6461 Ext. 200  E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://ri-newhire.com/contact">https://ri-newhire.com/contact</a>  Website: <a href="http://www.ri-newhire.com">www.ri-newhire.com</a>	14 days	New Hire Elements Optional: Employee's date of birth, state of hire, does employee have medical insurance? If so, provide date medical insurance started. Employer's phone number, contact number, and e-mail address.	Online (portal, FTP), mail (diskette), fax, or payroll services	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>South Carolina</b> Phone: 803-898-9235 Fax: 803-898-9100 E-mail. Fill out form and send at <a href="https://newhire.sc.gov/Help/ContactUs">https://newhire.sc.gov/Help/ContactUs</a>  Website: <a href="https://newhire.sc.gov/">https://newhire.sc.gov/</a>	20 days	New Hire Elements; Employee's date of birth Optional: Employer's phone number	Online (Portal) or fax	No
<b>South Dakota</b> Phone: 605-626-2942 Phone: 888-827-6078 Fax: 605-626-2842 Public Fax: (888) 835-8659  Website: <a href="http://dlr.sd.gov/ui/newhirereporting.aspx">http://dlr.sd.gov/ui/newhirereporting.aspx</a>	20 days	New Hire Elements	Online (portal, FTP), phone, mail, or fax	No



# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Tennessee</b> Phone: 615-884-2828 Phone: 888-715-2280 Fax: 877-505-4761  E-mail: Fill and send General Comments and Feedback Form at <a href="https://newhire-reporting.com/TN-Newhire/contact.aspx">https://newhire-reporting.com/TN-Newhire/contact.aspx</a>  Website: <a href="http://www.tnnewhire.com">www.tnnewhire.com</a>	20 days	New Hire Elements: Employee's state of hire Optional: Employee's date of birth, gender, earned income tax credit available, employee left employment, availability of health insurance, payroll address (if different than physical address), the name of the person (or team) at the company responsible for reporting new hires and the company's phone, fax, and e -mail address.	Online (portal, FTP), mail (diskette), fax, or payroll services	No
<b>Texas</b> Phone: 800-850-6442 Fax: 800-732-5015 Email: <a href="mailto:employer.newhire@texasattorneygeneral.gov">employer.newhire@texasattorneygeneral.gov</a> Website: <a href="https://portal.cs.oag.state.tx.us/wps/portal/employer">https://portal.cs.oag.state.tx.us/wps/portal/employer</a>	20 days	New Hire Elements Optional: Employee's date of birth, salary/wages, pay frequency, and state of hire. Employer's phone number, fax number, State Employer Identification Number (SEIN), and Doing Business As (DBA).	Online (portal, FTP), mail, or fax.	Yes, Texas recently defined employee for the purpose of new hire reporting to include individuals hired as independent contractors.

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Utah</b> Phone: 801-526-9235 Phone: 800-222-2857 Fax: 801-526-4391 Email: <a href="mailto:dws-ui-contrib@utah.gov">dws-ui-contrib@utah.gov</a> Direct Phone: (801) 526-9235 option 9 Public Phone: (800) 222-2857 (toll free) option 9  Website: <a href="http://jobs.utah.gov/UI/Employer/Login.aspx">jobs.utah.gov/UI/Employer/Login.aspx</a>	20 days	New Hire Elements Optional: Date of birth	Online (portal), mail (diskette), fax, or telephone (up to 3 per call)	No
<b>Vermont</b> Phone: 802-828-4344 Fax: 802-828-4286 Email: <a href="mailto:Labor-UlandWagesDivision@state.vt.us">Labor-UlandWagesDivision@state.vt.us</a> Website: <a href="http://labor.vermont.gov/unemployment-insurance/employers/new-hire-reporting/">http://labor.vermont.gov/unemployment-insurance/employers/new-hire-reporting/</a>	10 days	New Hire Elements	Online (portal), mail (CD), or fax	No
<b>Virgin Islands</b> Fax: 340-777-4803 Email: <a href="mailto:lespringette@vidol.gov">lespringette@vidol.gov</a> Direct Phone: (340)776-3700 ext. 2046 Website: <a href="http://www.vidol.gov/Units/BLS/New_Hire_I.htm">http://www.vidol.gov/Units/BLS/New_Hire_I.htm</a>	20 days	New Hire Elements; Employee's place of hire (only if reporting as a Multi-island employer)	Online (Portal) or fax.	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Virginia</b> Phone: 800-979-9014 Fax: 800-688-2680 E-mail. Fill and send Customer Service/Technical Support Form at <a href="https://va-newhire.com/contact">https://va-newhire.com/contact</a>  Website: <a href="https://va-newhire.com/">https://va-newhire.com/</a>	20 days	New Hire Elements Optional: Employee's date of birth and availability of medical benefits. Employer's phone #, fax #, e-mail address, and contact name	Online (portal, FTP), mail, fax, or payroll services	No
<b>Washington</b> Phone: 800-562-0479 Fax: 800-782-0624 Email: <a href="mailto:dcshire@dshs.wa.gov">dcshire@dshs.wa.gov</a> Public Phone: (800) 562-0479 (select option 3)  Website: <a href="https://www.dshs.wa.gov/esa/division-child-support/new-hire-reporting">https://www.dshs.wa.gov/esa/division-child-support/new-hire-reporting</a>	20 days	W-4 elements; Employee's date of birth	Online (portal), mail, fax, or phone	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>West Virginia</b> Phone: 877-625-4669 Fax: 877-625-4675 E-mail: Fill and send General Comments and Feedback Form at <a href="https://newhire-reporting.com/WV-Newhire/Contact.aspx">https://newhire-reporting.com/WV-Newhire/Contact.aspx</a> Website: <a href="http://www.wv-newhire.com">www.wv-newhire.com</a>	14 days	New Hire Elements; Employee's state of hire (only if reporting as a Multistate employer)	Online (portal, FTP), mail (CD, Diskette), fax, or payroll services	Employers must also report the hiring or rehiring of all independent contractors who receive compensation or execute a contract for services performed when payment for services equals or exceeds \$2500.00 in any year. Reporting for independent contractors must occur at the time the contract is executed or the first payment, whichever is earlier.
<b>Wisconsin</b> Phone: 888-300-4473 Fax: 800-277-8075 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://wi-newhire.com/contact">https://wi-newhire.com/contact</a> Website: <a href="http://www.wi-newhire.com">www.wi-newhire.com</a>	20 days	New Hire Elements; Employee's date of birth, Employer's payroll processing address Optional: Employee's state of hire, Employer's contact name, phone number, fax number, and e-mail address.	Online (portal, FTP), mail, fax, or payroll services	No

# State/Employer Contact and Program Information

## State New Hire Reporting

This document provides state-specific information about new hire reporting contact information, reporting time frame, data elements (mandatory and optional), method of transmission, and whether the state requires or requests/allows the reporting of independent contractors.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	Reporting Timeframe (non-magnetic media only)	Data Elements	Method of Transmission	Reporting Independent Contractors?
<b>Wyoming</b> Phone: 800-970-9258 Fax: 800-921-9651 E-mail: Fill and send Customer Service/Technical Support Form at <a href="https://newhire-reporting.com/WY-Newhire/contact.aspx">https://newhire-reporting.com/WY-Newhire/contact.aspx</a>  Website: <a href="http://newhire-reporting.com/WY-Newhire/default.aspx">http://newhire-reporting.com/WY-Newhire/default.aspx</a>	20 days	New Hire Elements; Employee's state of hire (only if reporting as a Multistate employer) Optional: Employee's date of birth. Employer's phone number and contact name.	Online (portal, FTP), encrypted e-mail, mail (CD, diskette, reel tape, cartridge), fax, or payroll services	The Center welcomes Independent Contractor reports, however, the law does not require employers to report them.

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Alabama	
State Contact Information	Address
Deborah Frazier, Contract Manager Phone: 334-242-9300 Email: deborah.frazier@dhr.alabama.gov Fax: 334-242-0606	
Other Information	
When to Start Withholding	The employer has 14 days to answer whether or not they will be able to withhold. Withholding commences on the first pay period following the 14-day answer period.
When to send payment (within a certain number of days stated, after payday)	Once money is withheld, it must be remitted within 7 working days.
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current support, medical support, arrears
Withholding limit(s) applied to payments to employees	Amounts allowed by the Federal Consumer Credit Protection Act (15 USC Section 1673(b))
Withholding limit(s) applied to payments to non-employees	AL has no additional withholding limits other than those prescribed by federal law
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per month
Legislative cite	Code of Ala. §§30-3-61, 30-3-66, 30-3-67, 30-3-71, 38-10-8

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Alaska	
State Contact Information	Address
<p>Brandi Reischman Email: brandi.reischman@ALASKA.GOV</p> <p>Rick Romero, Client Service Manager Phone: 907-269-6803</p> <p>Ava Corbitt, Office Assistant II Employer Assistance Phone: 907-269-6089</p> <p>Linda Ferreria, Supervisor Employer Assistance Phone: 907-269-6986</p> <p>Website: <a href="http://www.childsupport.alaska.gov/Employers/Employer_Information.asp">www.childsupport.alaska.gov/Employers/Employer_Information.asp</a></p>	
Other Information	
<b>When to Start Withholding</b>	1st payday after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, mandatory retirement plans
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears, interest
<b>Withholding limit(s) applied to payments to employees</b>	40% of disposable income; may go up to 65% when good cause is determined by agency as outlined in Alaska Admin. Code
<b>Withholding limit(s) applied to payments to non-employees</b>	100%
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	3 years after termination
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per payment
<b>Legislative cite</b>	Alaska Employer's Guide to Wage Withholding for Child Support; Ak. Stat. §§25.27.062, 25.27.255; 15 Ak. Adm. Code §125.540

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Arizona	
State Contact Information	Address
Phone: 602-771-8000 Phone: 602-771-8127 Email: dcse-policyquestions@azdes.gov Fax: 602-771-8130  Phone: 602-771-8000 Phone: 602-771-8127 Fax: 602-771-8130 E-mail: dcse-policyquestions@azdes.gov	PO Box 40458 Mail Drop Code 7713 Phoenix , AZ 85067  Arizona Department of Economic Security Division of Child Support Enforcement (DCSE) Policy Unit PO Box 40458 Attention: Site Code 776A Phoenix, Arizona 85067
Other Information	
<b>When to Start Withholding</b>	1st pay period occurring 14 days after date of notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	2 business days
<b>Mandatory deductions</b>	Federal, state, local income taxes, FICA, Medicare taxes
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears, interest
<b>Withholding limit(s) applied to payments to employees</b>	50% of disposable income
<b>Withholding limit(s) applied to payments to non-employees</b>	50% of the payment
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	10 days after termination
<b>How long to retain order after employee's termination</b>	At least 90 days
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment or \$4 per month, whichever is greater
<b>Legislative cite</b>	A.R.S. §§25-504, 33-1131; A.R.S. § 25-505.01



# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Arkansas	
State Contact Information	Address
Toni Erwin Email: employer.relations@ocse.arkansas.gov  Toni Erwin Phone: 800-216-0224 E-mail: employer.relations@ocse.arkansas.gov	
Other Information	
<b>When to Start Withholding</b>	1st pay period occurring 14 days after date notice was mailed
<b>When to send payment (within a certain number of days stated, after payday)</b>	Payday
<b>Mandatory deductions</b>	Federal, state, local income taxes, FICA, Medicare, Railroad Retirement
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears, interest
<b>Withholding limit(s) applied to payments to employees</b>	Amounts allowed pursuant to the federal Consumer Credit Protection Act
<b>Withholding limit(s) applied to payments to non-employees</b>	None. However, amounts withheld from lump sum payments, as defined under state law, are limited to the full amount of the past due support but not to exceed 50% of the lump sum payment. Contact AR OCSE to verify arrears.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Immediately
<b>How long to retain order after employee's termination</b>	Keep on file until notified
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$2.50 per payment
<b>Legislative cite</b>	A.C.A. §§9-12-312, 9-14-224, 9-14-227, 9-14-228

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

California	
State Contact Information	Address
Program and Policy Branch Phone: 916-464-5883 Fax: 916-464-7032 E-mail: policy.branch@dcss.ca.gov	
Other Information	
<b>When to Start Withholding</b>	Within 10 days after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	No longer than 7 business days after the payment is withheld.
<b>Mandatory deductions</b>	Federal, state, and local taxes; FICA; Medicare; and disability insurance; union dues; deductions for disability insurance and payments to public employees' retirement systems, provided that the deductions are required as a condition of employment.
<b>Priority for withholding</b>	At this time, California allows for the non-aided individual to choose between medical support and current support. For aided individuals, it is always current support that is prioritized.
<b>Withholding limit(s) applied to payments to employees</b>	Except as provided by the court, the maximum withholding is 50% of the net disposable earnings; or 25% (may be lower by written agreement) of state disability, temporary worker's compensation benefits, or unemployment benefit payments. A court ordered IWO is limited to the limit under Section 1673 of Title 15 of the US Code.  If the lump sum does not involve "earnings," then the lump sum would be subject to a 100% attachment depending on arrears amount owed. For example, a lump sum involving a civil judgment award not involving earnings would be subject to the maximum 100% attachment.
<b>Withholding limit(s) applied to payments to non-employees</b>	Any moneys payable to the individual based upon compensation of personal service whether it is wages, salaries, commission, bonus, pay, allowances, or otherwise can be withheld to pay child support. With the exception provided by the court, the maximum withholding is 50% of the net disposable earnings. Withholding from independent contractors is allowed by California law.
<b>Allocation of orders</b>	Prorate - If the NCP has more than one garnishment for support, total the amounts due for all assignments. If 50% of the NCP's net disposable earnings cannot satisfy all of the garnishments, prorate first among all the current obligations. Any remainder is applied to arrears in the same manner.
<b>When to send termination notice (for employees with orders only)</b>	Within 10 days

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

California	
Other Information	
How long to retain order after employee's termination	Generally, the employer must retain the IWO until such time that the employer has been notified that the IWO has been terminated. By operation of law a withholding order for support shall automatically terminate one year after the employment of the employee by the employer terminates.
Maximum administrative fee allowed to be taken by employer (optional)	\$1.50 per payment
Legislative cite	Cal. Civ. Proc. Code §§706.022, §§706.030, 706.052; Cal. Fam. Code §§5235, 5231, 5238, 5246; 5282; 22 California Code of Regulations §§ 116100, 110280

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Colorado	
State Contact Information	Address
Janine Archuletta Phone: 303-866-4548 Email: cdhs_fsemployerservices@state.co.us  Employer Services Unit Phone: 1-800-696-1468  Website: www.childsupport.state.co.us	
Other Information	
<b>When to Start Withholding</b>	First pay period that begins within 14 business days from the date of the withholding notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA and health insurance premiums
<b>Priority for withholding</b>	Current support and current support when combined with alimony, medical support, arrears (child support, alimony and medical support), alimony only
<b>Withholding limit(s) applied to payments to employees</b>	Colorado law (C.R.S.§13-54-104) exactly matches federal law (15 USC 1673); 50% to 65% of disposable income depending upon age of arrears and whether the employee is supporting other dependents.
<b>Withholding limit(s) applied to payments to non-employees</b>	50% - 65% of the payment
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	10 days after termination
<b>How long to retain order after employee's termination</b>	Keep on file until notified by child support agency
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per month (from remainder of employee's income after deductions and withholding)
<b>Legislative cite</b>	C.R.S.§§ 13-54-104, 14-10-115, 14-14-102 and 14-14-111.5

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Connecticut	
State Contact Information	Address
Phone: 888-233-7223 Website: www.ctchildsupport.com	
Other Information	
<b>When to Start Withholding</b>	1st pay period after 14 days from service
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state city taxes, FICA, normal retirement contributions, union dues, group life and health insurance premiums*. * Cash child support has priority over med insurance premium.
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	If weekly disposable income is: Less than \$145, then maximum amount to withhold is 15% (e.g., withhold \$15 if weekly disposable is \$100). * Greater than \$145, then maximum amount to withhold is weekly disposable minus \$123.25* *unless lower amount ordered
<b>Withholding limit(s) applied to payments to non-employees</b>	
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	No retention unless employee may return at a later date
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	No provision
<b>Legislative cite</b>	CT General Statutes Sec. 52-362(e).

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Delaware	
State Contact Information	Address
Leslie Woods, Social Services Administrator Phone: 302-395-6523 Email: leslie.woods@state.de.us	
Other Information	
When to Start Withholding	No later than the first pay period occurring 7 days after receipt of IWO
When to send payment (within a certain number of days stated, after payday)	On or before payday
Mandatory deductions	Federal, state, city taxes, FICA, mandatory retirement, union dues
Priority for withholding	Current support, arrears, health insurance premiums
Withholding limit(s) applied to payments to employees	Federal CCPA limits of 50 to 65%
Withholding limit(s) applied to payments to non-employees	50 to 65% of the payment
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Upon termination
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	No provision
Legislative cite	13 DE. Code §513

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

District of Columbia	
State Contact Information	Address
Aggie Rhodes, Wage Withholding Manager Phone: 202-442-7089 Email: aggie.rhodes@dc.gov	
Other Information	
When to Start Withholding	No later than the first pay period occurring 10 days after the date the notice or order to withhold was issued.
When to send payment (within a certain number of days stated, after payday)	No later than seven (7) business days after the date the income would have been paid to the obligor.
Mandatory deductions	Federal, state, local taxes, FICA
Priority for withholding	Current support, health insurance premiums, arrears
Withholding limit(s) applied to payments to employees	Follow the CCPA
Withholding limit(s) applied to payments to non-employees	None
Allocation of orders	Withhold-ings are prorated among the obligor's orders up to the limits of the CCPA.
When to send termination notice (for employees with orders only)	Within 10 days after the obligor's termination or within 10 days after the employer receives notice of the termination from the obligor.
How long to retain order after employee's termination	The District has no law or policy on this issue.
Maximum administrative fee allowed to be taken by employer (optional)	\$2.00 per deduction per pay period.
Legislative cite	D.C. Official Code §§46-208, 46-212, 46-216, 46-217 (2008).

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Florida	
State Contact Information	Address
Florida Child Support Employer Line Phone: 866-435-2763	
Other Information	
<b>When to Start Withholding</b>	No later than the first payment date which occurs more than 14 days after the date the income deduction notice was served on the payor.
<b>When to send payment (within a certain number of days stated, after payday)</b>	2 days
<b>Mandatory deductions</b>	Federal, city taxes, FICA
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears, then other medical coverage
<b>Withholding limit(s) applied to payments to employees</b>	CCPA
<b>Withholding limit(s) applied to payments to non-employees</b>	CCPA
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 for 1st payment, \$2 per payment thereafter
<b>Legislative cite</b>	Fla. Stat. §61.1301 Website: <a href="http://flsenate.gov/Laws/Statutes/2011/61.1301">http://flsenate.gov/Laws/Statutes/2011/61.1301</a>



# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Georgia	
State Contact Information	Address
Erica D. Thornton Policy and Paternity Unit Phone: 404-657-3866 Email: DCSSPOLICY-PATERNITY@dhr.state.ga.us	Division of Child Support Services 2 Peachtree St., N.W. 20th Floor Atlanta, GA 30303
Other Information	
<b>When to Start Withholding</b>	No later than the first pay period that occurs after 14 days following the date the notice was mailed
<b>When to send payment (within a certain number of days stated, after payday)</b>	Within two business days after each payment date
<b>Mandatory deductions</b>	Federal, state, local taxes, FICA, Medicare
<b>Priority for withholding</b>	Current support, medical insurance if ordered in a specific dollar amount, arrears.
<b>Withholding limit(s) applied to payments to employees</b>	Federal CCPA limits of 50% - 65%; 50% for Orders to Withhold and Deliver
<b>Withholding limit(s) applied to payments to non-employees</b>	50% - 65%; 50% for Orders to Withhold and Deliver
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Immediately
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	Up to \$25.00 against the obligor's income to reimburse the payor for administrative costs for the first income deduction pursuant to an income deduction order and up to \$3.00 for each deduction thereafter.
<b>Legislative cite</b>	O.C.G.A. §19-6-33 <a href="http://www.lexisnexis.com/hottopics/gacode/Default.asp">http://www.lexisnexis.com/hottopics/gacode/Default.asp</a>

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Guam	
State Contact Information	Address
<p>Wilfred Aflague, Program Coordinator Phone: 671-475-3360, ext. 1020 Fax: 671-472-7596 Email: employerservices@guamcse.net</p> <p>Cathleen L.G. Moylan, Program Coordinator Phone: 671-475-3360, ext. 1010 Fax: 671-472-7596 Email: employerservices@guamcse.net</p>	
Other Information	
<b>When to Start Withholding</b>	First pay period after receipt of the Order
<b>When to send payment (within a certain number of days stated, after payday)</b>	Within 5 days of the day an employee's pay is due
<b>Mandatory deductions</b>	Local tax, FICA
<b>Priority for withholding</b>	Current support, current medical support, child support arrears, medical support arrears, genetic test fees
<b>Withholding limit(s) applied to payments to employees</b>	60% of disposable income, but only 50% if NCP supporting either a spouse or child not subject of an Order
<b>Withholding limit(s) applied to payments to non-employees</b>	
<b>Allocation of orders</b>	Divide equally
<b>When to send termination notice (for employees with orders only)</b>	Immediately
<b>How long to retain order after employee's termination</b>	Notify agency if employee is terminated
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	No fee allowed
<b>Legislative cite</b>	5 GCA Section 34132, 34133.1, 34134, 34135, 34137, 34138

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Hawaii	
State Contact Information	Address
Kaleialoha Vierra, CSE Specialist Phone: 808-692-7147 Fax: 808-692-7134 E-mail: kalei.a.vierra@hawaii.gov	
Other Information	
When to Start Withholding	1st pay period within 7 days from mailing
When to send payment (within a certain number of days stated, after payday)	5 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	No policy with respect to medical support priority at this time
Withholding limit(s) applied to payments to employees	Federal Consumer Credit Protection Act limits
Withholding limit(s) applied to payments to non-employees	None
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Immediately
How long to retain order after employee's termination	Keep order until notified by IV-D
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment
Legislative cite	H.R.S. §576E-16

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Idaho	
State Contact Information	Address
Lisa Johnson Phone: 208-334-5741 Email: JohnsoL1@dhw.idaho.gov	
Other Information	
When to Start Withholding	1st pay period after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal and state taxes
Priority for withholding	Current support, medical support, arrears
Withholding limit(s) applied to payments to employees	50% of disposable income
Withholding limit(s) applied to payments to non-employees	50% of the payment
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	Keep until notified
Maximum administrative fee allowed to be taken by employer (optional)	\$5 per payment
Legislative cite	Id. Code §32-1210

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Illinois	
State Contact Information	Address
Maximus Collection and Asset Recovery Phone: 888-245-1938 Email: iwoteam@maximus.com	
Other Information	
<b>When to Start Withholding</b>	1st payday after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days; if remitting for 10 or more employees OR if have 250 employees or more (do not all have to be in IL) and remitting for 1 or more, must send payments ELECTRONICALLY
<b>Mandatory deductions</b>	Federal, state, and local taxes and other retirement and disability contributions required to be withheld by law, FICA, union dues and amounts exempted by the federal Consumer Credit Protection Act
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	No withholding limits aside from those established Federally.
<b>Withholding limit(s) applied to payments to non-employees</b>	Assuming the payment represents income to the individual as defined by 750 ILCS 28/15(d), then there are no withholding limits aside from those established Federally.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	7 days after termination
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per month
<b>Legislative cite</b>	750 ILCS 28/35

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Indiana	
State Contact Information	Address
Samuel Keck Email: Samuel.Keck@dcs.in.gov  Dorothy R Webb, Supervisor Employer Maintenance Unit Child Support Bureau Phone: 317-234-4870 Fax: 317-234-4767 E-mail: Dorothy.Webb@dcs.IN.gov	402 W Washington St MS 11 Indianapolis IN 46204
Other Information	
When to Start Withholding	14 business days after order is received
When to send payment (within a certain number of days stated, after payday)	If the employer has more than 50 employ-ees on staff and is remitting more than one child support payment, they are required to do it electronically.
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current support, arrears, health insurance premiums
Withholding limit(s) applied to payments to employees	Amounts allowed by the Federal Consumer Credit Protection Act (15 USC 1673(b))
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	10 days after termination
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment
Legislative cite	Ind. Code Ann. §§31-16-15-15, 31-16-15-17, 31-16-15-18

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Iowa	
State Contact Information	Address
Andrea Bell, Management Analyst II Phone: 319-226-7041 Phone: 877-274-2580 Email: csrue@dhs.state.ia.us Fax: 515-564-4103	
Other Information	
When to Start Withholding	10 days after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	No policy with respect to medical support priority at this time
Withholding limit(s) applied to payments to employees	50% of net disposable income
Withholding limit(s) applied to payments to non-employees	50% of the payment
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment
Legislative cite	Iowa Code §§252D.17, 252D.18A

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Kansas	
State Contact Information	Address
Kansas Employer Unit Phone: 785-368-6285 E-mail: DCF.CSSEmployers@ks.gov  Website:  <a href="http://www.dcf.ks.gov/services/CSS/Pages/Information-for-Employers.aspx">http://www.dcf.ks.gov/services/CSS/Pages/Information-for-Employers.aspx</a>	
Other Information	
<b>When to Start Withholding</b>	1st pay period after 14 days from receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA and other retirement and disability contributions
<b>Priority for withholding</b>	Current support, arrears, health insurance premiums
<b>Withholding limit(s) applied to payments to employees</b>	Kansas limits withholdings to 50% of disposable income as that term is defined in the CCPA for all withholdings occurring after July 1, 2013.
<b>Withholding limit(s) applied to payments to non-employees</b>	
<b>Allocation of orders</b>	Divide equally
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	Lesser of \$5 per pay period or \$10 per month for income withheld from periodic payments (e.g. regular compensation). An additional \$10 may be withheld for any lump sum withholdings.
<b>Legislative cite</b>	K.S.A. 23-3101 et seq.; Kansas House Bill 2015



# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Kentucky	
State Contact Information	Address
Mary W. Sparrow Phone: 502-564-2285 ext. 4832 E-mail: mary.sparrow@ky.gov	
Other Information	
<b>When to Start Withholding</b>	The first pay period that occurs 14 days after the date of the notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	Federal Consumer Credit Protection Act limits of 50-65%
<b>Withholding limit(s) applied to payments to non-employees</b>	Kentucky can withhold up to 100% of the payment amount or the obligation due, whichever is less, depending on whether the income is determined to be derived from earnings.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment
<b>Legislative cite</b>	Kentucky Revised Statutes 405.465 and 405.467

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Louisiana	
State Contact Information	Address
Konitra Jack, CSE Manager Phone: 225-342-2148 Email: Konitra.jack.dcf@la.gov Fax: 225-342-8822  Zeld Thomas Phone: 225-342-8261 E-mail: Zeld.Thomas.DCFS@LA.GOV	
Other Information	
<b>When to Start Withholding</b>	1st pay period after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, retirement, medical, life insurance
<b>Priority for withholding</b>	Health insurance premiums, current support, arrears
<b>Withholding limit(s) applied to payments to employees</b>	50% of disposable income
<b>Withholding limit(s) applied to payments to non-employees</b>	
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	10 days after termination
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per pay period
<b>Legislative cite</b>	La. R.S. 13:3881, 46:236.3

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Maine	
State Contact Information	Address
Mike Hughes Phone: 207-624-6981 Email: mike.hughes@maine.gov	
Other Information	
When to Start Withholding	1st payday after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA, state employee's retirement, required union dues
Priority for withholding	Current child support, arrears, health insurance premiums
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	15 days after termination
How long to retain order after employee's termination	Order stands until released by the child support agency
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment
Legislative cite	14 M.R.S.A. §3126-A; 19-A M.R.S.A. §§2306, 2652, 2663; Code Me. R. 10-144-351

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Maryland	
State Contact Information	Address
Donna Mooshegian Phone: 410-767-7054 Email: dmooshe2@dhr.state.md.us	
Other Information	
When to Start Withholding	1st pay period after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current child support, arrears, health insurance premiums, and cash medical support
Withholding limit(s) applied to payments to employees	Amounts allowed by the Federal Consumer Credit Protection Act (15 USC Section 1673(b))
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	10 days after termination
How long to retain order after employee's termination	Not required
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment
Legislative cite	Md. Code Ann., Family Law §§10-128, 10-129, 10-130

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Massachusetts	
State Contact Information	Address
<p>Kathlyn Cox-Breen Phone: 617-887-7562 Email: cox@dor.state.ma.us DOR/Child Support Enforcement Division</p> <p>Jackie Linnell Phone: 617-887-7689 Email: linnellj@dor.state.ma.us</p> <p>Michael Hood Phone: 617-887-7592 Email: hoodm@dor.state.ma.us</p>	<p>PO Box 7057 Boston , MA 02204</p>
Other Information	
<b>When to Start Withholding</b>	1st payday more than 3 days after notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	3 days; if remitting for 5 or more employees, must send payments electronically
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA and mandatory public employee deductions
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	Federal Consumer Credit Protection Act limits
<b>Withholding limit(s) applied to payments to non-employees</b>	Federal Consumer Credit Protection Act limits
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Before next payday following termination
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment
<b>Legislative cite</b>	Massachusetts General Laws Chapter 119A, section 12

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Michigan	
State Contact Information	Address
Chris Townsend Phone: 517-241-5053 Email: townsendc2@michigan.gov	
Other Information	
When to Start Withholding	7 days after service
When to send payment (within a certain number of days stated, after payday)	3 days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current support, arrears, health insurance premiums
Withholding limit(s) applied to payments to employees	50% of disposable earnings as that term is defined in the Consumer Credit Protection Act (CCPA) at 15 USC 1672  Ref: MCL 552.608, MCL 552.611a, and MCL 552.626b
Withholding limit(s) applied to payments to non-employees	No limit on payments or income that is not earnings or disposable earnings as those terms are defined in the Consumer Credit Protection Act (CCPA) at 15 USC 1672. Ref: MCL 552.608, MCL 552.611a, and MCL 552.626b.
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	Until notified by agency; IWN stays in effect even upon return to employment
Maximum administrative fee allowed to be taken by employer (optional)	Income submitted by electronic means:\$1 each payment, but not to exceed \$2 per month Income submitted by other means:\$2 each payment, but not to exceed \$4 per month
Legislative cite	M.C.L. §§ 552.608, 552.609, 552.611, 552.611a, 552.614, 552.623

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Minnesota	
State Contact Information	Address
Policy Help Desk Phone: 800-657-3890	
Other Information	
When to Start Withholding	1st pay period occurring 14 days after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	No policy with respect to medical support priority at this time
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	10 days after termination
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	\$1 per payment
Legislative cite	Minn. Stat. § 518A.53

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Mississippi	
State Contact Information	Address
Dana Kidd, Director of State Operations Support Unit Phone: 601-359-2821 Email: Dana.Kidd@mdhs.ms.gov Fax: 601-359-4435	
Other Information	
When to Start Withholding	1st pay period within 14 days after service
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA, other retirement and disability contributions
Priority for withholding	No policy with respect to medical support priority at this time
Withholding limit(s) applied to payments to employees	50-65% as promulgated by the Federal Credit Consumer Protection Act (15 USC Section 1673(b))
Withholding limit(s) applied to payments to non-employees	Mississippi has no withholding limit except those prescribed by federal law.
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	Do not retain; return copy of order to agency after termination
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment plus \$5 to be withheld each month for DHS (the monthly \$5 may be sent in with the withheld obligation).
Legislative cite	Miss. Code Ann. §93-11-111



# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Missouri	
State Contact Information	Address
Matthew Williams Phone: 800-585-9234 Email: FSD.EmployerTeam@dss.mo.gov	
Other Information	
When to Start Withholding	2 weeks after mailing or electronic issuance of notice
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current support (would include a dollar-specific medical support obligation), health insurance premiums, current spousal support, arrears, interest
Withholding limit(s) applied to payments to employees	State withholding statutes invoke the CCPA. However, withholding orders issued by the Missouri IV-D agency limit the withholding to 50% of the disposable earnings.
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Within 10 days after termination
How long to retain order after employee's termination	Until notified by enforcing authority
Maximum administrative fee allowed to be taken by employer (optional)	\$6 per month
Legislative cite	Section 454.505, RSMo

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Montana	
State Contact Information	Address
Monique Prevel Phone: 406-444-6893 Email: mprevel@mt.gov	
Other Information	
When to Start Withholding	1st pay period after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA, employment taxes, mandatory retirement and mandatory union dues
Priority for withholding	Current support, arrears, health insurance premiums*
Withholding limit(s) applied to payments to employees	50% of disposable income; if income is not wages, earnings or remuneration for personal services, up to 100% of net income (100% of contract proceeds)
Withholding limit(s) applied to payments to non-employees	None
Allocation of orders	State orders take priority over income withholding orders issued by Montana court or court agency of another state.
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	Keep order until notified by IV-D that order is terminated or modified
Maximum administrative fee allowed to be taken by employer (optional)	\$5.00 per month per income withholding order.
Legislative cite	Mont. Code Ann. §§40-5-423

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Nebraska	
State Contact Information	Address
Nebraska Child Support Customer Service Call Center Phone: 1-877-631-9973, Option 2  <a href="http://dhhs.ne.gov/children_family_services/CSE/Pages/CSEHome.aspx">http://dhhs.ne.gov/children_family_services/CSE/Pages/CSEHome.aspx</a>	
Other Information	
<b>When to Start Withholding</b>	1st pay period after date of notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, mandatory retirement
<b>Priority for withholding</b>	Current child support, spousal support, medical support payments including health insurance premiums; then arrears- child support, spousal support, then medical support; then interest on those arrears
<b>Withholding limit(s) applied to payments to employees</b>	Federal CCPA limits
<b>Withholding limit(s) applied to payments to non-employees</b>	50 - 65% of the payment
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	30 days after termination
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$2.50 per month
<b>Legislative cite</b>	Neb. Rev. Stat. §§42-364.01, 42-364.12, 43-1722, 43-1723, 43-1718.02 (2)(i)

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Nevada	
State Contact Information	Address
Rose Ramos Phone: 775-684-0695 Email: rramos@dwss.nv.gov	
Other Information	
When to Start Withholding	1st pay period occurring 14 days after date notice is mailed
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal taxes, FICA, Medicare
Priority for withholding	The employer shall allocate the funds available in accordance with the following priority, unless a court or administrative order directs otherwise: Current child and spousal support Health insurance premiums or current cash medical support; Arrearages Other child support obligations
Withholding limit(s) applied to payments to employees	Federal CCPA limits of 50 - 65%
Withholding limit(s) applied to payments to non-employees	50% - 65% of the payment
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Timely
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	\$3 Employer's Cost Recovery fee: Allows employers to deduct up to \$3.00 for each withholding from the amount paid the employee as reimbursement for the costs associated with carrying out the withholding.
Legislative cite	Nev. Rev. Stat. Ann. §§31.295, 31A.030, 31A.075, 31A.080, 31A.090

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

New Hampshire	
State Contact Information	Address
Gail Sherman, Sr. Management Analyst Phone: 603-271-4438 Email: Gail.Sherman@dhhs.nh.gov Fax: 603-271-4787  Web Mail: <a href="http://www.dhhs.nh.gov/dcscs/contact.htm">http://www.dhhs.nh.gov/dcscs/contact.htm</a> Toll Free Phone: 1-800-852-3345 x 4427 Web Site for Employers: <a href="http://www.dhhs.nh.gov/dcscs/employer.htm">http://www.dhhs.nh.gov/dcscs/employer.htm</a>	
Other Information	
<b>When to Start Withholding</b>	1st pay period occurring 14 days after date of notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	Payday
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	Current support (child and spousal), health insurance premiums, arrearages
<b>Withholding limit(s) applied to payments to employees</b>	Withholding cannot exceed maximum amount permitted under federal CCPA limits, as specified in 15 U.S.C. 1673(b).
<b>Withholding limit(s) applied to payments to non-employees</b>	Payments to non-employees not subject to withholding but subject to lien. No payment limits except first \$1000 of payment is not subject to lien.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	15 days after termination
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment
<b>Legislative cite</b>	NH Rev. Stat. Ann. §§458-B:4, 458-B:6, & 461-A:14

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

New Jersey	
State Contact Information	Address
Judy Fornier Phone: 609-631-2798 Email: Judy.Fornier@dhs.state.nj.us	
Other Information	
<b>When to Start Withholding</b>	1st pay period ending after postmark date
<b>When to send payment (within a certain number of days stated, after payday)</b>	Payday
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	New Jersey guidelines have a line item for work related medical coverage; however, if the coverage is out-of-pocket, the priority is current support, health insurance premiums, arrears.
<b>Withholding limit(s) applied to payments to employees</b>	Shall not exceed the maximum amount permitted under section 303 (b) of the federal Consumer Credit Protection Act (15 U.S.C. s. 1673 (b)).
<b>Withholding limit(s) applied to payments to non-employees</b>	If in response to an Income Withholding Order (IWO), you must apply the CCPA limit. If in response to a Writ of Execution, you must withhold the full amount specified in the Writ.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	No law; if employee leaves, notify IV-D
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment
<b>Legislative cite</b>	N.J. Stat. §§2A:17-56.8, 2A:17-56.11

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

New Mexico	
State Contact Information	Address
Jeremy Toulouse Phone: 505-827-1333 Email: Jeremy.toulouse@state.nm.us	
Other Information	
<b>When to Start Withholding</b>	Next payday after service
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, union dues
<b>Priority for withholding</b>	Current support (child and spousal), health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	50% of disposable income
<b>Withholding limit(s) applied to payments to non-employees</b>	No limit
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	No specific provision; governed by federal requirements to send termination notice "promptly"
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment
<b>Legislative cite</b>	N.M. Stat. Ann. §§40-4A-6, 40-4A-8

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

New York	
State Contact Information	Address
New York State Child Support Customer Service Helpline Phone: 888-208-4485 Email: nysdcse@otda.ny.gov	
Other Information	
When to Start Withholding	1st pay period after 14 days after service
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, and FICA
Priority for withholding	Current support, health insurance premiums, arrears
Withholding limit(s) applied to payments to employees	federal CCPA limits of 50 - 65%
Withholding limit(s) applied to payments to non-employees	None
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	Return order to issuer if employee terminates
Maximum administrative fee allowed to be taken by employer (optional)	No provision
Legislative cite	N.Y. Civil Practice Law & Rules §5241



# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

North Carolina	
State Contact Information	Address
North Carolina Child Support Phone: 800-992-9457  North Carolina Website <a href="http://www.ncchildsupport.com/">http://www.ncchildsupport.com/</a>	
Other Information	
<b>When to Start Withholding</b>	1st pay period occurring 14 days after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, and involuntary retirement contributions
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	40% of disposable income if one order only; 45% if multiple orders and NCP directly supports other dependents; 50% if multiple orders and no other dependents.
<b>Withholding limit(s) applied to payments to non-employees</b>	
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$2 per payment
<b>Legislative cite</b>	N.C. Gen. Stat. §§110-136.6, 110-136.8

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

North Dakota	
State Contact Information	Address
Suzanne Witkowski Phone: 701-328-7528 Email: sewitkowski@nd.gov	
Other Information	
When to Start Withholding	Next payday after receipt of notice
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	State income withholding law provides that child support payments must be satisfied before any payment is made to the health insurance provider.
Withholding limit(s) applied to payments to employees	Not to exceed 50% of the obligor's disposable income . . . N.D.C.C. § 14-09-09.16(6)
Withholding limit(s) applied to payments to non-employees	The amount withheld may not exceed 50% of the payment.
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Within 7 business days of termination
How long to retain order after employee's termination	Until notified by child support agency that order has terminated
Maximum administrative fee allowed to be taken by employer (optional)	\$3 per month
Legislative cite	N.D. Cent. Code §14-09-09.16, 14-09-09.10

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Ohio	
State Contact Information	Address
<p>Jack Saliba Phone: 614-752-2586 Email: Jack.Saliba@JFS.Ohio.Gov</p> <p>First Choice: Contact the local child support agency Website for county listing: <a href="http://jfs.ohio.gov/County/County_Directory.pdf">http://jfs.ohio.gov/County/County_Directory.pdf</a></p> <p>Second Choice: Eric Gladden Eric.Gladden01@jfs.ohio.gov</p>	<p>Contact the local child support agency listed on the income withholding.</p>
Other Information	
<b>When to Start Withholding</b>	<p>Begin the withholding no later than: (a) Fourteen business days from the date the notice is mailed to the payor; or (b) The first pay period that occurs after fourteen business days from the date the notice is mailed to the payor.</p>
<b>When to send payment (within a certain number of days stated, after payday)</b>	<p>Send the amount withheld to the Ohio Child Support Payment Central (CSPC) immediately but no later than seven business days after the obligor is paid.</p>
<b>Mandatory deductions</b>	<p>Federal, state, city taxes, FICA</p>
<b>Priority for withholding</b>	<p>Ohio gives priority to all forms of cash child support first (e.g., current support, periodic arrears, fees, reimbursements) and the medical insurance premium second. This priority is dictated by Ohio Revised Code section 3119.36(B) which requires an employer to return the NMSN without action if the combined total of the support payment and the medical insurance premium exceeds CCPA.</p>
<b>Withholding limit(s) applied to payments to employees</b>	<p>50% of the disposable income if the obligor is supporting another family and 60% of the disposable income if the obligor is not supporting another family. However, those limits increase 5% - to 55% and 65% - if the arrears are greater than 12 weeks</p>
<b>Withholding limit(s) applied to payments to non-employees</b>	<p>Ohio has no additional withholding limits other than those prescribed by federal law</p>
<b>Allocation of orders</b>	<p>Prorate</p>
<b>When to send termination notice (for employees with orders only)</b>	<p>10 business days after termination</p>
<b>How long to retain order after employee's termination</b>	<p>Order to be kept on file until notified by IV-D to terminate or to reduce withholding</p>
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	<p>\$2 or up to 1% of payment, whichever is greater</p>

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Ohio	
Other Information	
Legislative cite	Ohio Rev. Code §§3121.03, 3121.033, 3121.034, 3121.037, 3121.18, 3121.19, 3121.20

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Oklahoma	
State Contact Information	Address
Employer Services Center Phone: 866-553-2368 E-mail: OCSS.Contact.ESC@okdhs.org	DHS/CSS PO Box 248805 Oklahoma City , OK 73124
Other Information	
<b>When to Start Withholding</b>	Next payday after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	Effective 10-01-07, employers receiving an income assignment and NMSN are to allocate withholdings to (1) current child and spousal support, then (2) health insurance premiums, then (3) arrearages, then (4) other child support obligations.
<b>Withholding limit(s) applied to payments to employees</b>	Oklahoma follows the CCPA limits of 50-65%
<b>Withholding limit(s) applied to payments to non-employees</b>	The payer should withhold 100% of the amount due each month. Do not exceed the total monthly amount to withhold each month.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	10 days after termination
<b>How long to retain order after employee's termination</b>	Orders to be kept on file indefinitely
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per payment; up to \$10 per month
<b>Legislative cite</b>	12 Okla. Stat. §§1171.2, 1171.3

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

<b>Oregon</b>	
<b>State Contact Information</b>	<b>Address</b>
Employer Services Central Unit Phone: 866-907-2857 E-mail: ead.staff@doj.state.or.us	Department of Justice 4600 25th Ave NE, Suite 180 Salem, OR 97301
<b>Other Information</b>	
<b>When to Start Withholding</b>	1st payday within 5 business days after date of notice
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, worker's compensation, statutory pension contributions
<b>Priority for withholding</b>	Current cash child/medical/spousal support, then arrears for child/medical/spousal support and last health care coverage premium.
<b>Withholding limit(s) applied to payments to employees</b>	Yes, 50% limit of net disposable income. If withholding is for arrears only support and is issued for attachment of Veterans or Black Lung or Social Security Disability benefits the claimant must retain an amount equal to 160 hours multiplied by the federal minimum wage rate before withholding can occur.
<b>Withholding limit(s) applied to payments to non-employees</b>	Payments to non-employees for compensation, personal services, salary, commission, bonus, pension, retirement, cash dividends, interest payments, substitute wages and amounts owed to independent contractors qualify for withholding child support when more than \$4.99 is owed to an obligor. A withholder is considered any person who pays an obligor income (ORS 25.010). The maximum withholding amount for non-employees is 50% of the gross income.
<b>Allocation of orders</b>	Prorate current or current and arrears support cases only before withholding arrears/ past due "only" orders. If withholding for arrears/ past due only support, split amount withheld evenly, not to exceed ordered amount
<b>When to send termination notice (for employees with orders only)</b>	Immediately or no later than the next pay day
<b>How long to retain order after employee's termination</b>	Until further notice from court or entity issuing notice
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per order per month
<b>Legislative cite</b>	O.R.S 25.372 - 25.424

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Pennsylvania	
State Contact Information	Address
Alex Cain, Human Services Program Specialist Supervisor Dept of Human Services Phone: 717-425-5078 Email: acain@pa.gov	
Other Information	
<b>When to Start Withholding</b>	No later than 14 days from the issuance of the notice to the employer.
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	Current support, current medical support including health insurance premiums, child support arrears, medical support arrears
<b>Withholding limit(s) applied to payments to employees</b>	Amounts allowed by the Federal Consumer Credit Protection Act (15 USC Section1673(b))
<b>Withholding limit(s) applied to payments to non-employees</b>	Non-employees (such as self-employed independent contractors) would not have wages attached by a Pennsylvania Domestic Relations Section. No limits would be applied by the income withholder because the non-employee would not have a garnishment.
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	No specific provision; governed by federal requirements to send termination notice "promptly"
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$50 one-time fee per obligor.
<b>Legislative cite</b>	23 Pa. C.S. §4348

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Puerto Rico	
State Contact Information	Address
Silvia Bula-Bula, Auxiliary Administrator Phone: 787-767-1500, ext 2837 E-mail: sbula@asume.pr.gov	
Other Information	
When to Start Withholding	7 business days after 1st payday
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	No information available at this time
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	30 days after termination
How long to retain order after employee's termination	Orders to be kept on file until 30 days after termination
Maximum administrative fee allowed to be taken by employer (optional)	Will be stated on order (up to \$1 per payment)
Legislative cite	8 L.P.R.A. §523



# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Rhode Island	
State Contact Information	Address
Kathleen McCusker, Chief Human Services Policy and Systems Specialist Phone: 401-458-4427 Email: Kathleen.McCusker@dhs.ri.gov	
Other Information	
When to Start Withholding	1 week from date received
When to send payment (within a certain number of days stated, after payday)	7 days
Mandatory deductions	Federal, state, city taxes, FICA and Medicare taxes
Priority for withholding	Current support, current medical support (cash order), current spousal support and then arrears
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	10 days after termination
How long to retain order after employee's termination	Order remains in effect until modified or terminated by court
Maximum administrative fee allowed to be taken by employer (optional)	\$2 per payment
Legislative cite	R.I. Gen. Laws §§15-5-24, 15-16-5.1, 15-16-9, 15-16-10, 15-16-12

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

South Carolina	
State Contact Information	Address
David Riggins, Program Coordinator II South Carolina Department of Social Services Phone: 803-898-9105 Email: david.riggins@dss.sc.gov Fax: 803-898-9100 Glenn Hastie Email: glenn.hastie@dss.sc.gov	PO Box 1469 New Hire Reporting Program Columbia , SC 29202 SC Dept of Social Services Child Support Services Division
Other Information	
When to Start Withholding	Next pay period after service
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA, other retirement deductions, disability contributions
Priority for withholding	Current support, health insurance premiums, arrears
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	20 days after termination
How long to retain order after employee's termination	If employee leaves, employer's responsibility ends
Maximum administrative fee allowed to be taken by employer (optional)	\$3 per payment
Legislative cite	S.C. Code Ann. §20-7-1315

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

South Dakota	
State Contact Information	Address
Carmin Dean Program Specialist I Phone: (605)367-5444 ext. 405 Fax: (605)367-5515 Email: Carmin.Dean@state.sd.us	Division of Child Support 811 East 10th St Dept 2 Sioux Falls, SD 57103-1650
Other Information	
When to Start Withholding	1st payday after receipt
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA, Medicare.
Priority for withholding	Current support, arrears, health insurance premiums
Withholding limit(s) applied to payments to employees	50% of disposable income; total amount of arrearage may be withheld from property, money and credits or other income not listed
Withholding limit(s) applied to payments to non-employees	50% of the payment
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	5 days after termination
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	Effective 7-1-2004: up to \$3.00 per month
Legislative cite	S.D. Cod. L. §§25-7A-32, 25-7A-34, 25-7A-35, 25-7A-36

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Tennessee	
State Contact Information	Address
Elsie Rhodes, Coordinator Phone: 615-313-5761 Email: elsie.rhodes@state.tn.us Fax: 615-532-2791	TN Child Support Services 400 Deaderick Street, 14th Fl Nashville, TN 37243
Other Information	
When to Start Withholding	14 days after date of the order
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Federal, state, city taxes, FICA and health insurance premiums for dependent listed on the child support order
Priority for withholding	The current support obligations are paid first in the following order: child support, medical support including health insurance premiums, spousal support. Arrears obligations are paid next in the same order.
Withholding limit(s) applied to payments to employees	50% of disposable income Reference TCA 36-5-501(j)(2)(A)
Withholding limit(s) applied to payments to non-employees	50%. Reference TCA 36-5-501(j)(2)(A)
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	Up to 5% of payment, not to exceed \$5 per month
Legislative cite	Tenn. Code Ann. §36-5-501

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Texas	
State Contact Information	Address
Christa Arocha-DeLeon Phone: 512-460-6229 Email: christa.arocha-deleon@texasattorneygeneral.gov	
Other Information	
<b>When to Start Withholding</b>	1st pay period after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	Payday; for EFT/EDI payments, no later than 2nd business day after payday
<b>Mandatory deductions</b>	To arrive at "Texas Family Code disposable earnings," calculate CCPA disposable earnings and then subtract union dues and medical, hospital and disability insurance for employee and dependents.
<b>Priority for withholding</b>	The cost of medical support for coverage provided through the employer is considered a deduction from income before reaching the disposable income available for support under the garnishment limits and therefore are not subject to maximum available income limits; any other medical support order is considered additional child support and no distinction made for the purpose of withholding priority. That priority is current support, interest, arrears, costs and fees.
<b>Withholding limit(s) applied to payments to employees</b>	Texas Family Code garnishment cap is 50% of Texas Family Code disposable earnings, plus the garnishment amount for health insurance; if the CCPA garnishment limit is lower, the CCPA limit applies.
<b>Withholding limit(s) applied to payments to non-employees</b>	
<b>Allocation of orders</b>	Divide equally
<b>When to send termination notice (for employees with orders only)</b>	7 days after termination
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$10 per month
<b>Legislative cite</b>	Tex. Fam. Code §§158.009, 158.202, 158.203, 158.204 158.207, 158.211

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Utah	
State Contact Information	Address
Kenneth Ransom Phone: 801-741-7522 E-mail: kransom@utah.gov.  Linda Long Phone: 801-741-7526 E-mail: llong@utah.gov	Office of Recovery Services PO Box 45033 Salt Lake City, UT 84145-0033
Other Information	
<b>When to Start Withholding</b>	1st pay period occurring 5 business days after receipt
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA, and Medicare
<b>Priority for withholding</b>	<p>If withholding is required for employee contributions to one or more plans under this notice and for a support obligation under a separate notice and available funds are insufficient for withholding for both cash and medical support contributions, the employer must withhold amounts for purposes of cash support and medical support contributions in accordance with the law, if any, of the State of the employee's principal place of employment requiring prioritization between cash and medical support, as described here: If the employee's principal place of employment is in Utah, deduct current child support before deducting amounts for health insurance coverage. As required under section 2.b.2. of the Employer Responsibilities, complete item 5 of the Employer Response to notify the Issuing Agency that enrollment cannot be completed because of prioritization or limitations on withholding.</p>
<b>Withholding limit(s) applied to payments to employees</b>	<p>Utah Code Annotated 62A-11-406 limits the total amount of an employee's income withheld for child support to the maximum permitted under Section 303(b) of the Consumer Credit Protection Act as cited in 15 U.S.C. Section 1673(b). In general, income withholding will be limited to withholding 50% of the employee's disposable income. If 50% of the employee's income does not result in withholding sufficient to cover the employee's current support and medical support obligations, the employee's circumstances may be reviewed to determine whether a higher percentage is permitted under the provisions of the Consumer Credit Protection Act .</p>
<b>Withholding limit(s) applied to payments to non-employees</b>	<p>Utah Code defines those who are subject to income withholding for child support and medical support as an individual who receives a payment from a "payor" regardless of whether the income is "earnings, compensation, or other payment due..." such as a "contract payment" (62A-11-103(8)). As a result, Utah Code applies the same withholding amounts for employees as non-employees, which is generally 50% of the non-employee/contractor's payment.</p>

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Utah	
Other Information	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	5 days after termination
How long to retain order after employee's termination	Keep withholding order in place until notified
Maximum administrative fee allowed to be taken by employer (optional)	One-time fee of \$25 (may be charged all at once, or over several pay periods)
Legislative cite	Utah Code Ann. §§62A-11-406, 62A-11-407, 62A-11-413, 62A-11-506, 62A-11-507, 78-7-44; Rule 64D of the Utah Rules of Civil Procedure; Utah Adm. Code R527-302-1

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Vermont	
State Contact Information	Address
Vermont Customer Service Unit Phone: 800-786-3214 Fax: 802-241-6534 E-mail: ocscsu@vermont.gov	
Other Information	
<b>When to Start Withholding</b>	10 days after receipt or next payday
<b>When to send payment (within a certain number of days stated, after payday)</b>	7 business days
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	Current child support, medical support, child support arrears, medical support arrears, surcharge
<b>Withholding limit(s) applied to payments to employees</b>	Follow CCPA limits
<b>Withholding limit(s) applied to payments to non-employees</b>	None
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Within 10 days of the date employment is terminated
<b>How long to retain order after employee's termination</b>	No law or policy
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$5 per month
<b>Legislative cite</b>	15 V.S.A. §§787, 789



# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Virgin Islands	
State Contact Information	Address
Kathryn DeLugo, Program Administrator Paternity and Child Support Division US Virgin Islands Department of Justice Phone: 340-778-5958, ext. 5040 E-mail: kdelugo@pcsd.gov.vi	
Other Information	
When to Start Withholding	
When to send payment (within a certain number of days stated, after payday)	
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	No statutory policy; preference for current support, medical support including health insurance premiums, arrears
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Divide equally
When to send termination notice (for employees with orders only)	
How long to retain order after employee's termination	Order to be kept until date of termination or modification
Maximum administrative fee allowed to be taken by employer (optional)	Up to \$1
Legislative cite	

