37th Annual Employment Issues Update

December 14, 2017
The Country Club
Meadville, Pennsylvania

This annual seminar booklet and all included links can be accessed via the HBK website: www.hbkcpa.com/resources
AGENDA

Welcoming Remarks

Travis Fox
HBK CPAs & Consultants

Update on:

- Federal and Pennsylvania Payroll Tax Reports and Rate Changes for 2018
  Pam Major
  HBK CPAs & Consultants
- Fringe Benefit Calculations for W-2 Reporting
- Filing Forms W-2 & W-3 – Wage & Tax Statements
- Filing Forms 1099 & 1096 – Information Returns
  Shane Finn
  HBK CPAs & Consultants

State and Local Taxes – Staying Ahead of the Curve

Shane Finn
HBK CPAs & Consultants

Sexual Harassment In The Workplace – Dos and Don’ts

John Swick and
Gary Alizzeo
Shafer Law Firm

and discussion regarding “Financial Fraud”

NW Pennsylvania Cybersecurity & Information Assurance

Briefing – Prepare or Despair

Steven Franckhauser
HBK Energy

Where Do We Stand On Healthcare?

Steve Fisher & Dan Severo
DJB Group Insurance

General and Closing Remarks

Chris Anderson
HBK CPAs & Consultants

This booklet is provided for discussion purposes only.
It contains dated material and is subject to change.
HBK CPAs & Consultants assumes no responsibility for update.
It is advisable that you consult HBK before implementation of materials presented herein.
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<td>Obtain a federal employer identification number</td>
<td><a href="http://www.irs.gov">www.irs.gov</a></td>
<td>There are questions on this form regarding workers compensation coverage. If you do not already have a policy, discuss with your assurance agent.</td>
</tr>
<tr>
<td>PA-100</td>
<td>Obtain Pennsylvania account numbers for employer withholding tax and unemployment tax</td>
<td><a href="http://www.pa100.pa.gov">www.pa100.pa.gov</a></td>
<td></td>
</tr>
<tr>
<td>Contact your local municipality</td>
<td>Register for local withholding and LST tax</td>
<td><a href="http://www.hab-inc.com">www.hab-inc.com</a></td>
<td>Berkheimer is now the local earned income tax collector for all counties in NW PA. Contact your local earned income tax receiver to obtain local registration information for LST tax.</td>
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Employee Forms (must be completed by each employee hired)

<table>
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<th>Where to Obtain Form</th>
<th>Notes</th>
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<td>Form is used to verify citizenship</td>
<td><a href="http://www.mcsn.gov/i-9">www.mcsn.gov/i-9</a></td>
<td>Completed form is kept for your records</td>
</tr>
<tr>
<td>W-4</td>
<td>Specify employee's federal withholding tax status</td>
<td><a href="http://www.irs.gov">www.irs.gov</a></td>
<td>Completed form is kept for your records in most situations</td>
</tr>
<tr>
<td>Residency Certification Form</td>
<td>Verify employee's municipality of residence</td>
<td><a href="http://www.hab-inc.com/wp-content/uploads/17381.pdf">http://www.hab-inc.com/wp-content/uploads/17381.pdf</a></td>
<td>Completed form is kept for your records; used for setup of local withholding taxes</td>
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<td>PA New Hire Form (or other state if applicable)</td>
<td>Required for all new hires</td>
<td><a href="http://www.ganewhires.com">www.ganewhires.com</a></td>
<td>Completed form must be mailed or faxed within 20 days of date of hire for new employees</td>
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Payroll Tax Form Filings

<table>
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<td>Federal Form 941</td>
<td>Report federal withholding, Social Security and Medicare taxes</td>
<td><a href="http://www.irs.gov">www.irs.gov</a></td>
<td>Quarterly filing, deposits may be required monthly or semi-weekly, depending on liability</td>
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<tr>
<td>PA Form UC-2</td>
<td>PA unemployment tax reporting</td>
<td><a href="http://www.uc-tax.pa.gov">www.uc-tax.pa.gov</a></td>
<td>Quarterly filing, reports employee and employer contributions</td>
</tr>
<tr>
<td>PA W-3</td>
<td>PA withholding tax reporting</td>
<td>Electronic filing only, via either E-