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Virginia	
State Contact Information	Address
Pat Watson Phone: 800-257-9986 Email: pat.watson@dss.virginia.gov	Virginia Division of Child Support Enforcement 801 East Main Street, 12th floor Richmond, VA 23219-2901
Other Information	
When to Start Withholding	Next payday after service
When to send payment (within a certain number of days stated, after payday)	Payday if by mail; 4 days after payday if via EFT
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current support, arrears (including interest), health insurance premium
Withholding limit(s) applied to payments to employees	50-65% of disposable earnings consistent with the Federal CCPA limits, Code of Virginia §34-29 closely follows the federal CCPA.. All IWOs issued by the Virginia child support agency provide the withholding limit information on the Income Withholding Order.
Withholding limit(s) applied to payments to non-employees	50-65% of the payment. All IWOs issued by the Virginia child support agency provide the withholding limit information on the Income Withholding Order.
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	No specific retention period
Maximum administrative fee allowed to be taken by employer (optional)	\$5 per payment
Legislative cite	Va. Code Ann. §§20-79.3, 34-29, 63.2-1923

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Washington	
State Contact Information	Address
Doug Cheney Phone: 360-664-5200 Email: dcs-cru@dshs.wa.gov	
Other Information	
When to Start Withholding	1st payday after receipt
When to send payment (within a certain number of days stated, after payday)	7 days
Mandatory deductions	Federal, state, city taxes, FICA, Medicare, statutory pension contributions, mandatory union dues
Priority for withholding	Current support, health insurance premiums, arrears, interest
Withholding limit(s) applied to payments to employees	50% of disposable income
Withholding limit(s) applied to payments to non-employees	50% of payments
Allocation of orders	Divide equally
When to send termination notice (for employees with orders only)	Promptly
How long to retain order after employee's termination	Discard upon termination
Maximum administrative fee allowed to be taken by employer (optional)	\$10 for 1st payment; \$1 for all others
Legislative cite	Wash. Rev. Code §§26.18.090, 26.18.110, 26.23.060

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

West Virginia	
State Contact Information	Address
Nancy Light, Supervisor Phone: 304-356-4714 E-Mail: nancy.l.light@wv.gov  Phone: 800-835-4683	350 Capitol Street, Room 147 Charleston , WV 25301
Other Information	
<b>When to Start Withholding</b>	1st pay period occurring 14 days from date of order is mailed to employer
<b>When to send payment (within a certain number of days stated, after payday)</b>	Payday
<b>Mandatory deductions</b>	Federal, state, city taxes, FICA
<b>Priority for withholding</b>	Current support, health insurance premiums, arrears
<b>Withholding limit(s) applied to payments to employees</b>	W. Va. Code §48-14-408 reduces the CCPA limits by 10% each. Also, in a case with current support, the arrearage collection cannot be more than 25% of the current support amount. The 25% limit can be increased by up to \$200 per month if the obligor owes a substantial arrearage. (W. Va. Code §48-14-801)
<b>Withholding limit(s) applied to payments to non-employees</b>	Same as for employees, unless the withholding notice specifies to take the entire amount
<b>Allocation of orders</b>	Prorate
<b>When to send termination notice (for employees with orders only)</b>	Promptly
<b>How long to retain order after employee's termination</b>	There is no specific requirement for retention of paper document.
<b>Maximum administrative fee allowed to be taken by employer (optional)</b>	\$1 per payment
<b>Legislative cite</b>	W. Va. Code §§48-14-406, 48-14-407, 48-14-408, 48-14-409, 48-14-410, 48-14-412

# State/Employer Contact and Program Information

## State Income Withholding

This document provides the state-specific contact, address and information about income withholding.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Wisconsin	
State Contact Information	Address
Jenny Nelson Phone: 608-267-4873 Email: JennyA.Nelson@wisconsin.gov	
Other Information	
When to Start Withholding	1st pay period after receipt
When to send payment (within a certain number of days stated, after payday)	5 days
Mandatory deductions	Federal, state, city taxes, FICA
Priority for withholding	Current child and spousal support, health insurance premiums.
Withholding limit(s) applied to payments to employees	None
Withholding limit(s) applied to payments to non-employees	
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	10 days after termination
How long to retain order after employee's termination	Retain until notified by child support agency
Maximum administrative fee allowed to be taken by employer (optional)	Actual costs up to \$3 per payment
Legislative cite	Wis. Stat. §§767.75

# State/Employer Contact and Program Information

## State Income Withholding

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Wyoming	
State Contact Information	Address
Denise Dunn, Program Manager Phone: 307-777-5653 Email: denise.dunn@wyo.gov Fax: 307-777-5588	
Other Information	
When to Start Withholding	1st pay period after service
When to send payment (within a certain number of days stated, after payday)	7 business days
Mandatory deductions	Personal income taxes, social security and Medicare deductions, cost of dependent health care coverage for all dependent children and mandatory pension deductions
Priority for withholding	Current support, health insurance premiums, arrears
Withholding limit(s) applied to payments to employees	Not less than 35% nor more than 65% of gross income after deducting federal taxes. Wyoming follows 15 U.S.C. 1673.
Withholding limit(s) applied to payments to non-employees	Not less than 35% nor more than 65% of gross income after deducting federal taxes. Wyoming follows 15 U.S.C. 1673.
Allocation of orders	Prorate
When to send termination notice (for employees with orders only)	30 days after termination
How long to retain order after employee's termination	No law or policy
Maximum administrative fee allowed to be taken by employer (optional)	\$5 per payment
Legislative cite	Wyo. Stat. §20-2-201-222

# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Alabama</b>  Clifford Smith Phone: 334-501-7550 ext. 228 Fax: 334-821-4297 E-mail: clifford.smith@dhr.alabama.gov	Code of Alabama 1975, Section 27-21B-10  Website: <a href="http://www.legislature.state.al.us/CodeofAlabama/1975/coatoc.htm">http://www.legislature.state.al.us/CodeofAlabama/1975/coatoc.htm</a>	Rule 32(B)(7)(c)(3) Alabama Rules of Judicial Administration states that cash medical support or the cost of private health insurance is considered reasonable if the cost to the parent responsible for providing medical support does not exceed 10% of his/her gross income.
<b>Alaska</b>  Lisa Taylor Phone: 907-269-6803 Fax: 907-787-3159 fax E-mail: lisa.taylor@alaska.gov  Friederike Cook Phone: 907-269-6838 Fax: 907-787-3262 E-mail: friederike.cook@alaska.gov  Ronda Hausser Phone: 907-269-6837 Fax: 907-787-3149 E-mail: ronda.hausser@alaska.gov		

# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Arizona</b>  Arizona Dept of Economic Security Division of Child Support Enforcement (DCSE) Policy Unit PO Box 40458 Attention: Site Code 776A Phoenix, Arizona 85067  Phone: 602-771-8000 Phone: 602-771-8127 Fax: 602-771-8130 E-mail: dcse-policyquestions@azdes.gov	Arizona Revised Statute 25-320(R)(4) link:  Website: <a href="http://www.azleg.state.az.us/FormatDocument.asp">http://www.azleg.state.az.us/FormatDocument.asp</a>	A.R.S. 25-320(R)(4) states:  "Reasonable cost" means an amount that does not exceed the higher of five per cent of the gross income of the obligated parent or an income-based numeric standard that is prescribed in the child support guidelines.
<b>Arkansas</b>  Paula Phillips Phone: 501-682-3483 Fax: 501-682-6002 Email: paula.phillips@ocse.arkansas.gov		
<b>California</b>  Program and Policy Branch Phone: 916-464-5883 Fax: 916-464-5893 E-mail: policy.branch@dcss.ca.gov		



# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Colorado</b>  Kathleen Edwards Phone: 303-866-4582 Fax: 303-866-4359 E-mail: Kathleen.edwards@state.co.us	C.R.S. Section 14-10-115(10)(g)	"Where the application of the premium payment on the guidelines results in a child support order of \$50 or less or the premium payment is 20% or more of the parent's gross income, ..." (20% reasonable cost standard)
<b>Connecticut</b>  Edgar Young Phone: 860-424-5292 Fax: 860-951-2996 E-mail: edgar.young@ct.gov		
<b>Delaware</b>  Ana DePaul Phone: 302-395-6587 Fax: 302-395-6734 E-mail: ana.depaul@state.de.us		
<b>District of Columbia</b>  Artish Jacobs Phone: 202-724-2316 Fax: 202-724-3713 E-mail: artish.jacobs@dc.gov	D.C. Law 17-128, "Child Support Compliance Amendment Act of 2007"	Reasonable Health Insurance Coverage Defined: Health insurance coverage shall be considered reasonable in cost if the cost to the parent obligated to provide coverage for the children subject to the support order does not exceed 5 percent of the parent's gross income.

# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Florida</b>  Employer Line Phone: 866-435-2763		Florida statutes section 61.13 (1) (b) states: "Health insurance is presumed to be reasonable in cost if the incremental cost of adding health insurance for the child or children does not exceed 5 percent of the gross income, as defined in s. 61.30, of the parent responsible for providing health insurance."
<b>Georgia</b>  Lamaya Paschal Phone: 404-463-1733 Fax: 770-344-3323 E-mail: lking1@dhr.state.ga.us		
<b>Guam</b>  Pauline R. Chaco Phone: 671-475-3360, ext. 1210 Fax: 671-475-3203 E-mail: pauline.chaco@guamcse.net		No guidance on definition of "reasonable cost", but the Referee uses 5% of gross income.
<b>Hawaii</b>  Kaleialoha Vierra Phone: 808-692-7147 Fax: 808-692-7134  <a href="http://www.courts.state.hi.us/self-help/courts/forms/oahu/child_support.html">http://www.courts.state.hi.us/self-help/courts/forms/oahu/child_support.html</a>	Hawaii Revised Statutes Section 576E-17	May be found in the Hawaii Child Support Guidelines: set "10% of net income" as a reasonableness standard for private insurance costs.

# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Idaho</b>  Lisa Johnson Phone: 208-334-5741 E-mail: Johnsol1@dhw.idaho.gov  Colin Addington Phone: 208-334-5715 E-mail: AddingtC@dhw.idaho.gov	Idaho Code 32-1214B(11)	"Reasonable cost" means the cost to the obligor does not exceed five percent (5%) of his or her gross income.
<b>Illinois</b>  Barb McDermott Phone: 217-782-2359 E-mail: barb.mcdermott@illinois.gov	750 ILCS Section 28/22 750 ILCS Section 28/50(a) 750 ILCS Section 5/505.2	Legislation not changed yet so no guidance with respect to reasonable cost at this time
<b>Indiana</b>  Jill King Phone: 317-232-4936 E-mail: jill.king@dcs.in.gov  Employer Maintenance Unit Phone: 800-292-0403	IC 31-16-6-4	The cost of private health insurance for child(ren) is considered reasonable, if it does not exceed five percent (5%) of the Weekly Gross Income of the parent obligated to provide medical support.

# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Iowa</b>  Phone: 877-274-2580 Fax: 515-564-4103  Website: <a href="https://secureapp.dhs.state.ia.us/epay/">https://secureapp.dhs.state.ia.us/epay/</a>	Iowa Code Chapter 252E website - <a href="https://www.legis.iowa.gov/docs/code/252e.pdf">https://www.legis.iowa.gov/docs/code/252e.pdf</a>  Iowa Court Rules Chapter 9 website - <a href="https://www.legis.iowa.gov/docs/publications/ICRC/9.pdf">https://www.legis.iowa.gov/docs/publications/ICRC/9.pdf</a>	Generally, 5% to 1% of gross income, but there are exceptions
<b>Kansas</b>  Amy Burgoon Phone: (785) 296-1584 E-mail: <a href="mailto:Amy.Burgoon@ks.gov">Amy.Burgoon@ks.gov</a>		Health insurance is considered reasonable in cost if the cost to the parent responsible for providing coverage does not exceed twelve percent of that parent's gross income.
<b>Kentucky</b>  Mary W. Sparrow Phone: 502-564-2285, ext. 4428 Fax: 502-564-0255 E-mail: <a href="mailto:mary.sparrow@ky.gov">mary.sparrow@ky.gov</a>		Reasonable cost is defined in KRS 403.211(8)(a), as, For purposes of this section, "reasonable in cost" means that the cost of coverage to the responsible parent does not exceed five percent (5%) of his or her gross income. The five percent (5%) standard shall apply to the cost of adding the child to an existing policy, the difference in cost between a single and a family policy, or the cost of acquiring a separate policy to cover the child. If the parties agree or the court finds good cause exists, the court may order medical coverage in excess of five percent (5%) of the parent's gross income.

# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Louisiana</b>  Konitra Jack, CSE Manager Phone: 225-342-2148 Fax: 225-342-8822 E-mail: Konitra.jack.dcfs@la.gov  Charmine Anderson Phone: 225-342-8902 E-mail: Charmine.Anderson.DCFS@LA.GOV		
<b>Maine</b>  Jeffery P. Young Phone: 207-624-6987 Fax: 207-287-6883 E-mail: jeffery.p.young@maine.gov	Link not available at this time	Reasonable cost is defined as 6% of gross income or, if gross income does not exceed 150% of the federal poverty level for one person, 0% of gross income.
<b>Maryland</b>  Judith Angell Phone: 410-767-7403 Fax: 410-333-0952 E-mail: jangell@dhr.state.md.us	Family Law Article, §§12-102--12-102.3, Annotated Code of Maryland	The cost of providing health insurance for a child is considered reasonable if it does not exceed five percent of the gross income of the parent who is providing the insurance.

# State/Employer Contact and Program Information

## State Medical Support

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Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Massachusetts</b>  Karen E. Melkonian Phone: 617-626-4204 Fax: 617-660-0163 E-mail: melkonian@dor.state.ma.us  Joanne McNally Phone: 617-626-4135 Fax: 617-660-1064 E-mail: mcnallyj@dor.state.ma.us	Massachusetts General Laws, Chapter 119A, sec. 12.	Health care coverage shall be deemed available to the obligor at reasonable cost if it is available through his/her employer.
<b>Michigan</b>  Vanessa Washington Phone: 517-241-8328 Fax: 517-373-4980 E-mail: Vanessa.washington@michigan.gov		
<b>Minnesota</b>  MN Child Support Partners Phone: 651-431-4344 or 800-657-3890		

# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Mississippi</b>  Dana Kidd Phone: 601-359-4814 Fax: 601-359-4435 E-mail: Dana.Kidd@mdhs.ms.gov	43-19-101(6): All orders involving support of minor children, as a matter of law, shall include reasonable medical support. Notice to the obligated parent's employer that medical support has been ordered shall be on a form as prescribed by the Department of Human Services. In any case in which the support of any child is involved, the court shall make the following findings either on the record or in the judgment: The availability to all parties of health insurance coverage for the child(ren); The cost of health insurance coverage to all parties. The court shall then make appropriate provisions in the judgment for the provision of health insurance coverage for the child(ren) in the manner that is in the best interests of the child(ren). If the court requires the custodial parent to obtain the coverage then its cost shall be taken into account in establishing the child support award. If the court determines that health insurance coverage is not available to any party or that it is not available to either party at a cost that is reasonable as compared to the income of the parties, then the court shall make specific findings as to such either on the record or in the judgment. In that event, the court shall make appropriate provisions in the judgment for the payment of medical expenses of the child(ren) in the absence of health insurance coverage.	45 CFR 303.31 (a)(1) states that health insurance, for the purpose of child support enforcement, is considered reasonable in cost if the cost to the parent responsible for providing medical support or ordered to pay cash medical support does not exceed five percent (5%) of his or her gross income. In applying the 5% for the cost of private health insurance, the cost is for adding the child(ren) to the existing coverage or the difference between self-only and family coverage.

# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Missouri</b>  John Mier, Establishment of Medical Support Phone: 573-751-7079 Fax: 573-522-4011 E-mail: john.r.mier@dss.mo.gov  Sharron Switzer Phone: 573-526-5445 Fax: 573-522-4011 Email: Sharron.Switzer@dss.mo.gov  Nancy Crocker, Public Inquiries Phone: 573-526-5356 Fax: 573-522-4011 E-mail: nancy.j.crocker@dss.mo.gov	Website: <a href="http://www.moga.mo.gov/statutes/c454.htm">http://www.moga.mo.gov/statutes/c454.htm</a>  The medical support statutes can be found at 454.600 through 454.645.	No guidance with respect to reasonable cost at this time
<b>Montana</b>  Chad Dexter Phone: 406-444-1846 E-mail: cdexter@mt.gov		Out-of-Pocket Premium < (Gross Income) x 0.05- *If the parent's monthly out-of-pocket premium cost for coverage of the child(ren) is less than or equal to 5% of the parent's gross income, or- If there is no additional cost to add a child(ren) to an already existing plan.



# State/Employer Contact and Program Information

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Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Nebraska</b>  Margaret Ewing Phone: 402-471-7317 Fax: 402-471-7311 fax E-mail: margaret.ewing@nebraska.gov		Cash medical support or the cost of private health insurance is considered reasonable in cost if the cost to the party responsible for providing medical support does not exceed three percent of his/her gross income. In applying the three percent standard the cost is the cost of adding the child(ren) to existing health care coverage or the difference between self-only and family health care coverage.
<b>Nevada</b>  Debbie Fazzino Phone: 775-684-0701 Fax: 775-684-0702 E-mail: dfazzino@dwss.nv.gov	Website: <a href="http://www.leg.state.nv.us/NRS/NRS-031A.html#NRS031ASec350">http://www.leg.state.nv.us/NRS/NRS-031A.html#NRS031ASec350</a>  Website: <a href="http://www.leg.state.nv.us/NRS/NRS-125B.html#NRS125BSec085">http://www.leg.state.nv.us/NRS/NRS-125B.html#NRS125BSec085</a>	Cash medical support or the cost of private health insurance is considered reasonable in cost if the cost to the parent responsible for providing health insurance does not exceed five percent (5%) of the parent's gross monthly income (GMI). In applying the five percent standard, the cost is the cost of adding the child(ren) to existing health coverage or the difference between self-only and family coverage.
<b>New Hampshire</b>  Karen Hebert, Chief Administrator Phone: 603-223-4823 Fax: 603-271-4872 E-mail: karen.e.hebert@dhhs.state.nh.us		

# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>New Jersey</b>  Alisha Griffin Phone: 609-584-5093 Fax: 609-588-2064 E-mail: alisha.griffin@dhs.state.nj.us		
<b>New Mexico</b>  Theresa M. Griego Phone: 505-476-7037 Email: theresam.griego@state.nm.us Fax: 505-476-7045  Rhonda T. Rodriguez Phone: 505-827-1320 Email: rhondat.rodriguez@state.nm.us Fax: 505-476-7045	See NMSA 1978 §40-4C-1 et seq.	
<b>New York</b>  New York State Child Support Customer Service Helpline Phone: 888-208-4485 Email: nysdcse@otda.ny.gov		

# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>North Carolina</b>  Donna Buchanan Phone: 919-855-4433 Fax: 919-733-2783 E-mail: donna.buchanan@dhhs.nc.gov		
<b>North Dakota</b>  Paulette Oberst Phone: 701-328-3582 Fax: 701-328-6575 E-mail: poberst@nd.gov		
<b>Ohio</b>  Al Marcinonis Phone: 614-752-2680 E-mail: al.marcinonis@jfs.ohio.gov		
<b>Oklahoma</b>  Dorinda Morris Phone: 580-227-2516 E-mail: dorinda.morris@okdhs.org		

# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Oregon</b>  Employer Services Central Unit Phone: 866-907-2857 Fax: 503-986-6011 E-mail: ead.staff@doj.state.or.us	ORS 25.321 to ORS 25.343  Website: <a href="http://landru.leg.state.or.us/ors/025.html">http://landru.leg.state.or.us/ors/025.html</a>	OAR 137-050-0750
<b>Pennsylvania</b>  Robert Cherry, Human Services Program Specialist Dept. of Public Welfare Phone: 717-783-7777 Fax: 717-772-4936 Email: rocherry@pa.gov	Pennsylvania Rules of Civil Procedure 1910.16-6(b)(3)(i))  <a href="http://www.pacode.com/secure/data/231/chapter1910/s1910.16-6.html">http://www.pacode.com/secure/data/231/chapter1910/s1910.16-6.html</a> 23 Pennsylvania Consolidated Statutes §4324)  <a href="http://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/23/00.043.024.000..HTM">http://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/23/00.043.024.000..HTM</a> 23 Pennsylvania Consolidated Statutes §4326  <a href="http://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/23/00.043.026.000..HTM">http://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/23/00.043.026.000..HTM</a>	23 Pennsylvania Consolidated Statutes §4324(l) "Reasonable cost." Cost of health care coverage that does not exceed 5% of the party's net monthly income and, if the obligor is to provide health care coverage, the cost of the premium when coupled with a cash child support obligation and other child support-related obligations does not exceed the amounts allowed by the Federal threshold set forth in the Consumer Credit Protection Act (Public Law 90-321, 15 U.S.C. §1601 et seq.).
<b>Puerto Rico</b>  Addo Perez-Valentin Phone: 787-767-1500, ext. 2700 Fax: 787-772-9352 E-mail: aperez@asume.gobierno.pr		

# State/Employer Contact and Program Information

## State Medical Support

This document provides state-specific information about medical support contact information, state statute on medical support, and the state's definition of reasonable cost for medical support.

To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Rhode Island</b>  Frank DiBiase Phone: 401-458-4412 Fax: 401-222-3835 E-mail: fdibiase@dhs.ri.gov		Reasonable Cost is equal to five percent (5%) or less of the gross of the parent. However, when the obligor has multiple orders, then "Reasonable Cost" is defined as being equal to no more than 5% (of the gross income of the parent) for the first order; 2.5% for the second order; (and) 0% for all subsequent orders.
<b>South Carolina</b>  Russ Collins Phone: 803-898-9450 Fax: 803-898-9227 Email: jruss.collins@dss.sc.gov		
<b>South Dakota</b>  Josh Mason Phone: 605-773-6569 Fax: 605-773-7295 E-mail: josh.mason@state.sd.us	SDCL 25-7-6.16; 25-7A-58, 59, 61 and 62	8% of net income
<b>Tennessee</b>  Elsie Rhodes, Coordinator Phone: 615-313-5761 Fax: 615-532-2791 E-mail: elsie.rhodes@state.tn.us		

# State/Employer Contact and Program Information

## State Medical Support

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Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Texas</b>  Ted White Phone: 512-460-6515 E-mail: ted.white@texasattorneygeneral.gov	Texas Family Code154.181-.193  Website: <a href="http://www.statutes.legis.state.tx.us/SOTWDocs/FA/htm/FA.154.htm#D">http://www.statutes.legis.state.tx.us/SOTWDocs/FA/htm/FA.154.htm#D</a>	Texas Family Code154.181(e) In this section, "reasonable cost" means the cost of health insurance coverage for a child that does not exceed nine percent of the responsible parent's annual resources, as described by Section 154.062(b) Website: <a href="http://www.statutes.legis.state.tx.us/SOTWDocs/FA/htm/FA.154.htm#154.181">http://www.statutes.legis.state.tx.us/SOTWDocs/FA/htm/FA.154.htm#154.181</a>
<b>Utah</b>  Scott Weight Phone: 801-741-7435 Email: sweigh2@utah.gov  Denise Fairbourn Phone: (801) 741-7527 Fax: (801) 536-8509 Email: dfairbourn@utah.gov  Website (state statute): <a href="http://le.utah.gov/code/TITLE62A/htm/62A11_032600.htm">http://le.utah.gov/code/TITLE62A/htm/62A11_032600.htm</a> .	Utah Code Annotated 62A-11-326.	Pursuant to R527-201-7. Reasonable Cost of Insurance Premiums, "Employment-related or other group coverage that does not exceed 5% of the obligated parent's monthly gross income is generally considered reasonable in cost. . ."

# State/Employer Contact and Program Information

## State Medical Support

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Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Vermont</b>  Jennifer Lyford Phone: 802-241-6522 Fax: 802-241-6534 Email: jennifer.lyford@vermont.gov		<p>The court shall order either or both parents owing a duty of support to provide a cash contribution or medical coverage for a child, provided that medical coverage is available to the parent at a reasonable cost. Medical coverage is presumed to be available to a parent at a reasonable cost only if the amount payable for the individual's contribution to the insurance or health benefit plan premium is five percent or less of the parent's gross income. The court, in its discretion, retains the right to order a parent to obtain medical coverage even if the cost exceeds five percent of the parent's gross income if the cost is deemed reasonable under all the circumstances after considering the factors pursuant to section 659 of this title.</p> <p>If private health insurance or an employer-sponsored health benefit plan is not available at a reasonable cost, the court may order one or both parents owing a duty of support to contribute a cash contribution of up to five percent of gross income toward the cost of health care coverage of a child under public or private health insurance or a health benefit plan. A cash contribution under this section shall be considered child support for tax purposes. When calculating the contribution of a parent whose child receives coverage under Medicaid, a Medicaid waiver program, or Dr. Dynasaur, the court shall not order a contribution greater than the premium amount charged by the agency of human services for the child's coverage.</p>

## State/Employer Contact and Program Information

### State Medical Support

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Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Virgin Islands</b>  Dean Barnes Phone: 340-775-3070, ext. 3009 Phone: 340-775-3808 E-mail: ginad_13@hotmail.com		
<b>Virginia</b>  Michelle Knowles Phone: (804) 726-7448 Fax: (804) 726-7481 E-mail: michelle.knowles@dss.virginia.gov		



# State/Employer Contact and Program Information

## State Medical Support

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To locate a state, from the menu bar, select **Edit** tab, select **Find** (or **Ctrl+F** for Window users or **Option+F** for Mac OS users), then enter the state name in the search field.

Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Washington</b>  Gaye L. McQueen Phone: 360-664-5068 Fax: 360-586-3274 E-mail: gmcqueen@dshs.wa.gov		<p>Reasonable cost is calculated as 25% of the obligated parent's Basic Child Support Obligation (BCSO).</p> <p>The BCSO is calculated from Line 7 of the Washington State Child Support Schedule Worksheet with revision date prior to 10/2009.</p> <p>The BCSO is shown on Line 19 of the Washington State Child Support Schedule Worksheet with revision date 10/2009 and later. If no figure is shown on Line 19, the BCSO is calculated from Line 9.</p> <p>The court shall have discretion to order health insurance coverage that exceeds 25% of the BCSO when it is in the best interest of the child. This is considered "no limit to cost", except that current child support, plus the children's insurance premium, plus arrears cannot exceed 50% of the parent's disposable earnings.</p>
<b>West Virginia</b>  Karen Yahr Phone: 304-356-4750 Fax: 304-558-4092 E-mail: karen.m.yahr@wv.gov	WV Code §48-12-101 et seq.	<p>The child's portion of the medical insurance premiums not exceeding 5% of the gross income of the parent who provides the coverage.</p>

# State/Employer Contact and Program Information

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Contact Information	State Statute on Medical Support	Reasonable Cost Definition
<b>Wisconsin</b>  Phyllis Fuller Department of Children and Families Wisconsin Bureau of Child Support Phone: 608-264-6065 Fax: 608-267-2824 E-mail: phyllis.fuller@wi.gov	767.127 (1m) Wis. Stat. Disclosure of health insurance availability to the parties 767.513 Wis. Stat. Child health care expenses 767.75 Wis. Stat. Income Withholding for payment obligations Wisconsin Administrative Rule Chapter DCF 150.05 Medical Support	Administrative Rule DCF Chapter 150.05 (1)(b) 2 The court may consider a private health insurance plan to be available at a reasonable cost if the cost to enroll the child or children does not exceed 5% of the insuring parent's monthly income available for child support and would cover hospitalization and other medical costs without large out-of-pocket deductibles or co-payments. In applying this 5% standard, the cost to enroll the child or children in a private health insurance plan is the cost to add the child or children to existing coverage or the difference between the cost of self-only coverage and the cost to that parent after adding the child or children. A parent whose income is below 150% of the federal poverty level is not required to provide medical support unless it can be provided at no cost.
<b>Wyoming</b>  Jay Mullendore Phone: 307-777-5653 Fax: 307-777-5588 E-mail: jay.mullendore@wyo.gov		The cost to provide health care coverage or to provide cash medical support for children at no more than five percent (5%) of the providing party's income, as defined in W.S. 20-2-303(a)(ii).

**IV.**

**FORMS  
W-3 AND W-2**

## **FORM W-2**

### **Who Must File Form W-2:**

Every employer engaged in a trade or business that pays remuneration for services performed by an employee, including noncash payments of \$600 or more (all amounts if any income, social security, or Medicare tax was withheld), must furnish a Form W-2 to each employee even if the employee is related to the employer.

Employers must file Form W-2 for wages paid to each employee from whom:

- Income, social security, or Medicare taxes were withheld or
- Income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

### **When to file:**

If you file using paper forms, you must file Copy A of Form W-2 with Form W-3 by January 31, 2017. If you *e-file*, the due date is January 31, 2017. You may owe a penalty for each Form W-2 that you file late.

### **Extension to file:**

You may request an automatic extension of time to file Form W-2 with the SSA by sending Form 8809, Application for Extension of Time to File Information Returns, to the address shown on Form 8809. You must request the extension before the due date of Forms W-2. You will have an additional 30 days to file. See Form 8809 for details.

### **Where to file paper Forms W-2 and W-3:**

File Copy A of Form W-2 with Form W-3 at the following address.

**Social Security Administration  
Data Operations Center  
Wilkes-Barre, PA 18769-0001**

### **How to complete Form W-2:**

Form W-2 is a multi-part form. Ensure all copies are legible. Send Copy A to the SSA; Copy 1, if required, to your state, city, or local tax department; and Copies B, C, and 2 to your employee.

Keep Copy D, and a copy of Form W-3, with your records for 4 years.

Enter the information on Form W-2 using black ink in 12-point Courier font. Copy A is read by machine and must be typed clearly with no corrections made to the entries and with no entries exceeding the size of the boxes. Entries completed by hand, in script or italic fonts, or in colors other than black cannot be read by the machines. Make all dollar entries on Copy A without the dollar sign and comma but with the decimal point (00000.00). Show the cents portion of the money amounts. If a box does not apply, leave it blank.

Send the whole Copy A page of Form W-2 with Form W-3 to the SSA even if one of the Forms W-2 on the page is blank or void. Do not staple Forms W-2 together or to Form W-3. File Forms W-2 either alphabetically by employees' last names or numerically by employees' SSNs.

### **Calendar year basis:**

The entries on Form W-2 must be based on wages paid during the calendar year. Use Form W-2 for the correct tax year. For example, if an employee worked from December 22, 2016, through January 9, 2017, and the wages were paid on January 10, 2017, include those wages on the 2017 Form W-2.

## **Filing Instructions for Preparing W-2 Forms:**

**Box A – Employee’s social security number:** Enter the number shown on the employee’s social security card. If the employee does not have a card, he or she should apply for one by completing Form SS-5. If the employee has applied but does not have a number in time for filing, enter “Applied For” in box A on paper Forms W-2 with the SSA. If e-filing, enter zero (000-00-0000 if creating forms online or 000000000 if uploading a file.

Ask the employee to inform you of the number and name as they are shown on the social security card when it is received. Then correct your previous report by filing Form W-2c showing the employee's SSN.

**ITINs for aliens.** Do not accept an ITIN in place of an SSN for employee identification or for work. An ITIN is only available to resident and nonresident aliens who are not eligible for U.S. employment and need identification for other tax purposes. You can identify an ITIN because it is a 9-digit number, beginning with the number “9” with either a “7”, “8” or “9” as the fourth digit, and is formatted like an SSN (for example, 9NN-7N-NNNN). An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN.

Do not auto-populate an ITIN into box A

**Box B – Employer Identification Number (EIN):** Show the employer identification number EIN assigned by the IRS. (00-0000000). This should be the same number that is used on the federal employment tax returns (941, 941-SS 940, 943, 944, CT-1 or Schedule H (Form 1040)). Do not use a prior owner’s EIN. If you do not have an EIN when filing Forms W-2, enter “Applied For” in box B, not your social security number.

**Box C – Employer’s name, address, and ZIP code:** This entry should be the same as shown on the Form 941, 941-SS, 943, 944, 940, CT-1 or Schedule H (Form 1040). The U.S. Postal Service recommends that no commas or periods be used in return addresses.

**Box D – Control number:** This box is used to identify individual Forms W-2. It does not have to be used.

**Boxes E and F – Employee’s name and address:** Enter the name as shown on the employee’s social security card (first name, middle initial, last name). If the name does not fit in the space allowed on the form, you may show the first and middle initials and the full last name. Generally, do not enter “Jr.,” “Sr.,” etc in the “Suff.” Box on Copy A unless the suffix appears on the card. However, SSA still prefers that you do not enter the suffix on Copy A. If the employee’s name does not fit in the space provided, enter the first initial, middle initial, and last name only. Separate parts of a compound name with either a hyphen or a blank. Do not join them into a single word. If the employee’s name has changed during the year but the employee has not yet obtained a new social security card, use the name on the original card. The employee must get a new card from the SSA office with their correct name on it. Include in the address and number, street, and apartment or suite number (or P.O. box number if mail is not delivered to a street address).

**Box 1 - Wages, tips, other compensation:** Show the total wages, tips, and other compensation, before any payroll deductions that were paid during the calendar year. Do not include any elective deferrals or pretax deductions.

- a. Total wages, bonuses (including signing bonuses), prizes, and awards paid to employees during the year;
- b. Total noncash payments, including certain fringe benefits;
- c. Total tips reported by the employee to the employer (does not include allocated tips);
- d. Certain employee business expense reimbursements;
- e. The cost of accident and health insurance premiums for 2% or more shareholder-employees paid by an S corporation;
- f. Taxable benefits from a section 125 (cafeteria) plan. (i.e., the employee chooses cash);

- g. Employee contributions to a Archer medical savings account;
- h. Employer contributions to a Archer medical savings account if includible in the income of the employee;
- i. Employer contributions for long-term care services to the extent the coverage is provided through a flexible spending arrangement;
- j. Group-term life insurance in excess of \$50,000;
- k. Payments for non-job-related education expenses or for payments under a non-accountable plan, unless excludable under Educational Assistance Programs;
- l. The employee's share of taxes paid by the employer;
- m. Distributions to an employee or former employee from a nonqualified deferred compensation plan or a 457 plan of a tax-exempt organization;
- n. Amounts includible in income under section 457(f) because the amounts are no longer subject to a substantial risk of forfeiture;
- o. Payments to statutory employees that are subject to social security and Medicare taxes but not subject to Federal income tax withholding must be shown in box 1 as other compensation;
- p. Cost of current insurance protection under a compensatory split-dollar life insurance arrangement;
- q. Employee contributions to a Health Savings Account;
- r. Employer contributions to a Health Savings Account if includible in the income of the employee;
- s. Amounts includible in income under a nonqualified deferred compensation plan because of section 409A;
- t. Designated Roth contributions made under a section 401(k) plan or under a section 403(b) salary reduction agreement or a government section 457(b) plan;
- u. Payments made to former employees while they are on active duty in the Armed Forces or other uniformed services;
- v. All other compensation, including certain scholarship and fellowship grants. Other compensation are amounts paid to the employee that Federal income tax is not withheld. You may show other compensation on a separate Form W-2.

Wages include all cash or non-cash payments for services an employee performed for his employer, unless specifically exempted. This includes wages, salary, fees, vacation allowance, commissions, draws or bonuses, and all wage types that are included in federal taxable wages. The employee share of Social Security tax and Medicare tax paid by the employer must also be included.

Non-cash payments (including taxable fringe benefits):

- a) The value of non-cash items such as personal use of company vehicle and most awards
- b) Cost of group term life insurance that exceeds \$50,000 of coverage. Also, this amount is reported in Boxes 1, 3, and 5.
- c) Tips reported by employee. Do not include the amount calculated in Box 8 for allocated tips.
- d) Reporting employee business expense. The amounts paid to employees under a non-accountable plan must be reported. Also, an advance to an employee where the employee does not return the advance and does not account for the expenses is includible in income. If you provide a per diem, mileage or other allowance amount, you must include amounts that exceed the IRS specified rates.

**Box 2 - Federal income tax withheld:** Report the total Federal income tax withheld from the employee's wages for the calendar year. Also include the 20% excise tax withheld on excess golden parachute payments.

Box 3 - Social Security wages: Total wages paid subject to employee social security tax, but not including tips and allocated tips, are reported here. Includes:

- a) Business expense reimbursements reported in box 1;
- b) Elective deferrals to certain qualified cash or deferred compensation arrangements and to retirement plans described in box 12, Codes D, E, F, G, and S (even though not included in box 1);
- c) Designated Roth contributions made to a section 401(k) plan or under a section 403(b) salary reduction agreement described in box 12, Codes AA, BB and EE;
- d) The value of group-term life insurance in excess of \$50,000 included in box 1;
- e) Company paid employee's share of social security and Medicare taxes;
- f) Employee contributions to a SIMPLE retirement account.
- g) Amounts deferred under a nonqualified or section 457(b) plan must be included in boxes 3 and/or 5 as social security and/or Medicare wages as of the later of when the services giving rise to the deferral are performed or when there is no substantial risk of forfeiture of the rights to the deferred amount. Include elective and non-elective deferrals for purposes of section 457(b) plans;
- h) Signing bonuses an employer pays for signing or ratifying an employment contract;
- i) Cost of accident and health insurance premiums for 2% or more shareholder-employees paid by an S corporation, but only if not excludable under section 3121(a)(2)(B);
- j) Employee and non-excludable employer contributions to a MSA or HSA. However, do not include employee contributions to an HSA that were made through a cafeteria plan.
- k) Adoption Benefits

The total of boxes 3 and 7 should not exceed \$118,500 for 2016. (Maximum social security wage base).

Box 4 – Social security tax withheld: The total employee social security tax withheld or paid by the employer for the employee is reported here. For 2016 the amount should not exceed \$7,347 (\$118,500 x 6.2%). The amount entered in Box 4 should equal the total of Box 3 and Box 7 multiplied by 6.2% less any amounts entered in Box 12 with codes A and M.

Box 5 – Medicare wages and tips: The wages and tips subject to Medicare tax are the same as those subject to social security tax except that there is no wage base limit for Medicare tax. You may be required to report this amount on Form 8959.

Box 6 – Medicare tax withheld: The total employee Medicare tax withheld (including any additional Medicare tax) or paid by the employer for the employee is reported here. If the employer is a government (public sector) employer with employees paying only the Medicare tax and not social security, enter the Medicare tax in this box. This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips in Box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare Tax on any of those Medicare wages and tips above \$200,000.

Box 7 – Social security tips: Enter here the amount of tips reported by the employee to the employer during the year even if employee funds were insufficient to collect social security tax on the tips. The total of Boxes 3 and 7 should not exceed \$118,500 for 2016.

Box 8 - Allocated tips: Tips must be allocated for any large food and beverage establishment where there are more than ten employees on a typical business day during the preceding calendar year. Form 8027 should be filed in relation to tip allocation. The amount is not included in Boxes 1, 3, 5, or 7.

Box 9 - Do not enter an amount in Box 9.

Box 10 – Dependent care benefits: The total amount of dependent care benefits paid by the employer including, the fair market value of employer-provided or sponsored day care facilities, amounts paid directly to a day care facility on behalf of the employee or reimbursed to the employee, or benefits from

the pre-tax contributions made by the employee to a section 125 dependent care flexible spending account. Include any amounts over \$5,000 in Boxes 1, 3, and 5. If an employee participates in a Section 125 Dependent care flexible spending account, forfeitures need not be considered when completing Box 10. (i.e. An employee contributes \$5,000 to their pretax dependent care flexible spending account during the plan year but only has \$4,000 reimbursed will have \$5,000 reported in Box 10 of their Form W-2.)

**Box 11 – Nonqualified plans:** Report the amount of deferrals, including any accumulated interest, that became taxable for social security and Medicare taxes during the year (but were for prior year services) because the deferred amounts were no longer subject to a substantial risk of forfeiture. *Do not include in box 11 deferrals that are included in boxes 3 and/or 5 and that are for current year services.*

Show distributions to an employee from a nonqualified plan or a nongovernmental section 457(b) plan. Also report these distributions in box 1. Make only one entry in this box. Distributions from governmental section 457(b) plans must be reported on Form 1099-R, not in box 1 of Form W-2.

**Box 12 – Codes:** Complete and code this box for all items described below. Report in box 12 any items that are listed as codes A – EE. Do not report in box 12 section 414(h)(2) contributions-relating to certain state or local government plans. Instead use box 14 for these items and any other information you wish to give your employees. For example, union dues and uniform payments may be reported in box 14.

<b>Code</b>	<b>Description</b>
A	Uncollected Social Security tax on employee tips
B	Uncollected Medicare tax on employee tips
C	Cost of group-term life insurance in excess of \$50,000
D	Employee contribution to Section 401(k) plan including “catch-up” contributions made by employees 50 years of age and older during the plan year
E	Employee contribution to Section 403(b) plan
F	Employee contribution to Section 408(k)(6) plan SEP Deferrals
G	Elective deferrals and employer contributions to Section 457(b) plan
H	Employee contribution to Section 501(c)(18)(D) plan including “catch-up” contributions made by employees 50 years of age and older during the plan year
J	Nontaxable sick pay
K	20% excise tax on excess golden parachute payments
L	Report amount of employee business expenses when using a per diem or mileage allowance that exceeds the amount treated as substantiated by the IRS. Report in Box 12 the amount nontaxable. The unsubstantiated or excess IRS allowed per diem is reported in Boxes 1, 3, and 5. If reimbursements do not exceed IRS allowed rates, nothing needs to be reported.
M	Uncollected Social Security tax on group-term life insurance in excess of \$50,000 coverage provided for former employees and retirees.
N	Uncollected Medicare tax on group-term life insurance in excess of \$50,000 coverage provided for former employees and retirees.
P	Excludable moving expense reimbursement to an employee
Q	Nontaxable combat pay
R	Employer contributions to an Archer medical savings account (MSA)
S	Employee salary reduction contributions to a section 408(p) SIMPLE plan including “catch-up” contributions made by employees 50 years of age or older during the plan year
T	Employer-provided Adoption benefits including the pre-tax contributions made by the employee to a §125 adoption plan account. Report all amounts including those in excess of the \$13,400 exclusion.
V	Income from the exercise of non-statutory stock option(s)
W	Employer’s contribution to an employee’s Health Savings Account



- Y      Deferrals under a section 409A nonqualified deferred compensation plan
- Z      Income under section 409A on a nonqualified deferred compensation plan
- AA     Designated Roth contributions to a section 401(k) plan
- BB     Designated Roth contributions under a section 403(b) salary reduction agreement
- DD     Cost of employer-sponsored health coverage
- EE     Designated Roth contributions under a governmental section 457(b) plan

**Box 13 - Statutory employee:** Check this box for employees whose earnings are subject to Social Security and Medicare tax, but not subject to federal income tax withholding (such as life insurance agents).

**Box 13 - Retirement Plan:** Check this box if the employee was an active participant in a retirement plan or participated in a collectively bargained plan. **Do Not** check this box if you are reporting contributions made to a non-qualified pension plan or Section 457(b) plan. (Section 457 plans are certain plans of governmental units and tax exempt organizations). This includes any of the following plans:

- A qualified pension, profit sharing, or stock-bonus plan described in section 401(a) (including a 401(k) plan).
- An annuity plan described in section 403(a).
- An annuity contract or custodial account described in section 403(b).
- A simplified employee pension (SEP) plan described in section 408(k).
- A SIMPLE retirement account described in section 408(p).
- A trust described in section 501(c)(18).
- A plan for federal, state, or local government employees or by an agency or instrumentality thereof (other than a section 457(b) plan).

(An employee is an active participant if covered by (a) a defined benefit plan for any tax year that he or she is eligible to participate or (b) a defined contribution plan for any tax year that employer or employee contributions (or forfeitures) are added to his or her account.)

Type of Plan	Conditions	Retirement Box Checked?
Defined Benefit Plan (i.e., a traditional pension plan)	Employee qualifies for employer funding into the plan, due to age/years of service – even though the employee may not be vested or ever collect benefits.	Yes
Defined Contribution Plan (i.e., 401(k) or 403(b), but not a 457 plan)	Employee is eligible to contribute but does not elect to contribute any money in this tax year.	No
Defined Contribution Plan (i.e., 401(k), 403(b), Roth 401(k), or Roth 403(b), but not a 457 plan)	Employee is eligible to contribute and elects to contribute money in this tax year.	Yes
Defined Contribution Plan (i.e., 401(k), 403(b), Roth 401(k), or Roth 403(b), but not a 457 plan)	Employee is eligible to contribute but does not elect to contribute any money in this tax year, but the employer does contribute funds.	Yes
Defined Contribution Plan (i.e., 401(k), 403(b), Roth 401(k), or Roth 403(b), but not a 457 plan)	Employee contributed in past years but not during the current tax year under report	No (even if the account value grows due to gains in the investments)
Profit Sharing Plan	Plan includes a grace period after the close of the plan year when profit sharing can be added to the participant's account	Yes

Box 13 - Third-Party Sick Pay: Check this box if you are a third party sick pay payer filing a Form W-2 for an insured's employee or an employer reporting sick pay payments made by a third party to an employee.

Box 14 – Other: The lease value of a vehicle provided to your employee and included in Box 1 must be reported here. Use to report other information that you want to give the employee. For example, contributions to an employee pension plan, union dues, deductions for health insurance premiums, payroll savings, life insurance, etc. You may use this box for information needed for state reporting, but not required by IRS. Each item should be labeled.

Boxes 15 through 20: Information for state and local wages and withholding.

Reminders:

1. Type in all data - no handwriting is allowed.
2. Do not cut or separate top form (Copy A).
3. No photocopies of any forms should be mailed to the Social Security Administration.
4. Do not staple, tear, or tape any of the forms.
5. Do not change the title of any box on the form.
6. Do not insert data in the untitled shaded areas.
7. Do not submit any copy other than Copy A to the Social Security Administration.
8. Print money amounts without dollar signs or commas. Use decimal points to indicate cents. If a box does not apply, leave it blank.
9. File electronically if 250 or more W-2s are to be filed.
  - a. Due dates: W-2 is due to the employee January 31, 2017, and W-3 is due January 31, 2017, whether filing paper or electronic returns.
10. Void-make sure this box is marked on any W-2 with an error and is not included in W-3 amounts.
11. Do not use titles such as Mr., Ms., Dr., etc.
12. Do not use a period after the middle initial.
13. Any employee (recipient) copies of Form W-2 that were attempted to be delivered but could not, should be kept for a period of 4 years.
14. If an employee does not have a social security number at the time the W-2 forms are being prepared, enter "applied for" in Box A if filing paper forms or "000-00-0000" if filing electronically.

22222		Void <input type="checkbox"/>		a Employee's social security number		For Official Use Only ► OMB No. 1545-0008	
b Employer identification number (EIN)				1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code				3 Social security wages		4 Social security tax withheld	
				5 Medicare wages and tips		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Control number				9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code				13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

## **Common W-2 Reporting Errors**

### General Errors:

- Incorrect or missing employer identification number
- Incorrect employee names and SSNs
- Do not omit the decimal point and cents from entries
- Using ink that is too light – use only black ink
- Entries made that are too small or too large (Use 12-point Courier font, if possible)
- Dollar signs added to the money amount boxes
- Inappropriately checking the “Retirement plan” checkbox in box 13
- Misformatting the employee’s name in box e. Enter the employee’s first name and middle initial in the first box, his or her surname in the second box, and his or her suffix (such as “Jr.”) in the third box.
- Cut, fold, or staple Copy A paper forms mailed to Social Security Administration.

### Errors resulting in out-of-balance reports:

- Use of maximum social security or Medicare wage amounts for a prior year - instead of for the tax year being reported.
- Use of social security maximum yearly wage amount for Medicare wages.
- Decimal mistakes in money fields; i.e. "4800" which is treated by SSA as \$48.00 - instead of \$4800.00.
- Tips included in the social security wage field as well as in the social security tip field.
- Omitted wage or tax fields on wage reports.

### Errors common to paper Form W-2 reports:

- Prior tax year form used.
- Unscannable reports
- Failure to file Copy A of Form W-2 with SSA
- "Void" indicator on Form W-2 checked in error
- Failure to complete the pension plan block in Box 15 of Form W-2

## **Charging Fees for Duplicate Copies**

According to the IRS, employers may not collect a fee for supplying original and corrected W-2 and 1099 forms, but that a fee may be charged for supplying duplicate copies.

Duplicate W-2 and 1099 forms are often issued to employees and other payers who have lost or destroyed their copy of the form. The IRS stated that a fee may be charged for furnishing additional copies of the forms because once an employer has timely furnished correct W-2 and 1099 forms it has met its statutory obligations. Moreover, there are no penalties under the Internal Revenue Code for refusing to satisfy a request for another copy of an information return.

Consider using the following W-2 Request Form to authorize such a payroll deduction.

Mail to: *Company Name*  
*Company Address*

\_\_\_\_\_  
*Date of Request*

Attn: *Department with Forms W-2*

Fax No: \_\_\_\_\_

**Request for Duplicate IRS Form W-2  
(Please Print)**

Please issue a WAGE AND TAX STATEMENT (Form W-2) for the following employee, for the tax year ending \_\_\_\_\_

Employee Name: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Employee Current Mailing Address:

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

**Click here to use the form.**

Work Location & No: \_\_\_\_\_

Location Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

The Form W-2 is requested for the following reason:

\_\_\_\_\_ Never Received

\_\_\_\_\_ Misplaced or Destroyed

\_\_\_\_\_ Social Security Number or Name Incorrect

\_\_\_\_\_ Other (Explain): \_\_\_\_\_

I authorize that \$\_\_\_\_\_ be deducted from my next pay to receive this payroll department service.

\_\_\_\_\_  
Signature of Employee

FOR PAYROLL DEPT. USE ONLY:

Date request received: \_\_\_\_\_ Original W-2 resent: \_\_\_\_\_

Processed by: \_\_\_\_\_ Duplicate W-2 reissued: \_\_\_\_\_

\_\_\_\_\_

## **Form W-3**

### **Who must file Form W-3**

Anyone required to file Form W-2 must file Form W-3 to transmit Copy A of Forms W-2. Make a copy of Form W-3; keep it and Copy D (For Employer) of Forms W-2 with your records for 4 years. Be sure to use Form W-3 for the correct year.

Household employers with only one employee must file Form W-3 to transmit Copy A of Form W-2. On Form W-3, check the "Hshld emp" checkbox in box b.

### **Filing Instructions for Preparing Form W-3**

- Box A - control number (optional).
- Box B - kind of payer. Check one box. If more than one type of W-2, send each type with a separate Form W-3.
- Box C - total number of statements. The number of completed statements does not include voided or subtotal statements.
- Box D - establishment number (optional)
- Box E - federal ID number. If you do not have an EIN number when filing, enter "Applied For". Do not use a social security number.
- Box F - employer's name
- Box G - employer's address and zip code
- Box H - other EIN used this year
- Boxes 1 through 8 - enter the totals reported in boxes 1 through 8 on Forms W-2 being transmitted.
- Box 9 – do not enter an amount
- Box 10 – dependent care benefits reported in box 10 on W-2
- Box 11 - nonqualified plans. Report the total amount of distributions from nonqualified and Section 457 plans as reported in Box 11 of Forms W-2.
- Box 12a - deferred compensation. Enter the total of the amounts with codes D-H, S, Y, AA, BB and EE reported in box 12 of Forms W-2. Do not enter a code.
- Box 13 – for third party sick pay use only
- Box 14 - income tax withheld by third-party payer
- Box 15 – State/Employer's state ID number
- Box 16 – 19 – State/local wages and income tax from W-2

### **Who may sign Form W-3**

A transmitter or sender (including a service bureau, reporting agent, paying agent, or disbursing agent) may sign form W-3 (or use its PIN to e-file) for the employer or payer only if the sender is authorized to sign under state law, and writes "For (name of taxpayer) next to the signature (paper Form of W-3 only).

### **When to file:**

If using paper forms, you must file Copy A of form W-2 with Form W-3 by January 31<sup>st</sup>, 2017. If you use the e-file method, the due date is also January 31<sup>st</sup>, 2017.

If you need an extension to file form W-2, you must send Form 8809, Application for Extension of Time to File Information Returns, to the address shown on the 8809 form. The extension must be requested before the due date of the W-2 form. After the 8809 form has been submitted and approved, you will have an additional 30 days to file. Please keep in mind that you still need to furnish a W-2 to your employees by January 31<sup>st</sup>, 2017.

**Electronic Filing:**

Filing of Forms W-2 can now be done over the internet. The Business Services Online program (BSO) lets you upload wage-data files over the Internet. Uploaded data files must conform to the SSA's specifications. Except for Internet service and long-distance charges, the BSO is free.

In addition to uploading wage-data files, you can also use the BSO to:

- Check the status of wage-data submissions after a pre-processing period of one to six weeks.
- Send e-mail to SSA.
- Browse the online handbook.
- Verify social security numbers.
- View file errors.

SSA's "Create Forms W-2 Online" option allows you to create "fill-in" versions of Forms W-2 for filing with the SSA and to print out copies of the forms for filing with state or local governments, distribute to employees, and for your files. Form W-3 will be automatically created based on your Forms W-2.

Visit SSA's website at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) and select "Business Services Online" (BSO).

**Paper Filing:**

If the paper filing method is preferred, please File Copy A of Form W-2 with W-3 to:

Social Security Administration  
Data Operations Center  
Wilkes-Barre, PA 18769-0001

**Reminders:**

- Use blank ink on all forms
- Do not staple or tape any forms to each other
- Be sure that the amounts on Form W-3 are the total amounts from Forms W-2
- Be sure to look over each amount in each box carefully
- Reconcile W-3 with your four quarterly forms (941, or 943, etc) by comparing the amounts reported for income tax withholding, Social security wages, Medicare wages/tips and social security wages/tips.
- Social security and Medicare taxes (the amounts shown on the 941, 943, etc) including current year adjustments, should be approximately twice the amounts shown on W-3.
- If amounts do not match due to valid reasons, you should determine that the reasons are valid. Retain your reconciliation information in case you receive inquiries from the IRS or SSA.

## DO NOT STAPLE

33333		a Control number		For Official Use Only ► OMB No. 1545-0008					
b Kind of Payer (Check one)		941 <input type="checkbox"/>	Military <input type="checkbox"/>	943 <input type="checkbox"/>	944 <input type="checkbox"/>	Kind of Employer (Check one)	None apply <input type="checkbox"/>	501c non-govt. <input type="checkbox"/>	Third-party sick pay (Check if applicable) <input type="checkbox"/>
		CT-1 <input type="checkbox"/>	Hshld. emp. <input type="checkbox"/>	Medicare govt. emp. <input type="checkbox"/>			State/local non-501c <input type="checkbox"/>	State/local 501c <input type="checkbox"/>	Federal govt. <input type="checkbox"/>
c Total number of Forms W-2		d Establishment number		1 Wages, tips, other compensation		2 Federal income tax withheld			
e Employer identification number (EIN)				3 Social security wages		4 Social security tax withheld			
f Employer's name				5 Medicare wages and tips		6 Medicare tax withheld			
g Employer's address and ZIP code				7 Social security tips		8 Allocated tips			
				9		10 Dependent care benefits			
				11 Nonqualified plans		12a Deferred compensation			
h Other EIN used this year				13 For third-party sick pay use only		12b			
15 State		Employer's state ID number		14 Income tax withheld by payer of third-party sick pay					
16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax			
Employer's contact person				Employer's telephone number		For Official Use Only			
Employer's fax number				Employer's email address					

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ►

Title ►

Date ►

Form **W-3 Transmittal of Wage and Tax Statements** **2017**Department of the Treasury  
Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA).  
Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA.  
Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

**Reminder**

**Separate instructions.** See the 2017 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

**Purpose of Form**

Complete a Form W-3 Transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't file Form W-3 alone. All paper forms **must** comply with IRS standards and be machine readable. Photocopies are **not** acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for four years.

**E-Filing**

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.

- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2 Electronically (EFW2)*.

W-2 Online fill-in forms or file uploads will be on time if submitted by **January 31, 2018**. For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer). First time filers, select "Register"; returning filers select "Log In."

**When To File Paper Forms**

Mail Form W-3 with Copy A of Form(s) W-2 by **January 31, 2018**.

**Where To File Paper Forms**

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration  
Direct Operations Center  
Wilkes-Barre, PA 18769-0001**

**Note:** If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Publication 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

**For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.**



### **Correcting Forms W-2/W-3**

File Form W-3c, Transmittal of Corrected Wage and Tax Statements, whenever you file a Form W-2c with the Social Security Administration, even if the only thing being corrected is an employee's name or social security number.

### **Correcting an error after issuing employee's copy but before transmitting to SSA:**

If an error is discovered on Form W-2 after issuing it to the employee but before it is sent to the Social Security Administration, check the "Void" box at the top of the incorrect W-2 form on Copy A. Prepare a new Form W-2 with correct information and send Copy A to the SSA. Write "Corrected" on the employee's new copies (B, C, and 2), and furnish them to the employee.

If the "Void" Form W-2 is on a page with a correct Form W-2, send the entire page to the SSA. The "Void" form will not be processed.

### **Correcting an employee's name and/or SSN only:**

If an employee's name and or/SSN needs to be corrected, complete Form W-2c, boxes d through i. Do not complete boxes 1 through 20. Employee should be advised to correct the SSN and/or name on his or her original W-2 form.

If employee's name and SSN was reported as blanks or zeros, you must contact the SSA at 1-800-772-6270 for instructions. Do not use form W-2c.

### **Making an adjustment in 2016 to correct a prior year:**

To correct an incorrect tax year and/or EIN on a previously submitted Form W-2 or W-3, file one Form W-3c along with form W-2c for each employee affected. Enter the tax year and EIN originally reported, and enter in the "previously reported" boxes the monetary amounts that were on the original W-2.

In the "correct information" boxes, enter zeros. A second W-3c and W-2c must also be prepared for each affected employee. Enter zeros in the "previously reported" boxes, and enter the correct monetary amounts in the "Correct information" boxes. Enter the correct tax year and EIN.

If an error on a previously filed Form 941 (or 941, 941-SS, 943, 944, 944-SS, or CT-1) is found, the error must be corrected by using the "x" forms (941-X, 943-X, 944-X, or CT-1X). For each Form 941 that is being corrected, a separate Form 941-X should be filed. The 941-X should not be attached to Form 941. Social security and Medicare wages and taxes are the only items that may be corrected for prior years. Income tax withheld can only be corrected for a prior year if it was "an administrative error". Copy A of both Forms W-2c and W-3c should also be filed with SSA to correct social security records. The employee must receive a Form W-2c also.

Form 941-X has three types of errors:

1. Under reported amounts only;
2. Over reported amounts only; and
3. Both under reported and over reported amounts.

See the Form 941-X instructions for specific help.

### **Incorrect address on employee's Form W-2:**

If Form W-2 was filed with an incorrect employee address but all other information was correct, do not file a Form W-2c with SSA merely to correct the address.

However, if the address was incorrect on Form W-2 furnished to the employee, either:

1. Issue a new, corrected Form W-2 to the employee, including the new address. Indicate "REISSUED STATEMENT" on the new copies. Do not send Copy A to the SSA, or
2. Issue a Form W-2c to the employee showing the correct address in box i and all other correct information. Do not send Copy A to the SSA, or
3. Mail the Form W-2, with the incorrect address to the employee in an envelope showing the correct address or otherwise deliver it to the employee.

### Penalties:

The following are the amounts of penalties that may be imposed if a person either fails to file a correct Form W-2 by the due date and cannot show reasonable cause:

- \$ 50 per Form W-2 if you correctly file within 30 days (by February 28); maximum penalty \$532,000 per year (\$186,000 for small businesses). – (see note below)
- \$100 per Form W-2 if you correctly file more than 30 days after the due date but by August 1, ; maximum penalty \$1,596,500 per year (\$532,000 for small businesses). – (see note below)
- \$260 per Form W-2 if you file after August 1, or you do not file required Forms W-2; maximum penalty \$3,193,000 per year (\$1,064,000 for small businesses). – (see note below)

If any person willfully files a fraudulent Form W-2 for payments purported to be made to another person, the other person may bring a civil action for damages against the person filing the Form W-2.

You are a small business if your average annual gross receipts for the 3 most recent tax years ending before the calendar year in which the Forms W-2 were due are \$5 million or less.

If an employer must file electronically, but fails to do so, it is treated as having failed to file a return even if it timely files paper returns that contain the correct information and a penalty may be imposed. A waiver to file electronically may be requested on Form 8508.

Exceptions to the penalty:

1. The penalty will not apply to any failure that you can show was due to **reasonable cause** and not willful neglect. In general, you must be able to show that your failure to file was due to an event beyond your control or due to significant mitigating factors. You must also be able to show that you acted in a responsible manner and took steps to avoid the failure.
2. An **inconsequential error or omission** is not considered a failure to include correct information. An inconsequential error or omission does not prevent or hinder the SSA/IRS from processing the Form W-2, from correlating the information required to be shown on the form with the information shown on the payee's tax return, or from otherwise putting the form to its intended use. Errors and omissions that are never inconsequential include a TIN, a payee's surname, and any money amounts.
3. De minimis rule for corrections. Even though you cannot show reasonable cause, the penalty for failure to file correct Forms W-2 will not apply to a certain number of returns if you: a) filed those Forms W-2 on or before the required filing date. b) either failed to include all the information required on the form or included incorrect information and c) filed corrections of these forms by August 1, 2017.

If any failure to file a correct Form W-2 or furnish a correct payee statement to the employee is due to intentional disregard of the filing requirements, the penalty is at least \$530 per Form W-2 with no maximum penalty.

**DO NOT CUT, FOLD, OR STAPLE**

<b>55555</b>		<b>a Tax year/Form corrected</b> _____/ <b>W-</b> _____		<b>For Official Use Only ▶</b> OMB No. 1545-0008					
<b>b Employer's name, address, and ZIP code</b>		<b>c Kind of Payer (Check one)</b>				<b>Kind of Employer (Check one)</b>			<b>Third-party sick pay</b>  (Check if applicable)
		941/941-SS <input type="checkbox"/>	Military <input type="checkbox"/>	943 <input type="checkbox"/>	944 <input type="checkbox"/>	None apply <input type="checkbox"/>	501c non-govt. <input type="checkbox"/>		
		CT-1 <input type="checkbox"/>	Hshld. emp. <input type="checkbox"/>	Medicare govt. emp. <input type="checkbox"/>		State/local non-501c <input type="checkbox"/>	State/local 501c <input type="checkbox"/>	Federal govt. <input type="checkbox"/>	
<b>d Number of Forms W-2c</b>		<b>e Employer's Federal EIN</b>		<b>f Establishment number</b>		<b>g Employer's state ID number</b>			
<b>Complete boxes h, i, or j only if incorrect on last form filed.</b>		<b>h Employer's originally reported Federal EIN</b>		<b>i Incorrect establishment number</b>		<b>j Employer's incorrect state ID number</b>			
<b>Total of amounts previously reported as shown on enclosed Forms W-2c.</b>		<b>Total of corrected amounts as shown on enclosed Forms W-2c.</b>		<b>Total of amounts previously reported as shown on enclosed Forms W-2c.</b>		<b>Total of corrected amounts as shown on enclosed Forms W-2c.</b>			
<b>1 Wages, tips, other compensation</b>		<b>1 Wages, tips, other compensation</b>		<b>2 Federal income tax withheld</b>		<b>2 Federal income tax withheld</b>			
<b>3 Social security wages</b>		<b>3 Social security wages</b>		<b>4 Social security tax withheld</b>		<b>4 Social security tax withheld</b>			
<b>5 Medicare wages and tips</b>		<b>5 Medicare wages and tips</b>		<b>6 Medicare tax withheld</b>		<b>6 Medicare tax withheld</b>			
<b>7 Social security tips</b>		<b>7 Social security tips</b>		<b>8 Allocated tips</b>		<b>8 Allocated tips</b>			
<b>9</b>		<b>9</b>		<b>10 Dependent care benefits</b>		<b>10 Dependent care benefits</b>			
<b>11 Nonqualified plans</b>		<b>11 Nonqualified plans</b>		<b>12a Deferred compensation</b>		<b>12a Deferred compensation</b>			
<b>14 Inc. tax w/h by third-party sick pay payer</b>		<b>14 Inc. tax w/h by third-party sick pay payer</b>		<b>12b</b>		<b>12b</b>			
<b>16 State wages, tips, etc.</b>		<b>16 State wages, tips, etc.</b>		<b>17 State income tax</b>		<b>17 State income tax</b>			
<b>18 Local wages, tips, etc.</b>		<b>18 Local wages, tips, etc.</b>		<b>19 Local income tax</b>		<b>19 Local income tax</b>			
<b>Explain decreases here:</b>									
Has an adjustment been made on an employment tax return filed with the Internal Revenue Service? <input type="checkbox"/> Yes <input type="checkbox"/> No									
If "Yes," give date the return was filed ▶									
Under penalties of perjury, I declare that I have examined this return, including accompanying documents, and, to the best of my knowledge and belief, it is true, correct, and complete.									
Signature ▶		Title ▶				Date ▶			
Employer's contact person				Employer's telephone number			<b>For Official Use Only</b>		
Employer's fax number				Employer's email address					

Form **W-3c** (Rev. 11-2015)**Transmittal of Corrected Wage and Tax Statements**Department of the Treasury  
Internal Revenue Service**Purpose of Form**

Use this form to transmit Copy A of the most recent version of **Form(s) W-2c, Corrected Wage and Tax Statement**. Make a copy of Form W-3c and keep it with Copy D (For Employer) of Forms W-2c for your records. File Form W-3c even if only one Form W-2c is being filed or if those Forms W-2c are being filed only to correct an employee's name and social security number (SSN) or the employer identification number (EIN). See the General Instructions for Forms W-2 and W-3 for information on completing this form.

**E-Filing**

The SSA strongly suggests employers report Form W-3c and Forms W-2c Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2c Online.** Use fill-in forms to create, save, print, and submit up to 25 Forms W-2c at a time to the SSA.

- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2c Electronically (EFW2C)*.

For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer). First time filers, select "Go to Register"; returning filers select "Go To Log In."

**For Paperwork Reduction Act Notice, see separate instructions.**

**When To File**

File this form and Copy A of Form(s) W-2c with the Social Security Administration as soon as possible after you discover an error on Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or W-2c. Provide Copies B, C, and 2 of Form W-2c to your employees as soon as possible.

**Where To File**

If you use the U.S. Postal Service, send Forms W-2c and W-3c to the following address:

**Social Security Administration  
Data Operations Center  
P.O. Box 3333  
Wilkes-Barre, PA 18767-3333**

If you use a carrier other than the U.S. Postal Service, send Forms W-2c and W-3c to the following address:

**Social Security Administration  
Data Operations Center  
Attn: W-2c Process  
1150 E. Mountain Drive  
Wilkes-Barre, PA 18702-7997**

Cat. No. 10164R

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44444

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OMB No. 1545-0008

<b>a</b> Employer's name, address, and ZIP code		<b>c</b> Tax year/Form corrected  / <b>W-2</b>		<b>d</b> Employee's correct SSN	
		<b>e</b> Corrected SSN and/or name (Check this box and complete boxes f and/or g if incorrect on form previously filed.) <input type="checkbox"/>			
		Complete boxes f and/or g only if incorrect on form <b>previously filed</b> ►			
		<b>f</b> Employee's <b>previously reported</b> SSN			
<b>b</b> Employer's Federal EIN		<b>g</b> Employee's <b>previously reported</b> name			
<b>Note.</b> Only complete money fields that are being corrected (exception: for corrections involving MQGE, see the General Instructions for Forms W-2 and W-3, under Specific Instructions for Form W-2c, boxes 5 and 6).		<b>h</b> Employee's first name and initial		Last name	Suff.
		<b>i</b> Employee's address and ZIP code			
<b>Previously reported</b>		<b>Correct information</b>		<b>Previously reported</b>	
<b>1</b> Wages, tips, other compensation		<b>1</b> Wages, tips, other compensation		<b>2</b> Federal income tax withheld	
<b>3</b> Social security wages		<b>3</b> Social security wages		<b>4</b> Social security tax withheld	
<b>5</b> Medicare wages and tips		<b>5</b> Medicare wages and tips		<b>6</b> Medicare tax withheld	
<b>7</b> Social security tips		<b>7</b> Social security tips		<b>8</b> Allocated tips	
<b>9</b>		<b>9</b>		<b>10</b> Dependent care benefits	
<b>11</b> Nonqualified plans		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12	
<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		<b>12b</b>	
<b>14</b> Other (see instructions)		<b>14</b> Other (see instructions)		<b>12c</b>	
				<b>12d</b>	
<b>State Correction Information</b>					
<b>Previously reported</b>		<b>Correct information</b>		<b>Previously reported</b>	
<b>15</b> State		<b>15</b> State		<b>15</b> State	
Employer's state ID number		Employer's state ID number		Employer's state ID number	
<b>16</b> State wages, tips, etc.		<b>16</b> State wages, tips, etc.		<b>16</b> State wages, tips, etc.	
<b>17</b> State income tax		<b>17</b> State income tax		<b>17</b> State income tax	
<b>Locality Correction Information</b>					
<b>Previously reported</b>		<b>Correct information</b>		<b>Previously reported</b>	
<b>18</b> Local wages, tips, etc.		<b>18</b> Local wages, tips, etc.		<b>18</b> Local wages, tips, etc.	
<b>19</b> Local income tax		<b>19</b> Local income tax		<b>19</b> Local income tax	
<b>20</b> Locality name		<b>20</b> Locality name		<b>20</b> Locality name	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Copy A—For Social Security Administration

## **Fringe Benefits and Special Reporting Issues**

The IRS defines gross income as “all income from whatever source derived, including (but not limited to) compensation for services, including fees, commissions, fringe benefits, and similar items” under IRC section 61.

IRS Regulation section 1.61-1 further explains that “gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as cash.”

These definitions mean that all employee compensation, provided in whatever form, is taxable unless another section of the IRC states the compensation is not taxable.

### **Taxable Fringe Benefits:**

In general, the amount you must include in the employee’s gross income is the amount by which the fair market value of the benefit exceeds the amount the employee paid after taxes for the benefit, less any amount the law excludes.

The employer must determine the value of fringe benefits provided to the employee no later than January 31 of the following year in order to report the taxable value on the employee’s Form W-2. However, waiting until January to value the benefits may require the employer to pay the employee’s taxes and may subject the employer to a deposit penalty if the taxes are not deposited timely based on the benefits being deemed paid on December 31.

### **When Fringe Benefits are Considered Paid:**

Employer provided non-cash taxable fringe benefits are subject to federal income, social security, Medicare, and unemployment tax rules. To determine the amount to be withheld and when to deposit taxes withheld for non-cash fringe benefits, the fringe benefits may be reported as paid by the pay period, monthly, quarterly, or on any other basis, so long as the benefits are reported as being paid at least annually. This choice can be varied among employees and benefits. The employer is not required to notify the employee or IRS of the date selected. Employers may change methods at any time, as long as all benefits provided in a calendar year are treated as paid by December 31 of the calendar year.

The employer has the option to consider a single fringe benefit to be paid on one or more dates in the same calendar year, even if the employee acquires the entire benefit at one time. When employers select the payment dates, they must report the taxes on their return in the same tax period in which they treated them as paid. This election does not apply to a fringe benefit where real property or investment personal property is transferred.

Any fringe benefit paid in cash must be included in income subject to withholding, depositing, and reporting when paid.

Nonqualified moving expense reimbursements are not “non-cash fringe benefits” and must be included in income and taxed when constructively received.

**Special Accounting Rule:**

The employer may elect to treat the value of taxable noncash fringe benefits provided in November and December, or any other shorter period during that time, as paid in the subsequent year. This applies only to the benefits actually provided during November and December, not to benefits that were provided earlier in the year but are treated as being paid during those months. The special accounting rule is limited to noncash fringe benefits.

When using the special accounting rule, employers are required to notify the affected employees of the period for which they used it. Notify the employees of the applicable benefits between the last payday of the calendar year and at or near the time the employer provides the employees with their Form W-2. If the rule is used for a benefit, it must be used for all employees for receive the benefit.

This rule cannot be used for a fringe benefit where the employer transfers real property or investment personal property to the employee. The value of group-term life insurance and nonqualified moving expense reimbursements are not considered noncash fringe benefits by the IRS and cannot be reported under the special accounting rule.

**Depositing Taxes on Fringe Benefits:**

Federal taxes must be deposited for the same semiweekly or monthly deposit period that the employer deems the fringe benefit paid. Deposit the taxes using the deposit rules for that tax period.

If the employer underestimates the fringe benefit amount when calculating taxes, or for some other reason does not withhold and deposit enough taxes, it must pay the employee's share of social security and Medicare taxes. It can collect the tax from the employee at a future date by deducting it from the employee's after-tax wages, but it must recover the income taxes before April 1 of the following year.

**Withholding on Fringe Benefits:**

The employer has two options in determining how to withhold federal income taxes from fringe benefits:

1. Imputing – add the value of the benefit to the employee's regular wages for a payroll period and calculate the taxes to be withheld on the total wages, or
2. Withhold federal income tax on the value of the benefit at the optional flat tax rate. If the annual supplemental wages for an employee are less than \$1 million, the optional flat tax rate is only available if federal income tax was withheld from the employee's payment of regular wages during the current or preceding calendar year.

**Supplemental Wage Payments:**

Supplemental wages include any wages paid by an employer that are not regular wages. The IRS defines regular wages as amounts paid by an employer for a payroll period either at a regular hourly rate or in a predetermined fixed amount. Wages that vary from payroll period to payroll period based on factors other than the amount of time worked are supplemental wages, if they are paid in addition to regular wages.

Payments that satisfy the basic definition of supplemental wages (i.e., all wage payments other than regular wage payments) are supplemental wages regardless of whether the employee has received any regular wages in his or her working career with the employer.

Examples of supplemental wage payments include but are not limited to:

- Reported tips;
- Overtime pay;
- Bonuses;
- Awards and prizes;
- Back pay;
- Severance pay;

- Accumulated sick leave;
- Commissions;
- Retroactive pay increases;
- Non-deductible moving expenses;
- Expense allowances paid under a nonaccountable plan;
- Distributions of nonqualified deferred compensation;
- Taxable noncash fringe benefits;
- Sick pay paid by a third party as an agent of the employer;
- Amounts includible in gross income under IRC §409A and reported in Box 12, code Z;
- Income recognized on the exercise of a non-statutory stock option;
- Imputed income for health coverage for a non-dependent; and
- Income recognized on the lapse of a restriction on restricted property transferred from an employer to an employee.

How you withhold on supplemental wages depends on whether the supplemental payment is identified as a separate payment from regular wages and if an employee receives more than \$1 million of supplemental wages during the calendar year.

Withholding on supplemental wages when an employee receives more than \$1,000,000 of supplemental wages during the calendar year: If a supplemental wage payment, together with other supplemental wage payments made to the employee during the calendar year exceed \$1,000,000, the excess is subject to withholding at 39.6% (or the highest rate of income tax for the year). Withhold using the 39.6% rate without regard to the employee's Form W-4.

Withholding on supplemental wage payments to an employee who does not receive \$1,000,000 of supplemental wages during the calendar year: If the supplemental wages paid to the employee during the calendar year are less than or equal to \$1,000,000, the following rules apply in determining the amount of income tax to be withheld.

- Supplemental wages combined with regular wages: If the supplemental wages are combined with regular wages but do not specify the amount of each, withhold federal income tax as if the total were a single payment for a regular payroll period.
- Supplemental wages identified separately from regular wages: If the supplemental wages are paid separately (or combined in a single payment with each amount specified), the federal income tax withholding method depends partly on whether income tax was withheld from the employee's regular wages.
  1. If income tax was withheld from an employee's regular wages in the current or immediately preceding calendar year, one of the following methods can be used:
    - a. Withhold a flat 25% (no other percentage is allowed).
    - b. If the supplemental wages are paid concurrently with regular wages, add the supplemental wages to the regular wages and calculate the tax on the total based on the employee's Form W-4. If there are no concurrently paid regular wages, add the supplemental wages to either the regular wages paid or to be paid for the current payroll period or the regular wages paid for the preceding payroll period. Calculate the income tax withholding as if the total of the regular wages and the supplemental wages is a single payment. Subtract the tax withheld from the regular. Withhold the remaining tax from the supplemental wages.
  2. If income tax was not withheld from the employee's regular wages in the current or immediately preceding calendar year, use method 1-b above.

Tips treated as supplemental wages: Withhold income tax on tips from wages earned by the employee or from other funds the employee makes available. If an employee receives regular wages and reports tips, figure income tax withholding as if the tips were supplemental wages. If income tax has not been withheld from regular wages, the tips should be added to the regular wages and income tax withholding calculated on the total. If income tax has been withheld from the regular wages, income tax withholding on the tips can be calculated by method 1-a or 1-b above.

See chart in appendix for a list of state supplemental rates.

**Example 1:** John is paid a base salary on the 1<sup>st</sup> of each month. He is single and claims one withholding allowance. In January of 2016, he is paid \$1,000. Using the wage bracket tables, \$50 is withheld for federal income taxes. In February 2016, he receives salary of \$1,000 plus a commission of \$2,000, which is included with regular wages. The withholding is based on the total of \$3,000. Using the withholding tables, the federal income taxes withheld are \$336.

**Example 2:** Sharon is paid a base salary on the 1<sup>st</sup> of each month. She is single and claims one withholding allowance. On May 1, 2016, she is paid \$2,000. Using the wage bracket tables, \$186 is withheld from her check for federal income taxes. On May 14, 2016, she receives a bonus of \$1,000. Under the aggregate method, her withholding would be calculated as follows:

1. Add the bonus amount to the amount of wages from the most recent pay date (\$2,000 + \$1,000 = \$3,000).
2. Determine the amount of withholding on the combined \$3,000 using the wage bracket tables (\$336).
3. Subtract the amount withheld from wages on the most recent pay date from the combined withholding amount (\$336 - \$186 = \$150).
4. Withhold \$150 from the bonus payment.

**Example 3:** The facts are the same as in Example 2, except the flat rate withholding method is elected for the bonus payment. \$250 (\$1,000 x 25%) will be withheld from Sharon's bonus payment.

Special rules apply to the extent that supplemental wages paid to any one employee during the calendar year exceed \$1 million. Once a supplemental wage payment to an employee brings the total of all supplemental wage payments to that employee during the calendar year to more than \$1 million, the amount of supplemental wages above \$1 million is subject to withholding at 39.6% (or the highest income tax rate). In applying this mandatory flat tax rate, the employer must ignore the employee's Form W-4, even where the employee claims to be exempt from withholding.

This rule applies only for purposes of income tax withholding from wages; other types of withholding, such as pension withholding and backup withholding, are not affected.

**NOTE:** The employer may treat the entire amount of the payment that results in the employee receiving total supplemental wages in excess of \$1 million as subject to the mandatory 39.6% flat tax rate. In addition, this treatment can apply on an employee-by-employee basis.

**Example:** Kelly has previously received \$925,000 in supplemental wages from her employer this year. In December, she receives a bonus of \$100,000. Her employer has the choice of either withholding \$39,600 (\$100,000 x 39.6%) or \$28,650 (\$75,000 x 25% plus \$25,000 x 39.6%).



## Employer-Paid Taxes:

Frequently an employer will pay the applicable income and employment taxes on behalf of the employee on the taxable value of a noncash fringe benefit. This also applies if they under withheld taxes, such as federal income, Social Security, and Medicare taxes and pays them on the employee's behalf. The amount paid by the employer is to be treated as taxable income, subject to federal income tax and employment taxes in the year paid. If in 2016, you paid an employee's taxes due in April 2016 for the employee's 2015 tax liability, the amount paid in 2016 is part of the employee's 2016 wages and is subject to 2016 income, social security, and Medicare taxes.

The employer may request reimbursement from the employee for the taxes paid, either through an authorized payroll deduction or by a personal check. Any amount of federal income tax not reimbursed to the employer by April 1 of the following year becomes taxable income to the employee for the prior year. The employer issues a Form W-2c to report this additional income and would deposit any applicable taxes associated with the gross-up.

Taxable employer-paid taxes are reported in boxes 1, 3, and 5 of Form W-2 as well as state wages, if applicable. They are also reported as federal and state unemployment wages.

When an employer pays taxes on behalf of the employee, this is referred to as "gross-up" and the taxes paid become wages. To determine an employee's gross-up, use the following formula:

$$\frac{\text{Amount of Payment}}{100\% - \% \text{ of employee tax due}} = \text{Taxable income}$$

Example: An employee has nonqualified moving expenses during the year equal to \$2,500. The employee does not have any state tax and the YTD earnings are \$15,000.

$$\begin{array}{r} 25.00\% \text{ Federal Income Tax (Supplemental rate)} \\ 6.20\% \text{ Social Security} \\ \underline{1.45\% \text{ Medicare}} \\ 32.65\% \end{array}$$

$$\begin{array}{l} 100\% - 32.65\% = 67.35\% \\ \$2,500.00 \div 0.6735 = \$3,711.95 \text{ Taxable Income} \end{array}$$

Wages reported: (Form W-2, Boxes 1, 3, & 5)			\$3,711.95
FIT (W-2, Box 2)	\$3,711.95 x 25.00%	=	\$ 927.99
Soc.Sec. (W-2, Box 4)	\$3,711.95 x 6.20%	=	\$ 230.14
Medicare (W-2, Box 6)	\$3,711.95 x 1.45%	=	<u>\$ 53.82</u>
Total tax		=	<u>\$1,211.95</u>
Net amount		=	\$2,500.00

State taxes should be included in the calculation as well, if applicable. See state supplemental tax rate chart in appendix.

The following formula should be used if the employee's wages are near the social security wage base:

$$\frac{\text{Social Security Tax Balance} + \text{Amount of Payment}}{100\% - \% \text{ of employee tax due (less social security tax rate)}} = \text{Taxable income}$$

Example: An employee receives a bonus payment of \$10,000.00, and no taxes are withheld. The employee's year- to-date taxable social security wages are \$113,100.00. The employee does not have any state tax.

$$\$118,500.00 - \$113,100.00 = \$5,400 \text{ (remaining taxable social security wages)}$$

$$\$5,400.00 \times 6.2\% = \$334.80$$

$$\frac{\$334.80 + \$10,000.00}{100\% - (25\% + 1.45\%)} = \$14,051.40 \text{ Taxable income}$$

Wages reported: (Form W-2, Boxes 1 & 5)	\$14,051.40
(\$5,400.00 Form W-2, Box 3)	

FIT (W-2, Box 2)	\$14,051.40 x 25.00%	=	\$ 3,512.85
Soc.Sec. (W-2, Box 4)	\$ 5,400.00 x 6.20%	=	\$ 334.80
Medicare (W-2, Box 6)	\$14,051.39 x 1.45%	=	\$ 203.75

Total tax		=	\$ 4,051.40
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Net amount		=	\$10,000.00
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Also watch if the employee has to pay the additional Medicare tax on wages over \$200,000.

### **Cafeteria Plans and Flexible Benefit Plans:**

The terms "cafeteria plans" and "flexible benefit plans" or "flex plans" are used interchangeably today to refer to an approach used to provide employees with a "menu" from which they may select various benefit options. In August 2007, the IRS issued comprehensive new proposed regulations on cafeteria plans that replace proposed regulations issued in 1984, 1989, 1997, and 2000. In addition, temporary regulations issued in 1986 are removed.

Qualified and Nonqualified Benefits: The new proposed regulations clarify that when employees may elect between taxable and nontaxable benefits, this ability to elect results in gross income to the employees unless a specific Internal Revenue Code section (e.g., §125 or §132(f)(4)) provides an exception. In addition, the regulations provide that unless a plan satisfies the requirements of IRC §125 and the regulations, the plan is not a cafeteria plan. Reasons that a plan would fail to satisfy the §125 requirements include:

- Offering nonqualified benefits;
- Not offering an election between at least one permitted taxable benefit and at least one qualified benefit;
- Deferring compensation;
- Failing to comply with the uniform coverage rule or use-or-lose rule;
- Allowing employees to revoke elections or make new elections during a plan year, except as provided in the regulations;
- Failing to comply with substantiation requirements;

- Paying or reimbursing expenses incurred for qualified benefits before the effective date of the cafeteria plan or before a period of coverage;
- Allocating experience gains (forfeitures) other than as expressly allowed in the regulations; and
- Failing to comply with grace period rules.

Definition of a Cafeteria Plan: The new proposed regulations provide that a cafeteria plan is a separate written plan that complies with the requirements of §125 and the regulations, that is maintained by an employer for employees, and that is operated in compliance with the requirements of §125 and the regulations. Participants in cafeteria plans must be permitted to choose among at least one permitted taxable benefit (e.g., cash, including salary reduction) and at least one qualified (nontaxable) benefit. Finally, a cafeteria plan must not provide for deferral of compensation, except as specifically permitted under the regulations.

Written Plan: A cafeteria plan must be in writing, and must be operated in accordance with the written plan terms. The new proposed regulations require that the written plan:

- Specifically describe all benefits,
- Set forth the rules for eligibility to participate and the procedure for making elections,
- Provide that all elections are irrevocable (except that a plan may include certain optional change-in-status rules), and
- State how employer contributions may be made under the plan (e.g., salary reductions or non-elective employer contributions), the maximum amount of elective contributions, and the plan year.

If the plan includes a flexible spending arrangement (FSA), the written plan must include provisions complying with the uniform coverage rule and the use-or-lose rule.

The new proposed regulations require that the written cafeteria plan specify that only employees may participate in the plan, and that all provisions of the written plan apply uniformly to all participants.

Who May Participate in a Cafeteria Plan: All participants in a cafeteria plan must be employees. The new proposed regulations provide that employees include common law employees, leased employees, and full-time insurance salesmen. Former employees (including laid-off employees and retired employees) may also participate in a plan, but a plan may not be maintained predominantly for former employees. Note that all employees who are treated as employed by a single employer under IRC §414 are treated as employed by a single employer for purposes of §125.

A participant's spouse or dependents may receive benefits through a cafeteria plan, although they cannot participate in the plan.

Self-employed individuals are not treated as employees for purposes of §125. Accordingly, sole proprietors, partners, and directors of corporations may not participate in a cafeteria plan because they are not employees. A self-employed individual may, however, sponsor a cafeteria plan for his or her employees.

The new proposed regulations clarify that 2% shareholders of an S corporation are not employees for purposes of §125.

Finally, the new proposed regulations provide rules for dual status individuals moving between employee and non-employee status.

Qualified Benefits: In general, in order for a benefit to be a qualified benefit for purposes of §125, the benefit must be excludable from employees' gross income under a specific provision of the IRC and must not defer compensation, except as specifically allowed. Examples of qualified benefits include:

- Group-term life insurance on the life of an employee;
- Employer-provided accident and health plans, including health flexible spending arrangements and accidental death and dismemberment policies;
- A dependent care assistance program;
- An adoption assistance program;
- Contributions to a §401(k) plan;
- Contributions to certain plans maintained by educational organizations;
- Contributions to Health Savings Accounts; and
- Long-term and short-term disability coverage.

No Deferral of Compensation: Qualified benefits must be current benefits. In general, a cafeteria plan may not offer benefits that defer compensation or operate to defer compensation. This means that plan benefits may not be carried over to a later plan year or used in one plan year to purchase benefits to be provided in a later plan year. For example, life insurance with a cash value build-up or group-term life insurance with a permanent benefit defers the receipt of compensation and thus is not a qualified benefit. The new proposed regulations clarify whether certain benefits and plan administration practices defer compensation. For example, the regulations permit an accident and health insurance policy to provide certain benefit features that apply for more than one plan year, such as reasonable lifetime limits on benefits, level premiums, premium waiver during disability, guaranteed renewability of coverage for specified accidental injury or specific diseases, and the payment of a fixed amount per day for hospitalization. But these insurance policies must not provide an investment fund or cash value to pay premiums, and no part of the premium may be held in a separate account for any beneficiary.

The new proposed regulations also provide that the following benefits and practices do not defer compensation:

- A long-term disability policy paying benefits over more than one plan year;
- Reasonable premium rebates or policy dividends;
- Certain two-year lock-in vision and dental policies;
- Certain advance payments for orthodontia;
- Salary reduction contributions in the last month of a plan year used to pay accident and health insurance premiums for the first month of the following plan year;
- Reimbursement of §213(d) expenses for durable medical equipment; and
- Allocation of experience gains (forfeitures) among participants.

Grace Periods: The new proposed regulations allow a written cafeteria plan to provide an optional grace period immediately following the end of each plan year, extending the period for incurring expenses for qualified benefits. A grace period may apply to one or more qualified benefits (e.g., health FSA or dependent care assistance program) but in no event does it apply to paid time off or contributions to §401(k) plans. Unused benefits or contributions for one qualified benefit may only be used to reimburse expenses incurred during the grace period for that same qualified benefit.

The amount of unused benefits and contributions available during the grace period may be limited by the employer. A grace period may extend to the fifteenth day of the third month after the end of the plan year (but may be for a shorter period). Benefits or contributions not used as of the end of the grace period are forfeited under the use-or-lose rule.

Nonqualified Benefits: A cafeteria plan must not offer any of the following benefits:

- Archer MSAs
- Athletic facilities
- De minimis benefits
- Educational assistance
- Employee discounts
- Lodging on the business premises
- Meals
- Moving expense reimbursements
- No-additional-cost services
- Transportation benefits
- Tuition reduction
- Working condition benefits

After-tax Employee Contributions: The new proposed regulations allow a cafeteria plan to offer after-tax employee contributions for qualified benefits or paid time off. A cafeteria plan may only offer the taxable benefits specifically permitted. Nonqualified benefits may not be offered through a cafeteria plan, even if paid with after-tax employee contributions.

Employer Contributions through Salary Reduction: Employees electing a qualified benefit through salary reduction are electing to forego salary and instead to receive a benefit which is excludible from gross income because it is provided by employer contributions. The employee is treated as receiving the qualified benefit from the employer in lieu of the taxable benefit.

A cafeteria plan may also impose reasonable plan administration fees that may be paid through salary reduction. A cafeteria plan is not required to allow employees to pay for any qualified benefit with after-tax employee contributions.

Making, Revoking, and Changing Elections: Generally, a cafeteria plan must require employees to elect annually between taxable benefits and qualified benefits. Elections must be made before the earlier of the first day of the period of coverage or when benefits are first currently available. Note that the determination of whether a taxable benefit is currently available does not depend on whether it has been constructively received by the employee.

Annual elections generally must be irrevocable and may not be changed during the plan year. However, a cafeteria plan may allow for changes in elections based on certain changes in status.

If Health Savings Account contributions are made through salary reduction under a cafeteria plan, employees may prospectively elect, revoke, or change salary reduction elections for HSA contributions at any time during the plan year with respect to salary that has not become currently available at the time of the election.

A cafeteria plan is permitted to include an automatic election for new employees or current employees. A new rule also permits a cafeteria plan to provide an optional election for new employees between cash and qualified benefits. New employees avoid gross income inclusion if they make an election within 30 days after the date of hire even if benefits provided pursuant to the election relate back to the date of hire. However, salary reduction amounts used to pay for such an election must be from compensation not yet currently available on the date of the election. Also, this special election rule for new employees does not apply to any employee who terminates employment and is rehired within 30 days after terminating employment (or who returns to employment following an unpaid leave of absence of less than 30 days).

New elections and permissible revocations or changes in elections can be made electronically.

Only an employee can make an election or revoke or change his or her election. An employee's spouse or dependent may not make an election under a cafeteria plan and may not revoke or change an employee's election.

**Nondiscrimination Rules:** Discriminatory benefits provided to highly compensated cafeteria plan participants are included in these employees' gross income. The new proposed regulations provide guidance on the cafeteria plan nondiscrimination rules, including definitions of key terms (e.g., highly compensated individual or participant, officer, 5% shareholder, key employee, compensation).

The regulations also provide an objective test to determine when the actual election of benefits is discriminatory. Specifically, the regulations provide that a cafeteria plan must give each similarly situated participant a uniform opportunity to elect qualified benefits, and that highly compensated participants must not actually disproportionately elect qualified benefits.

Finally, the new rules provided guidance on the safe harbor for cafeteria plans providing health benefits and create a safe harbor for premium-only plans that satisfy certain requirements.

### **Additional Information on Cafeteria Plans:**

**Social Security and Medicare Tax:** The definition of wages for social security and Medicare exclude any payment to, or on behalf of, an employee or beneficiary under a cafeteria plan. This exclusion does not apply to 401(k) deferrals.

**Federal Unemployment Tax (FUTA):** Payments under a cafeteria plan are excluded from federal unemployment tax. This exclusion does not apply to 401(k) deferrals.

**Reporting Requirements in Connection with Cafeteria Plan Grace Period:** IRS guidance clarifies the Form W-2 reporting requirements when an employer has amended a cafeteria plan document to provide a grace period for qualified dependent care assistance immediately following the end of a cafeteria plan year.

Under existing reporting rules for dependent care assistance, the amount reported on Form W-2 is the total amount of cash reimbursement furnished to the employee during the calendar year. However, if the employer does not know the actual total amount of cash reimbursement at the time the Form W-2 is prepared, then the employer may report a reasonable estimate of the total amount. The amount an employee elects to contribute for the year (plus any employer matching contributions) will be considered a reasonable estimate.

The IRS has clarified that an employer that amends its cafeteria plan to provide a grace period for dependent care assistance may continue to rely on these rules by reporting in Box 10 of Form W-2 the salary reduction amount elected by the employee for the year for dependent care assistance (plus employer matching contributions).

**EXAMPLE:** An employer amends its calendar year cafeteria plan to permit a grace period for dependent care assistance until March 15 of the subsequent year. An employee elects salary reduction of \$5,000 for dependent care assistance for the 2016 calendar year and \$5,000 for the 2017 calendar year. The employee has \$500 of dependent care contributions remaining at the end of the 2016 plan year, which is available for reimbursement of dependent care expenses during the grace period.

For the 2016 calendar year, the employer should report in Box 10 of Form W-2 the \$5,000 of salary reduction amount elected by the employee for 2016. Similarly, for the 2017 calendar year, the employer should report in Box 10 of Form W-2 the \$5,000 salary reduction amount elected by the employee for 2017.

## **Effect of the Family and Medical Leave Act:**

Responsibilities for Premium Payments: An employee making premium payments under a cafeteria plan that chooses to continue group health plan coverage (including a medical FSA) while on FMLA leave is responsible for the share of group health premiums that the employee was paying while working, such as amounts pursuant to a salary reduction agreement. The employer must continue to contribute the share of the cost of the employee's coverage that the employer was paying before the employee commenced FMLA leave.

Payment Options: A cafeteria plan may, on a nondiscriminatory basis, offer one or more of the following three payment options to an employee who continues group health plan coverage (including medical FSA) while on unpaid FMLA leave.

- Pre-pay option: A cafeteria plan may permit an employee to pay, prior to commencement of the FMLA leave period, the amounts due for the FMLA leave period even though the amount may be a prepayment to a future plan year. The employer may not mandate the pre-pay option. Contributions may be made on a pretax salary reduction basis from any taxable compensation (including the cashing out of unused sick or vacation days), or on an after-tax basis. However, a payment for coverage in a future plan year cannot be a pretax salary reduction; it must be an after-tax deduction.
- Pay-as-you-go option: Employees may pay their share of the premium payments on the same schedule as payment would be made if the employee were not on leave or under any other payment schedule permitted by the Labor Department regulations. Contributions under this option are generally made by the employee on an after-tax basis. However, they may be made on a pretax basis to the extent that the contributions are made from taxable compensation (e.g., cashing out of unused sick or vacation days) that is due the employee during the leave period, and provided that all cafeteria plan requirements are satisfied.

An employer is not required to continue the health coverage of an employee who fails to make required premium payments while on FMLA leave. However, if the employer chooses to continue the health coverage of an employee who fails to make required premium payments while on FMLA leave the employer is entitled to recoup those payments as noted below.

- Catch-up option: the employer and the employee must agree in advance of the coverage period that: the employee elects to continue health coverage while on unpaid FMLA leave; the employer will assume responsibility for advancing payments of the premiums on the employee's behalf during the FMLA leave; and these advance amounts must be paid by the employee when the employee returns from FMLA leave. Contributions may be made on a pretax salary reduction basis when the employee returns from FMLA leave from any available taxable compensation (including the cashing out of unused sick and vacation days), or on an after-tax basis. However, a payment for coverage in a previous plan year cannot be a pretax salary reduction; it must be an after-tax deduction.

## **Exceptions:**

- The pre-pay option cannot be the sole option offered to employees on FMLA leave. However, this option may be offered, even if the option is not offered to employees on non-FMLA leave-without-pay.
- The catch-up option can be the sole option offered to employees on FMLA leave only if the catch-up option is the sole option offered to employees on non-FMLA leave-without-pay.

- A cafeteria plan cannot offer employees on FMLA leave a choice of either the pre-pay option or the catch-up option without also offering the pay-as-you-go option, if the pay-as-you-go option is offered to employees on non-FMLA leave-without pay.

### **Flexible Spending Accounts (FSAs):**

In general, an FSA is a benefit designed to reimburse employees for expenses incurred for certain qualified benefits, up to a maximum amount not substantially in excess of the salary reduction and employer flex-credits allocated to the benefit. The maximum amount of reimbursement reasonably available must be less than five times the value of the coverage. Employer flex-credits are non-elective employer contributions that an employer makes available for every employee eligible to participate in the cafeteria plan, to be used at the employee's election only for one or more qualified benefits (but not as cash or other taxable benefits).

The three types of FSAs are dependent care assistance, adoption assistance, and medical care reimbursements (health FSA).

Uniform coverage rule: The new proposed regulations retain the rule that the maximum amount of reimbursement from a health FSA must be available at all times during the period of coverage (properly reduced as of any particular time for prior reimbursements). The uniform coverage rule does not apply to FSAs for dependent care assistance or adoption assistance.

Use-or-lose rule: An FSA must satisfy all the requirements of §125, including the prohibition against deferring compensation. In general, this means that all benefits and contributions must be used by the end of the plan year (or grace period, if applicable), or they are forfeited. The new proposed regulations continue the use-or-lose rule.

As of October 31, 2013, the U.S. Department of Treasury and IRS issued an updated guidance which permits employers to allow plan participants to carry over up to \$500 of their unused health FSA balances remaining at the end of a plan year. In addition, the existing option for plan sponsors to allow employees a grace period after the end of the plan year remains in place. However, a health FSA cannot have both a carryover and a grace period. It can have one or the other or neither.

Period of coverage: The required period of coverage for all FSAs continues to be 12 months, with an exception for short plan years that satisfy certain conditions. Note that the period of coverage and the plan year need not be the same.

The new proposed regulations clarify that FSAs for different qualified benefits need not have the same coverage period. The regulations also continue to provide that expenses are incurred when services are provided. In addition, expenses incurred before or after the period of coverage may not be reimbursed.

Health FSA: A health FSA may only reimburse certain substantiated §213(d) medical care expenses incurred by the employee or the employee's spouse or dependents. It may be limited to a subset of permitted §213(d) expenses (e.g., it may exclude reimbursement of certain over-the-counter drugs). Under the Patient Protection and Affordable Care Act of 2010, beginning in 2011, only the cost of medicine prescribed by a doctor and insulin can be reimbursed through a health FSA.

Similarly, a health FSA may be an HSA-compatible limited-purpose health FSA or post-deductible health FSA. However, a health FSA may not reimburse premiums for accident and health insurance or long-term care insurance.

A cafeteria plan may limit enrollment in a health FSA to those employees who participate in the employer's accident and health plan.



Dependent care assistance after termination: A new optional rule permits an employer to reimburse a terminated employee's qualified dependent care expenses incurred after termination through a dependent care FSA if all §129 requirements are otherwise satisfied.

Experience gains: If an employee fails to use all contributions and benefits for a plan year before the end of the plan year (and the grace period, if applicable), those unused contributions and benefits are forfeited under the use-or-lose rule. Unused amounts are also known as experience gains.

The new proposed regulations clarify that the employer sponsoring the cafeteria plan may retain forfeitures, use forfeitures to defray expenses of administering the plan, or allocate forfeitures among employees contributing through salary reduction on a reasonable and uniform basis.

Also, any amounts reimbursed over and above what the employee had funded at the time the valid claim was submitted and not subsequently recovered from the employee is non-taxable to the employee and is not recoverable by the employer.

### **Substantiation of Expenses:**

Incurring and reimbursing expenses – The new proposed regulations provide that only expenses for qualified benefits incurred after the later of the effective date or the adoption date of the cafeteria plan are permitted to be reimbursed under the cafeteria plan. If a plan amendment adds a new qualified benefit, only expenses incurred after the later of the effective date or the adoption date are eligible for reimbursement. This rule applies to all qualified benefits.

A cafeteria plan may pay or reimburse only expenses for qualified benefits incurred during a participant's period of coverage.

Substantiation and reimbursement – After an employee incurs an expense for a qualified benefit during the coverage period, the expense must first be substantiated before the expense may be paid or reimbursed. All expenses must be substantiated. Substantiating only a limited number of total claims, or not substantiating claims below a certain dollar amount, does not satisfy the requirements in the new proposed regulations.

Note that FSAs for dependent care assistance and adoption assistance must follow the substantiation procedures applicable to health FSAs.

Debit Cards – The new proposed regulations incorporate previously issued guidance on substantiating, paying, and reimbursing §213(d) medical care expenses using debit cards. Among the permissible substantiation methods are copayment matches, recurring expenses, and real-time substantiation.

The new proposed regulations also allow point-of-sale substantiation through matching inventory information with a list of medical expenses. The employer is responsible for ensuring that the inventory information approval system complies with the new regulations and with recordkeeping requirements.

The new proposed regulations also provide rules under which an FSA may pay or reimburse dependent care expenses using debit cards.

After June 30, 2009, health FSA debit cards may not be used at stores with the Drug Stores and Pharmacies merchant category code unless (1) the store participates in the inventory information approval system, or (2) on a store-location-by-store-location basis, 90% of the store's gross receipts during the prior taxable year consisted of items that qualify as expenses for medical care under §213(d), including certain nonprescription medications.

**Note:** Under the new Health Care legislation, reimbursements for non-prescription medicines will NOT be permitted. The IRS has provided guidance on the effective date and implications of the new restriction on health plan reimbursement of non-prescription medicines (IRS Notes 2010-59).

An individual may be reimbursed for over-the-counter drugs if the individual has a prescription. A prescription is a written or electronic order that meets the legal requirements of a prescription in the state in which the expense is incurred. The prescription must be issued by an individual legally authorized to do so in that state. Items that are not medicine or drugs, such as crutches, diagnostic devices such as blood sugar test kits, and bandages, may qualify as reimbursable medical expenses.

The changes are effective for purchases of over-the-counter medicine and drugs without a prescription after December 31, 2011. This effective date applies regardless of whether the plan year for the employer arrangement is a fiscal or calendar year. However, reimbursements from an employer HRA or health FSA may be made after December 31, 2011, if the reimbursement relates to the purchase of an over-the-counter medicine or drug during 2011.

Debit cards may no longer be used for health FSA and HRA purchases of non-prescription medicines.

### **Dependent Care Benefits:**

Employers can provide dependent care assistance to their employees that may be excluded, within limits, from their income, if, at the time of the payment or service, it is reasonable to believe that the employee will be able to exclude the payment under IRC §129. The annual exclusion for dependent care assistance on the employee's income tax return is limited to the lesser of:

- \$5,000 or \$2,500 if married, filing a married-separate return, or
- the exclusion cannot exceed the employee's earned income or the earned income of the employee's spouse, whichever is less.

As employers do not know if the employee is filing married-separate or the spouse's earned income, employer-provided plans limit the amount excluded from income to the lesser of \$5,000 or the employee's earned income. Employers are only required to monitor the \$5,000 and employee earned income exclusions.

Dependent care assistance can:

- be provided in-kind (i.e., on-site facility);
- be employer-paid or subsidized; or
- take the form of a Section 125 flexible spending account.

Unlike other fringe benefits, dependent care assistance is treated as received during the year in which the services were provided, rather than when the employee was reimbursed.

Individuals for whom dependent care assistance can be provided include the following:

- a dependent child under the age of 13; or
- a spouse or dependents of the employee who are physically unable to care for themselves.

The care provider used by the employee may not be the employee's child who will be under the age of 19 at the end of the calendar year, or any individual claimed as a dependent by the employee.

To provide a qualified dependent care assistance program the employer is required to have a separate written plan designed for the exclusive benefit of its employees. The plan does not need to be funded by the employer but the following requirements must be met:

- The plan must benefit employees who qualify under a classification set up by the employer, and the plan must not discriminate in favor of the officers, owners, or highly compensated employees (or their dependents).

**Exception:** Employees may be excluded from the plan if they are covered by a collective-bargaining agreement and the plan was subject to good faith bargaining between the employees' representative and the employer.

- The employer must provide reasonable notification of the availability and terms of the plan to eligible employees.
- The plan must provide a written statement to each employee, on or before January 31 of each year, indicating the amount of dependent care assistance provided by the employer during the previous calendar year. *This reporting requirement is satisfied by reporting 100% of the cash paid or, if other than cash, the fair market value, or pretax amount in Box 10 of Form W-2.*

NOTE: If the employer has an onsite dependent care facility, more than \$5,000 may be reported in Box 10. The first \$5,000 is excluded in income and any amounts in excess of that must also be reported in Boxes 1, 3, and 5.

- The employer must report the fair market value (not the cost to the employer) of the benefit received if the employer is directly providing the benefit or use the IRS-approved formula:
  - $(125\% \text{ of direct costs} \div \text{number of days available} \div \text{maximum capacity}) \times \text{days used by the employee}$
- When reporting values for "flexible spending account" plans report either:
  1. The amount reimbursed for benefits received during the calendar year, or
  2. The amount set aside on a pretax basis by the employee in the calendar year.

### **Adoption Assistance:**

IRC §23 allows individuals to take an income tax credit for qualified adoption expenses. IRC §137 excludes from an employee's income employer-provided adoption assistance that is furnished under an adoption assistance program in connection with the employee's adoption of an eligible child.

The maximum exclusion on an individual's personal income tax return for qualified adoption expenses in 2016 is \$13,460 per eligible child.

### Qualifying Expenses: Qualifying adoption expenses are:

- Reasonable and necessary adoption fees
- Court costs
- Attorney fees
- Travel expenses (including amounts spent for meals and lodging) while away from home
- Other expenses directly related to, and whose principal purpose is for, the legal adoption of an eligible child

Non-qualifying Expenses: Non-qualifying adoption expenses are:

- Expenses that violate state or federal law
- For carrying out any surrogate parenting arrangement
- For the adoption of a spouse's child
- Paid using funds received from any federal, state or local program
- Allowed as a credit or deduction under any other federal income tax rule
- Paid or reimbursed by the employer or otherwise (except that amounts paid or reimbursed under an adoption assistance program may be qualifying expenses for the exclusion)

Adoption Assistance Program Requirements: There are several requirements that an adoption assistance program must meet before employer-provided adoption assistance can be excluded from an employee's income.

- The adoption assistance program must be a separate written plan established for the exclusive benefit of the employer's employees, although it may be a part of an employer's comprehensive employee benefit plan.
- The program may not discriminate in favor of highly compensated employees or their dependents. For 2016, a highly compensated employee is defined as (1) an employee who was a 5% owner at any time during the current or preceding year OR (2) an employee who received more than \$120,000 in pay for the preceding year. Test 2 may be ignored if the employee was not also in the top 20% of employees when ranked by pay for the preceding year.
- No more than 5% of the adoption assistance provided in any year may go to shareholders or owners owning more than 5% of the stock, capital, or profits interest of the employer on any day during the year.
- The program is not required to be funded.
- Employers must provide reasonable notification of the availability and terms of the program to eligible employees.

An adoption assistance program that meets the requirements of IRC §137 may be offered as a qualified benefit through an employer's IRC §125 cafeteria plan.

Withholding and Reporting Obligations: The dollar limit on adoption assistance does not apply to the exclusion from federal income tax withholding. The exclusion applies to all of the employer-provided adoption assistance, regardless of the number of children adopted or whether the adoptions are successful, as long as the assistance is for substantiated and qualified expenses for qualified children. However, all of the payments are subject to social security, Medicare, and FUTA taxes.

If the assistance is provided through employee contributions to a cafeteria plan or FSA:

- Decrease federal, social security, Medicare, and FUTA wages
- Withdrawals from the set aside funds increase social security, Medicare, and FUTA wages (i.e., reimbursements)
- Amounts deducted from pay must be used for adoption expenses incurred and claimed during the program's fiscal year, or the funds will be forfeited.

In either situation, qualified adoption assistance must be reported on Form W-2 in Box 12 using Code T, unless the assistance consists of employee deductions that are forfeited under "use or lose." The assistance is not reported in Box 1, regardless of the amount reimbursed. This includes amounts in excess of the maximum exclusion amount, as well as adoption benefits paid or reimbursed from an employee's pretax contributions to a cafeteria plan. The dollar limit does apply, however, on a per child basis, when it comes to the Form 1040 personal income tax return, and the exclusion is phased out based on how much an individual's modified adjusted gross income exceeds the maximum exclusion.

Refer to IRS Publication 15-B for additional information.

**Health Savings Accounts:**

A Health Savings Account (HSA) is an account owned by a qualified individual who is generally an employee or former employee. Any contributions made to an HSA by the employer become the employee's property and cannot be withdrawn by the employer. Contributions to the account are used to pay current or future medical expenses of the account owner, his or her spouse, and any qualified dependent. The medical expenses must not be reimbursable by insurance or other sources and their payment from HSA funds (distribution) will not give rise to a medical expense deduction on the individual's federal income tax return.

A qualified individual must be covered by a High Deductible Health Plan (HDHP) and not be covered by other health insurance except for permitted insurance listed under section 223(c)(3) or insurance for accidents, disability, dental care, vision care, or long-term care. For calendar year 2016, a qualifying HDHP must have a deductible of at least \$1,300 for self-only coverage or \$2,600 for family coverage and must limit annual out-of-pocket expenses of the beneficiary to \$6,550 for self-only coverage and \$13,100 for family coverage.

There are no income limits that restrict an individual's eligibility to contribute to an HSA nor is there a requirement that the account owner have earned income to make a contribution.

Exceptions: An individual is not a qualified individual if he or she can be claimed as a dependent on another person's tax return. Also, an employee's participation in a health flexible spending arrangement (FSA) or health reimbursement arrangement (HRA) generally disqualifies the individual (and employer) from making contributions to his or her HSA. However, an individual may qualify to participate in an HSA if he or she is participating in only a limited-purpose FSA or HRA or a post-deductible FSA.

Employer contributions: Up to specified dollar limits, cash contributions to the HSA of a qualified individual (determined monthly) are exempt from federal income tax withholding, social security tax, Medicare tax, and FUTA tax. For 2016, you can contribute up to \$3,350 for self-only coverage or \$6,750 for family coverage to a qualified individual's HSA.

The contribution amounts listed above are increased by \$1,000 for a qualified individual who is age 55 or older at any time during the year. For two qualified individuals who are married to each other and who each are age 55 or older at any time during the year, each spouse's contribution limit is increased by \$1,000 provided each spouse has a separate HSA. No contributions can be made to an individual's HSA after he or she becomes enrolled in Medicare Part A or Part B.

Nondiscrimination rules: The employer's contribution to an employee's HSA must be comparable for all employees who have comparable coverage during the same period. Otherwise, there will be an excise tax equal to 35% of the amount contributed to all employees' HSAs.

For guidance on employer comparable contributions to HSAs under section 4980G in instances where an employee has not established an HSA by December 31 and in instances where an employer accelerates contributions for the calendar year for employees who have incurred qualified medical expenses, see Treasury Decision 9393, 2008-20 I.R.B. 975, available at [www.irs.gov/irb/2008-20\\_IRB/ar08.html](http://www.irs.gov/irb/2008-20_IRB/ar08.html).

**Exception:** The Tax Relief and Health Care Act of 2006 allows employers to make larger HSA contributions for a non-highly compensated employee than for a highly compensated employee. A highly compensated employee for 2016 is an employee who meets either of the following tests:

- The employee was a 5% owner at any time during the year or the preceding year.
- The employee received more than \$120,000 in pay for the preceding year.

Test 2 can be ignored if the employee was not also in the top 20% of employees when ranked by pay for the preceding year.

Partnerships and S Corporations: Partners and 2% shareholders of an S corporation are not eligible for salary reduction (pre-tax) contributions to an HSA. Employer contributions to the HSA of a bona fide partner or 2% shareholder are treated as distributions or guaranteed payments as determined by the facts and circumstances.

Cafeteria plans: An employer may contribute to an employee's HSA using a cafeteria plan and the employer's contributions are not subject to the statutory comparability rules. However, cafeteria plan nondiscrimination rules still apply. For example, contributions under a cafeteria plan to employee HSAs cannot be greater for higher-paid employees than they are for lower-paid employees. Contributions that favor lower-paid employees are not prohibited.

Reporting requirements: Employer contributions to an employee's HSA must be reported on Form W-2 in box 12 using code "W". Employee contributions made through a cafeteria plan are considered to be made by the employer so they are included in box 12 as well. The trustee or custodian of the HSA, generally a bank or insurance company, reports distributions from the HSA using Form 1099-SA, Distributions from the HSA, Archer MSA, or Medicare Advantage MSA.

**Note:** Effective for distributions made after December 31, 2010 under the new Health Care legislation, the penalty for an individual withdrawing HSA funds that are not used to pay for qualified medical expenses is increased from 10% to 20%.

<b>Health Savings Accounts</b>		
	<b>2016</b>	<b>2017</b>
High Deductible Health Plan Individual Annual Deductible	\$1,300	\$1,300
High Deductible Health Plan Family Annual Deductible	\$2,600	\$2,600
High Deductible Health Plan Individual out of pocket expenses limit	\$6,550	\$6,550
High Deductible Health Plan Family out of pocket expenses limit	\$12,900	\$13,100
Maximum Annual Contribution – Individual	\$3,350	\$3,400
Maximum Annual Contribution – Family	\$6,750	\$6,750
Maximum Annual Catch-up Contribution	\$1,000	\$1,000

### **Employer-Provided Accident and Health Plan:**

Coverage under an employer-provided accident and health plan that satisfies certain requirements may be provided as a qualified benefit through a cafeteria plan and is excludible from employees' gross income. The new proposed regulations specifically permit a cafeteria plan (but not a health FSA) to pay or reimburse substantiated individual accident and health insurance premiums. In addition, a cafeteria plan may provide for payment of COBRA premiums for an employee.

### Domestic Partner Health Insurance Coverage:

The IRS has announced that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. This applies regardless of whether the couple lives in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriages (Rev. Rul 2013-17, 2013-38 IRB 201). The new ruling applies to all federal tax provisions where marriage is a factor, including filing status, claiming personal and dependency exemptions, taking the standard deduction, employee benefits, contributing to an IRA, and claiming the earned income tax credit or child tax credit.

The ruling does not apply to registered domestic partnerships, civil unions, or similar formal relationships recognized under state law. For federal tax purposes, the term “marriage” does not include registered domestic partnerships, civil unions, or other similar formal relationships recognized under state law that are not denominated as a marriage under state’s law.

#### What About the States?:

Some states have enacted laws allowing same-sex couples to get married or to enter into a “civil union” that provides all the same state benefits that are provided to a married couple. Health insurance premiums paid by an employer to cover an employee’s same-sex spouse or civil union partner may not be taxable to the employee for state purposes, but remains subject to federal income, social security, and Medicare taxes.

#### **Health Insurance Premiums on 2% Shareholders:**

Health insurance premiums paid to cover employees normally are not considered taxable wages. However, in the case of health insurance premiums paid to cover employees who are 2% or greater shareholders of an S corporation, the amount of the premiums must be considered wages subject to federal income tax withholding. This amount would be included in box 1 of Form W-2. These premiums are not subject to social security, Medicare, or FUTA taxes. However, health insurance provided solely to 2% or more shareholder-employees of S corporations, not to other employees, does not qualify for the FICA exemption and is subject to social security, Medicare, and FUTA taxes.

#### **New W-2 Reporting Requirement:**

The Patient Protection and Affordable Care Act of 2010 requires employers to report the total cost of employer-provided health coverage on employees’ Forms W-2. The reporting requirement applied for the first time to Forms W-2 for 2012 that employers filed in 2013.

The IRS issued interim guidance on Form W-2 reporting of the cost of employer-sponsored group health plan coverage in 2012 (Notice 2012-9, 2012-4 IRB 315). The guidance emphasizes that the reporting requirement is for informational purposes only, to inform employees of the cost of their health care coverage. It does not cause excludable employer-sponsored health care coverage to become taxable.

All employers that provide applicable employer-sponsored coverage during a calendar year are subject to the reporting requirements. This includes federal, state and local government entities, churches and other religious organizations, and employers that are not subject to the COBRA continuation coverage requirements, to the extent such employers provide applicable employer-sponsored coverage under a group health plan, but does not include federally recognized Indian tribal governments. Until further guidance is issued, tribally chartered corporations wholly-owned by a federally recognized Indian tribal government are not subject to the reporting requirements.

In the case of 2016 Forms W-2, however, until further guidance is issued, an employer is not subject to the reporting requirement for any calendar year if the employer was required to file fewer than 250 Forms W-2 for the preceding calendar year. Therefore, if an employer filed fewer than 250 2015 Forms W-2, the employer is not subject to the reporting requirement for 2016 Forms W-2.

**Preparation Tip:** The 2016 Form W-2 indicates that the cost of employer-sponsored health coverage, if optionally entered, is to be placed in Box 12, and designated with Code DD. The instructions for the employee state that “the amount reported with Code DD is not taxable.” Do not report a zero amount in Box 12 if no employer-sponsored health coverage.

**Note:** An employer is not required to issue a Form W-2 with the aggregate reportable cost of health insurance to an individual to whom the employer is not otherwise required to issue a Form W-2, such as a retiree or other former employee receiving no compensation. Therefore, an employer that must issue a Form W-2 to a retiree to report payments under a nonqualified deferred compensation plan or uncollected FICA taxes on group-term life insurance would have to report the reportable cost of coverage on that Form W-2.



Form W-2 Reporting of Employer-Sponsored Health Coverage			
Coverage Type	Form W-2, Box 12, Code DD		
	Report	Do Not Report	Optional
Major medical	X		
Dental or vision plan not integrated into another medical or health plan			X
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			X
Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts		X	
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	X		
Health Reimbursement Arrangement (HRA) contributions			X
Health Savings Arrangement (HSA) contributions (employer or employee)		X	
Archer Medical Savings Account (Archer MSA) contributions (employer or employee)		X	
Hospital indemnity or specified illness (insured or self-funded), paid on after-tax basis		X	
Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer	X		
Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
On-site medical clinics providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Wellness programs providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Multi-employer plans			X
Domestic partner coverage included in gross income	X		
Governmental plans providing coverage primarily for members of the military and their families		X	
Federally recognized Indian tribal government plans and plans of tribally chartered corporations wholly owned by a federally recognized Indian tribal government		X	
Self-funded plans not subject to Federal COBRA			X
Accident or disability income		X	
Long-term care		X	
Liability insurance		X	
Supplemental liability insurance		X	
Workers' compensation		X	
Automobile medical payment insurance		X	
Credit-only insurance		X	
Excess reimbursement to highly compensated individual, included in gross income		X	
Payment/reimbursement of health insurance premiums for 2% shareholder-employee, included in gross income		X	
Other Situations	Report	Do Not Report	Optional
Employers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers)			X
Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form W-2 before the end of that year			X
Forms W-2 provided by third-party sick-pay provider to employees of other employers			X

The Patient Protection and Affordable Care Act of 2010 requires an employer to report on an employee's Form W-2 the aggregate cost of "applicable employer-sponsored coverage," excluding: (1) the amount contributed to an Archer MSA of the employee or the employee's spouse, (2) the amount contributed to a health savings account of the employee or the employee's spouse, and (3) the amount of any salary reduction contributions to a flexible spending arrangement. Prior to the IRS' issuance of interim relief, this requirement was scheduled to become effective for taxable years beginning after Dec. 31, 2010.

"Applicable employer-sponsored coverage" is generally defined as coverage under any group health plan made available to an employee by an employer that is excludable from the employee's gross income under the Code. Applicable employer-sponsored coverage includes the entire cost of the coverage, without regard to whether the employer or the employee pays for the coverage. The aggregate cost of coverage is determined under rules similar to those for determining premiums under the Consolidated Omnibus Budget Reconciliation Act (COBRA) – excluding the 2 percent administrative charge that may be applied to COBRA coverage.

Applicable employer-sponsored coverage excludes:

- Coverage for long-term care.
- Coverage only for accident, or disability income insurance, or any combination thereof.
- Coverage issued as a supplement to liability insurance.
- Liability insurance, including general liability insurance and automobile liability insurance.
- Workers' compensation insurance or similar insurance.
- Automobile medical payment insurance.
- Credit-only insurance.
- Other similar insurance coverage, specified in regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.
- Coverage for a specified disease or illness, hospital indemnity, or other fixed indemnity insurance, if the coverage is offered as an independent, non-coordinated benefit the payment of which is not excludable from income, and no deduction is allowed.
- Coverage under a separate policy, certificate, or contract of insurance that provides dental or vision benefits.

#### Methods of Calculating the Cost of Coverage:

The reportable cost for an employee receiving coverage under a plan is the sum of the reportable costs for each period (such as a month) during the year as determined under the method used by the employer. An employer is not required to use the same method for every plan, but must use the same method with respect to a plan for every employee receiving coverage under that plan.

- COBRA applicable premium method: Under the COBRA applicable premium method, the reportable cost for a period equals the COBRA applicable premium for that coverage for that period. If the employer applies this method, the employer must calculate the COBRA applicable premium in a manner that satisfies the requirements under IRC §4980B(f)(4). The COBRA applicable premium does not include the 2% administrative fee that an employer can charge an employee in addition to the premium.
- Premium charged method: The premium charged method may be used to determine the reportable cost only for an employee covered by an employer's insured group health plan. In such a case, if the employer applies this method, the employer must use the premium charged by the insurer for that employee's coverage (for example, for single-only coverage or for family coverage, as applicable to the employee) for each period as the reportable cost for that period.

- **Modified COBRA premium method:** An employer may use the modified COBRA premium method with respect to a plan only where it subsidizes the cost of COBRA (so that the premium charged to COBRA qualified beneficiaries is less than the COBRA applicable premium) or where the actual premium charged by the employer to COBRA qualified beneficiaries for each period in the current year is equal to the COBRA applicable premium for each period in a prior year. If the employer subsidizes the cost of COBRA, the employer may determine the reportable cost for a period based on a reasonable good faith estimate of the COBRA applicable premium for that period, if such reasonable good faith estimate is used as the basis for determining the subsidized COBRA premium. If the actual premium charged by the employer to COBRA qualified beneficiaries for each period in the current year is equal to the COBRA applicable premium for each period in a prior year, the employer may use the COBRA applicable premium for each period in the prior year as the reportable cost for each period in the current year.

Example 1: For calendar year 2016, Jeff's Auto subsidizes 50% of a reasonable good faith estimate of the COBRA applicable premium. Jeff's reasonable good faith estimate of the COBRA applicable premium for self-only coverage for each month in 2016 is \$300. Accordingly, the actual COBRA premium Jeff's charges individuals eligible for COBRA continuation coverage electing self-only coverage is \$150 per month. Solely for purposes of §6051(a)(14) reporting, if Jeff's uses the modified COBRA premium method, it must treat \$300 per month (the reasonable good faith estimate of the COBRA applicable premium) as the monthly reportable cost for self-only coverage for calendar year 2016.

Example 2: Get it Right Payroll Services determined that the COBRA applicable premium for each month in calendar year 2016 for individuals eligible for COBRA continuation coverage electing self-only coverage would be \$350 per month, and charged an actual COBRA premium for such coverage of \$357 per month (\$350 x 102%). Get it Right knows that the cost of coverage for 2016 is not less than the COBRA applicable premium for 2016 and decides not to make a new determination of the COBRA applicable premium for the calendar year 2016 but rather to continue to charge an actual COBRA premium for self-only coverage of \$357 per month (\$350 x 102%). Solely for purposes of §6051(a)(14) reporting, if Get it Right uses the modified COBRA premium method, it must treat \$350 per month (\$357 charged - \$7 increase permissible under COBRA) as the monthly reportable cost for self-only coverage for the calendar year 2016.

Example 3: The Rib Rack makes a good faith estimate of the COBRA applicable premium for calendar year 2016 for individuals eligible for COBRA continuation coverage electing self-only coverage of \$500 per month. To ensure compliance with the COBRA requirements despite not calculating a precise COBRA applicable premium, The Rib Rack charges an actual COBRA premium of \$350 per month for individuals eligible for COBRA coverage electing self-only coverage. Solely for purposes of §6051(a)(14) reporting, if The Rib Rack uses the modified COBRA premium method, it must treat \$500 per month as the monthly reportable cost for self-only coverage for calendar year 2016.

### **Group - Term Life Insurance Coverage:**

Group term life insurance coverage with a value of \$50,000 or less is excludable from income if:

- it provides a general death benefit that is not included in income;
- it is provided to a group of employees of more than 10;
- it provides an amount of insurance to each employee based on a formula that prevents individual selection (this formula must use factors such as the employee's age, years of service, pay, or position); and

- it is provided under a policy that the employer either directly or indirectly carries. Even if the employer does not pay any of the policy's cost, the employer is considered to carry it if they arrange for payment of its cost by its employees and charge at least one employee less than, and at least one other employee more than, the cost of his or her insurance.

Group-term life insurance does not include insurance that does not provide general death benefits, such as travel insurance or a policy providing only accidental death benefits, life insurance on the life of the employee's spouse or dependent, or insurance provided under a policy that provides a permanent benefit, unless certain requirements are met.

The value in excess of \$50,000, reduced by any employee after-tax payroll deductions, is taxable income. The employer is not required to withhold federal income tax on the taxable group-term life insurance, but the value is subject to federal taxation and must be reported on the employee's Form W-2 as "other compensation" (Box 1 and Box 12 – Code C). Taxable group-term life insurance is subject to social security and Medicare tax withholding and must be reported on Form W-2 in boxes 3 and 5.

Although the value in excess of \$50,000 is not taxable for FUTA purposes, it is reportable as total wages on line 1 and as excludable wages on line 2 of Part I of Form 940 (FUTA).

Generally, if the group-term life insurance plan favors key employees as to participation or benefits, the entire cost of the insurance must be included in the key employees' wages. If the policy provides coverage in excess of \$50,000, the value of the insurance benefit to be included in the employee's income is calculated using the IRS "Uniform Premium Table I".

<b>Uniform Premiums – Table 1</b> <b>IRC Section 79</b> <b>Fair Market Value of Group-term Life Insurance</b> <b>Per \$1,000 of Excess Benefit per Month</b>	
<u>Age</u>	<u>Monthly Cost Per \$1,000</u>
Under 25	\$ .05
25 to 29	.06
30 to 34	.08
35 to 39	.09
40 to 44	.10
45 to 49	.15
50 to 54	.23
55 to 59	.43
60 to 64	.66
65 to 69	1.27
70 and above	2.06

The employee's age on the last day of the calendar year is used when determining the group-term life cost factor before the following formula can be used to calculate the value in excess of \$50,000. You must prorate the cost from the table if less than a full month of coverage is involved.

**[(Group-term life coverage - \$50,000) x .001 x cost factor] – employee after-tax deduction for group-term life insurance = taxable monthly premium value**

**Example:** Bill will be 58 on 12/31/16. His group-term life insurance benefit amount will be \$100,000 and he pays after-tax premiums of \$10.50 per month. Bill retired in July.

Calculated Imputed income through July:

- 1)  $\$100,000 - \$50,000 = \$50,000$
- 2)  $\$50,000 \times .001 = \$50.00$
- 3)  $\$50.00 \times \$0.43 = \$21.50$
- 4)  $\$21.50 - \$10.50 = \$11.00$
- 5) Bill's taxable imputed income for 2016 will be \$77.00. ( $\$11.00 \times 7$  months)

Report in Boxes 1, 3, 5 and 12 with Code C on Form W-2.

If the employee pays for any part of the cost of the insurance, this payment reduces the amount otherwise included in income. However the employer cannot reduce the amount to include in the employee's income by:

- Payments for coverage in a different tax year, or
- Payments for coverage through a cafeteria plan, unless the payments are after-tax contributions

Group-term life insurance coverage is not taxable to the employee when:

- The beneficiary of the policy is with the company for the entire calendar year,
- The beneficiary of the policy is a charitable organization for the entire calendar year, or
- The employee terminates during the year due to a permanent disability.

Dependent Group-Term Life Coverage: Under the de minimis fringe benefit rules, an employer may provide tax-free dependent group-term life insurance coverage for the spouse or eligible dependents of an employee with no more than \$2,000 of face value coverage. When the coverage exceeds \$2,000, the de minimis value no longer exists and the value of the dependents' entire group-term life insurance coverage is calculated using the rates in Table I in the same manner as when calculating for the employee. For the employee's children, either use the rate associated with the dependent's actual age or use the "under age 25" rate if your policy does not permit dependent coverage for any dependent age 25 or older. For the employee's spouse, use the spouse's actual age or the employee's age.

Unlike group-term life insurance on the life of an employee, the value of dependent group-term life insurance included in the employee's income is subject to federal income tax withholding, as well as social security and Medicare taxes. The amount included in the employee's income is not subject to FUTA tax, however.

Group-term Life Insurance Coverage for Former Employees: Employers report on the Form W-2 (Box 12) uncollected social security (Code M) and Medicare (Code N) taxes on group-term life insurance coverage over \$50,000 for former employees who have continuing group-term life coverage after their termination. This includes any payment for group-term life to the extent "such payment is for coverage for periods during which an employment relationship no longer exists between the employee and the employer." It only applies to situations where the employer continues to provide group-term life insurance coverage for an individual who is no longer on the employer's payroll, such as a retiree.

This provision does **NOT** apply in situations where the employer failed to withhold social security and Medicare taxes, for group-term life insurance coverage, because the employee terminated before the calculation was made. In these instances, the employer must pay the applicable taxes on behalf of the employees and report them as wages subject to employment and withholding taxes, or request reimbursement from the employees for the social security and Medicare taxes due on the imputed income.

Additionally, IRS Publication 15-B states: "Do not use withheld federal income tax to pay the social security and Medicare taxes due."

**Whole-Life Insurance:**

An employer may purchase individual whole-life or straight-life insurance policies for its employees or pay premiums on policies already owned by its employees. A straight-life policy provides two types of benefits:

1. Death benefit – A benefit payable at the death of the insured employee in an amount equal to the face amount of the policy.
2. Savings – A portion of every premium goes toward the savings segment of the policy. Referred to as the “cash surrender value,” as premiums are paid, this value of the policy increases. Another option of the policy may allow the employee to borrow against the cash surrender value or surrender the policy and withdraw it. In addition, the employee usually earns a return from the insurance company, which is reflected as additional increases in the cash surrender value, additional insurance coverage or a payout of cash dividends.

The employer must generally include in the employee’s gross income the cost of the straight-life insurance the amount the employer pays in premiums each year if the proceeds of the policy are payable to the employee’s designated beneficiaries. The employer must withhold federal income tax, but if the insurance coverage is part of a plan intended to benefit employees or their dependents, social security, Medicare and FUTA taxes do not apply. If the employer is the sole beneficiary of the policy or the employee pays the premiums with after-tax dollars, the value of the policy is not included in income. If the insurance is being purchased for the employee as part of a qualified retirement plan or if the proceeds of the policy are payable to the employee’s beneficiary, the amount to include as income on Form 1099-R is the sum of:

1. the increase in the policy’s cash surrender value for the year (provided the employee’s right to the cash surrender value is substantially vested), and
2. the “reasonable net premium cost” of the current life insurance protection (equal to the death benefit payable under the policy minus the cash surrender value of the policy at the end of the year).

When purchased as part of a qualified retirement plan, the income is not reported on Form W-2 but is reported in boxes 1 and 2 on Form 1099-R as a distribution from a qualified plan to purchase the insurance and requires code 9 in box 7, to prevent the employee from being subject to early distribution penalties. Since the cash surrender value increases each year, the current insurance component decreases and must be calculated for tax purposes each year.

The following interim IRS table gives the reasonable net premium cost for one year for \$1,000 of current straight-life insurance protection, based on the employee’s age. Multiply the appropriate factor times the number of thousands of dollars of current protection and add the increase in the cash surrender value for the year to determine the imputed income.

Interim Table of One-Year Term Premiums for \$1,000 of Life Insurance Protection

Attained Age	Section 79 Extended & Interpolated Annual rates	Attained Age	Section 79 Extended & Interpolated Annual rates	Attained Age	Section 79 Extended & Interpolated Annual rates
0	\$0.70	34	\$0.98	67	\$15.20
1	\$0.41	35	\$0.99	68	\$16.92
2	\$0.27	36	\$1.01	69	\$18.70
3	\$0.19	37	\$1.04	70	\$20.62
4	\$0.13	38	\$1.06	71	\$22.72
5	\$0.13	39	\$1.07	72	\$25.07
6	\$0.14	40	\$1.10	73	\$27.57
7	\$0.15	41	\$1.13	74	\$30.18
8	\$0.16	42	\$1.20	75	\$33.05
9	\$0.16	43	\$1.29	76	\$36.33
10	\$0.16	44	\$1.40	77	\$40.17
11	\$0.19	45	\$1.53	78	\$44.33
12	\$0.24	46	\$1.67	79	\$49.23
13	\$0.28	47	\$1.83	80	\$54.56
14	\$0.33	48	\$1.98	81	\$60.51
15	\$0.38	49	\$2.13	82	\$66.74
16	\$0.52	50	\$2.30	83	\$73.07
17	\$0.57	51	\$2.52	84	\$80.35
18	\$0.59	52	\$2.81	85	\$88.76
19	\$0.61	53	\$3.20	86	\$99.16
20	\$0.62	54	\$3.65	87	\$110.40
21	\$0.62	55	\$4.15	88	\$121.85
22	\$0.64	56	\$4.68	89	\$133.40
23	\$0.66	57	\$5.20	90	\$144.30
24	\$0.68	58	\$5.66	91	\$155.80
25	\$0.71	59	\$6.06	92	\$168.75
26	\$0.73	60	\$6.51	93	\$186.44
27	\$0.76	61	\$7.11	94	\$206.70
28	\$0.80	62	\$7.96	95	\$228.35
29	\$0.83	63	\$9.08	96	\$250.01
30	\$0.87	64	\$10.41	97	\$265.09
31	\$0.90	65	\$11.90	98	\$270.11
32	\$0.93	66	\$13.51	99	\$281.05
33	\$0.96				

## **Deferred Compensation Plans:**

Qualified Plans: Employer contributions to qualified compensation plans (under IRC Section 401(a)) are excluded from federal wages and are not subject to social security, Medicare and FUTA taxes except when the contributions are made under a salary reduction arrangement.

- Section 401(k) Plans: A 401(k) plan is usually made available to employees in the form of a salary reduction agreement. Under this agreement, a participating employee elects to reduce his or her salary or defer future salary increases or bonuses by authorizing the employer to contribute this amount to the plan (subject to percentage requirements).

Under these plans eligible employees may elect to have the employer contribute a portion of their pay to a plan in lieu of receiving that pay in cash. By deferring compensation, the employee decreases taxable income subject to federal income tax withholding and creates a tax savings. The employee is not required to pay federal or, in most cases, state income tax on the money contributed to the plan until the money is withdrawn. In essence, the participant takes taxable compensation and converts it into a before-tax employer contribution. However, amounts deferred by the employee are subject to social security, Medicare, and FUTA taxes. The participant is subject to federal income tax withholding on the deferral when the amount deferred is distributed to the participant.

The employee's salary reduction amount contributed to the plan is fully tax deductible to the company even though it reduces the taxable income of the employee for federal and most state taxes.

Designated Roth Contributions: Designated Roth contributions to 401(k), 403(b), and 457(b) plans are allowed under IRC §402A, if the employer's plan provides for contributions to a Roth plan. Under §402A, a plan may permit an employee who makes elective contributions under a §401(k) plan to designate some or all of those contributions as contributions to a Roth IRA (individual retirement account).

NOTE: Roth IRAs are different from traditional IRAs in that contributions to a Roth IRA are not deductible from income and are includable in boxes 1, 3, and 5 on Form W-2. Distributions are not included in gross income if they meet certain qualifications. Individuals may put up to the maximum deductible amount for a traditional IRA in a Roth IRA in a year, but that amount is reduced by any contributions by the individual or other IRAs for that year.

Designated Roth Contributions Defined: Designated Roth contributions are defined as elective contributions under qualified cash or deferred arrangement that is:

- Included by the employer in the employee's income at the time the employee would have received the contribution amounts in cash if the employee had not made the cash or deferred election (i.e., by treating the contributions as wages subject to applicable withholding requirements)
- Reported as income on Form W-2 in Boxes 1, 3, and 5 and in Box 12 with Code AA (401(k) plans), Code BB (403(b) plans), or Code EE (457(b) plans).



Designated Roth Contribution Rules: Some aspects of designated Roth contributions must be reflected in plan terms. For instance, contributions may be treated as designated Roth contributions only to the extent permitted under a plan. In addition while a plan is permitted to allow an employee to elect the character of a distribution, the extent to which this is permitted must be set forth in the plan. And the plan must provide that designated Roth contributions may be rolled over only to another plan maintaining a designated Roth contribution account or to a Roth IRA.

- Separate Accounting: The regulations provide that contributions and withdrawals of designated Roth contributions must be credited and debited to a designated Roth contribution account maintained for the employee who made the designation, and the plan must maintain a record of the employee's investment with respect to the employee's designated Roth contribution account. In addition, gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to the designated Roth contribution account and other accounts under the plan. The separate accounting requirement applies at the time the designated Roth contribution is contributed to the plan and continues to apply until the designated Roth contribution account is completely distributed.
- Elections: The rules regarding the frequency of elections to make pre-tax elective contributions apply to elections to make designated Roth contributions. Under the final regulations, a plan that provides for a cash or deferred election under which contributions are made in the absence of an affirmative election and that has both pre-tax elective contributions and designated Roth contributions must set forth the extent to which those default contributions are pre-tax elective contributions or designated Roth contributions. If the default contributions are designated Roth contributions, then an employee who has not made an affirmative election is deemed to have irrevocably designated the contributions as designated Roth contributions.

A direct rollover from a designated Roth account under a qualified cash or deferred arrangement may only be made to another designated Roth account or to a Roth IRA and only to the extent the direct rollover is permitted under §402(c). In addition, a plan is permitted to treat the balance of a participant's designated Roth account and the participant's other accounts under the plan as account held under two separate plans for purposes of applying the special rule. Therefore, if a participant's balance in the designated Roth account is less than \$200, then the plan is not required to offer a direct rollover election with respect to that account or to apply the automatic rollover provisions of §401(a)(31)(B) with respect to that account.

- Excess Contributions: Designated Roth contributions are taken into account under the ADP (actual deferral percentage) test applicable to §401(k) plans in the same manner as pre-tax elective contributions. The regulations permit a highly compensated employee with elective contributions for a year that include both pre-tax elective contributions and designated Roth contributions to elect whether excess contributions are to be attributed to pre-tax elective contributions or designated Roth contributions.

A distribution of excess contributions is not includible in gross income to the extent it represents a distribution of designated Roth contributions. However, the income allocable to a corrective distribution in excess contributions that are designated Roth contributions is includible in gross income in the same manner as income allocable to a corrective distribution of excess contributions that are pre-tax elective contributions.

- Reporting in Box 12:
  - 401(k) Code AA
  - 403(b) Code BB
  - 457(b) Code EE

Automatic 401(k) Enrollment: (can be used for 403(b) and 457(b) plans as well)

- Basic automatic enrollment 401(k) plan: A written plan document must be adopted to establish a basic automatic enrollment 401(k) plan. It must state that employees will be automatically enrolled in the plan unless they elect otherwise and must specify the percentage of an employee's wages that will be automatically deducted from each paycheck for contribution to the plan. The document must also explain that employees have the right to elect not to have salary deferrals withheld or to elect a different percentage to be withheld.
- Eligible automatic contribution arrangement (EACA): An eligible automatic contribution arrangement (EACA) is similar to the basic automatic enrollment plan but has specific notice requirements. In addition, when the participant does not provide direction, the employee salary deferrals must be invested in certain default investments. An EACA can allow automatically enrolled participants to withdraw their contributions during the first 90 days.
- Qualified automatic contribution arrangement (QACA): A qualified automatic contribution arrangement (QACA) is a type of automatic enrollment 401(k) plan that automatically passes certain kinds of annual IRS testing. The plan must include certain required features, such as automatic employee contributions (including annual increases), employer contributions, a special vesting schedule, and specific notice requirements.

Notification must be provided to employees who are eligible to participate in the plan about certain benefits, rights, and features under the plan. Employees must receive an initial notice prior to automatic enrollment in the plan and receive a similar notice each year. The notice should include information about the automatic contribution process, including the opportunity to elect out of the plan. In addition, the notice must describe the default investment the plan is using, the participants' right to change investments, and where to obtain information about other investments offered by the plan.

The participant generally must receive the initial notice at least 30 days, but not more than 90 days, before eligibility to participate in the plan or the first investment. Subject to certain conditions, the notice may be provided, and an employee may be enrolled in the plan, on the first day of work.

An annual notice must be provided to participants and all eligible employees at least 30 days, but not more than 90 days, prior to the beginning of each subsequent plan year.

If the participant, after receiving the initial or annual notice, does not provide investment direction, the participant is considered to have decided to remain in a default investment.

In addition, a summary plan description (SPD) must be provided to all participants. The SPD is a more comprehensive document that informs participants and beneficiaries about the plan and how it operates. The SPD typically is created with the plan document and must include information about:

- When and how employees become eligible to participate in the 401(k) plan;
- The contributions to the plan;
- How long it takes to become vested;
- When employees are eligible to receive their benefits;
- How to file a claim for those benefits; and
- Basic rights and responsibilities participants have under the Federal retirement law, the Employee Retirement Income Security Act (ERISA).

The SPD must be given to participants when they join the plan and to beneficiaries when they first receive benefits. SPDs must also be redistributed periodically during the life of the plan.

Other notifications that must be given to employees who are eligible to participate in the plan include a summary of material modification, individual benefit statement, and a summary annual report.

- Participation: Employees are automatically enrolled in the plan and a specific percentage will be deducted from each participant's salary unless the participant opts out or chooses a different percentage. However, as with any 401(k) plan, some employees may be excluded if they:
  - Have not attained age 21;
  - Have not completed a year of service; or
  - Are covered by a collective bargaining agreement that does not provide for participation in the plan, if retirement benefits were the subject of good faith bargaining.
- Contributions:
  - Basic and Eligible Automatic Enrollment 401(k) Plans: Employer matching can be elected by matching the amount of the employee's contribution (within the limits of the law) or by contributing a percentage of each employee's compensation (called a non-elective contribution) or by doing both. The amount of matching and non-elective contributions can be changed each year.
  - Qualified Automatic Contribution Arrangements (QACAs): If a plan is set up as a QACA with certain minimum levels of employee and employer contributions, it is exempt from the annual IRS testing requirement that a traditional 401(k) plan must perform. The initial automatic employee contribution must be at least 3 percent of compensation. Contributions may have to automatically increase so that, by the fifth year, the automatic employee contribution is at least 6 percent of compensation.

The automatic employee contributions cannot exceed 10 percent of compensation in any year. The employee is permitted to change the amount of his or her employee contributions or choose not to contribute but must do so by making an affirmative election.

The employer must make at least either:

- A matching contribution of 100 percent for salary deferrals up to 1 percent of compensation and a 50 percent match for all salary deferrals above 1 percent but no more than 6 percent of compensation; or
- A non-elective contribution of 3 percent of compensation to all participants.

In a QACA, the employer may make an additional contribution to each employee's account and have the flexibility to change the amount of these additional contributions each year.

- Contribution Limits: Employer and employee contributions to an automatic enrollment 401(k) plan are subject to an overall annual limitation for each employee. Employer and employee contributions and forfeitures (non-vested employer contributions of terminated participants) may not exceed the lesser of:
  - 100 percent of the employee's compensation; or
  - \$53,000 for 2016 and \$54,000 for 2017

Employees can make salary deferrals of up to \$18,000 for 2016. This includes both pre-tax employee salary deferrals and after-tax designated Roth contributions (if permitted under the plan). An automatic enrollment 401(k) plan can allow catch-up contributions of \$6,000 for 2016 and 2017 for employees aged 50 and over.

- Transferring or Withdrawing Investments from a Default Investment: Employees may not want to participate in the company retirement plan, or they may decide to direct their plan investments themselves rather than have their contributions invested on their behalf. The plan document must provide for withdrawal of contributions and be set up as an EACA. If participants elect to withdraw their contributions, they must do so within 90 days. Participants whose contributions

are automatically deposited in the default investment must be allowed to change their investments to other available plan options as frequently as participants who actively chose the default investment, and at least once every quarter.

If an employee decides to withdraw investments within 90 days of the first contribution or to change investments, a plan cannot impose restrictions, fees, or expenses beyond standard fees for services such as investment management and account maintenance. Further, participants should not be subject to penalties such as surrender charges, liquidation fees, or market value adjustments.

All participants in the plan must be offered an opportunity to diversify their portfolios with a broad range of other options in addition to the default investments.

- **Permissible Withdrawals of Automatic Contributions:** If an eligible automatic enrollment 401(k) plan (EACA) has opted to allow employees to withdraw their automatic contributions within 90 days of their first contribution, then those amounts, distributed with earnings, are treated as taxable income in the year distributed. They are reported on Form 1099-R and are not subject to the 10 percent additional early withdrawal tax.

This is merely an overview of automatic enrollment 401(k) plans. For more information, expanded information is available on the IRS and U.S. Department of Labor's (DOL's) Employee Benefits Security Administration websites, [www.irs.gov/ep](http://www.irs.gov/ep) and [www.dol.gov/ebsa](http://www.dol.gov/ebsa). For the IRS, go to "Types of Retirement Plans" in the top blue box. For DOL, go to "Employers & Advisers," then click "Plan Administration and Compliance," and scroll down and select "Retirement Plans."

**Nonqualified Deferred Compensation Plans:** Income Tax Reporting and Withholding – Before January 1, 2005: For plans in effect before October 3, 2004, that has not had significant changes to the plan or contributions made after October 3, 2004, withhold income tax on nonqualified plans as follows:

- **Funded plan:** Withhold when the employees' rights to amounts are not subject to substantial risk of forfeiture or are transferable free of such risk. A funded plan is one in which an employer irrevocably contributes the deferred compensation to a separate fund, such as an irrevocable trust.
- **Unfunded plan:** Withhold when you make payments to the employee.

Employment taxes and withheld income tax on these plans must be reported on Forms W-2 and 941.

**Income Tax Reporting and Withholding – After January 1, 2005:** Effective for amounts deferred in taxable years beginning after December 31, 2004, amounts deferred under a nonqualified deferred compensation plan are currently includible in gross income if they are not subject to a substantial risk of forfeiture and have not previously been included in income, unless certain requirements regarding distributions and the timing of deferral elections are satisfied as defined by IRC §409A. A nonqualified deferred compensation plan is defined as any plan that provides for the deferral of compensation other than a qualified retirement plan, or any bona fide vacation leave, sick leave, compensatory time, disability pay, or death benefit plan.

**Guidance on Reporting and Withholding Requirements for Nonqualified Deferred Compensation:** The IRS has issued a notice providing interim guidance to employers and payers on their reporting and wage withholding requirements with respect to deferrals of compensation and amounts includible in gross income under IRC §409A. In addition, the notice provides guidance to service providers on their income tax reporting and tax payment requirements with respect to amounts includible in gross income under §409A [Notice 2008-115, 2008-52 IRB 1367]. The notice generally extends guidance provided in Notice 2006-100 and Notice 2007-89 applicable to calendar years 2005, 2006, and 2007.

The interim guidance provided in Notice 2008-115 is effective for calendar year 2008 and will remain in

effect for subsequent calendar years until the IRS issues further guidance. The IRS does not anticipate that further guidance will be issued until the recently proposed regulations addressing the calculation of the amount includible in income under §409A(a) and the calculation of additional taxes are finalized. Further, the IRS anticipates that with respect to annual deferral reporting (Form W-2, Box 12, Code Y; Form 1099-MISC, Box 15a), such guidance will not be made effective before the calendar year beginning after such regulations are finalized.

Annual Deferrals – Amounts Reportable on Form W-2 or Form 1099-MISC: Until the IRS issues further guidance, employers are not required to report amounts deferred during the year under a nonqualified deferred compensation (NQDC) plan subject to §409A on Form W-2 in Box 12 with Code Y (employees) or on Form 1099-MISC in Box 15a (independent contractors).

However, an employer must treat amounts includible in gross income under §409A as wages for income tax withholding purposes and must be reported as wages paid on Line 2 of Form 941 and in Box 1 of Form W-2. An employer must also report such amounts as §409A income in Box 12 of Form W-2 using Code Z.

Amounts includible in gross income under §409A are supplemental wages for purposes of determining how much income tax to withhold regardless of whether the employer has paid the employee any regular wages during the calendar year of the payment. The amount required to be withheld is not increased on account of the additional income taxes imposed under §409A. Employees should thus be aware that estimated tax payments or increased withholding from regular wages may be required to avoid penalties.

Calculating amounts includible in income: For purposes of IRS Notice 2008-115, the amount includible in gross income because of a plan failure under §409(a) and required to be reported by the employer or payer equals the portion of the total amount deferred under the plan that, as of December 31 of the applicable calendar year, is not subject to a substantial risk of forfeiture and has not been included in income in the previous year, plus any amounts of deferred compensation paid or made available to the employee or payee under the plan during the applicable calendar year. An employer or payer may treat an amount as previously included in income if it was properly reported by the employer or payer on a Form W-2, Form 1099-MISC, or Form W-2c or corrected Form 1099-MISC. Amounts previously reported and included in income should not be reported again.

Amounts includible in gross income under §409(a) include only amounts deferred that are subject to §409A and not, for example, amounts deferred that were earned and vested prior to January 1, 2005, and that are not otherwise subject to §409A due to the application of the effective date provisions.

Wage payment date of includible amounts: Amounts includible in gross income under §409A(a) that are either actually or constructively received by an employee during calendar year are considered wages paid when received by the employee for purposes of withholding, depositing, and reporting income tax. Amounts includible in gross income under §409A(a) that are neither actually nor constructively received by the employee during the applicable calendar year are treated as a payment of wages on December 31 of that calendar year, for purposes of withholding, depositing, and reporting income tax.

If, as of December 31 of the applicable calendar year, the employer does not withhold income tax from the employee on such wages, or withholds less than the amount of income tax required to be withheld, the employee will receive credit for that calendar year on his or her personal income tax return if the employer:

- withholds or gets from the employee the amount of the under collection before February 1 of the subsequent year, and reports the wages for the quarter ending December 31 of the applicable calendar year, on Form 941 and in Box 1 of the employee's Form W-2; or
- pays the income tax withholding liability on behalf of the employee and reports the gross amount of wages and the employer-paid taxes for the quarter ending December 31 of the applicable

calendar year, on Form 941 and in Box 1 of the employee's Form W-2.

For purposes of the employment tax deposit rules, if the income tax withholding liability for wages treated as paid to the IRS by the due date of the Form 941 for the quarter ending on December 31 of the applicable calendar year, on which the wages are reported, then failure-to-deposit penalties will not be imposed.

Calculating deferrals: The rules for determining the total deferred under a NQDC plan for purposes of calculating the amount required to be included in income under §409A(a) are similar to the rules for calculating the amount to include in income under a nonqualified deferred compensation plan for purposes of social security and Medicare taxation under IRC §3121(v)(2).

- Account balance plans – For account balance plans, the amount deferred as of December 31 of a calendar year equals the amount that would be treated as an amount deferred on that date if the entire account balance (including all principal amounts, adjusted for income, gain, or loss credited to the employee's account) as of December 31 of the calendar year were treated as a principal amount credited to the employee's account on that date. Note that these same rules apply for purposes of determining the amount reported on Form 1099-MISC with respect to a nonemployee.
- Non-account balance plans – For non-account balance plans, where the amount deferred is reasonably ascertainable, the amount deferred as of December 31 of the calendar year equals the present value of all future payments to which the employee has obtained a legally binding right as of that date, calculated as if the employee had obtained all of such rights on December 31 of that calendar year. An amount deferred is considered reasonably ascertainable on the first date on which the amount, form, and commencement date of the benefit payments attributable to the amount deferred are known, and the only actuarial assumptions needed to determine the amount are interest and mortality. Note that these same rules apply for purposes of determining the amount reported on Form 1099-MISC with respect to a nonemployee.
- Stock rights – For a plan that is a stock right under Proposed Reg. §1.409A-1(1), the amount deferred as of December 31 of a calendar year equals the amount that the service provider would be required to include in income of the stock right were immediately exercisable and exercised on December 31 of that calendar year. In general, this will mean with respect to a stock right outstanding as of December 31 of a calendar year that the amount deferred as of December 31 of that calendar year equals the fair market value of the underlying stock less the sum of the exercise price and any amount paid by the service provider for the stock right.
- Other deferred amounts – For all deferred amounts not addressed by the account balance, non-account balance, and stock right plan rules, the amount deferred as of December 31 of a calendar year must be determined under a reasonable, good faith application of a reasonable, good faith method. This method must reflect reasonable, good faith assumptions with respect to any contingencies as to the timing or amount of any payment. Assumptions that result in the amount deferred being the lowest potential value of the future payment will be presumed not to be reasonable, good faith assumptions unless clear and convincing evidence demonstrates otherwise.

Protection from future reporting or withholding: An employer or payer that complies with Notice 2008-115 regarding computing amounts includible in gross income under §409A and withholding and reporting those amounts for a calendar year will not be liable for additional income tax withholding or penalties, or be required to file any subsequent forms for those amounts as a result of future published guidance with respect to the computation of amounts includible in gross income under §409A.

If it is subsequently determined that the employer did not apply Notice 2008-115 in determining amounts includible in gross income or wages for a calendar year, any recalculation of these amounts may result in

additional liability for income tax withholding for these years, plus any applicable penalties. In addition, the employer or payer will be required to file an original or corrected information return and furnish an original or corrected payee statement.

For purposes of determining any amount includible in income under §409A in a subsequent year, an amount will not be treated as previously included in income unless the amount has been reported appropriately on an information return and payee statement, or has been included by the service provider in a previous year.

**Social Security and Medicare Tax Withholding Rules:** For purposes of withholding and depositing social security, Medicare, and FUTA taxes, an amount deferred is treated as wages paid by the employer and received by the employee at the time it is taken into account. If the employer is unable to calculate the amount deferred for a year by December 31, the employer has two alternative methods it can use, either the estimated or lag method.

- **Estimated method** – under the estimated method, an employer may treat a reasonably estimated amount as wages paid on the last day of the calendar year (the “first year”). If the employer underestimates the amount deferred that should be taken into account and under deposits social security, Medicare, or FUTA taxes, it can choose to treat the shortfall as wages either in the first year or the first quarter of the next year. The short-fall does not include income credited to the amount deferred after the first year. If the shortfall is treated as wages in the first year but was not included on the employee’s Form W-2, the employer must issue a Form W-2c. Also, the employer must correct the information on the Form 941 for the last quarter of the first year. In such a case, the shortfall will not be treated as a late deposit subject to penalty if it is deposited by the employer’s first regular deposit date following the first quarter of the next year. Conversely, if the amount deferred is overestimated, the employer can claim a refund or credit.
- **Lag method** – under the lag method, an employer may calculate the end of the year amount deferred on any date in the first quarter of the next calendar year. The amount deferred will be treated as wages on that date, and the amount deferred that would otherwise have been taken into account on the last day of the first year must be increased by income earned through the date on which the amount is taken into account.

## Nonqualified Deferred Compensation Reporting Example Chart

Example	How to report on Form W-2
Example 1—Deferral, immediately vested (no risk of forfeiture). Regular wages: \$200 Defer, vested: \$20 Employer match, vested: \$10	Box 1 = \$180 (\$200 – \$20) Boxes 3 and 5 = \$210 (\$200 + \$10) Box 11 = \$0
Example 2—Deferral, delayed vesting (risk of forfeiture) of employee and employer portions. Regular wages: \$200 Defer, not vested: \$20 Employer match, not vested: \$10	Box 1 = \$180 (\$200 – \$20) Boxes 3 and 5 = \$180 (\$200 – \$20) Box 11 = \$0
Example 3—Deferral, immediately vested. Prior year deferrals and employer matches are now vesting. Regular wages: \$200 Defer, vested: \$20 Vesting of prior-year deferrals and employer matches: \$100 + \$15 (earnings on \$100)	Box 1 = \$180 (\$200 – \$20) Boxes 3 and 5 = \$315 (\$200 + \$100 + \$15) Box 11 = \$115 (\$100 + \$15)
Example 4—No deferrals, but there are distributions. No vesting of prior year deferrals. Regular wages: \$100 Distribution: \$50	Box 1 = \$150 (\$100 + \$50) Boxes 3 and 5 = \$100 Box 11 = \$50
Special Rule for W-2 Box 11: Distributions and Deferrals in the Same Year – Form SSA-131	If, in the same year, there are NQDC distributions and deferrals that are reportable in boxes 3 and/or 5 (current or prior year deferrals), do not complete box 11. Instead, report on Form SSA-131 the total amount the employee earned during the year. Generally, the amount earned by the employee during the tax year for purposes of item 6 of Form SSA-131 is the amount reported in box 1 of Form W-2 plus current year deferrals that are vested (employee and employer portions) less distributions. Do not consider prior-year deferrals that are vesting in the current year. If there was a plan failure, the box 1 amount in this calculation should be as if there were no plan failure. Submit the SSA-131 to the nearest SSA office or give it to the employee.
Example 5—Deferral, immediately vested, and distributions. No vesting of prior year deferrals. Regular wages: \$200 Defer, vested: \$20 Employer match, vested: \$10 Distribution: \$50	Box 1 = \$230 (\$200 – \$20 + \$50) Boxes 3 and 5 = \$210 (\$200 + \$10) Box 11 = \$0  Form SSA-131 = \$210 (\$230 (box 1) – \$50 (distribution) + \$30 (vested employee and employer deferrals))
Example 6—Deferral, delayed vesting, and distributions. No vesting of prior year deferrals. Regular wages: \$200 Defer, not vested: \$20 Distribution: \$50	Box 1 = \$230 (\$200 – \$20 + \$50) Boxes 3 and 5 = \$180 (\$200 – \$20) Box 11 = \$50
Example 7—Deferral, immediately vested, and distributions. Prior-year deferrals and employer matches are now vesting. Regular wages: \$200 Defer, vested: \$20 Distribution: \$50 Vesting of prior-year deferrals and employer matches: \$100 + \$15 (earnings on the \$100)	Box 1 = \$230 (\$200 – \$20 + \$50) Boxes 3 and 5 = \$315 (\$200 + \$100 + \$15) Box 11 = \$0  Form SSA-131 = \$200 (\$230 (box 1) – \$50 (distribution) + \$20 (vested deferral))
Example 8—Deferral, delayed vesting, and distributions. Prior-year deferrals and employer matches are now vesting. Regular wages: \$200 Defer, not vested: \$20 Distribution: \$50 Vesting of prior-year deferrals and employer matches: \$100 + \$15 (earnings on the \$100)	Box 1 = \$230 (\$200 – \$20 + \$50) Boxes 3 and 5 = \$295 (\$200 – \$20 + \$100 + \$15) Box 11 = \$0  Form SSA-131 = \$180 (\$230 (box 1) – \$50 (distribution))

See *Nonqualified deferred compensation plans*.



## Nonqualified Deferred Compensation Reporting Example Chart—(Continued)

Example	How to report on Form W-2
<p>Special Rule for Payment of Social Security, Medicare, and Unemployment Taxes</p> <p>If the amount cannot be reasonably ascertained (the employer is unable to calculate an amount for a year by December 31), the employer has two methods it can use. For example, immediately-vested employer contributions to NQDC made late in the year would have no effect on W-2 box 1, but they would affect FICA and FUTA taxes.</p>	<p><i>Estimated Method</i></p> <p>Under the estimated method, an employer may treat a reasonably estimated amount as wages paid on the last day of the calendar year (the “first year”). If the employer underestimates the amount deferred and, thereby, underdeposits social security, Medicare, or FUTA taxes, it can choose to treat the shortfall as wages either in the first year or the first quarter of the next year. The shortfall does not include income credited to the amount deferred after the first year. Conversely, if the amount deferred is overestimated, the employer can claim a refund or credit. If the employer chooses to treat the shortfall as wages in the first year, the employer must issue a Form W-2c. Also, the employer must correct the information on the Form 941 for the last quarter of the first year. In such a case, the shortfall will not be treated as a late deposit subject to penalty if it is deposited by the employer's first regular deposit date following the first quarter of the next year.</p> <p><i>Lag Method</i></p> <p>Under the lag method, an employer may calculate the end-of-the-year amount on any date in the first quarter of the next calendar year. The amount deferred will be treated as wages on that date, and the amount deferred that would otherwise have been taken into account on the last day of the first year must be increased by income earned on that amount through the date on which the amount is taken into account.</p>
<p>Section 409A NQDC Plan Failure</p> <p>Example 9—Deferral, immediately vested. No distributions. Plan failure.</p> <p>Plan balance on January 1, 2010: \$325, vested.</p> <p>Regular wages: \$100</p> <p>Defer, vested: \$50</p> <p>Employer match, vested: \$25</p> <p>Plan failure in 2010.</p>	<p>Box 12, Code Z = \$400</p> <ul style="list-style-type: none"> <li>Amount in the plan account on December 31, 2010, not subject to risk of forfeiture and not included in prior-year income: \$400 (\$325 + \$50 + \$25)</li> <li>Current-year distributions: \$0</li> <li>\$400 (\$0 + \$400)</li> </ul> <p>Box 1 = \$450 (\$100 – \$50 + \$400)</p> <p>Boxes 3 and 5 = \$125 (\$100 + \$25)</p> <p>Box 11 = \$0</p> <p>SSA-131 = not required</p>
<p>Section 409A NQDC Plan Failure</p> <p>Example 10—Deferral, some delayed vesting, and distributions. Plan failure.</p> <p>Plan balance on January 1, 2010: \$250 vested; \$75 not vested.</p> <p>Regular wages: \$100</p> <p>Defer, vested: \$50</p> <p>Employer match, not vested: \$25</p> <p>Distribution: \$200</p> <p>Plan failure in 2010.</p> <p>Vesting of prior-year deferrals and employer matches: \$0</p>	<p>Box 12, Code Z = \$300</p> <ul style="list-style-type: none"> <li>Amount in the plan account on December 31, 2010, not subject to risk of forfeiture and not included in prior-year income: \$100 (\$250 + \$50 – \$200)</li> <li>Current-year distributions: \$200</li> <li>\$100 + \$200 = \$300</li> </ul> <p>Box 1 = \$350 (\$100 – \$50 + \$300 (code Z amount, which already includes the distribution))</p> <p>Boxes 3 and 5 = \$100</p> <p>Box 11 = \$0</p> <p>SSA-131 = \$100 (\$250 (what box 1 would have been without plan failure) – \$200 (distributions) + \$50 (vested deferral))</p>

See *Nonqualified deferred compensation plans*.

## **Personal Use of Company Vehicle:**

Although the business use of a company-owned vehicle is excludable (based on the employee's documentation of the business use) from taxable income, the personal use of the vehicle is taxable compensation. The employer may elect not to withhold federal income tax on the personal use of the vehicle, but federal wages must be reported and social security and Medicare taxes must be withheld on the value of personal use. The personal use of a company vehicle is also subject to FUTA tax.

The value of personal use of a company vehicle is required to be reported as income at least once a year. Either the general valuation method or one of three safe-harbor methods may be used to determine the cash value of the personal use of a company vehicle.

Under the general valuation method, the personal use of a company car is determined by the cost an individual would incur to lease the same vehicle under the same terms in the same geographic area. A cents-per-mile lease rate cannot be used unless it can be shown such a lease was available for that type of car at that time and in that area. Because an employee's use of the vehicle is generally mixed between business and personal use, it is most likely more advantageous to use one of the safe-harbor valuation methods.

- 1) Annual lease value method
- 2) Cents-per-mile method
- 3) Commuting value method

### General rules that enable the use of the special valuation methods:

- If either the vehicle cents-per-mile or annual lease valuation method is used by the employer, it must be used for all subsequent years that the vehicle is provided to any employee, although the employer may switch to the commuting valuation method in any year it applies.
- Neither the employer nor the employee may use a special valuation method unless at least one of the following conditions is met:
  - the employer reports the value of the benefit as wages by January 31 of the next year;
  - the employee includes the value of the benefit in income within the prescribed time;
  - the employee is not a control employee; or
  - the employer demonstrates a good faith effort to treat the benefit correctly for reporting purposes.
- The same special valuation method need not be used for all company-provided vehicles or all employees.
- If an employer uses a special valuation method, the employee must use the same rule or general valuation method on his or her personal income tax return.
- If a single company-provided vehicle is used by more than one employee, the employer must use the same valuation method for all the employees using that vehicle and must allocate the vehicle's use based on the facts of the situation.

#### Annual Lease Value Method:

Under this method, the fair market value (FMV) of an employee's personal use of a company-provided car is determined by multiplying the annual lease value of the car (as found in the IRS Annual Lease Value Table) by the percentage of personal miles driven. Here are the steps the employer must take:

1. The employer must determine the FMV of the car on the first day it was made available to the employee for personal use. For employer-owned vehicles, this is the total cost of the car to an individual in an arm's length transaction (including sales tax and title fees). For employer-leased vehicles, the value can be determined by using a nationally recognized pricing source, such as the "Blue Book" ([www.kbb.com](http://www.kbb.com)) and it is recalculated after the car has been used for four full calendar years. If the vehicle is transferred to another employee, the annual lease value may be recalculated based on the car's fair market value on January 1 of the calendar year of the transfer.
2. Find the car's FMV in the Annual Lease Value Table. The car's annual lease value can be found directly to the right of the FMV.
3. Calculate the percentage of personal miles driven during the year (personal miles driven divided by total miles driven).
4. Calculate the FMV of the employee's personal use of the car that must be included in the employee's income (annual lease value x percentage of personal miles driven).

The amount determined from the table (or the calculation for more expensive cars) includes the value of maintenance and insurance; it does not include the value of fuel provided by the employer, which must be valued separately. Fuel may be valued at the employer's actual cost or at 5.5 cents (\$0.055) per mile for 2016 for each mile driven by the employee in the U.S., its possessions and territories, Canada, Mexico, only if the employer provides fuel in kind.

If the employee has the car for less than a year but it is available for use for at least 30 consecutive days, the annual lease value must be prorated for that period by using the following formula:

$$\text{Annual lease value} \times (\text{number of days available} \div 365)$$

If the car is available to the employee for periods of less than 30 consecutive days during the year, the employer should treat the car as being available for 30 days to avoid harsher valuation rules (unless the availability is 7 or fewer days per year).

You do not have to include the value of a telephone or any specialized equipment added to, or carried in, the automobile if the equipment is necessary for your business. However, include the value of specialized equipment if the employee to whom the automobile is available uses the specialized equipment in a trade or business other than yours.

### Annual Lease Value Table

<u>Automobile Fair Market Value</u>	<u>Annual Lease</u>
\$0 – 999	\$600
1,000 – 1,999	850
2,000 – 2,999	1,100
3,000 – 3,999	1,350
4,000 – 4,999	1,600
5,000 – 5,999	1,850
6,000 – 6,999	2,100
7,000 – 7,999	2,350
8,000 – 8,999	2,600
9,000 – 9,999	2,850
10,000 – 10,999	3,100
11,000 – 11,999	3,350
12,000 – 12,999	3,600
13,000 – 13,999	3,850
14,000 – 14,999	4,100
15,000 – 15,999	4,350
16,000 – 16,999	4,600
17,000 – 17,999	4,850
18,000 – 18,999	5,100
19,000 – 19,999	5,350
20,000 – 20,999	5,600
21,000 – 21,999	5,850
22,000 – 22,999	6,100
23,000 – 23,999	6,350
24,000 – 24,999	6,600
25,000 – 25,999	6,850
26,000 – 27,999	7,250
28,000 – 29,999	7,750
30,000 – 31,999	8,250
32,000 – 33,999	8,750
34,000 – 35,999	9,250
36,000 – 37,999	9,750
38,000 – 39,999	10,250
40,000 – 41,999	10,750
42,000 – 43,999	11,250
44,000 – 45,999	11,750
46,000 – 47,999	12,250
48,000 – 49,999	12,750
50,000 – 51,999	13,250
52,000 – 53,999	13,750
54,000 – 55,999	14,250
56,000 – 57,999	14,750
58,000 – 59,999	15,250
Above 59,999	25% of FMV + \$500

## PERSONAL USE OF COMPANY VEHICLE

## ANNUAL LEASE VALUE

Employee: \_\_\_\_\_ Vehicle: \_\_\_\_\_

GENERAL INFORMATION:

1. Date: Available: \_\_\_\_\_ Transferred: \_\_\_\_\_
2. Odometer: Available: \_\_\_\_\_ Transferred: \_\_\_\_\_
3. Fair market value on date available: \_\_\_\_\_
4. Annual lease value on date available: \_\_\_\_\_
5. Current year total miles: \_\_\_\_\_
6. Current year personal miles: \_\_\_\_\_

COMPUTATION OF TOTAL VALUE:

- |  |                                    |        |
|--|------------------------------------|--------|
| 7. Annual lease  | <b>Click here to use the form.</b> | 0.00   |
| 8. Days in tax year (usually 365)  |                                    | 365    |
| 9. Daily value rate (line 7 divided by line 8)   |                                    | 0.00   |
| 10. Days available for use (use line 8 for full year, actual days for less than full year, 30 days<br>of available for more than 7 days but less than 30, or four times days available if 7 days<br>or less) |                                    | 0      |
| 11. Annual lease value (table* or line 9 times line 10)  |                                    | 0.00   |
| 12. Fuel factor (5.5 cents time line 5, or fair market value of fuel provided)   |                                    | 0.00   |
| 13. Fair market value of other services  |                                    |        |
| 14. Total value (add lines 11, 12, and 13)   |                                    | 0.00   |
| 15. Personal use factor:   |                                    |        |
| A. Personal miles (line 6)   | 0                                  |        |
| B. Total miles (line 5)  | 0                                  |        |
| C. Divide 15A by 15B   |                                    | 0.00%  |
| 16. Gross income of employee (line 14 times line 15C)  |                                    | \$0.00 |

\*Table from Reg 1.61-2T(d)(2)(B)(iii) (on previous page)

### Cents-Per-Mile Method:

The fair market value of an employee's personal use of a company-provided vehicle is determined by multiplying the IRS standard business mileage rate of \$0.540 per mile through 12/31/16 the number of personal miles driven.

The following conditions must be met to use this method:

1. The employer must expect the employee to regularly use the vehicle while conducting the employer's business, or the vehicle must actually be driven at least 10,000 miles annually (including personal use) and be used primarily by employees.
2. The fair market value of the vehicle cannot exceed the luxury value for the year the vehicle was first put into use. In 2016, \$15,900 for a passenger car or \$17,700 for a truck or van.
3. If the employee pays for fuel, the mileage rate is reduced by 5.5 cents (\$0.055) per mile for 2016.

### Commuting Value Method:

The commuting valuation rule may be used only when the following conditions are met. The value is calculated by multiplying the number of trips by either \$1.50 each way or \$3.00 round trip.

- The vehicle is owned or leased by the employer and is provided to the employee for use in connection with the employer's trade or business.
- The employer, for non-compensatory business reasons, requires the employee to commute to and/or from work in the vehicle. NOTE: Employer-provided vehicles used to transport at least three employees to and from work in an employer-sponsored carpool or vanpool arrangement satisfy the first two requirements.
- The employer has a written policy prohibiting the employee (and the employee's spouse and dependents) from using the vehicle for personal use other than commuting or de minimis personal errands, and the policy is enforced.
- The employee is not a control employee.  
A control employee is an employee who:
  - Is a corporate officer earning at least \$105,000 in 2016
  - Is a director
  - Earns at least \$215,000 in 2016
  - Owns 1% or more equity, capital, or profits interest in the business

Exclusion: The IRS provides certain exclusions for qualified non-personal use vehicles. Employees can exclude 100% of the value of the use of a qualified non-personal use vehicle from gross income as a working condition fringe benefit.

A qualified non-personal use vehicle is any vehicle that, by its nature, an employee is unlikely to use more than a minimum amount for personal purposes. Cement mixers, moving vans, and forklifts are examples of the types of vehicles that are exempt from taxation. Passenger automobiles, such as sedans, are generally not exempt from taxation because, by design, they can easily be used for personal purposes. However, federal regulations allow clearly marked police and fire vehicles, and unmarked law enforcement vehicles used by law enforcement officers, to be treated as qualified non-personal use vehicles.

### Reporting:

The personal use of a company vehicle is reported on Form W-2 in boxes 1, 3, 5, and 14 and on Form 941 on line 2, 5a, and 5c. On Form 940, it is reported on line 3 of Part 2.

## **Qualified Transportation Fringe Benefits:**

An employer may provide certain transportation fringe benefits to its employees without including the fair market value of the benefits in their income. They include:

- Transportation between the workplace and employee's home in a commuter highway vehicle (van pool) provided by the employer, if:
  - The vehicle seats at least 6 adults including the driver;
  - At least 80% of the vehicle's mileage can be expected to be for commuting; and
  - At least one-half of the vehicle's seating capacity (excluding the driver) is used by employees.
- Transit pass – A transit pass is any pass, token, farecard, voucher, or similar item entitling a person to ride, free of charge or at a reduced rate, on mass transit or in a vehicle that seats at least 6 adults (not including the driver) if a person in the business of transporting persons for pay or hire operates it. Mass transit may include bus, rail, or ferry.
- Parking provided on or near the employer's premises or at a "park and ride" facility from which the employee uses mass transportation, a vanpool, or a carpool or any other means to get to work. Parking "on or near the employer's premises" includes parking on or near a work location where the employee works for the employer, but not if the value of parking provided by the employer or reimbursement for the employee's parking cost is otherwise excluded from income as a working condition fringe benefit or an employee's business expense reimbursed under an accountable plan.

Exclusion limits - Up to \$255 per month in 2016, is excluded from income for qualified parking provided by the employer and combined commuter highway vehicle transportation and transit passes.

Transportation Fringe Benefits Extended to Bicycle Commuters: Beginning in 2009, under the Emergency Economic Stabilization Act of 2008 (Pub. L. No. 110-343), an employer may reimburse employees for certain expenses related to commuting to work by bicycle without including the reimbursement in the employee's income subject to federal income, social security, Medicare, or FUTA tax. The maximum amount of the benefit for an employee is determined on an annual basis and is equal to \$20 multiplied by the number of the employee's qualified bicycle commuting months during a calendar year. The maximum amount of the benefit is not adjusted annually based on inflation.

A "qualified bicycle commuting month" is any month when an employee regularly uses a bicycle for a substantial portion of the employee's commute to work, so long as the employee is not receiving any other qualified transportation fringe benefit from the employer. Therefore, the employee can't add the bicycle commuting benefit to a transit pass, vanpool, or parking benefit for any month.

Expenses that qualify for reimbursement include the purchase of a bicycle and bicycle improvements, repair, and storage if the bicycle is regularly used by the employee to commute from home to work. For expenses incurred during a calendar year, the reimbursements can be made by the employer during the calendar year and up to 3 months afterward.

Qualified bicycle commuting reimbursements may not be provided under a "compensation reduction arrangement" that offers an employee a choice between cash compensation and the bicycle commuting benefit. If this is done, the amount of the compensation reduction is taxable income to the employee.

## **Employee Relocation Expense Reimbursements:**

Qualified Moving Expense Reimbursements: Qualified moving expenses that an employer paid to a third party on behalf of the employee and services that an employer furnished in kind to an employee are not reported on Form W-2. Employer reimbursements for an employee's moving expenses are treated as excludable from the employee's gross income and wages if:

- 1) The expenses would be deductible by the employee if he or she had directly paid or incurred the expenses, and
- 2) The employee did not deduct the expenses in a prior year.

In addition, the reimbursements should be made under rules similar to those relating to an accountable plan. If the plan does not meet the accountable plan rules for business travel expenses (see previous section), then all reimbursements must be included in the employee's income.

To qualify for these deductions, the distance between the employee's new workplace and his or her old residence must be at least 50 miles farther than the distance between the employee's old work place and his or her old residence. Employees must also work full time in the general location of their new place of work for at least 39 weeks during the 12 months immediately following the move.

The only expenses that are deductible (with no dollar limit on the deduction) are:

- Expenses incurred in moving household goods and personal effects from the employee's old residence to the new residence (including storage for up to 30 days), and
- Traveling (including lodging but NOT meals) from the old residence to the new residence.

The Form W-2 reporting requirements for moving expense reimbursements made in 2016 are as follows:

<u>Nonqualified</u>	<u>Qualified–Paid to a Third Party</u>	<u>Qualified–Paid to Employee</u>
Subject to FITW, FICA, and FUTA	No Withholding	No Withholding
Reported on 941, Lines 2, 5a, & 5c	No 941 Reporting	No 941 Reporting
Reported on 940, Line 3	940, Line 3, subtracted on Line 4	940, Line 3, subtracted on Line 4
4		
Reported on W-2, Boxes 1, 3, & 5	No W-2 Reporting	W-2, Box 12, Code P

If an employer reimburses an employee for moving expenses that meet the criteria for qualified relocation deductibility, the amount of the reimbursement is excluded from the employee's income as a nontaxable fringe benefit (so long as the employee has not deducted the expenses in a prior year). Employers are no longer required to provide employees with Form 4782, *Moving Expense Information*.

Although qualified moving expenses are not taxable for FUTA purposes, they are reportable as total wages on Part 2, line 3 and excludable wages on Part 2, line 4 of Form 940 (FUTA). Also, check box 4a (Fringe Benefits) of Part 2, line 4 for qualified moving expenses.

Non-qualified Moving Expense Reimbursements: Exclusions from income for moving expenses are not allowed for the cost of:

- Pre-move house hunting trips
- Temporary living expenses in the general area of the new workplace
- Selling (or settling an unexpired lease on) the old residence and buying (or acquiring a lease on) the new residence
- Real estate transactions
- Any meals connected with the relocation
- Mileage in excess of \$0.19 per mile from 1/1/16 – 12/31/16.



- More than one trip from the old residence to the new residence

Since these amounts are not deductible, reimbursements for these expenses are income and are subject to full taxation (FIT, FICA, FUTA) when paid by the employer. A review of your company's relocation policy might be necessary, especially if your company reimburses house-hunting trips and temporary living expenses for its employees. Reimbursements for expenses which are generally not deductible by individuals on their tax return may have additional funds added (gross-up) to cover the taxes due.

**Special note:** Employer-reimbursed relocation expenses not qualifying as excludable fringe benefits under IRC Section 132 must be reported as income immediately, with the applicable taxes withheld. When reimbursed, taxable relocation expenses are treated like an employee bonus. The wages must be reported immediately and the taxes withheld at the time of payment. If the expenses are reimbursed through accounts payable, you must report the taxable amount in payroll and deposit the applicable taxes withheld as a manual payment on the date paid by accounts payable. You cannot wait to report the reimbursements at year-end, just as you would not wait to report an employee's bonus at year-end. The special accounting rule cannot be used for these reimbursements. See IRS Publication 521 for more information on moving expenses.

### **De Minimis Fringe Benefits:**

The value of a de minimis benefit provided to employees can be excluded from wages. A de minimis benefit is any property or service provided to an employee that has so little value (taking into account how frequently you provide similar benefits to your employees) that accounting for it would be unreasonable or administratively impracticable. Cash and cash equivalents (gift card, charge card, or credit card) no matter how little, is never excludable as a de minimis benefit, except for the occasional meal money or transportation fare. Such "perks" are tax-free only if they meet the definition and requirements that apply to "de minimis" fringe benefits. Specifically, a gift/award is de minimis if:

- The value is nominal;
- Accounting for the item would be administratively impracticable;
- It is provided infrequently; and
- It is furnished for the purpose of promoting health, good will, contentment, or the efficiency of employees.

What is nominal? Many employers maintain written policies that specify a dollar limit for tax-free gifts/awards, generally \$25. Recognized as the threshold for tax-free gifts and awards for so long, it is assumed by many to be a rule established by the IRS. The fact is that neither the \$25 rule nor the more recent transition by some to the \$75 rule can be found in any IRS guidance. According to the IRS, it purposely does not specify a dollar amount at which a gift/award is de minimis because to do so would undermine the very reason that de minimis gifts are tax-free - that is, they are so small that accounting for them would be unreasonable or administratively impracticable.

Administratively impracticable to account for: The primary characteristic of a de minimis fringe benefit is the administrative impracticability of determining its value and/or the amount allocable to individual employees. For instance, a holiday party, the total cost of which is easily determinable, generally is a good example of this concept. Although it may be easy to ascertain which employees attended the function, it would be administratively difficult to determine how much food or drink was consumed by each guest. Employer-sponsored raffles are another example. Although the employer likely knows how much it spent on raffle prizes, keeping track of who won the raffled items could be burdensome, particularly if employees made contributions toward the purchase of raffle tickets. This is not to say that all items won in a raffle are tax-free. For example, a television won in a raffle is not tax-free to the employee winning it because its value exceeds what would be nominal. Additionally, it is not difficult to keep an account of the employees winning the most valuable items.

Frequency: A fringe benefit is de minimis only if it is provided infrequently to employees. The regulations explain that generally, the frequency with which similar fringes are provided by the employer to its employees is determined by reference to the frequency with which the employer provided the fringes to each individual employee. Where it would be administratively difficult to determine frequency with respect to individual employees, the frequency with which similar fringes are provided by the employer to its employees is determined by reference to the frequency with which the employer provides the fringes to the work force as a whole. Therefore, under this rule, the frequency with which any individual employee receives such a fringe benefit is not relevant and, in some circumstances, the de minimis fringe exclusion may apply with respect to a benefit even though a particular employee receives the benefit frequently. For example, if an employer exercises sufficient control and imposes significant restrictions on the personal use of a company copying machine so that at least 85% of the use of the machine is for business purposes, any personal use of the copying machine by particular employees is considered to be a de minimis fringe.

Promoting health, good will, contentment, or the efficiency of employees: The IRS has clarified that to be de minimis, the benefit must be provided for the purpose of creating an atmosphere that encourages productivity. The tax-free status of fringe benefits is jeopardized if they are provided to reward or compensate for productivity (however, such gifts are considered tax-free if provided infrequently for outstanding performance). For instance, flowers given to employees for an illness are expressly identified as an example of a de minimis fringe benefit. On the other hand, the routine and expected distribution of free theater tickets each time employees meet certain sales quotas would be considered a bonus and must be treated a taxable compensation. The IRS states:

"Amounts paid to employees for outstanding work, such as bonuses or awards, are income and should be shown on Form W-2. These include prizes such as vacation trips for meeting sales goals. If a prize or award is provided in the form of goods or services, the employer must include the fair market value of the goods or services in the employee's income."

Exceptions apply to length-of-service and safety achievement awards: Awards of a specified amount given to certain employees for length-of-service or safety achievement are tax-free as long as they meet the following limits:

- Nonqualified: Total deductible awards (both safety and length of service awards) for any one person cannot exceed a noncash value of \$400 in a calendar year.
- Qualified Plan: Total deductible awards (both safety and length of service awards) for any one person (including nonqualified) cannot exceed a noncash value of \$1,600 in a calendar year. The average cost or fair market value of all individual achievement awards cannot exceed a noncash value of \$400 each.

A plan is qualified if it does not discriminate in favor of highly compensated employees and it is a written plan that has been put in place by the employer on a regular basis. If a qualified plan award exceeds \$1,600, the amount includable in the employee's income and subject to federal income and employment taxes is the difference between the cost of the item and the employer's deductible amount of \$1,600.

- To be excluded, the award must be tangible property (does not include cash, cash equivalents, gift certificates (unless for a specific tangible property item), stocks, bonds, other securities, tickets for sporting events or the theater, vacations, meals, lodging, etc.)
- The award must be presented in a meaningful ceremonious presentation.

In most cases, the cost of the award is used in the determination of the \$400 or \$1,600 limit. However, where the cost of an employee achievement award to the employer is so disproportionate to the award's fair market value that there is a significant likelihood that the award was given as disguised compensation, no portion of the award will qualify as an employee achievement award excludable under section 274(j) (Proposed Reg. §1.74-2).

Employee: For purposes of determining the taxability of an achievement award, treat the following individuals as employees:

- A current employee.
- A former common-law employee you maintain coverage for in consideration of or based on an agreement relating to prior service as an employee.
- A leased employee who has provided services to you on a substantially full-time basis for at least a year if the services are performed under your primary direction or control.

Safety Awards: To qualify as a safety award, the following criteria must be met:

- Excluding de minimis fringe awards, not more than 10% of all employees may be entitled to this safety award.
- Managers, professional, administrative, and clerical employees are not eligible for safety awards.
- The employee must work full-time with at least one year of service.

Length-of-Service Awards: To qualify for exclusion from income the award must not have been:

- Received during the employee's first five years of employment for the employer making the award, or
- Provided to an employee who received a previous award during that year or any of the preceding four years, excluding awards categorized under de minimis benefits.

Gift Cards or Coupons: Because cash and cash equivalent fringe benefits like gift certificates have a readily ascertainable value, they do not constitute de minimis fringe benefits because these items are not unreasonable or administratively impracticable to account for. In fact, accounting for cash or cash equivalent fringe benefits such as gift cards is never considered administratively impracticable under IRC §132.

According to an IRS technical advice memorandum, an employer-provided holiday gift coupon with a face value of \$35 that was redeemable at several local grocery stores was not excludable from gross income and wages as a de minimis fringe benefit under IRC §132(a)(4) [TAM 200437030, 4-30-04].

Under an earlier program, an employer provided its employees with a ham, turkey, or gift basket as an annual holiday gift. Then the employer changed its program and instead provided its employees with a gift coupon with a face value of \$35. The employer intended that the gift coupons would be approximately equal in value to the annual holiday gifts previously provided. The employer did not withhold or pay any employment taxes on any portion of the \$35 gift coupons provided to employees.

Coupons were shaped like bank checks and included the words "endorse here" next to a signature line in the bottom right corner. Printed on the front of each coupon were the employer's name and address, the \$35 face value, and the words "gift coupon." Printed on the back of each coupon were the employee's name and address and a number that identified the employee's department.

In the first year, the gift coupon listed four food stores where it was redeemable (some with multiple locations). The next year, the coupon listed 23 food stores where it was redeemable (some with multiple locations) but was otherwise unchanged. The coupons included the following restrictions:

- Good toward the purchase of any grocery product excluding tobacco, alcohol, or pharmacy goods;
- Store may reserve the right not to accept it;
- Can only be used once and any unused portion is forfeited; and
- Redeemable between November 15 and January 31 of the following year.

Here, the IRS said that the employer-provided "gift coupon" operated in essentially the same way as a cash equivalent fringe benefit such as a gift certificate. As with gift certificates, it was not administratively impracticable to account for the coupons; they had a face value of \$35.

The IRS rejected the employer's argument that because the gift coupons were not redeemable for cash they should not be included in the employees' gross income or subject to employment taxes. Neither the statute nor the regulations pertaining to de minimis fringe benefits define a cash equivalent fringe benefit as one that can be readily converted to cash. Instead, the question (Under IRC §132(e)) is whether it was administratively impracticable to account for the gift coupons in this case.

The IRS also rejected the employer's attempt to apply the substantiation threshold used in connection with deductible length of service and achievement awards (IRS Regulation §1.274-3(b)(iv)) or substantiated business expenses (IRS Regulation §1.274-5(c)(2)(iii)(A)(2)) to de minimis fringe benefits. The argument that "it would seem that items of less than \$75 in value would be considered de minimis" is inconsistent with IRC §132(e), which requires "a determination of value relative to the frequency with which a particular benefit is provided."

IRS examples of de minimis fringe benefits:

- Occasional personal use of an employer's copying machine, provided that the employer exercises sufficient control and imposes significant restrictions on the personal use of the machine so that 85% of the use of the machine is for business purposes.
- Occasional cocktail parties, group meals, or picnics for employees and their guests.
- Traditional birthday or holiday gifts of property (not cash) with a low fair market value.
- Occasional theater or sporting event tickets.
- Coffee, doughnuts, and soft drinks.
- Local telephone calls.
- Flowers, fruit, books, or similar property provided to employees under special circumstances (e.g., on account of illness, outstanding performance, or family crisis).

### **Employer-Provided Cell Phones:**

The value of an employer-provided cell phone, provided primarily for noncompensatory business reasons, is excludable from an employee's income as a working condition fringe benefit. Employee's personal use of an employer-provided cell phone, provided primarily for noncompensatory business reasons, is excludable from an employee's income as a de minimis fringe benefit.

An employer will be considered to have provided an employee with a cell phone primarily for noncompensatory business purposes if there are substantial reasons relating to the employer's business, other than providing compensation to the employee, for providing the employee with a cell phone.

Examples of substantial noncompensatory business reasons are:

- The employer needs to contact the employee at all times for work-related emergencies
- The employer requires the employee to be available to speak with clients at times when the employee is away from the office
- The employee needs to speak with clients located in other time zones at times outside the employee's normal work day.

A cell phone provided to promote the morale or good will of an employee, to attract a prospective employee or as a means of furnishing additional compensation to an employee is not provided primarily for noncompensatory business purposes.

### **Educational Assistance:**

One of the most popular benefits provided by employers is employer-paid educational assistance, where the employer pays for or reimburses the cost of educational courses attended by an employee. Different taxation rules apply depending on whether or not the courses are job-related.

Job-Related : Educational assistance can be excluded from the employee's income, with no dollar limit,

as a working condition fringe benefit under §132, if the education could be deducted on the employee's individual income tax return using the definition found in IRS Regulation 1.162-5 if the employee paid for the education. If the employer pays for the educational assistance and the employee meets the requirements to deduct the education, the exclusion applies if the education can be defined as job-related. In order for the educational assistance to qualify as job-related, three conditions must be met:

1. The course must not be necessary to meet the minimum education requirements of the job.
2. The course must not be taken to qualify the employee for a promotion or transfer to a different type of work.
3. The course must be related to the employee's current job and must help maintain or improve the knowledge or skills required for that job. If the job requirements change while the employee is working, employer-provided education designed to meet the changing requirements is considered job-related.

Non-job-Related: §127 of the IRC allows the exclusion from income of up to \$5,250 per year of employer-provided non-job-related educational assistance if the employer sponsored program meets the following requirements:

1. The Educational Assistance Program is found in a separate written plan of an employer for the exclusive benefit of its employees.
2. The program shall benefit employees who qualify under a classification set up by the employer. The program is not discriminatory in favor of employees who are highly compensated employees or their dependents. For purposes of nondiscrimination testing of pension plans and other benefits, the definition of a highly compensated employee includes:
  - Any employee who was a 5% owner of the employer during the current or preceding year; or
  - Any employee who received more than \$115,000 in compensation from the employer during the preceding year.If the employer wishes, it can limit the employees fitting under the second definition to those in the top-paid 20% of employees.
3. Not more than 5% of the amounts paid or incurred by the employer for educational assistance during the year may be provided for the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the year) owns more than 5% of the stock or of the capital or profits interest in the employer.
4. A program must not provide eligible employees with a choice between educational assistance and other remuneration includible in gross income.
5. The program is not required to be funded.
6. Reasonable notification of the availability and terms of the program must be provided to eligible employees.

The IRS has generally taken the position that courses leading to a graduate-level degree such as an MBA are non job-related.

Definitions and Special Rules: The term "educational assistance" means:

- The payment, by an employer, of expenses incurred by or on behalf of an employee for education of the employee (including, but not limited to, tuition, fees, and similar payments, books, supplies, and equipment), and
- The provision, by an employer, of courses of instruction for such employee (including books, supplies, and equipment).

However, "educational assistance" does not include payment for, or the provision of, tools or supplies which may be retained by the employee after completion of a course of instruction, or meals, lodging, or transportation. The term "educational assistance" also does not include any payment for, or the provision of any benefits with respect to, any course or other education involving sports, games, or hobbies.

For purposes of this exclusion, the term “employee” includes:

- A current employee.
- A former employee who retired, left on disability, or was laid off.
- A leased employee who has provided services to you on a substantially full-time basis for at least a year if the services are performed under your primary direction or control.
- Yourself (if you are a sole proprietor).
- A partner who performs services for a partnership.

The term “employer” includes any individual who owns the entire interest in an unincorporated trade or business. A partnership shall be treated as the employer of each partner who is an employee.

In summary, employer-paid education that is related to an employee’s current job is excluded from income as a working condition fringe benefit under the conditions given above, with no dollar limit. On the other hand, employer-paid education that is non job-related is excluded from income under §127 of the IRC only up to \$5,250 a year, if the above requirements are met. §127, which originally was set to expire at the end of 2010, was extended for an additional two years under the Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010. The income exclusion under IRC §127 has become permanent and will no longer be subject to expiration as it has been since 1978.

### **Differential Military Pay:**

Many employers are faced with decisions on how to tax and report any pay they provide to reservists who are called to military service. Compensation paid to an employee while on military duty that represents the difference between the employee’s regular pay and the pay provided by the state or federal government is referred to as differential military pay. The tax treatment of differential military pay is governed by the circumstances of the employee’s military service.

If such payments are made to employees who are called to military service for 30 days or less, they are treated as wages subject to federal income tax withholding and social security, Medicare, and FUTA taxes.

In 2009, the IRS issued guidance on the tax treatment of differential wage payments made by employers to their employees on active duty in the uniformed services for more than 30 days [Rev. Rul. 2009-11, 4-16-09]. The guidance is based on a scenario where an employer has employees who are called or voluntarily enlist for active military service in the U.S. armed forces for periods exceeding 30 days. The employer continues making payments to the individuals in an amount equal to the difference between the compensation they receive for their military service and the wages they would have received from the employer if they were performing services for the employer.

IRC §3401(h) Heroes Earnings Assistance and Relief Tax (HEART) Act added new IRC section 3401(h), which provides that, for purposes of income tax withholding, any differential wage payment is to be treated as a payment of wages by the employer to the employee. The term “differential wage payment” is defined as any payment that:

1. Is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services while on active duty for more than 30 days, and
2. Represents all or a portion of the wages that the individual would have received from the employer if the individual were performing services for the employer.

IRC §3401(h) applies to differential wage payments paid after December 31, 2008.

It also requires that an individual receiving a differential wage payment be treated as an employee of the employer making the payment, and differential wage payments be treated as compensation for retirement plan purposes. For example, for purposes of the limitation on contributions to an IRA, the term

“compensation” would be amended to include differential wage payments.

**Tax Treatment of Differential Wage Payments to Employees on Active Military Duty:**

Here, the payments made by the employer meet the definition of “differential wage payments” under §3401(h). These payments are therefore treated as wages for income tax withholding purposes, and the employer must withhold income taxes on the differential wage payments.

However, because the individuals are scheduled to be on active military duty for an extended period of time, rather than being temporarily absent, the differential wage payments are not wages for purposes of FICA and FUTA taxes. Section 3401(h) does not address the FICA and FUTA treatment of differential wage payments and therefore does not affect existing guidance that differential wage payments do not constitute wages subject to FICA or FUTA taxes. That guidance, which dated from the late 1960s, provided that IRS considers the employment relationship to be severed during the extended period of military service.

Differential wage payments are supplemental wages because they are not a payment for services for the non-military employer in the current payroll period. Therefore, if the amount of the differential pay, when added to all other supplemental wages paid by the same employer to the employee during the calendar year does not exceed \$1 million, the employer may use either the aggregate method or optional flat rate withholding (if federal income tax has been withheld from regular wages paid to the employee in the current or preceding calendar year) to calculate the amount of income taxes to be withheld from the differential wage payments.

Because differential payments are treated as wages subject to income tax withholding, the employer must report the payments on each employee’s Form W-2 in Box 1, with the amount withheld reported in Box 2. The amounts are not reported in Boxes 3 and 5 because they are not subject to social security or Medicare tax.

**Deferrals from Differential Military Pay to Qualified Retirement Plans:** IRS regulations under IRC §415 on the limitations on benefits and contributions under qualified plans affect administrators of, participants in, and beneficiaries of qualified employer plans and other retirement plans.

The regulations provide that amounts received following severance from employment are generally not considered compensation for §415 purposes.

Corresponding changes took effect for the regulations under §401(k), §403(b), or §457(b), so that amounts receivable following severance from employment can only be deferred if those amounts meet the conditions in the regulations.

However, the rule pursuant to which compensation received after severance from employment is not considered compensation for §415 purposes generally does not apply to payments to an individual in qualified military service up to the amount the individual would have received if he or she was still working for the employer. In other words, employees may continue to contribute to their employer’s retirement plans while performing qualified military service.

**Loans to Employees:**

Loans made to employees by their employers at interest rates below the applicable federal interest rate are below-market, compensation-related loans. The amount representing the difference between the interest charged to the employee and the applicable federal interest rate must be included in the income of the employee on any day in which the combined amount of all outstanding loans between the employer and the employee is more than \$10,000.

The taxable amount is not subject to federal income tax withholding, but must be reported in box 1 on the employee’s Form W-2. The taxable amount is subject to social security, Medicare, and FUTA taxes.

EXAMPLE: If an employer provides an employee with a \$20,000 loan with an interest rate of 2% when the applicable federal interest rate is 6%, the employee will have the following reported on Form W-2:

- Box 1: \$800.00 ( $\$20,000 \times (6\% - 2\%)$ )
- Box 3: \$800.00 ( $\$20,000 \times (6\% - 2\%)$ )
- Box 4: \$49.60 ( $\$800 \times 6.2\%$ )
- Box 5: \$800.00 ( $\$20,000 \times (6\% - 2\%)$ )
- Box 6: \$11.60 ( $\$800 \times 1.45\%$ )

If the employer forgives the debt, or for any other reason the employee is not expected to repay the loan, the entire balance of the loan becomes income subject to federal income tax withholding and social security, Medicare and FUTA taxes in the year the debt is forgiven.

Loans made to employees in connection with a job-related relocation to facilitate the purchase of a new residence (i.e., mortgage or bridge loans) may be tax exempt if the relocation qualifies for the moving expense deduction.

Draws Against Commissions: Salespeople often receive compensation in the form of advances that are later subtracted from (or drawn against) earned compensation. Such amounts are not loans and are supplemental wages subject to federal income tax withholding and employment taxes at the time of payment if the employee is not legally obligated to repay them under an agreement with the employer. If, however, the employee signs an agreement acknowledging the indebtedness and the loan otherwise qualifies under the rules for compensation-related loans to employees, the advance is not wages and is not subject to federal income tax withholding or social security, Medicare, or FUTA taxes.

Questions to Ask:

- Did the principal on all loans provided to an employee exceed \$10,000 at any time during the year?
- What interest rate is the employee paying with the loan repayment?
- Have any employee loans been forgiven?

**Employee Discounts:**

This exclusion applies to a price reduction given to an employee on property or services offered to customers in the ordinary course of the line of business in which the employee performs substantial services. However, it does not apply to discounts on real property or discounts on personal property of a kind commonly held for investment, such as stocks or bonds.

The value of an employee discount can generally be excluded from the employee's wages up to the following limits:

- For a discount on services, 20% of the price charged to non-employee customers for the service.
- For a discount on merchandise or other property, the gross profit percentage times the price charged to non-employee customers for the property.

This exclusion does not apply to highly compensated employees if the same discount is not available to one of the following groups:

- All of your employees.
- A group of employees defined under a reasonable classification you set up that does not favor highly compensated employees.



### Third-Party Sick Pay:

Third Party sick pay is paid to an employee by a third party under an insurance arrangement. These payments are wage replacement income for an employee who is absent from work for more than a few days due to illness or injury but are expected to return to work at some point. These payments are through the employer's sick pay plan in the form of short-term or long-term disability payments and may be made by the employer, an agent of the employer, or a third party insurance company (requiring special treatment at year-end because the IRS reconciles an entity's social security and Medicare wages reported quarterly on Forms 941 with the same wages reported annually on Forms W-2 and W-3).

Taxability of the payments is determined by how the plan benefits are funded. Benefits attributable to employee post-tax contributions from wages are not taxable income. However, benefits that are attributable to employer contributions or to employee pre-tax contributions through a cafeteria plan are taxable income to the employee and may be subject to federal income tax withholding and social security, Medicare and FUTA taxes. If both the employer and the employee contribute to the premiums for the plan, the taxable portion of benefits received is the amount attributable to the employer-funded portions of the premiums. Special rules apply for determining the amount of benefits included in the employee's income where the employer and employee both contribute to a group insurance policy. If the employer knows the net premiums paid for at least 3 policy years, the formula for calculating the employee's taxable amount is as follows:

$$\text{Employee's sick pay} \quad \times \quad \frac{\text{employer-paid premiums for last 3 years}}{\text{Total premiums for last 3 years}}$$

**Example:** Bill, an employee of XYZ, Inc., was injured in a non-job related accident on February 28, 2015 and was out of work until January 1, 2016. Bill received payments of \$3,000 per month while out of work from his employer's insurance company. During the 3 policy years before 2015, Bill's employer contributed \$36,000 in net premiums to insure its employees, while the employees paid \$18,000 in after-tax dollars. The amount of Bill's monthly sick pay that is included in income is:

$$\text{Taxable sick pay} = \$3,000 \times [\$36,000 \div (\$36,000 + \$18,000)]$$

$$\text{Taxable sick pay} = \$3,000 \times (\$36,000 \div \$54,000)$$

$$\text{Taxable sick pay} = \$3,000 \times .67$$

$$\text{Taxable sick pay} = \$2,010$$

Once it is determined that payments under a sick pay or disability plan are taxable income in whole or in part to an employee, the next step is to determine the federal income tax withholding and social security, Medicare, and FUTA tax responsibilities related to the taxable portion of the payments.

Sick payments made to an employee after the employee has been absent from work for six calendar months are excluded from wages subject to social security, Medicare, and FUTA tax.

**Example Continued:** Assume same facts as above. The amount of Bill's total sick pay that is included in income is:

$$\text{Taxable sick pay} = \$3,000 \times [\$36,000 \div (\$36,000 + \$18,000)]$$

$$\text{Taxable sick pay} = \$3,000 \times (\$36,000 \div \$54,000)$$

$$\text{Taxable sick pay} = \$3,000 \times .67$$

$$\text{Taxable sick pay} = \$2,010 \text{ per month}$$

$$\text{Sick pay subject to federal income tax} = \$2,010 \times 10 \text{ months} = \$20,100 \text{ (W-2, Box 1)}$$

$$\text{Sick pay subject to social security and Medicare taxes} = \$2,010 \times 6 \text{ months} = \$12,060 \text{ (W-2, Boxes 3 and 5)}$$

#### Payments Made by a Third Party who is Not an Agent:

The third-party insurer assumes more tax responsibility when it bears the risk of insuring the employees through premium payments either by the employer and/or the employees. The third party must withhold federal income taxes (if requested by the employee) and the employee's share of social security and Medicare taxes for each payment made and pay over the taxes within 6 months after the end of the last month the employee worked for the employer. The third party is also responsible for the employer's share of social security and Medicare, as well as FUTA, unless it transfers the liability for these taxes back to the employer. This liability is transferred if the third party takes the following steps:

1. Withholds the **employee** social security and Medicare taxes from the sick pay payments,
2. Makes timely deposits of the **employee** social security and Medicare taxes, and
3. Notifies the employer for whom the employee normally works of the payments on which employee taxes were withheld and deposited. The third party must notify the employer within the time required for the third party's deposit of the employee part of the social security and Medicare taxes. For instance, if the third party is a monthly schedule depositor, it must notify the employer by the 15th day of the month following the month in which the sick pay payment is made because that is the day by which the deposit is required to be made. The third party should notify the employer as soon as information on payments is available so that an employer required to make electronic deposits can make them timely.

When the third-party insurer makes the payments and transfers the employer's share of social security, Medicare, and FUTA taxes back to the employer, the employer is liable for the employment taxes when it is notified by the third party as to the amount of the payments made and employee taxes withheld and deposited.

The third party is not required to withhold federal income tax from payments made to a disabled employee unless the employee requests a certain amount be withheld by furnishing the third party with Form W-4S. If the employee provides Form W-4S, the third party must begin withholding with the first payment made at least 8 days after the form is provided. The third party may, at its option, withhold federal income tax before 8 days have passed. Through Form W-4S, the employee may request that a minimum of \$4 per day, \$20 per week, or \$88 per month is withheld from each paycheck. No matter which withholding method is used, if the amount requested to be withheld reduces the net sick payment to below \$10, no federal income tax should be withheld from that payment.

If the third party does not transfer social security and Medicare tax liability to the employer, it becomes liable for depositing those taxes (along with the employee's share of social security and Medicare and any withheld federal income taxes) when payment is made to the employee. The third party should make the deposit using its own name and employer identification number, not the employer's.

If the third party properly transfers the responsibility for the employer's share of social security, Medicare, and FUTA taxes to the employer, it must deposit only the employee's share of social security, Medicare, and withheld income taxes, using its own name and EIN.

#### Reporting Process:

Reporting for third-party payments is unique because both the third-party administrator and the employer report an employee's social security and Medicare wages on their respective Forms 941;

- The third-party administrator reports the employee social security and Medicare wages subject to employee taxes, and
- The employer reports the employee social security and Medicare wages subject to the employer taxes.

In addition, both are required to report the equivalent wages on their respective Forms W-2 and W-3 in order to reconcile to their 941 Forms. Therefore, the IRS has provided specific instructions to assist in the

reporting requirements for employers and third-party administrators.

- If the third-party administrator does not provide to the employer information about the sick pay payments made during the year by January 15<sup>th</sup> or if individual payments are not reported in order for the employer to make timely deposits of the employer taxes, the third-party administrator prepares Forms W-2 and W-3 for the employee.
- If the third-party administrator timely notifies the employer about the sick pay payments, then the following instructions apply:
  - **Employers:** If an employee receives sick pay in the current calendar year from an insurance company or other third-party administrator in an insurance arrangement, report the following on the employee's W-2 Form if the third party administrator provides the information by January 15<sup>th</sup>:
    - **Box 1** – Amount of sick pay the employee must include in income; also report on line 2 of Form 941
    - **Box 2** – Income tax withheld from the sick pay by the third party administrator; do NOT include on line 3 of Form 941
    - **Box 3** – Amount of sick pay that is subject to employee social security tax
    - **Box 4** – Employee social security tax withheld by the third party administrator
    - **Box 5** – Sick pay subject to employee Medicare tax
    - **Box 6** – Employee Medicare tax withheld by the third party administrator
    - **Box 12** – Amount of any sick pay not included in income reported in box 1 because the employee contributed to the sick pay plan. Use Code J.
    - **Box 13** – Check the Third-Party Sick Pay box as an employer reporting sick pay payments made by a third-party.

Either include these amounts on the Form W-2 you issue to the employee showing wages, or give the employee a separate Form W-2 stating that the amounts are for third-party sick pay. In either case, **place in box 14 of Form W-3 the total amount of income tax withheld by the third-party administrator, even though the amounts are included in box 2.** In addition, on Form W-3 you will check the Third-Party Sick Pay check box when reporting sick pay payments made by a third party.

- **Third Party Administrator:** Because the third party administrator withheld social security and Medicare tax (and perhaps federal income tax) from persons for whom they do not file Forms W-2, the third party administrator must file a separate "Third-Party Sick Pay Recap"
- Form 8922. Form 8922 must be filed with the IRS by March 2, 2017.
  - **Filer's name** - If employer box is checked, enter the employer EIN. If Insurer/Agent box is checked, enter insurer or agent EIN
  - **Filer's EIN** – same as above
  - **Other party's name and EIN** – If the employer box is checked, employer will provide this information. A separate form 8922 must be filed for each separate insurer or agent. If the Insurer/Agent box is checked, the insurer or agency may, but is not required to, provide the name and EIN of the employer.
  - **Box 1** – Total taxable sick pay subject to federal income tax.
  - **Box 2** – Total income tax withheld, if any, from the sick pay.
  - **Box 3** – Total sick pay subject to employee social security tax.
  - **Box 4** – Total amount of social security tax withheld from the sick pay.
  - **Box 5** – Total sick pay subject to Medicare tax.
  - **Box 6** – Total amount of the Medicare tax withheld from sick pay.
  - **Box 13** – Third party checks the "Third Party sick pay" box.
  - **Box b** – Third party's EIN.
  - **Box c** – Third party's name and address.
  - **Box e** – The words "Third Party sick pay recap" in place of the employee's name.

Preparing Form 941:

**Line 2** – Include taxable sick pay if you get timely notice from your insurance carrier concerning the amount of third-party sick pay it paid your employee.

**Line 3** – DO NOT include here any federal income tax withheld from sick pay by a third party as doing so will cause an out of balance between Forms 941 and Forms W-2. Federal income tax withheld from sick pay by a third party is reported on the third-party administrator's Form 941. The IRS will reconcile this amount with the "Third Party Sick Pay Recap" filed by the third-party administrator.

**Line 5a** – Include any taxable sick pay paid by a third party administrator to your employees.

**Line 5c** – Include any taxable sick pay paid by a third party administrator to your employees.

**Line 8** – Enter here as a negative number the total of the employee's share of social security and Medicare tax withheld and paid by the third party administrator.

**Schedule B** – Enter in the appropriate box, the total liability of the employer's share of any social security and Medicare taxes paid on third party sick pay.

Preparing Form 940:

**Line 3** – Include total amount of any sick pay paid to your employees by a third party administrator.

**Line 4** – Include any non-taxable amounts of any sick pay paid to your employees by a third party administrator.

THIRD PARTY SICK PAY – NOT AS AN AGENT AND LIABILITY TRANSFERRED TO EMPLOYER		
	Employer Responsibilities	Third Party Responsibilities
<b>Withhold Employee Taxes</b>		
Income	No	Yes if W-4S is filed
Social Security	No	Yes
Medicare	No	Yes
<b>Deposit Employee Taxes</b>		
Income	No	Yes — using Third Party EIN
Social Security	No	Yes — using Third Party EIN
Medicare	No	Yes — using Third Party EIN
<b>Deposit Employer Taxes</b>		
Social Security	Yes — using employer EIN	No
Medicare	Yes — using employer EIN	No
FUTA	Yes — using employer EIN	No
<b>Report Employee Wage and Taxes on Form 941</b>		
Income	Report Taxable Wages	Report Tax Withheld
Social Security	*Report Taxable Wages	*Report Taxable Wages
Medicare	*Report Taxable Wages	*Report Taxable Wages
	*Adjustment on Line 8 for employee taxes deposited by third party.	*Adjustment on Line 8 for employer taxes deposited by employer.
<b>Report Employee Wage and Taxes on Form W-2*</b>		
Income	Yes	No — File Form 8922
Social Security	Yes	No — File Form 8922
Medicare	Yes	No — File Form 8922

\*See the instructions earlier if operating under the Optional rule for Form W-2.

## **Employee Business Expense Reimbursement:**

Reimbursement for business travel expenses for temporary travel is excluded from the employee's income and is not subject to federal income tax withholding or social security, Medicare or FUTA taxes if made under an accountable plan. If the reimbursement is made for indefinite travel under a non-accountable plan or exceeds the amount substantiated by the employee, the reimbursement or the excess amount is included in income and is subject to federal income tax withholding and social security, Medicare and FUTA taxes, when paid.

Employer reimbursements of employee travel expenses can be excluded from income only if the expenses are incurred while the employee is temporarily away from home on the employer's business. To qualify as "away from home", the employee must be away from the general area of their tax home substantially longer than an ordinary day's work, and they need to sleep or rest to meet the demands of work while away from home.

To qualify as temporary travel away from home, the employee must realistically be expected to be away from home for no more than one year, and must in fact only be gone for one year or less. An indefinite assignment is an assignment or job in a single location that is realistically expected to last for more than one year, whether or not it actually lasts for more than one year. The IRS has adopted a realistic expectation test that focuses on whether employment in a single location is realistically expected to last for more or less than one year, rather than on the actual length of employment at a temporary location:

- If employment away from home in a single location is realistically expected to last (and does in fact last) for one year or less, the employment will be treated as temporary in the absence of facts and circumstances indicating otherwise;
- If employment away from home is expected to last for more than one year or there is no realistic expectation that the employment will last for one year or less, the employment will be treated as indefinite, regardless of whether it actually exceeds one year; and
- If employment away from home is realistically expected not to exceed one year, the employment will be treated as temporary (in absence of facts and circumstances indicating otherwise) until the date the taxpayer's realistic expectation changes.

### Accountable Plans:

Reimbursements or other expense allowances made under an accountable plan are not required to be reported on Form W-2, and they are generally tax-free to the employee. An accountable plan must meet the following three requirements:

1. Business Connection: Expenses must be business-related and have been paid or incurred while performing services as an employee of your employer.
2. Substantiation: The employee must substantiate, "within a reasonable period of time," the expenses with a detailed record of the expense including a statement of expense, an account book or similar record in which each expense is entered at or near the time it occurred, along with documentary evidence (such as receipts) of the travel, mileage, and other business expenses. One can substantiate expenses either through documenting actual expenses or a per diem arrangement.
3. Return of Unsubstantiated Amounts: The employee must return, within a "reasonable period of time," any advances that exceed the employee's substantiated expenses. If the employee does not return or substantiate the expenses, the unproved amount will be considered paid under a nonaccountable plan.

### Reasonable period of time:

Actions that take place within the times specified below will be treated as taking place within a reasonable period of time:

- An advance is received within 30 days of the time you have an expense.
- Expenses are adequately accounted for within 60 days after they were paid or incurred.
- Excess reimbursements are returned within 120 days after the expense was paid or

incurred.

- A periodic statement is provided at least quarterly that asks you to either return or adequately account for outstanding advances and you comply within 120 days of the receiving the statement.

#### Non-Accountable Plans:

Any business expense reimbursement plan, advance or specific reimbursement which does not meet the three qualifications of an accountable plan is considered a non-accountable plan. These reimbursements must be treated as taxable wages either when paid or, if they fail one of the safe harbors, in the first pay period after the failure. They are subject to federal income tax, social security tax, Medicare tax, and FUTA employer tax. They must also be reported on the employee's Form W-2.

Reimbursing an employee at a higher amount than the standard IRS mileage rate would result in the excess of \$0.54 in 2016 being classified as provided under a non-accountable plan. Reimbursing employees at a rate greater than allowed without including the excess in wages or withholding on the excess may cause the entire plan to be classified as non-accountable. Amounts which are reimbursed as nontaxable (i.e. up to the IRS limit) are reported in Box 12, code L.

#### Per Diems and Mileage Allowances:

Reimbursing an employee at the standard IRS mileage rates of \$0.54 in 2016, or less, allows a mileage reimbursement plan to be classified as an accountable plan.

Meals and incidental expense per diems or mileage allowances paid to employees which are less than or equal to the applicable rates set for federal employees are "deemed substantiated" without the employee having to provide a detailed record of expenses. The employees need only account for the time, place, and business purpose of their expenses.

If the per diem or mileage rates paid to an employee under an accountable plan exceeds the expenses that are deemed substantiated, the amount exceeding the substantiated expenses must be treated as paid under a non-accountable plan. Likewise, the excess portion is subject to withholding and employment taxes.

Employers have a choice of reimbursing actual expenses of business travel away from home, or reimbursing employees at a per diem rate to cover lodging, meals, and incidental expenses. If a per diem rate is paid, any additional payment with respect to these expenses is treated as paid under a non-accountable plan, resulting in compensation to the employee.

All payments through a business expense reimbursement plan are treated as paid under a non-accountable plan if the arrangement shows a "pattern of abuse" of the expense reimbursement rules.

Other Rules and Provisions: Under the following conditions a reimbursement arrangement which is in part accountable and part non-accountable must be treated as both an accountable and a non-accountable plan:

- The plan must provide payments for "deductible" employee business expenses as well as payments for other "bona fide" expenses related to the employer's business which are nondeductible.
- Reimbursements do not satisfy the "business connection" requirement if they are nondeductible (i.e., overnight travel expenses are deductible but expenses for business travel completed without an overnight stay are not deductible, even though they may be "bona fide" expenses related to the employer's business).
- The portion of a reimbursement arrangement which pays the nondeductible expenses is treated as a non-accountable plan, while the part paying the deductible expenses is treated as an accountable

plan, providing that it also satisfies the “substantiation” and “return of excess” requirements.

### **Wages Paid After Death:**

If an employee dies during the year, accrued wages, vacation pay, and other compensation paid after the date of death must be reported. Following is an explanation of the tax and reporting requirements that currently apply to wages paid after death.

- Wages paid after death but in the same calendar year as the employee's death:  
Wages paid after death but in the year of death are considered wages for FICA, Medicare, and federal unemployment tax purposes but not federal income tax withholding for reporting purposes. Under IRS regulations, employers are required to report wages received after death on Form W-2 (Boxes 3 and 5), with corresponding FICA and Medicare taxes withheld in boxes 4 & 6. The federal taxable amount is reported on Form 1099-MISC, Box 3 (in the name of beneficiary). The federal taxable amount is not reported on Form W-2, Box 1.
- Wages paid after death and in the calendar year after the employee's death:  
Wages paid after death and in the calendar year after death are exempt from FITW, FICA, Medicare, and FUTA. Form W-2 is not completed. Instead, the entire payment is reported on a Form 1099-MISC (Box 3) to the estate or beneficiary of the employee.

## Special Rules for Various Types of Fringe Benefits

Treatment Under Employment Taxes			
Type of Fringe Benefit	Income Tax Withholding	Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)	Federal Unemployment (FUTA)
Accident and health benefits	Exempt <sup>1,2</sup> , except for long-term care benefits provided through a flexible spending or similar arrangement.	Exempt, except for certain payments to S corporation employees who are 2% shareholders.	Exempt
Achievement awards	Exempt <sup>1</sup> up to \$1,600 for qualified plan awards (\$400 for nonqualified awards).		
Adoption assistance	Exempt <sup>1,3</sup>	Taxable	Taxable
Athletic facilities	Exempt if substantially all use during the calendar year is by employees, their spouses, and their dependent children and the facility is operated by the employer on premises owned or leased by the employer.		
<i>De minimis</i> (minimal) benefits	Exempt	Exempt	Exempt
Dependent care assistance	Exempt <sup>3</sup> up to certain limits, \$5,000 (\$2,500 for married employee filing separate return).		
Educational assistance	Exempt up to \$5,250 of benefits each year.		
Employee discounts	Exempt <sup>3</sup> up to certain limits.		
Employee stock options			
Employer-provided cell phones	Exempt if provided primarily for noncompensatory business purposes.		
Group-term life insurance coverage	Exempt	Exempt <sup>1,4,7</sup> up to cost of \$50,000 of coverage. (Special rules apply to former employees.)	Exempt
Health savings accounts (HSAs)	Exempt for qualified individuals up to the HSA contribution limits.		
Lodging on your business premises	Exempt <sup>1</sup> if furnished for your convenience as a condition of employment.		
Meals	Exempt if furnished on your business premises for your convenience.		
	Exempt if <i>de minimis</i> .		
Moving expense reimbursements	Exempt <sup>1</sup> if expenses would be deductible if the employee had paid them.		
No-additional-cost services	Exempt <sup>3</sup>	Exempt <sup>3</sup>	Exempt <sup>3</sup>
Retirement planning services	Exempt <sup>5</sup>	Exempt <sup>5</sup>	Exempt <sup>5</sup>
Transportation (commuting) benefits	Exempt <sup>1</sup> up to certain limits if for rides in a commuter highway vehicle and/or transit passes and qualified parking (\$255), or qualified bicycle commuting reimbursement <sup>6</sup> (\$20).		
	Exempt if <i>de minimis</i> .		
Tuition reduction	Exempt <sup>3</sup> if for undergraduate education (or graduate education if the employee performs teaching or research activities).		
Working condition benefits	Exempt	Exempt	Exempt

<sup>1</sup> Exemption does not apply to S corporation employees who are 2% shareholders.

<sup>2</sup> Exemption does not apply to certain highly compensated employees under a self-insured plan that favors those employees.

<sup>3</sup> Exemption does not apply to certain highly compensated employees under a program that favors those employees.

<sup>4</sup> Exemption does not apply to certain key employees under a plan that favors those employees.

<sup>5</sup> Exemption does not apply to services for tax preparation, accounting, legal, or brokerage services.

<sup>6</sup> If the employee receives a qualified bicycle commuting reimbursement in a qualified bicycle commuting month, the employee cannot receive commuter highway vehicle, transit pass, or qualified parking benefits in that same month.

<sup>7</sup> You must include in your employee's wages the cost of group-term life insurance beyond \$50,000 worth of coverage, reduced by the amount the employee paid toward the insurance. Report it as wages in boxes 1, 3, and 5 of the employee's Form W-2. Also, show it in box 12 with code "C." The amount is subject to social security and Medicare taxes, and you may, at your option, withhold federal income tax.



<b>State Taxation of Salary Deferrals to Cafeteria Plans and §401(k) Plans</b>				
	<b>Cafeteria Plans (§125) Deferrals</b>		<b>CODA (§401(k) Plan) Deferrals</b>	
<b>State</b>	<b>Income Taxable</b>	<b>U.I. Taxable</b>	<b>Income Taxable</b>	<b>U.I. Taxable</b>
Alabama	No	Yes	No	Yes (elective contributions only)
Alaska	N/A	No if used to purchase medical or life insurance or retirement benefits	N/A	No
Arizona	No	No	No	Yes
Arkansas	No	No	No	Yes
California	No	No	No	Yes
Colorado	No	No	No	Yes (elective contributions only)
Connecticut	No	No	No	Yes (elective contributions only)
Delaware	No	Yes	No	Yes
District of Columbia	No	Yes	No	Yes
Florida	N/A	No	N/A	Yes
Georgia	No	No	No	Yes
Hawaii	No	Yes	No	Yes
Idaho	No	No	No	Yes (elective contributions only)
Illinois	No	No if used to purchase medical or life insurance	No	Yes
Indiana	No	No	No	Yes
Iowa	No	Yes	No	Yes (elective contributions only)
Kansas	No	No	No	Yes (elective contributions only)
Kentucky	No	Yes	No	Yes
Louisiana	No	No	No	Yes
Maine	No	No	No	Yes
Maryland	No	No	No	Yes
Massachusetts	No	Yes	No	Yes
Michigan	No	Yes	No	Yes
Minnesota	No	Yes	No	Yes
Mississippi	No	No	No	Yes
Missouri	No	No	No	Yes
Montana	No	Yes	No	Yes (elective contributions only)
Nebraska	No	No	No	Yes
Nevada	N/A	Yes	N/A	Yes
New Hampshire	N/A	Yes	N/A	Yes
New Jersey	Yes	Yes	No	Yes
New Mexico	No	No	No	Yes
New York	No	Yes	No	Yes
North Carolina	No	No	No	Yes

<b>State Taxation of Salary Deferrals to Cafeteria Plans and §401(k) Plans</b>				
	<b>Cafeteria Plans (§125) Deferrals</b>		<b>CODA (§401(k) Plan) Deferrals</b>	
<b>State</b>	<b>Income Taxable</b>	<b>U.I. Taxable</b>	<b>Income Taxable</b>	<b>U.I. Taxable</b>
North Dakota	No	Yes	No	Yes
Ohio	No	No	No	Yes
Oklahoma	No	No	No	Yes (elective contributions only)
Oregon	No	No if used to purchase medical or life insurance	No	Yes
Pennsylvania	No if payments are for programs covering hospitalization, sickness, disability or death.	Yes	Yes	Yes
Puerto Rico	Yes, except qualified pension	Yes	No	Yes
Rhode Island	No	No	No	No
South Carolina	No	No	No	Yes (elective contributions only)
South Dakota	N/A	Yes	N/A	Yes
Tennessee	N/A	Yes	N/A	Yes
Texas	N/A	Yes	N/A	Yes (elective contributions only)
Utah	No	No	No	Yes
Vermont	No	Yes	No	Yes
Virginia	No	No	No	Yes
Washington	N/A	Yes	N/A	Yes
West Virginia	No	Yes	No	Yes
Wisconsin	No	No	No	Yes
Wyoming	N/A	No	N/A	Yes

## **2016 - 2017 Changes**

### **W-2 and 1099-MISC Filing Date Changed**

The due date for filing 2016 Forms W-2 and 1099-MISC, if you are reporting nonemployee compensation in box 7, has changed to January 31, 2017. The date will be the same for electronic or paper filing. In prior years, the date for filing paper copies was the end of February or, if done electronically, March 31 following the reporting year-end.

In addition, the automatic extension of time that was formerly available for filing Form W-2 with the Social Security Administration has now changed. To get an extension, due on or after January 1, 2017, a Form 8809 (Application for Extension of Time to File Information Returns). Check your individual state instructions for any due date changes.

### **Returned Wage Reports**

Effective January 1, 2015, the SSA will be returning W-2 electronic and paper wage reports to filers without processing the reports if the report contains the following errors:

- Medicare wages and tips are less than the sum of Social Security wages and Social Security tips
- Social Security tax is greater than zero; Social Security wages and Social Security tips are equal to zero; and
- Medicare tax is greater than zero; Medicare wages and tips are equal to zero

The preferred method of informing filers that is has rejected a W-2 submission is by e-mail. It will only send a reject notice in the mail if it doesn't have the filer's e-mail address. Reject notices no longer include specific error information; the filer will need to go Business Services Online to find out what is causing the error.

### **FUTA Credit Reductions Because of State Loans:**

Under the joint federal/state unemployment insurance system, states with a high rate of unemployment and difficulty meeting their benefit obligations can borrow money from the Federal Unemployment Account (FUA) to pay benefits. If loans taken out during one year are not repaid by the end of the following calendar year, the FUTA credits for employers in those states are reduced, with the extra FUTA taxes paid being applied against each state's loan balance.

A state with an outstanding loan can avoid a credit reduction for its employers by repaying the loan by November 10 of the year the reduction is scheduled to take effect. If the loan is not repaid by that date, a credit reduction of 0.3% goes into effect. Each year a loan remains unpaid, the credit reduction increases by 0.3% although there are limits for states that have made an effort to keep their balances in check.

Even if a state has outstanding loans on November 10, it can avoid a credit reduction by meeting certain criteria regarding the amount it has paid back, whether it can meet upcoming payments without needing any further advances from the federal government, and the size of the net increase in the solvency of the state unemployment compensation system.

Sometime after November 10 of each year, the credit reductions for that year are announced by the IRS and are included on Form 940 so employers in the affected states can figure the amount of their credit reduction.

### **Credit Reduction States:**

Updated information on state loans can be accessed at the following web site:

<http://workforcesecurity.doleta.gov/unemploy/tax.asp>. Click on the link "Trust Fund Loans" to get access to FUA state loan balances. The following link, updated monthly, provides the actual date when states

began borrowing funds: <http://www.ncsl.org/?tabid=13294>.

FUTA Credit Reduction Rates							
State	Year State Loan Orig.	Loan Balance as of 12/3/2016	2012	2013	2014	2015	2016
AR	2009	\$0	0.6%	0.9%	0.0%	0.0%	0.0%
AZ	2014	\$0	0.0%	0.0%	0.0%	0.0%	0.0%
CA	2009	\$2,797,056,915.51	0.6%	0.9%	1.2%	1.5**%	1.8%
CT	2009	\$0	0.6%	0.9%	1.7%	2.1%	0.0%
DE	2010	\$0	0.3%	0.6%	0.0%	0.0%	0.0%
GA	2009	\$0	0.6%	0.9%	0.0%	0.0%	0.0%
IN	2008	\$0	0.9%	1.2%	1.5%	0.0%	0.0%
KY	2009	\$0	0.6%	0.9%	1.2%	0.0%	0.0%
MO	2009	\$0	0.6%	0.9%	0.0%	0.0%	0.0%
NY	2009	\$0	0.6%	0.9%	1.2%	0.0%	0.0%
NC	2009	\$0	0.3%	0.6%	1.2%	0.0%	0.0%
OH	2009	\$0	0.6%	0.9%	1.2%	1.5%	0.0%
RI	2009	\$0	0.6%	0.9%	0.0%	0.0%	0.0%
SC	2008	\$0	0.0%	0.0%	0.0%*	0.0%	0.0%
VI	2009	\$69,410,423.80	0.6%	1.2%	1.2%	1.5%	1.8%
WI	2009	\$0	0.6%	0.9%	0.0%	0.0%	0.0%

**\*\*After five years, states are also subject to a benefit cost ratio add on (BCR add on), which reduces the FUTA credit further by an additional 1.5%. California and the Virgin Islands applied for, and received, waivers from the BCR add-on credit reduction.**

These states had Title XII advance balances on January 1 of at least two consecutive years and on November 10, 2016, and did not qualify for credit reduction avoidance.

#### **Patient Protection & Affordable Care Act & Health Care & Education Reconciliation Act:**

Many more changes are coming from these acts, automatic health insurance enrollment, penalties to large employers for not offering essential coverage, and excise tax on high-cost health coverage. Please be aware of these upcoming changes and look for more information on them as they become effective.

#### **Reporting Health Care Coverage Offered to Employees**

The reporting requirement goes into effect beginning with the 2015 tax year (forms filed in early 2016).

The following forms are used to report the health insurance coverage: 1095-B, Health Coverage; 1094-B, Transmittal of Health Coverage Information Returns; 1095-C, Employer-Provided Health Insurance Offer and Coverage; and 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns.

#### **Publication 1542 – Per Diem Rate Tables – No Longer Be Updated**

Effective for 2012 and later, the IRS will no longer be updated Publication 1542. Instead, current per diem rates may be found on the U.S. General Services Administration (GSA) website.

<http://www.gsa.gov/portal/category/21287> Other information regarding per diem rates, such as substantiation methods and transition rules, may be found in Publication 463, Travel, Entertainment, Gift, and Car Expenses.

#### **Auto and Truck Fair Market Value Limitation are Calculated for 2016**

Cents-per-mile method – Based on the October 2015 CPI, it has been determined that for employer-provided vehicles first made available to employees for personal use in 2016, the cents-per-mile method

cannot be used if the value of a passenger automobile exceeds \$15,900 (down from \$16,000 in 2015) and the value of a truck or van exceeds \$17,700 (up from \$17,500 in 2015). The IRS usually does not announce these limitations until after the New Year.

### **Revisions to Overtime Regulations (Delayed as of 11/23/2016)**

The Department of Labor has finalized rules that will make significant changes to the overtime regulations in the FLSA. The changes include the following: 1) the standard salary under which employees would be eligible to receive overtime would increase from \$455 per week to \$913 per week (\$47,476 per year); 2) the annual salary threshold for highly compensated employees (HCE) would increase from \$100,000 to \$134,004; 3) the standard salary level and HCE thresholds would be adjusted annually for inflation.

The following link to DOL's website has more information and details:

<https://www.dol.gov/whd/overtime/final2016/>

### **2017 Pension Plan Limits**

The pension plan limitations for various plans, including 401(k), 403(b) and SEPS will not change for 2017 (\$18,000). The limitation on the annual benefit under a defined benefit plan will increase from \$210,000 to \$215,000. The limitation on total annual contributions to defined contribution plans will increase from \$53,000 to \$54,000. The maximum amount of annual compensation will increase from \$265,000 to \$270,000. Catch up contributions to an applicable deferred plan (other than SIMPLE plans) will remain at \$6,000. The maximum amount of compensation that may be elected to defer to a SIMPLE plan is \$12,500 and catch up contributions are \$3,000.

**V.**

**APPENDIX-  
MISC CONTACT  
INFORMATION,  
FORMS, & CHARTS**

### **SSA Regional Employer Services Liaison Officers**

Calls from	Telephone	Location	E-mail Address
Alabama	(404) 562-1315 (334) 875-8682	Atlanta, GA Montgomery, AL	kirk.jockell@ssa.gov frances.tatum@ssa.gov
Alaska	(206) 615-2125	Seattle, WA	SEA.RO.CPS.ESLO@ssa.gov
American Samoa	(510) 970-8247	San Francisco, CA	SF.CA.RO.CDPS.ESLO@ssa.gov
Arizona	(510) 970-8247	San Francisco, CA	SF.CA.RO.CDPS.ESLO@ssa.gov
Arkansas	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
California	(510) 970-8247	San Francisco, CA	SF.CA.RO.CDPS.ESLO@ssa.gov
Colorado	(303) 844-0759	Denver, CO	DEN.ESLO@ssa.gov
Connecticut	(617) 565-2895	Boston, MA	BOS.RO.CPS.ESLO@ssa.gov
Delaware	(215) 597-2354	Philadelphia, PA	bernard.a.daniels@ssa.gov
Dist. Columbia	(215) 597-2354	Philadelphia, PA	bernard.a.daniels@ssa.gov
Florida	(404) 562-1315	Atlanta, GA	kirk.jockell@ssa.gov
Georgia	(404) 562-1315	Atlanta, GA	kirk.jockell@ssa.gov
Guam	(510) 970-8247	San Francisco, CA	SF.CA.RO.CDPS.ESLO@ssa.gov
Hawaii	(510) 970-8247	San Francisco, CA	SF.CA.RO.CDPS.ESLO@ssa.gov
Idaho	(206) 615-2125	Seattle, WA	SEA.RO.CDPS.ESLO@ssa.gov
Illinois	(866) 530-7818	Chicago, IL	CH.RO.CRSISSI.ESLO@ssa.gov
Indiana	(866) 530-7818	Chicago, IL	CH.RO.CRSISSI.ESLO@ssa.gov
Iowa	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Kansas	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Kentucky	(404) 562-1315	Atlanta, GA	kirk.jockell@ssa.gov
Louisiana	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Maine	(617) 565-2895	Boston, MA	BOS.RO.CPS.ESLO@ssa.gov
Maryland	(215) 597-2354	Philadelphia, PA	bernard.a.daniels@ssa.gov
Massachusetts	(617) 565-2895	Boston, MA	BOS.RO.CPS.ESLO@ssa.gov
Michigan	(866) 530-7818	Chicago, IL	CH.RO.CRSISSI.ESLO@ssa.gov
Minnesota	(866) 530-7818	Chicago, IL	CH.RO.CRSISSI.ESLO@ssa.gov
Mississippi	(404) 562-1315	Atlanta, GA	kirk.jockell@ssa.gov
Missouri	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Montana	(303) 844-0759	Denver, CO	DEN.ESLO@ssa.gov
Nebraska	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Nevada	(510) 970-8247	San Francisco, CA	SF.CA.RO.CDPS.ESLO@ssa.gov
New Hampshire	(617) 565-2895	Boston, MA	BOS.RO.CPS.ESLO@ssa.gov
New Jersey	(212) 264-1462	New York, NY	NY.RO.CDPS.ESLO@ssa.gov
New Mexico	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
New York	(212) 264-1462	New York, NY	NY.RO.CDPS.ESLO@ssa.gov
North Carolina	(404) 562-1315	Atlanta, GA	kirk.jockell@ssa.gov
North Dakota	(303) 844-0759	Denver, CO	DEN.ESLO@ssa.gov
Northern Mariana Islands	(510) 970-8247	San Francisco, CA	SF.CA.RO.CPS.ESLO@ssa.gov

Calls from	Telephone	Location	E-mail Address
Ohio	(866) 530-7818	Chicago, IL	CH.RO.CRSISSI.ESLO@ssa.gov
Oklahoma	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Oregon	(206) 615-2125	Seattle, WA	SEA.RO.CPS.ESLO@ssa.gov
Pennsylvania	(215) 597-2354	Philadelphia, PA	bernard.a.daniels@ssa.gov
Puerto Rico	(212) 264-1462	New York, NY	NY.RO.CDPS.ESLO@ssa.gov
Rhode Island	(617) 565-2895	Boston, MA	BOS.RO.CPS.ESLO@ssa.gov
South Carolina	(404) 562-1315	Atlanta, GA	kirk.jockell@ssa.gov
South Dakota	(303) 844-0759	Denver, CO	DEN.ESLO@ssa.gov
Tennessee	(404) 562-1315 (866) 365-3040 x11051	Atlanta, GA Chattanooga, TN	kirk.jockell@ssa.gov connie.kennedy@ssa.gov
Texas	(816) 936-5657	Kansas City, MO	kelli.chappelow@ssa.gov
Utah	(303) 844-0759	Denver, CO	DEN.ESLO@ssa.gov
Vermont	(617) 565-2895	Boston, MA	BOS.RO.CPS.ESLO@ssa.gov
Virgin Islands	(212) 264-1462	New York, NY	NY.RO.CDPS.ESLO@ssa.gov
Virginia	(215) 597-2354	Philadelphia, PA	bernard.a.daniels@ssa.gov
Washington	(206) 615-2125	Seattle, WA	SEA.RO.CPS.ESLO@ssa.gov
West Virginia	(215) 597-2354	Philadelphia, PA	bernard.a.daniels@ssa.gov
Wisconsin	(866) 530-7818	Chicago, IL	CH.RO.CRSISSI.ESLO@ssa.gov
Wyoming	(303) 844-0759	Denver, CO	DEN.ESLO@ssa.gov

CPAs, Accountants, Enrolled Agents, and other third parties, may contact the Internal Revenue Service's Martinsburg Computing Center toll-free at 1-866-455-7438 (1-304-263-8700).



## **Employer Reporting Service Center**

Social Security's toll free line for employers – 800-772-6270

For help with wage reporting questions or problems

Monday thru Friday 7am to 7pm Eastern time

Email – [employerinfo@ssa.gov](mailto:employerinfo@ssa.gov)

## **SSA National 800 Number**

General SSA and Wage information number – 800-772-1213

## **Internet**

General – [www.socialsecurity.gov](http://www.socialsecurity.gov)

Employer –

National – [www.ssa.gov/employer](http://www.ssa.gov/employer)

Denver Region – [www.ssa.gov/denver/](http://www.ssa.gov/denver/)

Social Security Business Services Online (File W-2s electronically, view report status, errors, and error notices, view name and social security number errors, and verify social security numbers online) [www.ssa.gov/bso/bsowelcome.htm](http://www.ssa.gov/bso/bsowelcome.htm)

## **Internal Revenue Service Phone Numbers and Website**

eFile Help Line – 866-255-0654

General Information for individuals – 800-829-1040

General Information for businesses – 800-829-4933

Taxpayer Advocate – 877-275-8271

Website – [www.irs.gov](http://www.irs.gov)

## **Other Useful Websites:**

Access to most federal forms:

<http://search.usa.gov/forms>

Department of Labor:

[www.dol.gov](http://www.dol.gov)

Office of Child Support Enforcement

[www.acf.hhs.gov/programs/cse](http://www.acf.hhs.gov/programs/cse)

Department of Health & Human Services

[www.dhhs.gov](http://www.dhhs.gov)

U.S. Citizenship and Immigration Services

<http://uscis.gov>

Other Sites:

[www.americanpayroll.org](http://www.americanpayroll.org)

[www.paycheckcity.com](http://www.paycheckcity.com)

[www.payroll-taxes.com](http://www.payroll-taxes.com)

[www.taxsites.com](http://www.taxsites.com)

## **IRS Web Page for Payroll Professionals**

The IRS hosts a page on its website for payroll professionals, consolidating a variety of payroll tax information for this target audience. The Payroll Professionals Tax Center is accessible at

<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Payroll-Professionals-Tax-Center-Information-for-Payroll-Professionals-and-Their-Clients>

Find links to:

- Information on employment taxes for businesses including employment tax forms;
- Affordable Care Act Provisions;
- Worker Classification Issues (Independent Contractor vs. Employee);
- Tax pro Events: Classes, phone forums, and seminars covering employment tax topics;
- And much, much more!

<b>Social Security and Medicare</b>	<b>2016</b>	<b>2017</b>
Social Security Wage Base	\$118,500	\$127,200
Maximum Employer Social Security Tax	\$7,347.00	\$7,886.40
Maximum Employee Social Security Tax	\$7,347.00	\$7,886.40
Employer Social Security Tax Rate	6.2%	6.2%
Employee Social Security Tax Rate	6.2%	6.2%
Medicare Wage Base	None	None
Maximum Medicare Tax	None	None
Medicare Tax Rate	1.45%	1.45%
Additional Medicare Tax on wages > \$200,000	0.9%	0.9%
Social Security Earnings Limit (under full retirement age)	\$15,720	\$16,920
Social Security Earnings Limit (reach full retirement age in current year) – for earnings before the month they reach full retirement age	\$41,880	\$44,880
Threshold for Election Worker Coverage	\$1,700	\$1,800
Threshold for Domestic Employee Coverage	\$2,000	\$2,000
<b>Pension Plan Adjustments</b>	<b>2016</b>	<b>2017</b>
Maximum Limitation for annual benefit under §415(b)(1)(A) for defined benefit plans	\$210,000	\$215,000
Maximum Contribution Limitation for defined contribution plans under §415(c)(1)(A)	\$53,000	\$54,000
Limitations on exclusions for elective deferrals under:		
§402(g)(1) (applies to §401(k), and §408(k)(6) salary reduction SEPS)	\$18,000	\$18,000
§403(b); non-profit employers; tax-sheltered annuities	\$18,000	\$18,000
§457; state & local governments; tax exempts	\$18,000	\$18,000
§408(p); SIMPLE IRA plans	\$12,500	\$12,500
Catch-Up Contributions		
§401(k), §403(b), §457, SEP	\$6,000	\$6,000
SIMPLE	\$3,000	\$3,000
Limitation used in the definition of highly compensated employee under §414(q)	\$120,000	\$120,000
Annual compensation limit under §401(a)(17) and §404(1); and under §408(k)(3)(C) pertaining to SEP plans	\$265,000	\$270,000
Minimum annual compensation amount under §408(k)(2)(C); SEP plans	\$600	\$600
Annual compensation limitation under §401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under §401(a)(17) to be taken into account	\$395,000	\$400,000
Compensation amounts under reg. §1.61 – 21(f)(5)(i) concerning the definition of “control employee” for fringe benefit valuation purposes (board member or officer)	\$105,000	\$105,000
Compensation amounts under reg. §1.61 – 21(f)(5)(iii) concerning the definition of “control employee” for fringe benefit valuation purposes (compensation-based)	\$215,000	\$215,000
<b>High/Low Per Diem Rates</b>	<b>Effective 10/1/2015</b>	<b>Effective 10/1/2016</b>
High Cost Combined Rate	\$275	\$282
Low Cost Combined Rate	\$185	\$189
<b>Standard Deduction – Personal Exemption Values</b>	<b>2016</b>	<b>2017</b>
Married, filing jointly; qualified widow(er)	\$12,600	\$12,700
Married, filing separately	\$6,300	\$6,350
Head of Household	\$9,300	\$9,350
Single	\$6,300	\$6,350
Annual Personal Exemptions	\$4,050	\$4,050

<b>Mileage Rates</b>	<b>2016</b>	<b>2017</b>
Business	\$0.54/mi	\$0.535/mi
Charitable Activities	\$0.14/mile	\$0.14/mile
Relocation Related	\$0.19/mi	\$0.19/mi
Medical Related	\$0.19/mi	\$0.19/mi
<b>Qualified Transportation Rates</b>	<b>2016</b>	<b>2017</b>
Combined Commuter Highway Vehicle and Transit Passes	\$255/month	\$255/month
Qualified Parking	\$255/month	\$255/month
Bicycle	\$20/month	\$20/month
<b>Personal Use of Company Vehicle</b>	<b>2016</b>	<b>2017</b>
Cents-Per-Mile	\$0.54/mi	\$0.535/mi
Cents-Per-Mile Maximum Values		
Luxury Car Value	\$15,900	
SUV Value	\$17,700	
Fleet Value – Luxury Car	\$21,200	
Fleet Value – SUV Value	\$23,100	
Commuting Value	\$1.50 each trip	
<b>Employer-Provided Adoption Assistance</b>	<b>2016</b>	<b>2017</b>
Dollar Limitation	\$13,460	\$13,570
Income Limitation phase-out begins	\$201,920	\$203,540
<b>Income Exclusion for U.S. Citizens Living Abroad</b>	<b>2016</b>	<b>2017</b>
Maximum amount of the foreign earned income exclusion	\$101,300	\$102,100
Maximum amount of the foreign housing cost exclusion	\$14,182	\$14,294
Housing Cost Exclusion Limitation	\$30,390	\$30,630
Base Housing Amount	\$16,208	\$16,336

Selected State Contact Information		
State	Withholding Tax	Unemployment
Arizona	Department of Revenue Income Withholding Division PO Box 29009 Phoenix, AZ 85038-9009 602.255.3381 <a href="http://www.azdor.gov">www.azdor.gov</a>	Department of Economic Security PO Box 6028 Phoenix, AZ 85005-6028 602.771.6601 <a href="http://www.des.az.gov/services/employment/unemployment-individual">www.des.az.gov/services/employment/unemployment-individual</a>
Colorado	Department of Revenue Taxpayer Services Division 1375 Sherman St Denver, CO 80261-0009 303.238.7378 <a href="http://www.colorado.gov/tax">www.colorado.gov/tax</a>	Department of Labor and Employment Unemployment Insurance Tax Operations 633 17 <sup>th</sup> Street Suite 201 Denver, CO 80202-3660 303.318.9000 <a href="http://www.colorado.gov/pacific/cdle/unemployment">www.colorado.gov/pacific/cdle/unemployment</a>
Idaho	State Tax Commission PO Box 36 Boise, ID 83722-0410 208.334.7660 <a href="http://www.tax.idaho.gov/index.cfm">www.tax.idaho.gov/index.cfm</a>	Department of Labor Unemployment Insurance Division 317 West Main St. Boise, ID 83735 208.332.3570 <a href="http://labor.idaho.gov">http://labor.idaho.gov</a>
Illinois	Department of Revenue Willard Ice Building 101 W Jefferson St Springfield, IL 62702 217.782.3336 800.732.8866 <a href="http://www.revenue.state.il.us">www.revenue.state.il.us</a>	Department of Employment Security 4519 W. Main Street Belleville, IL 62226 800.247.4984 <a href="http://www.ides.state.il.us">www.ides.state.il.us</a>
Indiana	Department of Revenue Taxpayer Services Division 100 North Senate Ave #N248 Indianapolis, IN 46204 317.233.4016 <a href="http://www.in.gov/dor">www.in.gov/dor</a>	Department of Workforce Development Indiana Government Center South 10 North Senate Ave Indianapolis, IN 46204 800.437.9136 <a href="http://www.in.gov/dwd">www.in.gov/dwd</a>
Iowa	Department of Revenue PO Box 10411 Des Moines, IA 50306-0411 515.281.3114 <a href="http://www.state.ia.us/tax">www.state.ia.us/tax</a>	Workforce Development Department 1000 East Grand Ave Des Moines, IA 50319-0209 888.848.7442 <a href="http://www.iowaworkforce.org/ui/uiemployers.htm">www.iowaworkforce.org/ui/uiemployers.htm</a>
Minnesota	Department of Revenue 600 North Robert Street St Paul, MN 55146 651.282.9999 800.657.3594 <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>	Unemployment Insurance Program 1 <sup>st</sup> National Bank Building 332 Minnesota St Suite E200 St Paul, MN 55101-1351 651.296.6141 <a href="http://www.uimn.org">www.uimn.org</a>
Montana	Department of Revenue Withholding Taxes PO Box 5835 Helena, MT 59604-5835 866.859.2254 <a href="http://www.revenue.mt.gov">www.revenue.mt.gov</a>	Department of Labor and Economic Growth Unemployment Insurance Agency PO Box 6339 Helena, MT 59604-6339 406.444.3834 <a href="http://uid.dli.mt.gov/">http://uid.dli.mt.gov/</a>
State	Withholding Tax	Unemployment

State	Withholding Tax	Unemployment
Nebraska	Department of Revenue PO Box 94818 Lincoln, NE 68509-4818 402.471.5729 <a href="http://www.revenue.state.ne.us">www.revenue.state.ne.us</a>	Office of Unemployment Insurance 550 South 16 <sup>th</sup> St PO Box 94600 Lincoln, NE 68509-4600 402.471.9898 <a href="http://www.dol.nebraska.gov">www.dol.nebraska.gov</a>
North Dakota	Office of State Tax Commissioner 600 East Boulevard Ave Dept 127 Bismarck, ND 58505-0599 701.328.1248 <a href="http://www.nd.gov/tax/">www.nd.gov/tax/</a>	Job Service of North Dakota PO Box 5507 Bismarck, ND 58506-5507 800.366.6888 <a href="http://www.jobsnd.com/unemployment-business">www.jobsnd.com/unemployment-business</a>
Oklahoma	Oklahoma Tax Commission 2501 North Lincoln Boulevard Oklahoma City, OK 73194 405.521.3160 <a href="http://www.tax.ok.gov">www.tax.ok.gov</a>	Oklahoma Employment Security Commission PO Box 52003 Oklahoma City, OK 73152-2003 405.557.7222 <a href="http://www.ok.gov/oesc_web/">www.ok.gov/oesc_web/</a>
South Dakota	No Income Tax	Department of Labor Unemployment PO Box 4730 Aberdeen, SD 57402-4730 605.626.2312 <a href="http://dlr.sd.gov/ui/">http://dlr.sd.gov/ui/</a>
Utah	State Tax Commission 210 North 1950 West Salt Lake City, UT 84134 801.297.2200 <a href="http://www.tax.utah.gov">www.tax.utah.gov</a>	Division of Unemployment Insurance PO Box 45249 Salt Lake City, UT 84145-0249 801.526.9235 <a href="https://jobs.utah.gov/employer/index.html">https://jobs.utah.gov/employer/index.html</a>
Wisconsin	Department of Revenue PO Box 8902 Madison, WI 53708 608.266.2776 <a href="http://www.dor.state.wi.us">www.dor.state.wi.us</a>	Department of Workforce Development Unemployment Insurance Division PO Box 79051 Madison, WI 53707-7905 608.261.6700 <a href="http://www.dwd.wisconsin.gov">www.dwd.wisconsin.gov</a>

## 2016 State Annual Reconciliation Returns

State	Due Date	Form	Notes
Alabama	1/31/17	A-3	25 or more W-2 Forms and A-3 form must be filed electronically; forms filed on paper should include an adding machine tape or computer totals if a computer listing is submitted
Arizona	2/28/17	A1-R	
Arkansas	2/28/17	AR3MAR	Can be filed electronically
California	1/31/17 (for 4 <sup>th</sup> Qtr return)	DE 9	Employers are not required to submit copies of Forms W-2; Employers will report withholding taxes, unemployment insurance, employer training tax, and state disability insurance quarterly on Form DE 9
Colorado	2/28/17	DR 1093	Required for paper filed W-2 forms. Only required for electronically filed W-2s if amounts appear on lines 3A or 3B of Form DR 1093. Due date extended to 3/31/17 for Forms W-2 filed electronically via the Revenue Online System
Connecticut	1/31/17	CT-W3	A paper form CT-W3 can be filed for employers who issue 24 or fewer W-2s
Delaware	2/28/17	W-3	W-3 automatically generate if Forms W-2 are filed electronically; due date is 3/31/17
District of Columbia	1/31/17	FR-900B	
Georgia	2/28/17	G-1003	File Form G-1003 Income Statement Transmittal Form with W-2s (Form G-1003 can be filed online)
Hawaii	2/28/17	HW-3	
Idaho	2/28/17	967	
Illinois		N/A	Electronic W-2 reporting by 3/31/17 for employers with $\geq 250$ employees and payroll providers
Indiana	1/31/17	WH-3	Electronic required for employers with more than 25 W-2 Forms
Iowa	2/28/17	VSP	VSP form is filed through eFile & Pay or by touch-tone telephone; paper forms are not mailed and W-2 Forms are not required
Kansas	2/28/17	KW-3	
Kentucky	1/31/17	K-3 or K-3E	Do not mail W-2 forms with annual reconciliation return
Louisiana	2/28/17	L-3	Paper copies; submit adding machine tape or other W-2 listing
Maine	2/28/17	W-3ME	Electronic required
Maryland	2/28/17	MW508	Form MW508 needed only for paper filers, enclose W-2 forms also
Massachusetts	2/28/17 3/31/16	M-3 or M-3M N/A	Paper W-2 forms with reconciliation form Machine-readable W-2 forms; reconciliation form not needed
Michigan	2/28/17	165	If using magnetic media, submit Form 165 separately from W-2 forms
Minnesota	2/28/17	N/A	Annual reconciliation is part of <i>e-File Minnesota</i> transmission
Mississippi	2/28/17 3/31/17	89-140 89-140	Due date if paper Forms W-2 are filed If Forms W-2 are filed electronically
Missouri	2/28/17	MO W-3	If paper copies, submit adding machine tape or computer printout
Montana	2/28/17	MW-3	
Nebraska	2/1/17	W-3N	
New Jersey	2/28/17	NJ-W-3M	If paper copies, submit an employee summary list with totals
New Mexico	2/28/17	RPD-41072	Annual report should be completed, but filing not required
New York	1/31/17	NYS-45-MN	Deadline for 4 <sup>th</sup> quarter reports; Employers are not required to submit copies of Forms W-2
North Carolina	1/31/17	NC-3 or NC-3M	Reconciliation form only needed for paper W-2 forms. If paper copies, submit adding machine tape or other W-2 listing

<b>State</b>	<b>Due Date</b>	<b>Form</b>	<b>Notes</b>
North Dakota	2/28/17	307	Reconciliation form only needed for paper W-2 forms. If paper copies, submit adding machine tape or other W-2 listing
Ohio	2/28/17	IT-3	If paper copies, submit adding machine tape or other W-2 listing
Oklahoma		N/A	Employers are not required to submit copies of Form W-2
Oregon	3/31/17	WR	Employers do not submit copies of Forms W-2 with Form WR
Pennsylvania	1/31/17	REV-1667	If paper copies, submit adding machine tape or other W-2 listing
Rhode Island	2/28/17	RI-W3	If paper copies, submit adding machine tape or other W-2 listing
South Carolina	1/31/17	WH-1606	
Utah	2/28/17	TC-941R	Due date extended to 3/31/17 if Forms W-2 filed electronically
Vermont	2/28/17	WH-434	
Virginia	1/31/17	VA-6	All employers must file electronically at <a href="http://www.tax.virginia.gov">www.tax.virginia.gov</a>
West Virginia	2/28/17	WV/IT-103	File form electronically if 50 or more employees
Wisconsin	1/31/17	WT-7	Due date for W-2s that do not report Wisconsin withholding are due 2/28/17. Employers and payroll transmitters filing 50 or more W-2 forms must file electronically

### 2016 State Supplemental Tax Rates

State		Tax Rate
Alabama		5.0%
Arkansas		6.9%
California	Regular Supplemental payments	6.6%
	Stock options and bonuses*	10.23%
Colorado		4.63%
Georgia	Annual wages: under \$8,000	2.0%
	\$8,000 to \$10,000	3.0%
	\$10,001 to \$12,000	4.0%
	\$12,001 to \$15,000	5.0%
	Over \$15,000	6.0%
Idaho		7.4%
Illinois		3.75%
Indiana		3.3%
Iowa	Withhold as for federal; Use 6% if federal flat rate is used	6.0%
Kansas		4.5%
Maine		5.0%
Maryland		5.75% plus county w/h rate
Massachusetts		5.15%
Michigan	Withhold as for federal; Use 4.25% if federal flat rate is used	4.25%
Minnesota		6.25%
Missouri		6.0%
Montana		6.0%
Nebraska	Withhold as for federal; Use 5% if federal flat rate is used	5.0%
New Mexico	Withhold as for federal; Use 4.9% if federal flat rate is used	4.9%
New York		9.62%
NYC Resident		4.25%
Yonkers Resident		1.61135%
Yonkers Non-Resident		0.5%
North Carolina		5.85%
North Dakota		1.84%
Ohio		3.5%
Oklahoma		5.0%
Oregon	Withhold at 9% or use daily or miscellaneous withholding table	9.0%
Pennsylvania		3.07%
Rhode Island		5.99%
South Carolina		7.0%
Vermont	Withhold at 24% of federal withholding amount	
Virginia		5.75%
West Virginia	Annual wages: under \$10,000	3.0%
	\$10,000 to \$25,000	4.0%
	\$25,000 to \$40,000	4.5%
	\$40,000 to \$60,000	6.0%
	Over \$60,000	6.5%



<b>State</b>		<b>Tax Rate</b>
Wisconsin	Annual wages: under \$10,910	4.0%
	\$10,910 to \$21,820	5.84%
	\$21,820 to \$240,190	6.27%
	\$240,190 and over	7.65%

\*Stock appreciation rights and restricted stock grants are viewed by the California EDD as bonus payments.

Arizona, Connecticut, Delaware, District of Columbia, Hawaii, Kentucky, Louisiana, Mississippi, New Jersey, and Utah do not use a different rate for state tax withholding on supplemental wages. Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming do not have a state income tax.

### 2016 State Reciprocity Agreements

<b>State</b>	<b>States with Reciprocal Agreements</b>	<b>Exemption Form</b>
District of Columbia	Maryland and Virginia. All non-residents who work in DC can claim exemption from withholding for the DC income tax.	D-4A
Illinois	Iowa, Kentucky, Michigan, Wisconsin	IL-W-5-NR
Indiana	Kentucky, Michigan, Ohio, Pennsylvania, Wisconsin	WH-47
Iowa	Illinois	44-016
Kentucky	Illinois, Indiana, Michigan, Ohio, West Virginia, Wisconsin, Virginia. Residents of Virginia are exempt from Kentucky withholding only if they commute daily to their places of work in Kentucky. Ohio residents are not exempt if they are a shareholder employee who is a 20% or greater direct or indirect equity investor in a S corporation.	42A809
Maryland	District of Columbia, Pennsylvania, Virginia, West Virginia	MW-507
Michigan	Illinois, Indiana, Kentucky, Minnesota, Ohio, Wisconsin – Employers may create their own exemption form or use the line on MI-W4 for claiming exemption from withholding. Employee should write “Reciprocal Agreement” and the state name on that line.	MI-W4
Minnesota	Michigan, North Dakota	MWR
Montana	North Dakota	MT-R
New Jersey	Pennsylvania	NJ-165
North Dakota	Minnesota, Montana	NDW-R
Ohio	Indiana, Kentucky, Michigan, Pennsylvania, West Virginia	IT-4NR
Pennsylvania	Indiana, Maryland, New Jersey, Ohio, Virginia, West Virginia	REV-420
Virginia	Kentucky, Maryland, District of Columbia, Pennsylvania, West Virginia*	VA-4
West Virginia	Kentucky, Maryland, Ohio, Pennsylvania, Virginia	WV/IT-104
Wisconsin	Illinois, Indiana, Kentucky, Michigan	W-220

\*The agreement with DC and Kentucky cover those employees who commute daily to their places of employment in Virginia. The agreements with Maryland, Pennsylvania and West Virginia cover only those employees whose sole income from Virginia is from salaries and wages which are subject to taxation by their home state.

This is a FILL-IN format. Please do not handwrite any data on this form other than your signature.



## Form D-4A Certificate of Nonresidence in the District of Columbia

Enter Year

First name

M.I. Last name

Temporary DC address (number and street)

Social security number

Permanent address (number and street)

Apartment number

City

Country or U.S. commonwealth

**Click here to use the form.**

**Signature**

Under penalties of law, I certify that my permanent residence is not in DC and that I will not be residing in DC for 183 days or more in the tax year.

Signature

Date

Revised 02/2015

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## Instructions

### Who must file a Form D-4A?

If you are not a resident of DC you must file a Form D-4A with your employer to establish that you are not subject to DC income tax withholding. You qualify as a nonresident if:

- Your permanent residence is outside DC during all of the tax year and you have more in the DC than in any other state.
- You are a seasonal worker in DC.

Employees who are residents of DC should file a Form D-4, DC Withholding Allowance Certificate.

### What if your resident status changes?

If you become a DC resident any time after you have filed a Form D-4A with your employer, you must file a Form D-4 promptly so that the proper amount of DC income tax can be withheld from your wages.

**Click here to use the form.**

to your employer to keep



## IL-W-5-NR Employee's Statement of Nonresidence in Illinois

## Must I complete this form?

You must complete Part 1 of this form if

- you are a resident of Iowa, Kentucky, Michigan, or Wisconsin, or
- your spouse is in the military, you and your spouse are both residents of the same state (other than Illinois) and you are in Illinois only because your spouse is stationed here by the military,

and your wages are exempt from withholding of Illinois Income Tax under the reciprocal withholding agreements between Illinois and these states or under the Military Spouses Residency Relief Act. You must file your completed Form IL-W-5-NR with your Illinois employer. If you change your state of residence, you must notify your employer within ten days.

## Part 1: Employee information

Social Security number

Name

Mailing address

City

State

ZIP

I declare under penalties of perjury that

I am a resident of the state of:

- ☐
- Iowa
- ☐
- Kentucky
- ☐
- Michigan
- ☐
- Wisconsin, OR

- ☐ My spouse and I are residents of (write the 2-letter abbreviation for your state of residency) \_\_\_\_\_ and I am in Illinois only because my spouse is a member of the US military who is stationed in Illinois

Employee's signature

IL-W-5-NR (R-12/10)

## To employers:

You are required to have a copy of this form on file for each employee who

- is a resident of Iowa, Kentucky, Michigan, or Wisconsin; receives compensation paid in Illinois; and elects to claim exemption from withholding of Illinois Income Tax under the reciprocal withholding agreements between Illinois and these states, OR
- is exempt from Illinois Income Tax on compensation under the Military Spouses Residency Relief Act.

## Part 2: Employer information

Federal employer identification number

Name

Mailing address

City

State

ZIP

**Click here to use the form.**

of this information is required.  
essed and may result in a penalty.



Form WH-47  
SF# 9686 (R/12-97)

## Certificate of Residence

[Print Form](#)

This form is to be used only by residents of States with a reciprocal tax agreement. \*

Indiana Employer's Name		Employer TID Number
Employee Name	Street and City Address	Social Security Number

The employee swears to be a legal resident of the State of Select State, does not own personal property in Indiana, and understands that income from salaries, wages, tips and commissions received from Indiana sources are taxable in their state of residence and not subject to Indiana Adjusted Gross Income Tax as a result of the reciprocal tax agreement with the State of \_\_\_\_\_. Employee further states the Indiana employer will be advised of any change in legal residence. Note: The employee understands that the employer remains responsible for withholding any applicable Indiana County taxes.

Date 11/14/2018 Employee Signature \_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for said County and State, this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_, Notary Public Signature \_\_\_\_\_

My Commission Expires \_\_\_\_\_ My County of Residence \_\_\_\_\_

Do not

\*States that

**Click here to use the form.**

Employer:

of Wisconsin.



Employee's Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Employer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

### Employer

You are required to have a copy of this form on file for each employee who is a resident of Illinois receiving wages or salary paid in Iowa and who claims exemption from withholding of Iowa income tax under the reciprocal agreement between Iowa and Illinois.

### Employee

Iowa and Illinois resident of Illinois working for wage employer so that the employer will be aware it is appropriate to withhold Illinois income tax. Any wages or salary made by an Illinois resident working in Iowa is taxable only to Illinois and not to Iowa.

**Click here to use the form.**

**Note:** If you change your state of residence, **you must notify** your employer within 10 days.

**Declaration:** I hereby declare, under penalty of perjury, that I am a resident of the state of Illinois and that, pursuant to an agreement existing between that state and the state of Iowa, I claim exemption from withholding of Iowa income tax on compensation paid to me in the state of Iowa.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**CERTIFICATE OF NONRESIDENCE**

(Please Type or Print)

Name of employee \_\_\_\_\_ Social Security No. \_\_\_\_\_

Home address \_\_\_\_\_  
Number and street or rural route City, town, or post office State ZIP Code

I have not been a resident of Kentucky during the year. (Check block in front of applicable statement.) I work in Kentucky and reside in:

- ☐ Illinois, ☐ Indiana, ☐ Michigan, ☐ West Virginia, ☐ Wisconsin  
☐ Virginia and commute daily to my place of employment in Kentucky. (*Must commute daily to apply.*)  
☐ Ohio and I am not a shareholder-employee who is a “twenty (20) percent or greater” direct or indirect equity investor in a S corporation.

I hereby certify that the above information is true and complete. I further certify that at any time I change my status as a resident  
of \_\_\_\_\_, I will notify my employer of such fact within ten days from date of change.

Name of current state of residence

\_\_\_\_\_  
Signature of employee

\_\_\_\_\_  
Date

**Click here to use the form.**

# MARYLAND FORM MW507

**Purpose.** Complete Form MW507 so that your employer can withhold the correct Maryland income tax from your pay. Consider completing a new Form MW507 each year and when your personal or financial situation changes.

**Basic Instructions.** Enter on line 1 below, the number of personal exemptions you will claim on your tax return. However, if you wish to claim more exemptions, or if your adjusted gross income will be more than \$100,000 if you are filing single or married filing separately (\$150,000, if you are filing jointly or as head of household), you must complete the Personal Exemption Worksheet on page 2. Complete the Personal Exemption Worksheet on page 2 to further adjust your Maryland withholding based on itemized deductions, and certain other expenses that exceed your standard deduction and are not being claimed at another job or by your spouse. However, you may claim fewer (or zero) exemptions.

**Additional withholding per pay period under agreement with employer.** If you are not having enough tax withheld, you may ask your employer to withhold more by entering an additional amount on line 2.

**Exemption from withholding.** You may be entitled to claim an exemption from the withholding of Maryland income tax if:

- Last year you did not owe any Maryland Income tax and had a right to a full refund of any tax withheld; AND,
- This year you do not expect to owe any Maryland income tax and expect to have a right to a full refund of all income tax withheld.

If you are eligible to claim this exemption, complete Line 3 and your employer will not withhold Maryland income tax from your wages.

Students and Seasonal Employees whose annual income will be below the minimum filing requirements should claim exemption from withholding. This provides more income throughout the year and avoids the necessity of filing a Maryland income tax return.

**Certification of nonresidence in the State of Maryland.** Complete Line 4. This line is to be completed by residents of the District of Columbia, Virginia or West Virginia who are employed in Maryland and who do not maintain a place of abode in Maryland for 183 days or more.

Residents of Pennsylvania who are employed in Maryland and who do not maintain a place of abode in Maryland for 183 days or more, should complete line 5 to exempt themselves from the withholding of the Maryland income tax. Those who are still liable for withholding, which they are employed, use line 7. Pennsylvania residents living in the local jurisdiction from the local withholding living in other local jurisdictions which do not impose an earnings or income tax on Maryland residents may claim an exemption by completing line 7. Employees qualifying for exemption under 6 or 7, should also write "EXEMPT" on line 4.

Line 4 is **NOT** to be used by residents of other states who are working in Maryland, because such persons are liable for Maryland income tax and withholding from

their wages is required.

If you are domiciled in the District of Columbia, Pennsylvania or Virginia and maintain a place of abode in Maryland for 183 days or more, you become a statutory resident of Maryland and you are required to file a resident return with Maryland reporting your total income. You must apply to your domicile state for any tax credit to which you may be entitled under the reciprocal provisions of the law. If you are domiciled in West Virginia, you are not required to pay Maryland income tax on wage or salary income, regardless of the length of time you may have spent in Maryland.

Under the Servicemembers Civil Relief Act, as amended by the Military Spouses Residency Relief Act, you may be exempt from Maryland income tax on your wages if (i) your spouse is a member of the armed forces present in Maryland in compliance with military orders; (ii) you are present in Maryland solely to be with your spouse; and (iii) you maintain your domicile in another state. If you claim exemption under the SCRA enter your state of domicile (legal residence) on Line 8; enter "EXEMPT" in the box to the right on Line 8; and attach a copy of your spousal military identification card to Form MW507. **In addition, you must also complete and attach Form MW507M.**

**Duties and responsibilities of employer.** Retain this certificate with your records. You are required to submit a copy of this certificate and accompanying attachments to the Compliance Division, Compliance Programs Section, 301 West Preston Street, Baltimore, MD 21201, when received if:

- You have any reason to believe this certificate is incorrect;
- The employee claims more than 10 exemptions;
- The employee claims an exemption from withholding because he/she had no tax liability for the preceding tax year, expects to incur no tax liability this year and the wages are expected to exceed \$200 a week;
- The employee claims an exemption from withholding on the basis of nonresidence; or
- The employee claims an exemption from withholding under the Military Spouses Residency Relief Act.

Upon receipt of any exemption certificate (Form MW507), the Compliance Division will make a determination and notify you if a change is required.

When an employee's exemption status changes, the employer must send any new exemption certificate to the employee.

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**Duties and responsibilities of employee.** If, on any day during the calendar year, the number of withholding exemptions that the employee is entitled to claim is less than the number of exemptions claimed on the withholding exemption certificate in effect, the employee must file a new withholding exemption certificate with the employer within 10 days after the change occurs.

**Click here to use the form.**

## FORM MW507

### Employee's Maryland Withholding Exemption Certificate

Print full name	Social Security Number
Street Address, City, State, ZIP	County of residence (Nonresidents enter Maryland county (or Baltimore City) where you are employed.)
<input type="checkbox"/> Single	<input type="checkbox"/> Married (surviving spouse or unmarried Head of Household) Rate
<input type="checkbox"/> Married, but withhold at Single rate	

- Total number of exemptions you are claiming not to exceed line f in Personal Exemption Worksheet on page 2. .... 1. \_\_\_\_\_
- Additional withholding per pay period under agreement with employer. .... 2. \_\_\_\_\_
- I claim exemption from withholding because I do not expect to owe Maryland tax. See instructions above and check boxes that apply.  
☐ a. Last year I did not owe any Maryland income tax and had a right to a full refund of all income tax withheld and  
☐ b. This year I do not expect to owe any Maryland income tax and expect to have the right to a full refund of all income tax withheld.  
(This includes seasonal and student employees whose annual income will be below the minimum filing requirements).  
If both a and b apply, enter year applicable \_\_\_\_\_ (year effective) Enter "EXEMPT" here ..... 3. \_\_\_\_\_
- I claim exemption from withholding because I am domiciled in one of the following states. Check state that applies.  
☐ District of Columbia ☐ Virginia ☐ West Virginia  
I further certify that I do not maintain a place of abode in Maryland as described in the instructions above. Enter "EXEMPT" here. .... 4. \_\_\_\_\_
- I claim exemption from Maryland **state** withholding because I am domiciled in the Commonwealth of Pennsylvania and I do not maintain a place of abode in Maryland as described in the instructions on Form MW507. Enter "EXEMPT" here. .... 5. \_\_\_\_\_
- I claim exemption from Maryland **local** tax because I live in a local Pennsylvania jurisdiction within York or Adams counties.  
Enter "EXEMPT" here and on line 4 of Form MW507. .... 6. \_\_\_\_\_
- I claim exemption from Maryland **local** tax because I live in a local Pennsylvania jurisdiction that does not impose an earnings or income tax on Maryland residents. Enter "EXEMPT" here and on line 4 of Form MW507. .... 7. \_\_\_\_\_
- I certify that I am a legal resident of the state of \_\_\_\_\_ and am not subject to Maryland withholding because I meet the requirements set forth under the Servicemembers Civil Relief Act, as amended by the Military Spouses Residency Relief Act. Enter "EXEMPT" here... 8. \_\_\_\_\_

**Under the penalty of perjury,** I further certify that I am entitled to the number of withholding allowances claimed on line 1 above, or if claiming exemption from withholding, that I am entitled to claim the exempt status on whichever line(s) I completed.

Employee's signature	Date
Employer's name and address including ZIP code (For employer use only)	Federal Employer Identification Number



Personal Exemptions Worksheet

Line 1

- a. Multiply the number of your personal exemptions by the value of each exemption from the table below. (Generally the value of your exemption will be \$3,200; however, if your federal adjusted gross income is expected to be over \$100,000, the value of your exemption may be reduced. **Do not claim any personal exemptions you currently claim at another job, or any exemptions being claimed by your spouse.** To qualify as your dependent, you must be entitled to an exemption for the dependent on your federal income tax return for the corresponding tax year. **NOTE:** Dependent taxpayers may not claim themselves as an exemption. . . . . a. \_\_\_\_\_
- b. Multiply the number of additional exemptions you are claiming for dependents 65 years old or older by the value of each exemption from the table below. . . . . b. \_\_\_\_\_
- c. Enter the estimated amount of your itemized deductions (excluding state and local income taxes) that exceed the amount of your standard deduction, alimony payments, allowable childcare expenses, qualified retirement contributions, business losses and employee business expenses for the year. Do not claim any additional amounts you currently claim at another job or any amounts being claimed by your spouse. **NOTE:** Standard deduction allowance is 15% of Maryland adjusted gross income with a minimum of \$1,500 and a maximum of \$2,000. . . . . c. \_\_\_\_\_
- d. Enter \$1,000 for additional exemptions for taxpayer and/or spouse at least 65 years old and/or blind. . . . d. \_\_\_\_\_
- e. Add total of lines a through d. . . . . e. \_\_\_\_\_
- f. Divide the amount on line e by \$3,200. **Drop any fraction. Do not round up.** This is the **maximum** number of exemptions you may claim for withholding tax purposes. . . . . f. \_\_\_\_\_

If Your federal adjusted gross income is		Single or Married Filing Separately Your Exemption is	Joint, Head of Household or Qualifying Widow(er) Your Exemption is
\$100,000 or less		\$3,200	\$3,200
Over	But not over		
\$100,000	\$125,000	\$1,600	\$3,200
\$125,000	\$150,000	\$800	\$3,200
\$150,000	\$175,000	\$0	\$1,600
\$175,000	\$200,000	\$0	\$800
In excess of \$200,000		\$0	\$0

FEDERAL PRIVACY ACT INFORMATION

Social Security Numbers must be included. The mandatory disclosure of your Social Security Number is authorized by the provisions set forth in the Tax-General Article of the Annotated Code of Maryland. Such numbers are used primarily to administer and enforce the individual income tax laws and to exchange income tax information with the Internal Revenue Service, other states and other tax officials of this state. Information furnished to other agencies or persons shall be used solely for the purpose of administering tax laws or the specific laws administered by the person having statutory right to obtain it.

# MI-W4

(Rev. 8-08)

## EMPLOYEE'S MICHIGAN WITHHOLDING EXEMPTION CERTIFICATE STATE OF MICHIGAN - DEPARTMENT OF TREASURY

This certificate is for Michigan income tax withholding purposes only. You must file a revised form within 10 days if your exemptions decrease or your residency status changes from nonresident to resident. Read instructions below before completing this form.

Issued under P.A. 281 of 1967.

▶ 3. Type or Print Your First Name, Middle Initial and Last Name			▶ 1. Social Security Number		▶ 2. Date of Birth	
Home Address (No., Street, P.O. Box or Rural Route)			4. Driver License Number			
City or Town			State		ZIP Code	
▶ 5. Are you a new employee?						
<input type="checkbox"/> Yes If Yes, enter date of hire . . .						
<input type="checkbox"/> No						
6. Enter the number of personal and dependent exemptions you are claiming			▶ 6. <input type="text"/>			
7. Additional amount you want deducted from each pay (if employer agrees)			7. \$ <input type="text"/> .00			
8. I claim exemption from withholding because (does not apply to nonresident members of flow-through entities - see instructions):						
a. <input type="checkbox"/> A Michigan income tax liability is not expected this year.						
b. <input type="checkbox"/> Wages are exempt from withholding. Explain: _____						
c. <input type="checkbox"/> Permanent home (domicile) is located in the following Renaissance Zone: _____						
<b>EMPLOYEE:</b> If you fail or refuse to file this form, your employer must withhold Michigan income tax from your wages without allowance for any exemptions. Keep a copy of this form for your records.			Under penalty of perjury, I certify that the number of withholding exemptions claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I anticipate that I will not incur a Michigan income tax liability for this year.			
			9. Employee's Signature		▶ Date	
<b>INSTRUCTIONS TO EMPLOYER:</b> Employers must report _____ of Michigan. Keep a copy of your records. If the employee claims a status exempting the employee from withholding, you must file their original MI-W4 form with the Michigan Department of Treasury. Mail to: New Hire Operations Center, P.O. Box 85010; Lansing, MI 48908-5010.			Employer: Complete lines 10 and 11 before sending to the Michigan Department of Treasury.			
			<b>Click here to use the form.</b>			
			▶ 11. Federal Employer Identification Number			

### INSTRUCTIONS TO EMPLOYEE

You must submit a Michigan withholding exemption certificate (form MI-W4) to your employer on or before the date that employment begins. If you fail or refuse to submit this certificate, your employer must withhold tax from your compensation without allowance for any exemptions. Your employer is required to notify the Michigan Department of Treasury if you have claimed 10 or more personal and dependent exemptions or claimed a status which exempts you from withholding.

You MUST file a new MI-W4 within 10 days if your residency status changes or if your exemptions decrease because: a) your spouse, for whom you have been claiming an exemption, is divorced or legally separated from you or claims his/her own exemption(s) on a separate certificate, or b) a dependent must be dropped for federal purposes.

**Line 5:** If you check "Yes," enter your date of hire (mo/day/year).

**Line 6:** Personal and dependent exemptions. The total number of exemptions you claim on the MI-W4 may not exceed the number of exemptions you are entitled to claim when you file your Michigan individual income tax return.

If you are married and you and your spouse are both employed, you both may not claim the same exemptions with each of your employers.

If you hold more than one job, you may not claim the same exemptions with more than one employer. If you claim the same exemptions at more than one job, your tax will be under withheld.

**Line 7:** You may designate additional withholding if you expect to owe more than the amount withheld.

**Line 8:** You may claim exemption from Michigan income tax withholding ONLY if you do not anticipate a Michigan income tax liability for the current year because all of the following exist: a) your employment is less than full time, b) your personal and dependent exemption allowance exceeds your annual compensation, c) you claimed exemption from federal withholding, d) you did not incur a Michigan income tax liability for the previous year. You may also claim exemption if your permanent home (domicile) is located in a Renaissance Zone. Members of flow-through entities may not claim exemption from nonresident flow-through withholding. For more information on Renaissance Zones call the Michigan Tele-Help System, 1-800-827-4000. Full-time students that do not satisfy all of the above requirements cannot claim exempt status.

### Web Site

Visit the Treasury Web site at:  
[www.michigan.gov/businessstax](http://www.michigan.gov/businessstax)

# Reciprocity Exemption/Affidavit of Residency for Tax Year 2016

For Michigan and North Dakota Residents who Work in Minnesota

Read instructions on back. Please print.

**Employees:** Complete this form and give it to your employer.

Employee Information	Employee's last name		First name and initial		Employee's Social Security number	
	Permanent address					
	City		State (check one) <input type="checkbox"/> Michigan <input type="checkbox"/> North Dakota		Zip code	
	<p><b>1</b> If you earned wages in Minnesota during the previous year, enter the wages you earned. \$ _____ (nearest dollar)</p> <p><b>2</b> I have lived at the above residence since (month and year) _____.</p> <p><b>3</b> Do you return to the above residence at least once a month? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO* * If your answer is NO, you do not qualify for the reciprocity exemption.</p> <p><b>4</b> Were you ever a resident of Minnesota? ..... <input type="checkbox"/> YES, from _____ to _____ <input type="checkbox"/> NO (month/year) (month/year)</p>					
Employer Information	<div style="border: 2px solid black; padding: 10px; text-align: center;"> <h2>Click here to use the form.</h2> </div>					
	Current employer's		Federal tax ID			
	Employer's mailing address				Employer's phone	
	City		State		Zip code	
Employee's Signature	<p>I declare that the above information is correct and complete to the best of my knowledge and belief. I understand there is a \$500 penalty for making false statements.</p>					
	Employee's signature		Date		Employee's phone	

**Employers:** Mail this form to Minnesota Revenue, Mail Station 6501, St. Paul, MN 55146-6501.  
Keep a copy for your records.

**Note:** If this form is not filled out completely, you must withhold Minnesota income tax from wages earned in Minnesota.



## Reciprocity Exemption from Withholding For North Dakota residents who work in Montana

### Employee Information

First Name and Initial	Last Name	Social Security Number [ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]	
Permanent Address	City	State	Zip Code
Mailing Address (if different than permanent address)	City	State	Zip Code

### Employee Residency Information

- Enter the taxable year for which this affidavit is being submitted .....
- Was North Dakota your state of legal residence during the entire taxable year for which this affidavit is being submitted? ..... ☐ Yes ☐ No
- Were you ever ..... ☐ Yes ☐ No  
If yes, enter the .....
- Enter the wages you earned in Montana from the employer listed below during the previous year ..... \$ .....

**Click here to use the form.**

### Employer Information

Employer Name	Employer FEIN [ ][ ] - [ ][ ][ ][ ][ ][ ][ ]	Employer Phone Number ( [ ][ ][ ] ) [ ][ ][ ] - [ ][ ][ ][ ]	
Employer's Mailing Address	City	State	Zip Code

### Employee's Signature

I swear under penalty of false swearing that the information in this affidavit is true, correct and complete.

\_\_\_\_\_  
Signature

Date

( [ ][ ][ ] ) [ ][ ][ ] - [ ][ ][ ][ ]  
Daytime Phone

**Employee** - Please make a copy for your records. Give this completed form to your employer.

**Employer** - Please verify the employer information, including the FEIN, is correct. Make a copy for your records. Mail this form to Montana Department of Revenue, PO Box 5805, Helena, MT 59604-5805.

Note: If this form is not filled out completely, you will need to withhold Montana income tax from wages earned in Montana.



STATE OF NEW JERSEY  
Department of the Treasury  
Division of Taxation  
PO Box 269  
Trenton, NJ 08695-0269

EMPLOYEE'S CERTIFICATE OF NONRESIDENCE IN NEW JERSEY

*Please Print or Type*

First Name MI Last Name Social Security No.

Street Address

City State Zip Code

PENNSYLVANIA RESIDENTS

I hereby declare, under penalties of perjury, that I am a resident of the State of Pennsylvania and that, pursuant to a reciprocal agreement existing between that State and the State of New Jersey, I claim exemption from withholding of New Jersey Gross Income Tax on compensation paid to me in the State of New Jersey and authorize my employer to withhold Pennsylvania Personal Income Taxes on my behalf.

**Note:** If you change

**Click here to use the form.**

in 10 days.

(Date)

(Signature)

MILITARY SPOUSES

Under the Servicemember Civil Relief Act (SCRA), as amended by the Military Spouses Residency Relief Act, you may be exempt from New Jersey income tax on your wages if (i) your spouse is a member of the armed forces present in New Jersey in compliance with military orders; (ii) you are present in New Jersey solely to be with your spouse; and (iii) you maintain your domicile in another state. If you claim exemption under the SCRA, attach a copy of your spousal military identification card to Form NJ-165.

I certify that I am not subject to New Jersey withholding. I meet the conditions set forth under the Servicemember Civil Relief Act, as amended by the Military Spouses Residency Relief Act.

(Date)

(Signature)

NEW JERSEY EMPLOYER:

You are required to have a copy of this form on file for each employee receiving compensation paid in New Jersey and who is a resident of Pennsylvania and claims exemption from withholding of New Jersey Gross Income Tax under the reciprocal agreement entered into between New Jersey and Pennsylvania or who claims exemption from withholding of New Jersey Gross Income Tax under the Servicemember Civil Relief Act, as amended by the Military Spouses Residence Relief Act. **Do not forward this Form to the Division of Taxation.**

MAY BE REPRODUCED

DO NOT FORWARD THIS FORM TO THE DIVISION OF TAXATION

Form

North Dakota Office of State Tax Commissioner



**NDW-R**

**Reciprocity exemption from withholding for qualifying Minnesota and Montana residents working in North Dakota**

▶ Please type or print in black or blue ink. Fill in circles completely.

▶ See instructions on back before completing

For calendar year: **20**\_\_\_\_\_

### Employee information

Employee's name (last, first, middle initial)

Employee's social security number

Employee's permanent address

State (fill in  
applicable circle)

☐ Minnesota

☐ Montana

City

Zip code

### Employee residency information

1. I have lived at the above address since (month/day/year): \_\_\_\_\_  
Month/Day/Year

2. Will you return to the state of residence you lived in before moving to North Dakota? **Click here to use the form.** and answer "No" to this exemption.

3. Were you ever a resident of North Dakota in the past three years? ☐ Yes ☐ No

If yes, fill in the dates you were a North  
Dakota resident (month/day/year):

\_\_\_\_\_ to \_\_\_\_\_  
Month/Day/Year

\_\_\_\_\_  
Month/Day/Year

4. Fill in the wages you earned in North Dakota during the previous calendar year: \_\_\_\_\_

### Employer information

Current employer's name

Employer's federal ID

Employer's mailing address

Phone number

City

State

Zip code

### Employee's signature

I declare under the penalties of North Dakota Century Code §12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this form has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

Employee's signature

Date signed

Employee's daytime phone number

**Employee** - Make a copy for your records. Give this completed form to your employer.

**Employer** - Verify that the Employer's Federal ID is correct. Make a copy for your records.

Mail this form to: Office of State Tax Commissioner, 600 E Boulevard Ave., Dept. 127, Bismarck, ND 58505-0599.

[www.nd.gov/tax](http://www.nd.gov/tax)

Ohio Form IT 4NR  
Statement of Residency

Click here to use the form.

 please detach here



Department of  
Taxation

Employee's Statement of Residency  
in a Reciprocity State

IT 4NR  
Rev. 5/07

Print full name \_\_\_\_\_ Social Security number \_\_\_\_\_

Home address and ZIP code \_\_\_\_\_

**Ohio employers:** You are required to have a copy of this form on file for each employee who is a resident of Indiana, Kentucky, West Virginia, Michigan or Pennsylvania receiving compensation paid in Ohio and who claims exemption from withholding of Ohio income tax under the reciprocal agreements between Ohio and these other states.

**Employees residing outside Ohio and in a state with whom Ohio has reciprocity:** If you are a resident of a state with whom Ohio has reciprocity, you may claim exemption from withholding of Ohio income tax by completing this form and filing it with your employer under the reciprocal withholding agreements between Ohio and these states.

**Note:** If you change your residence from the state specified herein to any other state, you must notify your employer within 10 days.

I hereby declare, under penalties of perjury, that I am a resident of the state of \_\_\_\_\_ and that, pursuant to an agreement existing between that state and the state of Ohio, I claim exemption from withholding of Ohio income tax on compensation paid to me in the state of Ohio.

Signature \_\_\_\_\_ Date \_\_\_\_\_



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
BUREAU OF BUSINESS TRUST FUND TAXES  
PO BOX 280904  
HARRISBURG, PA 17128-0904

**EMPLOYEE'S STATEMENT  
OF NONRESIDENCE IN  
PENNSYLVANIA AND  
AUTHORIZATION TO WITHHOLD  
OTHER STATE'S INCOME TAX**

PLEASE PRINT OR TYPE

**Employer Instructions:** You must keep a copy of this form on file for each employee who claims exemption from withholding of Pennsylvania Personal Income Tax on compensation received in Pennsylvania and who authorizes withholding of income tax for another state for remittance to that state. Send the bottom portion of this form to the PA Department of Revenue, Bureau of Business Trust Fund Taxes, PO BOX 280904, Harrisburg, PA 17128-0904. Photocopies of this form are acceptable. Unless the state of residence changes, it is not necessary to refile this statement each year.

**Employee Instructions:** You must complete both portions of this form to claim an exemption from withholding of Pennsylvania Personal Income Tax and to authorize withholding of your state's income tax. Only residents of the states listed on this form are eligible for exemption of withholding from Pennsylvania since they are the only states with which there is a reciprocal agreement. If you change your residence from the state specified on this form, you must notify your employer and complete a new form within 10 days of that change of residence.

**CUT HERE**

**EMPLOYER COPY (EMPLOYEE COMPLETES INFORMATION BELOW AND SIGNS)**

Employee name: First, Middle Initial, Last		Social Security Number
Home Address		
City	State	Zip Code
I hereby declare that, under penalties of perjury, I am a resident of the state checked below: <input type="checkbox"/> INDIANA <input type="checkbox"/> MARYLAND <input type="checkbox"/> OHIO <input type="checkbox"/> NEW JERSEY <input type="checkbox"/> VIRGINIA <input type="checkbox"/> WEST VIRGINIA and that pursuant to the reciprocal agreement between those states, I claim an exemption from withholding of Pennsylvania Personal Income Tax and authorize my employer to withhold income tax for my resident state on compensation paid to me in the Commonwealth of Pennsylvania.		
Employee's Signature	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <b>Click here to use the form.</b> </div>	

**(EMPLOYER COMPLETES INFORMATION BELOW)**

Employer Name:	Federal Employer Identification Number (EIN)
Business Address	Telephone Number (       )
City	State       Zip Code

**CUT HERE**

**COPY TO BE SENT TO THE COMMONWEALTH OF PENNSYLVANIA  
(EMPLOYEE COMPLETES INFORMATION BELOW AND SIGNS)**

Employee name: First, Middle Initial, Last		Social Security Number
Home Address		
City	State	Zip Code
I hereby declare that, under penalties of perjury, I am a resident of the state checked below: <input type="checkbox"/> INDIANA <input type="checkbox"/> MARYLAND <input type="checkbox"/> OHIO <input type="checkbox"/> NEW JERSEY <input type="checkbox"/> VIRGINIA <input type="checkbox"/> WEST VIRGINIA and that pursuant to the reciprocal agreement between those states, I claim an exemption from withholding of Pennsylvania Personal Income Tax and authorize my employer to withhold income tax for my resident state on compensation paid to me in the Commonwealth of Pennsylvania.		
Employee's Signature	Date	

**(EMPLOYER COMPLETES INFORMATION BELOW)**

Employer Name:	Federal Employer Identification Number (EIN)
Business Address	Telephone Number (       )
City	State       Zip Code



# FORM VA-4

COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF TAXATION  
**PERSONAL EXEMPTION WORKSHEET**  
(See back for instructions)

1. If you wish to claim yourself, write "1" .....
2. If you are married and your spouse is not claimed  
on his or her own certificate, write "1" .....
3. Write the number of dependents you will be allowed to claim  
on your income tax return (do not include your spouse).....
4. Subtotal Personal Exemptions (add lines 1 through 3).....
5. Exemptions for age
  - (a) If you will be 65 or older on January 1, write "1" .....
  - (b) If you claimed an exemption on line 2 and your spouse  
will be 65 or older on January 1, write "1" .....
6. Exemptions for blindness
  - (a) If you are legally blind, write "1" .....
  - (b) If you claimed an exemption on line 2 and your  
spouse is legally blind, write "1" .....
7. Subtotal exemptions for age and blindness (add lines 5 through 6) .....
8. Total of Exemptions - add line 4 and line 7 .....

**Click here to use the form.**

Detach here and give the certificate to your employer. Keep the top portion for your records

**FORM VA-4 EMPLOYEE'S VIRGINIA INCOME TAX WITHHOLDING EXEMPTION CERTIFICATE**

Your Social Security Number	Name		
Street Address			
City	State	Zip Code	

**COMPLETE THE APPLICABLE LINES BELOW**

1. If subject to withholding, enter the number of exemptions claimed on:
  - (a) Subtotal of Personal Exemptions - line 4 of the  
Personal Exemption Worksheet.....
  - (b) Subtotal of Exemptions for Age and Blindness  
line 7 of the Personal Exemption Worksheet .....
  - (c) Total Exemptions - line 8 of the Personal Exemption Worksheet.....
2. Enter the amount of additional withholding requested (see instructions).....
3. I certify that I am not subject to Virginia withholding. I meet the conditions  
set forth in the instructions ..... (check here) ☐
4. I certify that I am not subject to Virginia withholding. I meet the conditions set forth  
Under the Service member Civil Relief Act, as amended by the Military Spouses  
Residency Relief Act ..... (check here) ☐

Signature

Date

EMPLOYER: Keep exemption certificates with your records. If you believe the employee has claimed too many exemptions, notify the Department of Taxation, P.O. Box 1115, Richmond, Virginia 23218-1115, telephone (804) 367-8037. Note: Employers may establish a system to electronically receive Forms VA-4 from employees, provided the system meets Internal Revenue Service requirements as specified in § 31.3402(f)(5)-1(c) of the Treasury Regulations (26 CFR).



## WEST VIRGINIA EMPLOYEE'S WITHHOLDING EXEMPTION CERTIFICATE FORM WV/IT-104

Complete this form and present it to your employer to avoid any delay in adjusting the amount of state income tax to be withheld from your wages.

If you do not complete this form, the amount of tax that is now being withheld from your pay may not be sufficient to cover the total amount of tax due the state when filing your personal income tax return after the close of the year. You may be subject to a penalty on tax owed the state.

Individuals are permitted a maximum of one exemption for themselves, plus an additional exemption for their spouse and any dependent other than their spouse that they expect to claim on their tax return.

If you are married and both you and your spouse work and you file a joint income tax return, or if you are working two or more jobs, the revised withholding tables should result in a more accurate amount of tax being withheld.

If you are Single, Head of Household, or Married and your spouse does not work, and you are receiving wages from only one job, and you wish to have your tax withheld at a lower rate, you must check the box on line 5.

When required  
to the payor.

**Click here to use the form.**

Completed form

If you determine the amount of tax being withheld is insufficient, you may reduce the number of exemptions you are claiming or request additional taxes be withheld from each payroll period. Enter the additional amount you want to have withheld on line 6.

----- cut here -----

WV/IT-104  
Rev. 12/09

### WEST VIRGINIA EMPLOYEE'S WITHHOLDING EXEMPTION CERTIFICATE



Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

1. If SINGLE, and you claim an exemption, enter "1", if you do not, enter "0" \_\_\_\_\_
2. If MARRIED, one exemption each for husband and wife if not claimed on another certificate.
  - (a) If you claim both of these exemptions, enter "2" ☐
  - (b) If you claim one of these exemptions, enter "1" ☐
  - (c) If you claim neither of these exemptions, enter "0" ☐
3. If you claim exemptions for one or more dependents, enter the number of such exemptions. \_\_\_\_\_
4. Add the number of exemptions which you have claimed above and enter the total \_\_\_\_\_
5. If you are Single, Head of Household, or Married and your spouse does not work, and you are receiving wages from only one job, and you wish to have your tax withheld at a lower rate, check here \_\_\_\_\_ ☐
6. Additional withholding per pay period under agreement with employer, enter amount here \_\_\_\_\_ \$ \_\_\_\_\_

Note that special withholding allowances provided on Federal Form W-4 may not be claimed on your West Virginia Form WV/IT-104. I CERTIFY, under penalties provided by law, that the number of exemptions claimed in this certificate is not in excess of those to which I am entitled.

Date \_\_\_\_\_

Signature \_\_\_\_\_

NONRESIDENTS-SEE REVERSE SIDE

**Click here to use the form.**

----- cut here -----

WV/IT-104  
Rev. 12/09

**WEST VIRGINIA CERTIFICATE OF NONRESIDENCE**



This form is to be completed by employees who reside in Kentucky, Maryland, Ohio, Pennsylvania, Virginia or by an employee who is a Military Spouse exempt from income tax on wages.

If you are a resident of Kentucky, Maryland, Ohio, Pennsylvania or Virginia and your only source of income from West Virginia is wages or salaries, you are exempt from West Virginia Personal Income Tax Withholding. Upon receipt of this form, properly completed, your employer is authorized to discontinue the withholding of West Virginia Income Tax from your wages or salaries earned in West Virginia.

If you are a military spouse and (a) your spouse is a member of the armed forces present in West Virginia in compliance with military orders; (b) you are present in West Virginia solely to be with your spouse; and (c) you maintain your domicile in another State and you are claiming exemption under the Servicemember Civil Relief Act, enter your state of domicile (legal residence) on the following statement and attach a copy of your spousal military identification card.

I certify that I am a legal resident of the state of \_\_\_\_\_ and am not subject to West Virginia withholding because I meet the requirements set forth under the Servicemembers Civil Relief Act, as amended by the Military Spouses Residency Relief Act.

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

I hereby certify, under penalties provided by law, that I am not a resident of West Virginia, that I reside in the State of \_\_\_\_\_ and live at the address shown on this certificate, and request is hereby made to my employer to NOT withhold West Virginia income tax from wages paid to me. If at any time hereafter I become a resident of West Virginia, or otherwise lose my status of being exempt from West Virginia withholding taxes, I will properly notify my employer of such fact within ten (10) days from the date of change so that my employer may then withhold West Virginia income tax from my wages.

I certify that the above statements are true, correct, and complete.

Date \_\_\_\_\_ Signature \_\_\_\_\_

## NONRESIDENT EMPLOYEE'S WITHHOLDING RECIPROCITY DECLARATION

(To be filed with your Wisconsin employer)

Employee's Name (first name, middle initial & last name)	Social Security Number		I declare that while working in Wisconsin I am a legal resident of:  <input type="checkbox"/> Illinois <input type="checkbox"/> Kentucky <input type="checkbox"/> Indiana <input type="checkbox"/> Michigan	
Employee's Home Address (number and street)				
City or Post Office	State	Zip Code	Employee's Signature	Date

NOTE: THIS DECLARATION MAY ONLY BE USED BY A NONRESIDENT WORKING IN WISCONSIN WHO IS A LEGAL RESIDENT OF ILLINOIS, INDIANA, KENTUCKY, OR MICHIGAN.

Reciprocal agreements Wisconsin has with Illinois, Indiana, Kentucky, and Michigan exempt legal residents of those states from Wisconsin income taxes on compensation (e.g., wages, fees, commissions) earned for personal services performed in Wisconsin.

A nonresident employee qualifying for this exemption must complete and file this declaration with his or her employer as authorization for the employer to stop the withholding of Wisconsin income taxes. If the employer has withheld Wisconsin income taxes while the employee qualifies for the exemption, the employee must file a Wisconsin income tax return (Form 1NPR), during the regular filing season, requesting a refund of those income taxes.

**Click here to use the form.**

### State Unemployment Insurance Taxable Wage Bases – 2016/2017

State/Territory	2016	2017	State/Territory	2016	2017
Alabama	\$8,000	\$8,000	Nevada	\$28,200	\$28,200
Alaska	\$39,700	\$39,800	New Hampshire	\$14,000	\$14,000
Arizona	\$7,000	\$7,000	New Jersey	\$32,600	\$32,600
Arkansas	\$12,000	\$12,000	New Mexico	\$24,100	\$23,400
California	\$7,000	\$7,000	New York	\$10,700	\$10,500
Colorado	\$12,200	\$12,500	North Carolina	\$22,300	\$23,100
Connecticut	\$15,000	\$15,000	North Dakota	\$37,200	\$35,100
Delaware	\$18,500	\$18,500	Ohio	\$9,000	\$9,000
District of Columbia	\$9,000	\$9,000	Oklahoma	\$17,500	\$17,700
Florida	\$7,000	\$7,000	Oregon	\$36,900	\$38,400
Georgia	\$9,500	\$9,500	Pennsylvania	\$9,500	\$9,750
Hawaii	\$42,200	\$44,000	Puerto Rico	\$7,000	\$7,000
Idaho	\$37,200	\$37,800	Rhode Island**	\$22,000	\$22,400
Illinois	\$12,960	\$12,960	South Carolina	\$14,000	\$14,000
Indiana	\$9,500	\$9,500	South Dakota	\$15,000	\$15,000
Iowa	\$28,300	\$29,300	Tennessee	\$8,000	\$8,000
Kansas	\$14,000	\$14,000	Texas	\$9,000	\$9,000
Kentucky	\$10,200	\$10,200	Utah	\$32,000	\$33,100
Louisiana	\$7,700	\$7,700	Vermont	\$16,800	\$17,300
Maine	\$12,000	\$12,000	Virginia	\$8,000	\$8,000
Maryland	\$8,500	\$8,500	Washington	\$44,000	\$45,000
Massachusetts	\$15,000	\$15,000	West Virginia	\$12,000	\$12,000
Michigan	\$9,500		Wisconsin	\$14,000	\$14,000
Minnesota	\$31,000	\$32,000	Wyoming	\$25,500	\$25,400
Mississippi	\$14,000	\$14,000			
Missouri	\$13,000	\$13,000			
Montana	\$30,500	\$31,400			
Nebraska	\$9,000	\$9,000			

\*\*Rhode Island – The 2017 taxable wage base for employers in the highest UI tax rate group is \$23,900.

### State Disability Insurance Wage Bases and Tax Rates

State	Wage Base		Contribution Rate	
	2016	2017	2016	2017
California	\$106,742 (annual)	\$110,902 (annual)	0.9% of annual wages up to wage base	0.9% of annual wages up to wage base
Hawaii	\$ 982.36 (weekly)	\$ 1,023.31 (weekly)	Maximum of 0.5% of weekly wages up to wage base	Maximum of 0.5% of weekly wages up to wage base
New Jersey	\$32,600 (annual)	\$33,500 (annual)	0.5% of annual wages up to wage base	0.5% of annual wages up to wage base
New York	\$120.00 (weekly)	\$120.00 (weekly)	0.5% of weekly wages up to maximum of \$0.60	0.5% of weekly wages up to maximum of \$0.60
Puerto Rico	\$9,000 (annual)	\$9,000 (annual)	0.3% of annual wages up to wage base	0.3% of annual wages up to wage base
Rhode Island	\$66,300 (annual)	\$68,100 (annual)	1.2% of annual wages up to wage base	1.2% of annual wages up to wage base

Table of State Payday Requirements				
State	Weekly	Bi-weekly	Semi-monthly	Monthly
Alaska			X	X
Arizona			X <sup>3</sup>	
Arkansas			X	
California	X <sup>9</sup>	X <sup>9</sup>	X	
Colorado				X
Connecticut	X <sup>4</sup>			
Delaware				X
District of Columbia			X	
Georgia			X	
Hawaii			X	X <sup>5</sup>
Idaho				X
Illinois			X	X <sup>2</sup>
Indiana		X	X	
Iowa	X	X <sup>6</sup>	X	X
Kansas				X
Kentucky			X	
Louisiana		X	X <sup>7</sup>	
Maine			X <sup>8</sup>	
Maryland		X	X	
Massachusetts	X	X		
Michigan <sup>9</sup>	X	X	X	X
Minnesota			X <sup>10</sup>	X <sup>10</sup>
Mississippi		X <sup>11</sup>	X <sup>11</sup>	
Missouri			X	
Montana <sup>12</sup>				
Nebraska <sup>13</sup>				
Nevada			X	X <sup>2</sup>
New Hampshire	X			
New Jersey			X	X <sup>21</sup>
New Mexico			X	X <sup>2</sup>

<b>New York</b>	<b>X<sup>14</sup></b>		<b>X<sup>14</sup></b>	
<b>North Carolina</b> <sup>15</sup>				
<b>North Dakota</b>				<b>X</b>
<b>Ohio</b>			<b>X</b>	
<b>Oklahoma</b>			<b>X</b>	
<b>Oregon</b>				<b>X</b>
<b>Pennsylvania</b> <sup>13</sup>				
<b>Rhode Island</b>	<b>X<sup>16</sup></b>	<b>X<sup>16</sup></b>	<b>X<sup>16</sup></b>	
<b>South Dakota</b>				<b>X</b>
<b>Tennessee</b>			<b>X</b>	
<b>Texas</b>			<b>X</b>	<b>X<sup>17</sup></b>
<b>Utah</b>			<b>X<sup>18</sup></b>	<b>X<sup>18</sup></b>
<b>Vermont</b>	<b>X</b>	<b>X<sup>19</sup></b>	<b>X<sup>19</sup></b>	
<b>Virginia</b>		<b>X<sup>20</sup></b>	<b>X<sup>20</sup></b>	<b>X<sup>2</sup></b>
<b>Washington</b>				<b>X</b>
<b>West Virginia</b>		<b>X</b>		
<b>Wisconsin</b>				<b>X</b>
<b>Wyoming</b>			<b>X</b>	

1 **Alabama and South Carolina.** No regulations or not specified.

2 **Illinois, Nevada, New Mexico and Virginia.** Monthly payday requirements for Executive, Administrative, and Professional personnel.

3 **Arizona.** Payday two or more days in a month, not more than 16 days apart.

4 **Connecticut.** Longer interval (up to monthly) permitted if approved by labor commissioner.

5 **Hawaii.** Employees may choose to be paid on a monthly basis under special election procedure. Director of labor and industrial relations also may grant exceptions to the general semi-monthly payday requirement. Payday requirement applies only to private sector employment.

6 **Iowa.** Any predictable and reliable pay schedule is permitted as long as employees get paid at least monthly and no later than 12 days (excluding Sundays and legal holidays) from the end of the period when the wages were earned. This can be waived by written agreement; employees on commission have different requirements.

7 **Louisiana.** Applicable to entities employing 10 or more employees that are engaged in manufacturing, mining, or boring for oil, and to every public service corporation. Payment is required no less than twice during each calendar month.

8 **Maine.** Payment due at regular intervals not to exceed 16 days.

9 **California and Michigan.** Frequency of payday depends on the occupation.

10 **Minnesota.** Under Minnesota statute, employers are required to pay their employees for all wages due at least once every 31 days. Employees engaged in transitory employment must be paid at intervals of not more than 15 days. Employees of "public service corporations doing business within this state" are required to be paid at least semimonthly the wages earned by them to within 15 days of the date of such payment, unless prevented by inevitable casualty.

11 **Mississippi.** Applicable to every entity engaged in manufacturing of any kind in the State employing 50 or more employees and employing public labor, and to every public service corporation doing business in the State. Payment is required once every two weeks or twice during each calendar month.

12 **Montana.** If there is not an established time period or time when wages are due and payable, the pay period is presumed to be semimonthly in length.

13 **Nebraska.** Payday designated by employer.

14 **New York.** Weekly payday for manual workers. Semi-monthly payday upon approval for manual workers and for clerical and other workers.

15 **North Carolina.** None specified, pay periods may be daily, weekly, bi-weekly, semi-monthly or monthly.

16 **Rhode Island.** Childcare providers shall have the option to be paid every two weeks.

Effective January 1, 2014, employers that meet certain requirements outlined in Rhode Island General Law Section 28-14-2.2 may petition the Rhode Island Department of Labor and Training for permission to pay employees less frequently than weekly, but must pay wages at least twice a month.

17 **Texas.** Monthly payday for employees exempt from overtime provisions of the Fair Labor Standards Act.

18 **Utah.** Employees on a yearly salary can be paid on a monthly basis.

19 **Vermont.** Employers may implement bi-weekly and semi-monthly payday with written notice.

20 **Virginia.** Employees whose weekly wages total more than 150 percent of the average weekly wage of the Commonwealth may be paid monthly, upon agreement of each affected employee.

21 **New Jersey.** Employer may pay bona fide executive, supervisory and other special classifications of employees once per month.

Note: South Carolina. Employers with 5 or more employees are required to give written notice at the time of hiring to all employees advising them of their wages agreed upon, and the time and place of payment along with their expected hours of work. The employer must pay on the normal time and at the place of payment established by the employer.

*Prepared By:*

**Division of Communications  
Wage and Hour Division  
U.S. Department of Labor**



State	Final Paycheck Deadline
Alabama	No statute
Alaska	If employee is fired: within seven working days. If employee quits: next regular payday at least three days after employee gives notice. (Alaska Stat. § 23.05.140.)
Arizona	If employee is fired: within seven working days or next payday, whichever is sooner. If employee quits: next payday. (Ariz. Rev. Stat. Ann. § 23-353.)
Arkansas	If employee is fired: within seven days from discharge. (Arkansas Code § 11-4-405.)
California	If employee is fired: immediately. If employee quits: within 72 hours, or immediately if employee has given at least 72 hours' notice. (Cal. Lab. Code §§ 201, 202, and 227.3.)
Colorado	If employee is fired: immediately. (Within six hours of start of next workday, if payroll unit is closed; 24 hours if unit is offsite.) Employer decides check delivery. If employee quits: next scheduled payday. (Colo. Rev. Stat. Ann. § 8-4-109.)
Connecticut	If employee is fired: next business day after discharge. If employee quits: next scheduled payday. (Conn. Gen. Stat. Ann. § 31-71c.)
Delaware	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (Del. Code Ann. tit. 19, § 1103.)
District of Columbia	If employee is fired: next business day. If employee quits: next scheduled payday or within seven days, whichever is sooner. (D.C. Code § 32-1303.)
Florida	No statute
Georgia	No statute
Hawaii	If employee is fired: immediately or next business day, if conditions prevent immediate payment. If employee quits: next scheduled payday or immediately, if employee gives one pay period's notice. (Haw. Rev. Stat. § 388-3.)
Idaho	If employee is fired: next payday or within 10 days (excluding weekends & holidays) whichever is sooner. If employee makes a written request for earlier payment, within 48 hours of receiving request (excluding weekends & holidays). If employee quits: next payday or within 10 days (excluding weekends & holidays), whichever is sooner. If employee makes a written request for earlier payment, within 48 hours of receiving request (excluding weekends & holidays). (Idaho Code §§ 45-606, 45-617.)
Illinois	If employee is fired: at time of separation if possible, but no later than next payday. If employee quits: at time of separation if possible, but no later than next payday. (820 Ill. Comp. Stat. 115/5.)
Indiana	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. If employee has not provided a forwarding address, employer may wait until 10 days after employee demands wages or until employee provides an address where the check may be mailed. (Ind. Code §§ 22-2-9-1 and 22-2-5-1.)
Iowa	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (Iowa Code Ann. § 91A.4.)
Kansas	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (Kan. Stat. Ann. § 44-315.)
Kentucky	If employee is fired: next scheduled payday or within 14 days, whichever is later. If employee quits: next scheduled payday or within 14 days, whichever is later. (Ky. Rev. Stat. Ann. § 337.055.)
Louisiana	If employee is fired: next payday or within 15 days, whichever is earlier. If employee quits: next payday or within 15 days, whichever is earlier. (La. Rev. Stat. Ann. § 23:631.)
Maine	If employee is fired: next scheduled payday or within two weeks after demand, whichever is earlier. If employee quits: next scheduled payday or within two weeks after demand, whichever is earlier. (Me. Rev. Stat. Ann. tit. 26, § 626.)
Maryland	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (Md. Lab. & Emp. Code Ann. § 3-505.)
Massachusetts	If employee is fired: day of discharge. If employee quits: next payday. If no scheduled payday, then following Saturday. (Mass. Ann. Laws ch. 149 § 148.)
Michigan	If employee is fired: next payday. If employee quits: next payday. (Mich. Comp. Laws §§ 408.474 and 408.475.)
Minnesota	If employee is fired: immediately. If employee quits: next payday. If payday is less than five days after last day of work, employer may pay on the following payday or 20 days after last day of work, whichever is earlier. (Minn. Stat. §§ 181.13 and 181.14.)
Mississippi	No statute
Missouri	If employee is fired: day of discharge. (Mo. Ann. Stat. § 290.110.)
Montana	If employee is laid off or fired for cause: immediately. Employer may have a written policy earlier, extending this time to the next payday or within 15 days, whichever is earlier. If employee quits: next payday or within 15 days, whichever is earlier. (Mont. Code Ann. § 39-3-205.)
Nebraska	If employee is fired: next scheduled payday or within two weeks, whichever occurs first If employee quits: next payday or within two weeks, whichever is earlier. (Neb. Rev. Stat. § 48-1230.)
Nevada	If employee is fired: immediately. If employee quits: next scheduled payday or within seven days, whichever is earlier. (Nev. Rev. Stat. §§ 608.020 and 608.030.)

State	Final Paycheck Deadline
New Hampshire	If employee is fired: within 72 hours. If employee is laid off, employer may wait until the next payday. If employee quits: next scheduled payday or within 72 hours, if employee gives one pay period's notice. (N.H. Rev. Stat. Ann. § 275:44.)
New Jersey	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (N.J. Stat. Ann. § 34:11-4.3.)
New Mexico	If employee is fired: within five days. If employee quits: next payday. (N.M. Stat. Ann. §§ 50-4-4, 50-4-5.)
New York	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (N.Y. Labor Laws § 191.)
North Carolina	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (N.C. Gen. Stat. § 95.25.7.)
North Dakota	If employee is fired: next payday or within 15 days, whichever is earlier. If employee quits: next payday. (N.D. Cent. Code § 34-14-03.)
Ohio	If employee is fired or quits: next regularly scheduled pay date, or within fifteen (15) days, employee who quits his or her job is entitled to receive his or her final paycheck on or before the next regularly scheduled pay date.. (Ohio Rev. Code Ann. § 4113.15.)
Oklahoma	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (Okla. Stat. Ann. tit. 40, § 165.3.)
Oregon	If employee is fired: end of first business day after termination (must be within five days if employee submits time records to determine wages due). If employee quits: immediately, if employee has given 48 hours' notice (excluding weekends & holidays). Without notice, within five days or the next payday, whichever occurs first. (must be within five days if employee submits time records to determine wages due). (Or. Rev. Stat. § 652.140.)
Pennsylvania	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (43 Pa. Cons. Stat. Ann. § 260.5.)
Rhode Island	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (R.I. Gen. Laws § 28-14-4.)
South Carolina	If employee is fired: within 48 hours or next scheduled payday, but not more than 30 days. (S.C. Codified Laws § 41-10-50.)
South Dakota	If employee is fired: next payday or when employee returns employer's property. If employee quits: next payday or when employee returns employer's property. (S.D. Codified Laws §§ 60-11-10 and 60-11-14.)
Tennessee	If employee is fired: next scheduled payday or within 21 days, whichever is later. If employee quits: next scheduled payday or within 21 days, whichever is later. (Tenn. Code. Ann. § 50-2-103.)
Texas	If employee is fired: within six days. If employee quits: next payday. (Texas Code Ann., Labor § 61.014)
Utah	If employee is fired: within 24 hours. If employee quits: next scheduled payday. (Utah Code Ann. § 34-28-5.)
Vermont	If employee is fired: within 72 hours. If employee quits: next scheduled payday or, if no scheduled payday exists, the next Friday. (Vt. Stat. Ann. tit. 21, § 342.)
Virginia	If employee is fired: next scheduled payday. If employee quits: next scheduled payday. (Va. Code § 40.1-29.)
Washington	If employee is fired: end of next pay period. If employee quits: end of next pay period. (Wash. Rev. Code § 49.48.010.)
West Virginia	If employee is fired: within 72 hours. If employee quits: Immediately, if employee has given one pay period's notice; otherwise, next scheduled payday. (W. Va. Code § 21-5-4.)
Wisconsin	If employee is fired: next payday or within one month, whichever is earlier. If termination is due to merger, relocation, or liquidation of business, within 24 hours. If employee quits: next payday. (Wis. Stat. Ann. § 109.03.)
Wyoming	If employee is fired: five working days. If employee quits: five working days. (Wyo. Stat. Ann. § 27-4-104.)

# Form W-4 (2016)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2016 expires February 15, 2017. See Pub. 505, Tax Withholding and Estimated Tax.

**Note:** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,050 and includes more than \$350 of unearned income (for example, interest and dividends).

**Exceptions.** An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than \$1,000,000.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2016. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

**Future developments.** Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at [www.irs.gov/w4](http://www.irs.gov/w4).

## Personal Allowances Worksheet (Keep for your records.)

<b>A</b>	Enter "1" for <b>yourself</b> if no one else can claim you as a dependent . . . . .	<b>A</b>	_____
<b>B</b>	Enter "1" if: <div><div>• You are single and have only one job; or</div><div>• You are married, have only one job, and your spouse does not work; or</div><div>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</div></div> . . . . .	<b>B</b>	_____
<b>C</b>	Enter "1" for your <b>spouse</b> . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .	<b>C</b>	_____
<b>D</b>	Enter number of <b>dependents</b> (other than your spouse or yourself) you will claim on your tax return . . . . .	<b>D</b>	_____
<b>E</b>	Enter "1" if you will file as head of household on your tax return (see conditions under head of household below) . . . . .	<b>E</b>	_____
<b>F</b>	Enter "1" if you have a dependent who is a student or disabled person (see conditions under dependent below) . . . . .	<b>F</b>	_____
<b>G</b>	<b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. <div><div>• If your total income will be less than \$70,000 (\$100,000 if married), enter "2" for each eligible child; then <b>less</b> "1" if you have two to four eligible children or <b>less</b> "2" if you have five or more eligible children.</div><div>• If your total income will be between \$70,000 and \$84,000 (\$100,000 and \$119,000 if married), enter "1" for each eligible child . . . . .</div></div>	<b>G</b>	_____
<b>H</b>	Add lines A through G and enter total here. ( <b>Note:</b> This may be different from the number of exemptions you claim on your tax return.) ►	<b>H</b>	_____

For accuracy, complete all worksheets that apply.

• If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.

• If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$50,000 (\$20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.

• If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Click here to use the form.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form <b>W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b>		OMB No. 1545-0074
► <b>Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</b>		<b>2016</b>		
<b>1</b> Your first name and middle initial		Last name		<b>2</b> Your social security number
Home address (number and street or rural route)		<b>3</b> <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note:</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
City or town, state, and ZIP code		<b>4</b> If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>		
<b>5</b>	Total number of allowances you are claiming (from line <b>H</b> above or from the applicable worksheet on page 2)	<b>5</b>		
<b>6</b>	Additional amount, if any, you want withheld from each paycheck . . . . .	<b>6</b>	\$	
<b>7</b>	I claim exemption from withholding for 2016, and I certify that I meet <b>both</b> of the following conditions for exemption. <div><div>• Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b></div><div>• This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability.</div></div> If you meet both conditions, write "Exempt" here . . . . . ► <b>7</b>			
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
<b>Employee's signature</b> (This form is not valid unless you sign it.) ►				
<b>8</b> Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		<b>9</b> Office code (optional)	<b>10</b> Employer identification number (EIN)	

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2016)

**Deductions and Adjustments Worksheet****Note:** Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

<b>1</b>	Enter an estimate of your 2016 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% (7.5% if either you or your spouse was born before January 2, 1952) of your income, and miscellaneous deductions. For 2016, you may have to reduce your itemized deductions if your income is over \$311,300 and you are married filing jointly or are a qualifying widow(er); \$285,350 if you are head of household; \$259,400 if you are single and not head of household or a qualifying widow(er); or \$155,650 if you are married filing separately. See Pub. 505 for details . . . . .	<b>1</b>	\$	_____
<b>2</b>	Enter: $\left\{ \begin{array}{l} \$12,600 \text{ if married filing jointly or qualifying widow(er)} \\ \$9,300 \text{ if head of household} \\ \$6,300 \text{ if single or married filing separately} \end{array} \right\}$ . . . . .	<b>2</b>	\$	_____
<b>3</b>	<b>Subtract</b> line 2 from line 1. If zero or less, enter “-0-” . . . . .	<b>3</b>	\$	_____
<b>4</b>	Enter an estimate of your 2016 adjustments to income and any additional standard deduction (see Pub. 505)	<b>4</b>	\$	_____
<b>5</b>	<b>Add</b> lines 3 and 4 and enter the total. (Include any amount for credits from the <i>Converting Credits to Withholding Allowances for 2016 Form W-4</i> worksheet in Pub. 505.) . . . . .	<b>5</b>	\$	_____
<b>6</b>	Enter an estimate of your 2016 nonwage income (such as dividends or interest) . . . . .	<b>6</b>	\$	_____
<b>7</b>	<b>Subtract</b> line 6 from line 5. If zero or less, enter “-0-” . . . . .	<b>7</b>	\$	_____
<b>8</b>	<b>Divide</b> the amount on line 7 by \$4,050 and enter the result here. Drop any fraction . . . . .	<b>8</b>		_____
<b>9</b>	Enter the number from the <b>Personal Allowances Worksheet</b> , line H, page 1 . . . . .	<b>9</b>		_____
<b>10</b>	<b>Add</b> lines 8 and 9 and enter the total here. If you plan to use the <b>Two-Earners/Multiple Jobs Worksheet</b> , also enter this total on line 1 below. Otherwise, <b>stop here</b> and enter this total on Form W-4, line 5, page 1 . . . . .	<b>10</b>		_____

**Two-Earners/Multiple Jobs Worksheet** (See *Two earners or multiple jobs* on page 1.)**Note:** Use this worksheet *only* if the instructions under line H on page 1 direct you here.

<b>1</b>	Enter the number from line H, page 1 (or from line 10 above if you used the <b>Deductions and Adjustments Worksheet</b> )	<b>1</b>	_____
<b>2</b>	Find the number in <b>Table 1</b> below that applies to the <b>LOWEST</b> paying job and enter it here. <b>However</b> , if you are married filing jointly and wages from the highest paying job are \$65,000 or less, do not enter more than “3” . . . . .	<b>2</b>	_____
<b>3</b>	If line 1 is more than 3, enter “-0-” on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.	<b>3</b>	_____

**Click here to use the form.**

<b>4</b>	Enter the number from line 2 of this worksheet . . . . .	<b>4</b>	_____
<b>5</b>	Enter the number from line 1 of this worksheet . . . . .	<b>5</b>	_____
<b>6</b>	<b>Subtract</b> line 5 from line 4 . . . . .	<b>6</b>	_____
<b>7</b>	Find the amount in <b>Table 2</b> below that applies to the <b>HIGHEST</b> paying job and enter it here . . . . .	<b>7</b>	\$ _____
<b>8</b>	<b>Multiply</b> line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . . . .	<b>8</b>	\$ _____
<b>9</b>	Divide line 8 by the number of pay periods remaining in 2016. For example, divide by 25 if you are paid every two weeks and you complete this form on a date in January when there are 25 pay periods remaining in 2016. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck . . . . .	<b>9</b>	\$ _____

**Table 1****Table 2**

Married Filing Jointly				All Others			
If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above
\$0 - \$6,000	0	\$0 - \$9,000	0	\$0 - \$75,000	\$610	\$0 - \$38,000	\$610
6,001 - 14,000	1	9,001 - 17,000	1	75,001 - 135,000	1,010	38,001 - 85,000	1,010
14,001 - 25,000	2	17,001 - 26,000	2	135,001 - 205,000	1,130	85,001 - 185,000	1,130
25,001 - 27,000	3	26,001 - 34,000	3	205,001 - 360,000	1,340	185,001 - 400,000	1,340
27,001 - 35,000	4	34,001 - 44,000	4	360,001 - 405,000	1,420	400,001 and over	1,600
35,001 - 44,000	5	44,001 - 75,000	5	405,001 and over	1,600		
44,001 - 55,000	6	75,001 - 85,000	6				
55,001 - 65,000	7	85,001 - 110,000	7				
65,001 - 75,000	8	110,001 - 125,000	8				
75,001 - 80,000	9	125,001 - 140,000	9				
80,001 - 100,000	10	140,001 and over	10				
100,001 - 115,000	11						
115,001 - 130,000	12						
130,001 - 140,000	13						
140,001 - 150,000	14						
150,001 and over	15						

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Employer identification number (EIN)   -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

**Report for this Quarter of 2016**  
(Check one.)

- ☐ 1: January, February, March
- ☐ 2: April, May, June
- ☐ 3: July, August, September
- ☐ 4: October, November, December

Instructions and prior year forms are available at [www.irs.gov/form941](http://www.irs.gov/form941).

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1: Answer these questions for this quarter.**

1 Number of employees who received wages, tips, or other compensation for the pay period including: *Mar. 12* (Quarter 1), *June 12* (Quarter 2), *Sept. 12* (Quarter 3), or *Dec. 12* (Quarter 4) 1

2 Wages, tips, and other compensation . . . . . 2

3 Federal income tax withheld from wages, tips, and other compensation . . . . . 3

4 If no wages, tips, or other compensation were reported, enter -0000000000 and go to line 6.

**Click here to use the form.**

5a Taxable social security wages . .  × .124 =

5b Taxable social security tips . . .  × .124 =

5c Taxable Medicare wages & tips . .  × .029 =

5d Taxable wages & tips subject to Additional Medicare Tax withholding  × .009 =

5e Add Column 2 from lines 5a, 5b, 5c, and 5d . . . . . 5e

5f Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions) . . . 5f

6 Total taxes before adjustments. Add lines 3, 5e, and 5f . . . . . 6

7 Current quarter's adjustment for fractions of cents . . . . . 7

8 Current quarter's adjustment for sick pay . . . . . 8

9 Current quarter's adjustments for tips and group-term life insurance . . . . . 9

10 Total taxes after adjustments. Combine lines 6 through 9 . . . . . 10

11 Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter . . . . . 11

12 Balance due. If line 10 is more than line 11, enter the difference and see instructions . . . 12

13 Overpayment. If line 11 is more than line 10, enter the difference  Check one: ☐ Apply to next return. ☐ Send a refund.

► You MUST complete both pages of Form 941 and SIGN it.

Next ►

Name (not your trade name)

Employer identification number (EIN)

**Part 2: Tell us about your deposit schedule and tax liability for this quarter.**

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

**14 Check one:** ☐ Line 10 on this return is less than \$2,500 or line 10 on the return for the prior quarter was less than \$2,500, and you did not incur a \$100,000 next-day deposit obligation during the current quarter. If line 10 for the prior quarter was less than \$2,500 but line 10 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

☐ **You were a monthly schedule depositor for the entire quarter.** Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

**Tax liability: Month 1**

**Month 2**

**Month 3**

**Total liability for quarter**

**Total must equal line 10.**

☐ **You were a semiweekly schedule depositor for any part of this quarter.** Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

**Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.**

**15 If your business has closed or you stopped paying wages . . . . .** ☐ Check here, and

enter the final date

**Click here to use the form.**

**16 If you are a seasonal business . . . . .** ☐ Check here.

**Part 4: May we speak with your third-party designee?**

**Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS?** See the instructions for details.

☐ **Yes.** Designee's name and phone number

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS.

☐ **No.**

**Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



**Sign your name here**

**Print your name here**

**Print your title here**

**Date**  /  /

**Best daytime phone**

**Paid Preparer Use Only**

**Check if you are self-employed . . . . .** ☐

**Preparer's name**

**PTIN**

**Preparer's signature**

**Date**  /  /

**Firm's name (or yours if self-employed)**

**EIN**

**Address**

**Phone**

**City**  **State**

**ZIP code**

# Form 941-V, Payment Voucher

## Purpose of Form

Complete Form 941-V if you are making a payment with Form 941. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

## Making Payments With Form 941

To avoid a penalty, make your payment with Form 941 **only if**:

- Your total taxes after adjustments for either the current quarter or the preceding quarter (Form 941, line 10) are less than \$2,500, you didn't incur a \$100,000 next-day deposit obligation during the current quarter, and you are paying in full with a timely filed return; or
- You are a monthly schedule depositor making a payment in accordance with the Accuracy of Deposits Rule. See section 11 of Pub. 15 for details. In this case, the amount of your payment may be \$2,500 or more.

Otherwise, you must make deposits by electronic funds transfer. See section 11 of Pub. 15 for deposit instructions. Don't use Form 941-V to make federal tax deposits.



Use Form 941-V to make federal tax deposits. However, if you pay an amount with Form 941 that should have been deposited, you may be subject to a penalty. See Deposit Penalties in section 11 of Pub. 15.

## Specific Instructions

**Box 1—Employer identification number (EIN).** If you don't have an EIN, you may apply for one online. Go to IRS.gov and type "EIN" in the search box. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 941, write "Applied For" and the date you applied in this entry space.

**Box 2—Amount paid.** Enter the amount paid with Form 941.

**Box 3—Tax period.** Darken the circle identifying the quarter for which the payment is made. Darken only one circle.

**Box 4—Name and address.** Enter your name and address as shown on Form 941.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, "Form 941," and the tax period on your check or money order. Don't send cash. Don't staple Form 941-V or your payment to Form 941 (or to each other).

- Detach Form 941-V and send it with your payment to IRS. Form 941-V has the address and instructions for

**Click here to use the form.**

✂ **Detach Here and Mail With Your Payment and Form 941.** ✂

<b>Form 941-V</b> Department of the Treasury Internal Revenue Service		<b>Payment Voucher</b>		OMB No. 1545-0029	
<b>► Don't staple this voucher or your payment to Form 941.</b>				<b>2016</b>	
<b>1</b> Enter your employer identification number (EIN).		<b>2</b> Enter the amount of your payment. ► Make your check or money order payable to "United States Treasury"		Dollars	Cents
<b>3</b> Tax Period		<b>4</b> Enter your business name (individual name if sole proprietor).			
<input type="radio"/> 1st Quarter	<input type="radio"/> 3rd Quarter	Enter your address.			
<input type="radio"/> 2nd Quarter	<input type="radio"/> 4th Quarter	Enter your city, state, and ZIP code or your city, foreign country name, foreign province/county, and foreign postal code.			

Report of Tax Liability for Semiweekly Schedule Depositors

(Rev. January 2014) Department of the Treasury — Internal Revenue Service

OMB No. 1545-0029

Employer identification number (EIN)

Name (not your trade name)

Calendar year

(Also check quarter)

Report for this Quarter...

(Check one.)

- ☐ 1: January, February, March
- ☐ 2: April, May, June
- ☐ 3: July, August, September
- ☐ 4: October, November, December

Use this schedule to show your TAX LIABILITY for the quarter; DO NOT use it to show your deposits. When you file this form with Form 941 or Form 941-SS, DO NOT change your tax liability by adjustments reported on any Forms 941-X or 944-X. You must fill out this form and attach it to Form 941 or Form 941-SS if you are a semiweekly schedule depositor or became one because your accumulated tax liability on any day was \$100,000 or more. Write your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 (Circular E), Employer's Tax Guide, for details.

Month 1

1		9		17		25		Tax liability for Month 1
2		10		18		26		
3		11		19		27		
4		12		20		28		
5		13		21		29		
6		Click here to use the form.						
7								
8		16		24				

Month 2

1		9		17		25		Tax liability for Month 2
2		10		18		26		
3		11		19		27		
4		12		20		28		
5		13		21		29		
6		14		22		30		
7		15		23		31		
8		16		24				

Month 3

1		9		17		25		Tax liability for Month 3
2		10		18		26		
3		11		19		27		
4		12		20		28		
5		13		21		29		
6		14		22		30		
7		15		23		31		
8		16		24				

Fill in your total liability for the quarter (Month 1 + Month 2 + Month 3) ▶

Total must equal line 10 on Form 941 or Form 941-SS.

Total liability for the quarter



# Form 940 for 2016: Employer's Annual Federal Unemployment (FUTA) Tax Return

Department of the Treasury — Internal Revenue Service

850113

OMB No. 1545-0028

Employer identification number (EIN)   -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

## Type of Return (Check all that apply.)

- ☐ a. Amended
- ☐ b. Successor employer
- ☐ c. No payments to employees in 2016
- ☐ d. Final: Business closed or stopped paying wages

Instructions and prior-year forms are available at [www.irs.gov/form940](http://www.irs.gov/form940).

Read the separate instructions before you complete this form. Please type or print within the boxes.

### Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.

- 1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . 1a
- 1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer . . . . . 1b ☐ Check here. Complete Schedule A (Form 940).
- 2 If you paid wages in a state that is subject to CREDIT REDUCTION . . . . . 2 ☐ Check here. Complete Schedule A (Form 940).

### Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

**Click here to use the form.**

- 3 Total payments
- 4 Payments exempt from FUTA tax . . . . . 4
- Check all that apply: 4a ☐ Fringe benefits 4c ☐ Retirement/Pension 4e ☐ Other
- 4b ☐ Group-term life insurance 4d ☐ Dependent care
- 5 Total of payments made to each employee in excess of \$7,000 . . . . . 5
- 6 Subtotal (line 4 + line 5 = line 6) . . . . . 6
- 7 Total taxable FUTA wages (line 3 - line 6 = line 7). See instructions. . . . . 7
- 8 FUTA tax before adjustments (line 7 x 0.006 = line 8) . . . . . 8

### Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.

- 9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 . . . . . 9
- 10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet . . . . . 10
- 11 If credit reduction applies, enter the total from Schedule A (Form 940) . . . . . 11

### Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.

- 12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) . . . . . 12
- 13 FUTA tax deposited for the year, including any overpayment applied from a prior year . . . . . 13
- 14 Balance due. If line 12 is more than line 13, enter the excess on line 14.
- If line 14 is more than \$500, you must deposit your tax.
  - If line 14 is \$500 or less, you may pay with this return. See instructions . . . . . 14
- 15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below 15
- ▶ You **MUST** complete both pages of this form and **SIGN** it. Check one: ☐ Apply to next return. ☐ Send a refund.

Next ▶

Name (not your trade name)

Employer identification number (EIN)

**Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.****16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.****16a 1st quarter** (January 1 – March 31) . . . . . **16a** **16b 2nd quarter** (April 1 – June 30) . . . . . **16b** **16c 3rd quarter** (July 1 – September 30) . . . . . **16c** **16d 4th quarter** (October 1 – December 31) . . . . . **16d** **17 Total tax liability for the year** (lines 16a + 16b + 16c + 16d = line 17) **17**  **Total must equal line 12.****Part 6: May we speak with your third-party designee?****Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.**☐ **Yes.** Designee's name and phone number 

Select a 5-digit Personal Identification Number (PIN) to use when talking to IRS

☐ **No.****Part 7: Sign here.****Click here to use the form.**

Under penalties of perjury, I declare that I prepared this return and its attachments, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**X Sign your name here**

Print your name here

Print your title here

Date

Best daytime phone

**Paid Preparer Use Only**Check if you are self-employed ☐

Preparer's name

PTIN

Preparer's signature

Date

Firm's name (or yours if self-employed)

EIN

Address

Phone

City

State

ZIP code

# Form 940-V, Payment Voucher

## Purpose of Form

Complete Form 940-V if you're making a payment with Form 940. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

## Making Payments With Form 940

To avoid a penalty, make your payment with your 2016 Form 940 **only** if your FUTA tax for the fourth quarter (plus any undeposited amounts from earlier quarters) is \$500 or less. If your total FUTA tax after adjustments (Form 940, line 12) is more than \$500, you must make deposits by electronic funds transfer. See *When Must You Deposit Your FUTA Tax?* in the Instructions for Form 940. Also see sections 11 and 14 of Pub. 15 for more information about deposits.



*Use Form 940-V when making any payment with Form 940. However, if you pay an amount with Form 940 that should've been deposited, you may be subject to a penalty. See Deposit Penalties in section 11 of Pub. 15.*

## Specific Instructions

**Box 1—Employer Identification Number (EIN).** If you don't have an EIN, you may apply for one online. Go to IRS.gov and type "EIN" in the search box. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 940, write "Applied For" and the date you applied in this entry space.

**Box 2—Amount paid.** Enter the amount paid with Form 940.

**Box 3—Name and address.** Enter your name and address as shown on Form 940.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, "Form 940," and "2016" on your check or money order. Don't send cash. Don't staple Form 940-V or your payment to Form 940 (or to each other).
- Detach Form 940-V and send it with your payment and Form 940 to the address provided in the Instructions for Form 940.

**Note:** You must also complete the entity information

**Click here to use the form.**



▼ **Detach Here and Mail With Your Payment and Form 940.** ▼



Form **940-V**

Department of the Treasury  
Internal Revenue Service

## Payment Voucher

► **Don't staple or attach this voucher to your payment.**

OMB No. 1545-0028

**2016**

**1** Enter your employer identification number (EIN).

**2**

**Enter the amount of your payment. ►**

Make your check or money order payable to "United States Treasury"

Dollars

Cents

**3**

Enter your business name (individual name if sole proprietor).

Enter your address.

Enter your city, state, and ZIP code or your city, foreign country name, foreign province/county, and foreign postal code.

Employer identification number (EIN)

-

Name (not your trade name)

See the instructions on page 2. File this schedule with Form 940.

Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. For each state with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and enter the credit reduction amount. Don't include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax (see the instructions for Step 2). If any states don't apply to you, leave them blank.

Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction	Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction
<input type="checkbox"/> AK	.	× 0.000	.	<input type="checkbox"/> NC	.	× 0.000	.
<input type="checkbox"/> AL	.	× 0.000	.	<input type="checkbox"/> ND	.	× 0.000	.
<input type="checkbox"/> AR	.	× 0.000	.	<input type="checkbox"/> NE	.	× 0.000	.
<input type="checkbox"/> AZ	.	× 0.000	.	<input type="checkbox"/> NH	.	× 0.000	.
<input type="checkbox"/> CA	.	× 0.018	.	<input type="checkbox"/> NJ	.	× 0.000	.
<input type="checkbox"/> CO	.	× 0.000	.	<input type="checkbox"/> NM	.	× 0.000	.
<input type="checkbox"/> CT	<div>Click here to use the form.</div>						.
<input type="checkbox"/> DC							.
<input type="checkbox"/> DE	.	× 0.000	.	<input type="checkbox"/> OH	.	× 0.000	.
<input type="checkbox"/> FL	.	× 0.000	.	<input type="checkbox"/> OK	.	× 0.000	.
<input type="checkbox"/> GA	.	× 0.000	.	<input type="checkbox"/> OR	.	× 0.000	.
<input type="checkbox"/> HI	.	× 0.000	.	<input type="checkbox"/> PA	.	× 0.000	.
<input type="checkbox"/> IA	.	× 0.000	.	<input type="checkbox"/> RI	.	× 0.000	.
<input type="checkbox"/> ID	.	× 0.000	.	<input type="checkbox"/> SC	.	× 0.000	.
<input type="checkbox"/> IL	.	× 0.000	.	<input type="checkbox"/> SD	.	× 0.000	.
<input type="checkbox"/> IN	.	× 0.000	.	<input type="checkbox"/> TN	.	× 0.000	.
<input type="checkbox"/> KS	.	× 0.000	.	<input type="checkbox"/> TX	.	× 0.000	.
<input type="checkbox"/> KY	.	× 0.000	.	<input type="checkbox"/> UT	.	× 0.000	.
<input type="checkbox"/> LA	.	× 0.000	.	<input type="checkbox"/> VA	.	× 0.000	.
<input type="checkbox"/> MA	.	× 0.000	.	<input type="checkbox"/> VT	.	× 0.000	.
<input type="checkbox"/> MD	.	× 0.000	.	<input type="checkbox"/> WA	.	× 0.000	.
<input type="checkbox"/> ME	.	× 0.000	.	<input type="checkbox"/> WI	.	× 0.000	.
<input type="checkbox"/> MI	.	× 0.000	.	<input type="checkbox"/> WV	.	× 0.000	.
<input type="checkbox"/> MN	.	× 0.000	.	<input type="checkbox"/> WY	.	× 0.000	.
<input type="checkbox"/> MO	.	× 0.000	.	<input type="checkbox"/> PR	.	× 0.000	.
<input type="checkbox"/> MS	.	× 0.000	.	<input type="checkbox"/> VI	.	× 0.018	.
<input type="checkbox"/> MT	.	× 0.000	.				

Total Credit Reduction. Add all amounts shown in the *Credit Reduction* boxes. Enter the total here and on Form 940, line 11

# Instructions for Schedule A (Form 940) for 2016:

860412

## Multi-State Employer and Credit Reduction Information

### Specific Instructions: Completing Schedule A

**Step 1. Place an "X" in the box of every state (including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which you had to pay state unemployment taxes this year, even if the state's credit reduction rate is zero.**

**Note:** Make sure that you have applied for a state reporting number for your business. If you don't have an unemployment account in a state in which you paid wages, contact the state unemployment agency to receive one. For a list of state unemployment agencies, visit the U.S. Department of Labor's website at [www.workforcesecurity.doleta.gov/unemploy/agencies.asp](http://www.workforcesecurity.doleta.gov/unemploy/agencies.asp).

The table below provides the two-letter postal abbreviations used on Schedule A.

State	Postal Abbreviation	State	Postal Abbreviation
Alabama	AL	Montana	MT
Alaska	AK	Nebraska	NE
Arizona	AZ	Nevada	NV
Arkansas	AR	New Hampshire	NH
California	CA	New Jersey	NJ
Colorado	CO	New Mexico	NM
Connecticut	CT	New York	NY
Delaware			
District of Columbia			
Florida	FL	Ohio	OH
Georgia	GA	Oklahoma	OK
Hawaii	HI	Oregon	OR
Idaho	ID	Pennsylvania	PA
Illinois	IL	Rhode Island	RI
Indiana	IN	South Carolina	SC
Iowa	IA	South Dakota	SD
Kansas	KS	Tennessee	TN
Kentucky	KY	Texas	TX
Louisiana	LA	Utah	UT
Maine	ME	Vermont	VT
Maryland	MD	Virginia	VA
Massachusetts	MA	Washington	WA
Michigan	MI	West Virginia	WV
Minnesota	MN	Wisconsin	WI
Mississippi	MS	Wyoming	WY
Missouri	MO	Puerto Rico	PR
		U.S. Virgin Islands	VI

**Step 2. You're subject to credit reduction if you paid FUTA taxable wages that were also subject to state unemployment taxes in any state listed that has a credit reduction rate greater than zero.**

If you paid FUTA taxable wages that were also subject to state unemployment taxes in any state that is subject to credit reduction, find the line for each state.

In the *FUTA Taxable Wages* box, enter the total FUTA taxable wages that you paid in that state. (The FUTA wage base for all states is \$7,000.) However, don't include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax. For example, if you paid \$5,000 in FUTA taxable wages in a credit reduction state but \$1,000 of those wages were excluded from state unemployment tax, report \$4,000 in the *FUTA Taxable Wages* box for that state.

**Note:** Don't enter your state unemployment wages in the *FUTA Taxable Wages* box.

Then multiply the total FUTA taxable wages by the reduction rate.

Enter your total in the *Credit Reduction* box at the end of the line.

### Step 3. Total credit reduction

To calculate the total credit reduction, add up all of the *Credit Reduction* boxes and enter the amount in the *Total Credit Reduction* box.

Then enter the total credit reduction on Form 940, line 11.

### Example 1

You paid \$20,000 in wages to each of three employees in State A. State A is subject to credit reduction at a rate of 0.003 (.3%). Because you paid wages in a state that is subject to credit reduction, you must complete Schedule A and file it with Form 940.

Total payments to all employees in State A . . . . . \$60,000

Payments exempt from FUTA tax  
(see the instructions for Form 940) . . . . . \$0

Total FUTA taxable wages you paid in State A entered in the *FUTA Taxable Wages* box (\$60,000 - \$0 - \$39,000) . . . . \$21,000

Credit reduction rate for State A . . . . . 0.003

Total credit reduction for State A (\$21,000 x 0.003) . . . . . \$63



**Don't include in the FUTA Taxable Wages box wages in excess of the \$7,000 wage base for each employee subject to state unemployment insurance in the credit reduction state. The credit reduction applies only to FUTA taxable wages that were also subject to state unemployment tax.**

In this case, you would write \$63.00 in the *Total Credit Reduction* box and then enter that amount on Form 940, line 11.

### Example 2

You paid \$48,000 (\$4,000 a month) in wages to Employee A and no payments were exempt from FUTA tax. Employee A worked in State B (not subject to credit reduction) in January and then transferred to State C (subject to credit reduction) on February 1. Because you paid wages in more than one state, you must complete Schedule A and file it with Form 940.

The total payments in State B that aren't exempt from FUTA tax are \$4,000. Since this payment to Employee A doesn't exceed the \$7,000 FUTA wage base, the total FUTA taxable wages paid in State B are \$4,000.

The total payments in State C that aren't exempt from FUTA tax are \$44,000. However, \$4,000 of FUTA taxable wages was paid in State B with respect to Employee A. Therefore, the total FUTA taxable wages with respect to Employee A in State C are \$3,000 (\$7,000 (FUTA wage base) - \$4,000 (total FUTA taxable wages paid in State B)). Enter \$3,000 in the *FUTA Taxable Wages* box, multiply it by the *Reduction Rate*, and then enter the result in the *Credit Reduction* box.

Attach Schedule A to Form 940 when you file your return.

**Employer's Annual Federal Tax Return for Agricultural Employees**

OMB No. 1545-0035

**2016**► **Information about Form 943 and its separate instructions is at [www.irs.gov/form943](http://www.irs.gov/form943).****Type  
or  
Print**

Name (as distinguished from trade name)

Employer identification number (EIN)

Trade name, if any

Address (number and street)

City or town, state or province, country, and ZIP or foreign postal code

If you don't have to file returns in the future, check here ☐If address is  
different from  
prior return,  
check here. ► ☐

<b>1</b>	Number of agricultural employees employed in the pay period that includes March 12, 2016	<b>1</b>	
<b>2</b>	Total wages subject to social security tax	<b>2</b>	
<b>3</b>	Social security tax (multiply line 2 by 12.4% (0.124))	<b>3</b>	
<b>4</b>	Total wages subject to Medicare tax	<b>4</b>	
<b>5</b>	Medicare tax (multiply line 4 by 2.9% (0.029))	<b>5</b>	
<b>6</b>	Total wages subject to Additional Medicare Tax withholding	<b>6</b>	
<b>7</b>	Additional Medicare Tax withholding (multiply line 6 by 0.9% (0.009))	<b>7</b>	
<b>8</b>	Federal income tax withheld	<b>8</b>	
<b>9</b>	Total taxes before adjustments. Add lines 3, 5, 7, and 8	<b>9</b>	
<b>10</b>	Current year's adjustments	<b>10</b>	
<b>11</b>	Total taxes after adjustments (line 9 as adjusted by line 10)	<b>11</b>	
<b>12</b>	Total deposits		
<b>13a</b>	Reserved	<b>13a</b>	
<b>b</b>	Reserved	<b>13b</b>	
<b>14</b>	Reserved	<b>14</b>	
<b>15</b>	<b>Balance due.</b> If line 11 is more than line 12, enter the difference and see the instructions	<b>15</b>	
<b>16</b>	<b>Overpayment.</b> If line 12 is more than line 11, enter the difference		Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund.

**Click here to use the form.**

- **All filers:** If line 11 is less than \$2,500, **don't** complete line 17 or Form 943-A.
- **Semiweekly schedule depositors:** Complete Form 943-A and check here ☐ • **Monthly schedule depositors:** Complete line 17 and check here ☐

<b>17 Monthly Summary of Federal Tax Liability. (Don't complete if you were a semiweekly schedule depositor.)</b>								
	Tax liability for month			Tax liability for month			Tax liability for month	
<b>A</b> January			<b>F</b> June			<b>K</b> November		
<b>B</b> February			<b>G</b> July			<b>L</b> December		
<b>C</b> March			<b>H</b> August			<b>M</b> Total liability for		
<b>D</b> April			<b>I</b> September			year (add lines <b>A</b>		
<b>E</b> May			<b>J</b> October			through <b>L</b> )		

**Third-  
Party  
Designee**

Do you want to allow another person to discuss this return with the IRS? See separate instructions.

☐ Yes. Complete the following. ☐ No.Designee's  
name ►Phone  
no. ►Personal identification  
number (PIN) ►**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature ►

Print Your  
Name and Title ►

Date ►

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

# Form 943-V, Payment Voucher

## Purpose of Form

Complete Form 943-V if you're making a payment with Form 943. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

## Making Payment With Form 943

To avoid a penalty, make your payment with your 2016 Form 943 **only if**:

- Your total taxes after adjustments for the year (Form 943, line 11) are less than \$2,500 and you're paying in full with a timely filed return, or
- You're a monthly schedule depositor making a payment in accordance with the Accuracy of Deposits Rule. See section 7 of Pub. 51 for details. In this case, the amount of your payment may be \$2,500 or more.

Otherwise, you must make deposits by electronic funds transfer. See section 7 of Pub. 51 for deposit instructions. Don't use Form 943-V to make federal tax deposits.



*Use Form 943-V when making any payment with Form 943. However, if you pay an amount with Form 943 that is not subject to a penalty under section 6651 of Pub. 51.*

## Specific Instructions

**Box 1—Employer identification number (EIN).** If you don't have an EIN, you may apply for one online. Go to IRS.gov and type "EIN" in the search box. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 943, write "Applied For" and the date you applied in this entry space.

**Box 2—Amount paid.** Enter the amount paid with Form 943.

**Box 3—Name and address.** Enter your name and address as shown on Form 943.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, "Form 943," and "2016" on your check or money order. Don't send cash. Don't attach Form 943-V or your payment to Form 943 (or to each other).

- Detach Form 943-V and send it with your payment and Form 943 to the address provided in the Instructions for Form 943.

*Note:* You must also complete the entity information

**Click here to use the form.**



▼ Detach Here and Mail With Your Payment and Form 943. ▼



Form <b>943-V</b> Department of the Treasury Internal Revenue Service	<b>Payment Voucher</b> ► Don't attach this voucher or your payment to Form 943.	OMB No. 1545-0035 <b>2016</b>
1 Enter your employer identification number (EIN).	2 <b>Enter the amount of your payment</b> . . . ► Make your check or money order payable to "United States Treasury"	DollarsCents
	3 Enter your business name (individual name if sole proprietor).  Enter your address.  Enter your city or town, state or province, country, and ZIP or foreign postal code.	

Form **943-A**

(Rev. February 2015)

Department of the Treasury  
Internal Revenue Service**Agricultural Employer's Record of  
Federal Tax Liability**► Information about Form 943-A and its instructions is at [www.irs.gov/form943a](http://www.irs.gov/form943a).

► File with Form 943 or Form 943-X.

OMB No. 1545-0035

\_\_\_\_\_  
Calendar Year

Name (as shown on Form 943)

Employer identification number (EIN)

You must complete this form if you are required to deposit on a semiweekly schedule or if your tax liability during any month was \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from electronic funds transfers.) **DO NOT change your tax liability by adjustments reported on any Forms 943-X.**

January Tax Liability			February Tax Liability			March Tax Liability		
1		16	1		16	1		16
2		17	2		17	2		17
3		18	3		18	3		18
4		19	4		19	4		19
5		20	5		20	5		20
6		21	6		21	6		21
7		22	7		22	7		22
8		23	8		23	8		23
9		24	9		24	9		24
10		25	10		25	10		25
11		26	11		26	11		26
12		27	12		27	12		27
13		28	13		28	13		28
14		29	14		29	14		29
15		30	15			15		30
		31						31

A Total liability for month

[Click here to use the form.](#)

April Tax Liability			May Tax Liability			June Tax Liability		
1		16	1		16	1		16
2		17	2		17	2		17
3		18	3		18	3		18
4		19	4		19	4		19
5		20	5		20	5		20
6		21	6		21	6		21
7		22	7		22	7		22
8		23	8		23	8		23
9		24	9		24	9		24
10		25	10		25	10		25
11		26	11		26	11		26
12		27	12		27	12		27
13		28	13		28	13		28
14		29	14		29	14		29
15		30	15		30	15		30
					31			

D Total liability for month ►

E Total liability for month ►

F Total liability for month ►

For Privacy Act and Paperwork Reduction Act Notice, see the separate Instructions for Form 943.

Cat. No. 17030C

Form **943-A** (Rev. 2-2015)



July Tax Liability			August Tax Liability			September Tax Liability		
1		16	1		16	1		16
2		17	2		17	2		17
3		18	3		18	3		18
4		19	4		19	4		19
5		20	5		20	5		20
6		21	6		21	6		21
7		22	7		22	7		22
8		23	8		23	8		23
9		24	9		24	9		24
10		25	10		25	10		25
11		26	11		26	11		26
12		27	12		27	12		27
13		28	13		28	13		28
14		29	14		29	14		29
15		30	15		30	15		30
		31			31			
G Total liability for month ▶			H Total liability for month ▶			I Total liability for month ▶		

October Tax Liability			November Tax Liability			December Tax Liability		
1		16	1		16	1		16
2		17	2		17	2		17
3		18	3		18	3		18
4		19	4		19	4		19
5		20	5		20	5		20
6		21						21
7		22						22
8		23	8		23	8		23
9		24	9		24	9		24
10		25	10		25	10		25
11		26	11		26	11		26
12		27	12		27	12		27
13		28	13		28	13		28
14		29	14		29	14		29
15		30	15		30	15		30
		31						31
J Total liability for month ▶			K Total liability for month ▶			L Total liability for month ▶		
M Total tax liability for year (add lines A through L) . . . . . ▶								

Form **944 for 2016: Employer's ANNUAL Federal Tax Return**

Department of the Treasury — Internal Revenue Service

OMB No. 1545-2007

Employer identification number (EIN)	<input type="text"/>	<input type="text"/>	—	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Name (not your trade name)	<input type="text"/>								
Trade name (if any)	<input type="text"/>								
Address	<input type="text"/>								
	Number	Street				Suite or room number			
	<input type="text"/>				<input type="text"/>	<input type="text"/>			
	City				State	ZIP code			
	<input type="text"/>				<input type="text"/>	<input type="text"/>			
	Foreign country name				Foreign province/county		Foreign postal code		

**Who Must File Form 944**

You must file annual Form 944 instead of filing quarterly Forms 941 **only if the IRS notified you in writing.**

Instructions and prior-year forms are available at [www.irs.gov/form944](http://www.irs.gov/form944).

Read the separate instructions before you complete Form 944. Type or print within the boxes.

**Part 1:** Answer these questions for this year. Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico can skip lines 1 and 2.

1	Wages, tips, and other compensation . . . . .	1	<input type="text"/>
2	Federal income tax withheld from wages, tips, and other compensation . . . . .	2	<input type="text"/>
3	If no wages, tips, and other compensation are subject to social security or Medicare tax	3	<input type="checkbox"/> Check and go to line 5.
4	Taxable social	<div>Click here to use the form.</div>	
4a	Taxable social security wages	<input type="text"/>	× 0.124 = <input type="text"/>
4b	Taxable social security tips	<input type="text"/>	× 0.124 = <input type="text"/>
4c	Taxable Medicare wages & tips	<input type="text"/>	× 0.029 = <input type="text"/>
4d	Taxable wages & tips subject to Additional Medicare Tax withholding . . . . .	<input type="text"/>	× 0.009 = <input type="text"/>
4e	Add Column 2 from lines 4a, 4b, 4c, and 4d . . . . .	4e	<input type="text"/>
5	Total taxes before adjustments. Add lines 2 and 4e . . . . .	5	<input type="text"/>
6	Current year's adjustments (see instructions) . . . . .	6	<input type="text"/>
7	Total taxes after adjustments. Combine lines 5 and 6 . . . . .	7	<input type="text"/>
8	Total deposits for this year, including overpayment applied from a prior year and overpayments applied from Form 944-X, 944-X (SP), 941-X, or 941-X (PR) . . . . .	8	<input type="text"/>
9a	Reserved		
9b	Reserved		
10	Reserved		
11	Balance due. If line 7 is more than line 8, enter the difference and see instructions . . . . .	11	<input type="text"/>
12	Overpayment. If line 8 is more than line 7, enter the difference	<input type="text"/>	Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund.
▶ You MUST complete both pages of Form 944 and SIGN it.			

Next ▶

Name (not your trade name)

Employer identification number (EIN)

**Part 2: Tell us about your deposit schedule and tax liability for this year.**

**13 Check one:** ☐ Line 7 is less than \$2,500. Go to Part 3.

☐ Line 7 is \$2,500 or more. Enter your tax liability for each month. If you are a semiweekly depositor or you accumulate \$100,000 or more of liability on any day during a deposit period, you must complete Form 945-A instead of the boxes below.

	Jan.		Apr.		Jul.		Oct.
13a	<input type="text"/>	13d	<input type="text"/>	13g	<input type="text"/>	13j	<input type="text"/>
	Feb.		May		Aug.		Nov.
13b	<input type="text"/>	13e	<input type="text"/>	13h	<input type="text"/>	13k	<input type="text"/>
	Mar.		Jun.		Sep.		Dec.
13c	<input type="text"/>	13f	<input type="text"/>	13i	<input type="text"/>	13l	<input type="text"/>

Total liability for year. Add lines 13a through 13l. Total must equal line 7.

13m

**Part 3: Tell us about your business. If question 14 does NOT apply to your business, leave it blank.**

**14 If your business has closed or you stopped paying wages...**

☐ Check here and enter the final date you paid wages.

**Part 4: May we speak with your third-party designee?**

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

☐ Yes. Designee

**Click here to use the form.**

Select a 5-digit Personal Identification Number (PIN) to use when talking to IRS.

☐ No.

**Part 5: Sign Here. You MUST complete both pages of Form 944 and SIGN it.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



Sign your  
name here

Date

Print your  
name here

Print your  
title here

Best daytime phone

**Paid Preparer Use Only**

Check if you are self-employed ☐

Preparer's name

PTIN

Preparer's signature

Date

Firm's name (or yours  
if self-employed)

EIN

Address

Phone

City

State

ZIP code

# Form 944-V, Payment Voucher

## Purpose of Form

Complete Form 944-V if you're making a payment with Form 944. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

## Making Payments With Form 944

To avoid a penalty, make your payment with your 2016 Form 944 **only if** one of the following applies.

- Your net taxes for the year (Form 944, line 7) are less than \$2,500 and you are paying in full with a timely filed return.
- You already deposited the taxes you owed for the first, second, and third quarters of 2016, and the tax you owe for the fourth quarter of 2016 is less than \$2,500, and you're paying, in full, the tax you owe for the fourth quarter of 2016 with a timely filed return.
- Your net taxes for the third quarter are \$2,500 or more, net taxes for the fourth quarter are less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the fourth quarter.
- You're a monthly depositor in accordance with the instructions in section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for details. In this case, the amount of your payment may be \$2,500 or more.

Otherwise, you must make deposits by electronic funds transfer. See section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for deposit instructions. Don't use Form 944-V to make federal tax deposits.



Use Form 944-V when making any payment with Form 944. However, if you pay an amount with Form 944 that should've been deposited, you may be subject to a penalty. See section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for details.

## Specific Instructions

**Box 1—Employer identification number (EIN).** If you don't have an EIN, you may apply for one online. Go to IRS.gov and type "EIN" in the search box. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 944, write "Applied For" and the date you applied in this entry space.

**Box 2—Amount paid.** Enter the amount paid with Form 944.

**Box 3—Name and address.** Enter your name and address as shown on Form 944.



- Enclose your check or money order made payable to "United States Treasury" and write your EIN, "Form 944," and "2016" on your check or money order. Don't send your payment to Form 944.

**Click here to use the form.**

Detach Form 944-V and send it with your payment and Form 944 to the address provided in the Instructions for Form 944.

**Note:** You must also complete the entity information above Part 1 on Form 944.

**Detach Here and Mail With Your Payment and Form 944.**

			
<b>Form 944-V</b> Department of the Treasury Internal Revenue Service		<b>Payment Voucher</b>	
		OMB No. 1545-2007	
		<b>2016</b>	
<b>1</b> Enter your employer identification number (EIN).		<b>2</b> Enter the amount of your payment. ▶ Make your check or money order payable to "United States Treasury"	
		Dollars	Cents
		<b>3</b> Enter your business name (individual name if sole proprietor).	
		Enter your address.	
		Enter your city, state, and ZIP code or your city, foreign country name, foreign province/county, and foreign postal code.	

Form <b>945</b> Department of the Treasury Internal Revenue Service	<b>Annual Return of Withheld Federal Income Tax</b> ▶ For withholding reported on Forms 1099 and W-2G. ▶ For more information on income tax withholding, see Pub. 15 and Pub. 15-A. ▶ Information about Form 945 and its separate instructions is at <a href="http://www.irs.gov/form945">www.irs.gov/form945</a> .		OMB No. 1545-1430	
			<b>2016</b>	
	Type or Print	Name (as distinguished from trade name)	Employer identification number (EIN)	If address is different from prior return, check here. ▶ <input type="checkbox"/>
		Trade name, if any		
		Address (number and street)		
City or town, state or province, country, and ZIP or foreign postal code				

**A** If you don't have to file returns in the future, check here ▶ ☐ and enter date final payments made. ▶ .....

1	Federal income tax withheld from pensions, annuities, IRAs, gambling winnings, etc. . . . .	1		
2	Backup withholding . . . . .	2		
3	<b>Total taxes.</b> If \$2,500 or more, this must equal line 7M below or Form 945-A, line M . . . . .	3		
4	Total deposits for 2016, including overpayment applied from a prior year and overpayment applied from Form 945-X . . . . .	4		
5	<b>Balance due.</b> If line 2 is more than line 4, enter the difference and see the separate instructions . . . . .	5		
6	<b>Overpayment.</b>			

Click here to use the form.

Check one: ☐ Apply to next return. ☐ Send a refund.

- **All filers:** If line 3 is less than \$2,500, **don't** complete line 7 or Form 945-A.
- **Semiweekly schedule depositors:** Complete Form 945-A and check here . . . . . ▶ ☐
- **Monthly schedule depositors:** Complete line 7, entries A through M, and check here . . . . . ▶ ☐

<b>7 Monthly Summary of Federal Tax Liability. (Don't complete if you were a semiweekly schedule depositor.)</b>						
	Tax liability for month		Tax liability for month		Tax liability for month	
A January . . .			F June . . . . .		K November . . .	
B February . . .			G July . . . . .		L December . . .	
C March . . . .			H August . . . . .		M Total liability for year (add lines A through L) . . .	
D April . . . . .			I September . . . .			
E May . . . . .			J October . . . . .			
Third-Party Designee	Do you want to allow another person to discuss this return with the IRS? See separate instructions. <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No.					
	Designee's name ▶	Phone no. ▶		Personal identification number (PIN) ▶ <input type="text"/>		
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
	Signature ▶		Print Your Name and Title ▶		Date ▶	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶					Firm's EIN ▶
	Firm's address ▶					Phone no.

# Form 945-V, Payment Voucher

## Purpose of Form

Complete Form 945-V if you're making a payment with Form 945. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

## Making Payments With Form 945

To avoid a penalty, make your payment with your 2016 Form 945 **only if**:

- Your total taxes for the year (Form 945, line 3) are less than \$2,500 and you're paying in full with a timely filed return, or
- You're a monthly schedule depositor making a payment in accordance with the Accuracy of Deposits Rule. See section 11 of Pub. 15 for details. In this case, the amount of your payment may be \$2,500 or more.

Otherwise, you must make deposits by electronic funds transfer. See section 11 of Pub. 15 for deposit instructions. Don't use Form 945-V to make federal tax deposits.



Use Form 945-V when making any payment with Form 945. Penalties in section 11 of Pub. 15.

## Specific Instructions

**Box 1—Employer identification number (EIN).** If you don't have an EIN, you may apply for one online. Go to IRS.gov and type "EIN" in the search box. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 945, write "Applied For" and the date you applied in this entry space.

**Box 2—Amount paid.** Enter the amount paid with Form 945.

**Box 3—Name and address.** Enter your name and address as shown on Form 945.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, "Form 945," and "2016" on your check or money order. Don't send cash. Don't staple Form 945-V or your payment to the return (or to each other).

- Detach Form 945-V and send it with your payment and Form 945 to the address provided in the Instructions for Form 945.

**Note:** You must also complete the entity information

**Click here to use the form.**

▼ Detach Here and Mail With Your Payment and Form 945. ▼			
Form <b>945-V</b>	<b>Payment Voucher</b>		OMB No. 1545-1430
Department of the Treasury Internal Revenue Service	<b>2016</b>		
▶ Don't attach this voucher or your payment to Form 945.			
<b>1</b> Enter your employer identification number (EIN).	<b>2</b> Enter the amount of your payment . . ▶ Make your check or money order payable to "United States Treasury"	Dollars	Cents
	<b>3</b> Enter your business name (individual name if sole proprietor).		
	Enter your address.		
	Enter your city or town, state or province, country, and ZIP or foreign postal code.		

**Annual Record of Federal Tax Liability**

OMB No. 1545-1430

► Information about Form 945-A and its instructions is at [www.irs.gov/form945a](http://www.irs.gov/form945a).

► File with Form 945, 945-X, CT-1, CT-1 X, 944, or 944-X.

Calendar Year \_\_\_\_\_

Name (as shown on Form 945, 945-X, CT-1, CT-1 X, 944, or 944-X)

Employer identification number (EIN)

You must complete this form if you are required to deposit on a semiweekly schedule or if your tax liability during any month was \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from electronic funds transfers.) **DO NOT change your tax liability by adjustments reported on any Form 945-X, 944-X, or CT-1 X.**

January Tax Liability				February Tax Liability				March Tax Liability			
1		17		1		17		1		17	
2		18		2		18		2		18	
3		19		3		19		3		19	
4		20		4		20		4		20	
5		21		5		21		5		21	
6		22		6		22		6		22	
7		23		7		23		7		23	
8		24		8		24		8		24	
9		25		9		25		9		25	
10		26		10		26		10		26	
11		27		11		27		11		27	
12		28		12		28		12		28	
13		29		13		29		13		29	
14		30		14				14		30	
15		31		15				15		31	
16				16				16			

A Total for month ►

April Tax

**Click here to use the form.**

Liability

1		17		1		17		1		17	
2		18		2		18		2		18	
3		19		3		19		3		19	
4		20		4		20		4		20	
5		21		5		21		5		21	
6		22		6		22		6		22	
7		23		7		23		7		23	
8		24		8		24		8		24	
9		25		9		25		9		25	
10		26		10		26		10		26	
11		27		11		27		11		27	
12		28		12		28		12		28	
13		29		13		29		13		29	
14		30		14		30		14		30	
15				15		31		15			
16				16				16			

D Total for month ►

E Total for month ►

F Total for month ►

July Tax Liability				August Tax Liability				September Tax Liability			
1			17	1			17	1			17
2			18	2			18	2			18
3			19	3			19	3			19
4			20	4			20	4			20
5			21	5			21	5			21
6			22	6			22	6			22
7			23	7			23	7			23
8			24	8			24	8			24
9			25	9			25	9			25
10			26	10			26	10			26
11			27	11			27	11			27
12			28	12			28	12			28
13			29	13			29	13			29
14			30	14			30	14			30
15			31	15			31	15			
16				16				16			

**G** Total for month ►**H** Total for month ►**I** Total for month ►

October Tax Liability				November Tax Liability				December Tax Liability			
1			17	1			17	1			17
2			18	2			18	2			18
3			19	3			19	3			19
4			20	4			20	4			20
5			21	5			21	5			21
6			22	6			22	6			22
7				7				7			23
8				8				8			24
9			25	9			25	9			25
10			26	10			26	10			26
11			27	11			27	11			27
12			28	12			28	12			28
13			29	13			29	13			29
14			30	14			30	14			30
15			31	15				15			31
16				16				16			

**Click here to use the form.**

**J** Total for month ►**K** Total for month ►**L** Total for month ►

**M** Total tax liability for the year (add lines **A** through **L**). This should equal line 3 on Form 945 (line 15 on Form CT-1, line 7 on Form 944). . . . . ►



Employer identification number (EIN)

—

Name (not your trade name)

Trade name (if any)

Address

Number

Street

Suite or room number

City

State

ZIP code

Foreign country name

Foreign province/county

Foreign postal code

Read the separate instructions before completing this form. Use this form to correct errors you made on Form 941 or 941-SS. Use a separate Form 941-X for each quarter that needs correction. Type or print within the boxes. You **MUST** complete all three pages. Do not attach this form to Form 941 or 941-SS.

Part 1: Select **ONLY** one process. See page 4 for additional guidance.

☐

1. **Adjusted employment tax return.** Check this box if you underreported amounts. Also check this box if you overreported amounts and you would like to use the adjustment process to correct the errors. You must check this box if you are correcting both underreported and overreported amounts on this form. The amount shown on line 20, if less than zero, may only be applied as a credit to your Form 941, Form 941-SS, or Form 944 for the tax period in which you are filing this form.

☐

2. **Claim.** Check claim process and check this box

Click here to use the form.

Part 2: Complete the certifications.

☐

3. I certify that I have filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required.

Note.

If you are correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. If you are correcting overreported amounts, for purposes of the certifications on lines 4 and 5, Medicare tax does not include Additional Medicare Tax. Form 941-X cannot be used to correct overreported amounts of Additional Medicare Tax unless the amounts were not withheld from employee wages or an adjustment is being made for the current year.

4. If you checked line 1 because you are adjusting overreported amounts, check all that apply. You must check at least one box. I certify that:

☐

a. I repaid or reimbursed each affected employee for the overcollected federal income tax or Additional Medicare Tax for the current year and the overcollected social security tax and Medicare tax for current and prior years. For adjustments of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection.

☐

b. The adjustments of social security tax and Medicare tax are for the employer's share only. I could not find the affected employees or each affected employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection.

☐

c. The adjustment is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I did not withhold from employee wages.

5. If you checked line 2 because you are claiming a refund or abatement of overreported employment taxes, check all that apply. You must check at least one box. I certify that:

☐

a. I repaid or reimbursed each affected employee for the overcollected social security tax and Medicare tax. For claims of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection.

☐

b. I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security tax and Medicare tax. For refunds of employee social security tax and Medicare tax overcollected in prior years, I also have a written statement from each affected employee stating that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection.

☐

c. The claim for social security tax and Medicare tax is for the employer's share only. I could not find the affected employees; or each affected employee did not give me a written consent to file a claim for the employee's share of social security tax and Medicare tax; or each affected employee did not give me a written statement that he or she has not claimed (or the claim was rejected) and will not claim a refund or credit for the overcollection.

☐

d. The claim is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I did not withhold from employee wages.

Return You Are Correcting ...

Check the type of return you are correcting:

☐

941

☐

941-SS

Check the ONE quarter you are correcting:

☐

1: January, February, March

☐

2: April, May, June

☐

3: July, August, September

☐

4: October, November, December

Enter the calendar year of the quarter you are correcting:

(YYYY)

Enter the date you discovered errors:

/

/

(MM / DD / YYYY)

For Paperwork Reduction Act Notice, see the instructions.

IRS.gov/form941x

Cat. No. 17025J

Form **941-X** (Rev. 4-2015)

Next

Name (not your trade name)	Employer identification number (EIN)	Correcting quarter (1, 2, 3, 4)
		Correcting calendar year (YYYY)

**Part 3: Enter the corrections for this quarter. If any line does not apply, leave it blank.**

	Column 1 Total corrected amount (for ALL employees)	Column 2 Amount originally reported or as previously corrected (for ALL employees)	Column 3 Difference (If this amount is a negative number, use a minus sign.)	Column 4 Tax correction
6. Wages, tips and other compensation (Form 941, line 2)	<input type="text"/>	<input type="text"/>	<input type="text"/>	Use the amount in Column 1 when you prepare your Forms W-2 or Forms W-2c.
7. Federal income tax withheld from wages, tips, and other compensation (Form 941, line 3)	<input type="text"/>	<input type="text"/>	<input type="text"/>	Copy Column 3 here ▶ <input type="text"/>
8. Taxable social security wages (Form 941 or 941-SS, line 5a, Column 1)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> × .124* = <input type="text"/>
*If you are correcting a 2011 or 2012 return, use .104. If you are correcting your employer share only, use .062. See instructions.				
9. Taxable social security tips (Form 941 or 941-SS, line 5b, Column 1)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> × .124* = <input type="text"/>
*If you are correcting a 2011 or 2012 return, use .104. If you are correcting your employer share only, use .062. See instructions.				
10. Taxable Medicare wages and tips (Form 941 or 941-SS, line 5c, Column 1)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> × .029* = <input type="text"/>
*If you are correcting your employer share only, use .0145. See instructions.				
11. Taxable wages & tips subject to Additional Medicare Tax withholding (Form 941 or 941-SS, line 5d; only for quarters beginning after December 31, 2012)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> × .009* = <input type="text"/>
*Certain wages and tips reported in Column 3 should not be multiplied by .009. See instructions.				
12. Section 3121(q) Notice and Demand — Tax due on unreported tips (Form 941 or 941-SS, line 5f (line 5e for quarters ending before 2013))	<input type="text"/>	<input type="text"/>	<input type="text"/>	Copy Column 3 here ▶ <input type="text"/>
13. Tax adjustments (Form 941-SS, lines 7–9)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
14. Special addition to wages for federal income tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
15. Special addition to wages for social security taxes	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
16. Special addition to wages for Medicare taxes	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
17. Special addition to wages for Additional Medicare Tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
18. Combine the amounts on lines 7–17 of Column 4	<input type="text"/>			<input type="text"/>
19a. COBRA premium assistance payments (see instructions)	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
19b. Number of individuals provided COBRA premium assistance (see instructions)	<input type="text"/>	<input type="text"/>	<input type="text"/>	
20. Total. Combine the amounts on lines 18 and 19a of Column 4	<input type="text"/>			<input type="text"/>

**If line 20 is less than zero:**

- If you checked line 1, this is the amount you want applied as a credit to your Form 941 for the tax period in which you are filing this form. (If you are currently filing a Form 944, Employer's ANNUAL Federal Tax Return, see the instructions.)
- If you checked line 2, this is the amount you want refunded or abated.

**If line 20 is more than zero, this is the amount you owe.** Pay this amount by the time you file this return. For information on how to pay, see *Amount You Owe* in the instructions.

Next ▶

Name (not your trade name)	Employer identification number (EIN)	Correcting quarter (1, 2, 3, 4)
		Correcting calendar year (YYYY)

**Part 4: Explain your corrections for this quarter.**

- ☐ 21. Check here if any corrections you entered on a line include both underreported and overreported amounts. Explain both your underreported and overreported amounts on line 23.
- ☐ 22. Check here if any corrections involve reclassified workers. Explain on line 23.
23. You must give us a detailed explanation of how you determined your corrections. See the instructions.

Click here to use the form.

**Part 5: Sign here. You must complete all three pages of this form and sign it.**

Under penalties of perjury, I declare that I have filed an original Form 941 or Form 941-SS and that I have examined this adjusted return or claim, including accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



Sign your  
name here

Print your  
name here

Print your  
title here

Date

Best daytime phone

**Paid Preparer Use Only**

Check if you are self-employed ☐

Preparer's name

PTIN

Preparer's signature

Date

Firm's name (or yours  
if self-employed)

EIN

Address

Phone

City

State

ZIP code

Type of errors  
you are  
correcting

## Form 941-X: Which process should you use?

### Underreported amounts ONLY

**Use the adjustment process** to correct underreported amounts.

- Check the box on line 1.
- Pay the amount you owe from line 20 by the time you file Form 941-X.

### Overreported amounts ONLY

The process you  
use depends on  
**when** you file  
Form 941-X.

**If you are filing Form 941-X  
MORE THAN 90 days before  
the period of limitations on  
credit or refund for Form 941  
or Form 941-SS expires...**

Choose either the adjustment process or the claim  
process to correct the overreported amounts.

**Choose the adjustment process** if you want the  
amount shown on line 20 credited to your Form 941,  
Form 941-SS, or Form 944 for the period in which you  
file Form 941-X. Check the box on line 1.

OR

**Choose the claim process** if you want the amount  
shown on line 20 refunded to you or abated. Check  
the box on line 2.

**If you are filing Form 941-X  
WITHIN 90 days of the  
expiration of the period of  
limitations on credit or refund  
for Form 941 or Form 941-SS...**

You must use the **claim process** to correct the  
overreported amounts. Check the box on line 2.

### BOTH underreported and overreported amounts

The process you

**If you are filing Form 941-X  
MORE THAN 90 days before**

Choose either the adjustment process or both the  
adjustment process and the claim process when you  
overreported

**Click here to use the form.**

**Choose the adjustment process** if combining your  
underreported amounts and overreported amounts results  
in a balance due or creates a credit that you want applied  
to Form 941, Form 941-SS, or Form 944.

- File one Form 941-X, and
- Check the box on line 1 and follow the instructions  
on line 20.

OR

**Choose both the adjustment process and the  
claim process** if you want the overreported amount  
refunded to you or abated.

File two separate forms.

**1. For the adjustment process**, file one Form 941-X  
to correct the underreported amounts. Check the  
box on line 1. Pay the amount you owe from line  
20 by the time you file Form 941-X.

**2. For the claim process**, file a second Form 941-X  
to correct the overreported amounts. Check the  
box on line 2.

**If you are filing Form 941-X  
WITHIN 90 days of the  
expiration of the period of  
limitations on credit or  
refund for Form 941 or  
Form 941-SS...**

You must **use both the adjustment process and  
the claim process**.

File two separate forms.

**1. For the adjustment process**, file one Form 941-X to  
correct the underreported amounts. Check the box  
on line 1. Pay the amount you owe from line 20 by  
the time you file Form 941-X.

**2. For the claim process**, file a second Form 941-X to  
correct the overreported amounts. Check the box  
on line 2.

Deductions - Analysis by Quarter (\* = Cafeteria Plans \*\* = Pension)

	NAME	1	2	3	4	TOTAL
**	401(k)					0.00
*	FSA					0.00
*	Dependent Care					0.00
*	Pretax Health					0.00
*	Pretax Dental					0.00
*	Pretax Vision					0.00
	After-tax Health					0.00
	After-tax Dental					0.00
	After-tax Vision					0.00
	Advances					0.00
	Child Support					0.00
	Misc Deduction					0.00
						0.00
						0.00
TOTAL		0.00	0.00	0.00	0.00	0.00

State Withholding Taxes

State		WAGES	STATE W/H	State		WAGES	STATE W/H
1				1			
2				2			
3				3			
TOTAL						0.00	0.00

Click here to use the form.

Quarter	GROSS	FED W/H	FICA	MED	STATE W/H	DEDNS	NET
1							0.00
2							0.00
3							0.00
4							0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00

0.00 Total Taxable Wages

0.00 Pretax Deductions

Tips

0.00 Total Gross Wages (should equal total wages from all 4 quarters)

Social Security & Medicare Wages

	1	2	3	4	TOTAL
Social Security Wages					0.00
Social Security Tips					0.00
Medicare Wages & Tips					0.00

Federal Unemployment Taxes

	1	2	3	4	TOTAL
Taxable Wages					0.00
Tax	0.00	0.00	0.00	0.00	0.00

State Unemployment Taxes

	1	2	3	4	TOTAL
State_____Taxable Wages					0.00
Tax					0.00
State_____Taxable Wages					0.00
Tax					0.00
Total All states taxable wages	0.00	0.00	0.00	0.00	0.00
Total All states tax	0.00	0.00	0.00	0.00	0.00

	1	2	3	4	TOTAL
Gross Wages	0.00	0.00	0.00	0.00	0.00
Add Tips					0.00
Less Cafeteria Plans	0.00	0.00	0.00	0.00	0.00
Less Pension	0.00	0.00	0.00	0.00	0.00
Gross Pay on 941	0.00	0.00	0.00	0.00	0.00
Add Pension	0.00	0.00	0.00	0.00	0.00
Medicare Wages	0.00	0.00	0.00	0.00	0.00
Less Tips	<div>Click here to use the form.</div>			0.00	0.00
Social Security Wages				0.00	0.00

## **Retention Requirements of Payroll Records**

**Internal Revenue Service** – The following records must be kept for four years after the tax due date or the actual date paid, whichever is later.

- Name, address, occupation, and social security number of each employee
- Total compensation and date paid including tips and non-cash payments
- Compensation subject to withholding for federal income, social security and Medicare tax
- Pay period for each compensation period
- Explanation of difference in total compensation and taxable compensation
- Employee's W-4 Form
- Dates of employment (beginning and ending)
- Employee tip reports
- Wage continuation made to an absent employee by employer or third party
- Details of fringe benefits provided to employee
- Copy of employee's request to use the cumulative method of wage withholding
- Adjustments or settlement of taxes
- Amounts and dates of tax deposits
- Total compensation paid to employee during calendar year
- Compensation subject to FUTA
- State unemployment contributions made
- All information shown on Form 940
- Copies of returns filed (941, 943, W-3, Copy A of Form W-2 and returned W-2 forms)

**Department of Labor** – The following records must be kept for three years after date of last entry.

- Employee's name as it appears on social security card
- Complete home address and date of birth if under age of 19
- Sex and occupation
- The beginning of the employee's work week regular rate of pay for overtime weeks
- Hours worked each workday and workweek
- Straight-time earnings including the straight-time portion of overtime earnings
- Overtime premium earnings
- Total wages paid for each pay period including additions and deductions
- Date of payment and pay period covered
- Records showing total sales volume and goods purchased
- Following records must be kept for two years after the last date of entry
- Employment and earnings records, employee hours of work, basis for determining wages and wages paid
- Order, shipping, and billing records showing customers orders and delivery records
- Wage rate tables and piece rate schedules
- Work time schedules that establish hours and days of employment

**Department of Labor** – In addition to the general requirements of both the IRS and the DOL, record retentions are mandated by several federal acts. They are:

❖ Family and Medical Leave Act

- Basic payroll and employee data
  - Dates FLMA leave is taken
  - Hours worked by employee in last 12 months
  - Hours of FLMA leave for exempt employee
  - Copies of employee notice to employer
  - Copies of general and specific notes given to employees
  - Copies of policy regarding taking of paid and unpaid leave by employee
  - Documents verifying premium payments of employee benefits
  - Records of FLMA leave disputes between employee and employer

Title VII of the Civil Rights Act of 1964 and the Americans with Disability Act of 1990 have no general record requirement under the law, but to meet the requirements all records relating to hiring, promotion, demotion, transfer, layoff or termination, rates of pay, and selection for training or apprenticeship should be kept for one year from date of action.

❖ The Age Discrimination in Employment Act of 1967 requires that you keep the following records for three years:

- Name
  - Address
  - Date of birth
  - Occupation
  - Pay rate
  - Compensation earned
- Also keep the following for one year from the date of action:
- Job applications
  - Resumes
  - Response to advertised job openings
  - Records related to the failure to hire an individual
- You must also keep all records related to:
- Layoff or discharge of an employee
  - Job orders submitted to a placement agency
  - Employee administered by employee physical exams used to make personnel decisions
  - Job advertisements

❖ The Immigration Reform and Control Act requires that you must retain copies of the I-9 Form for three years after the date of hire.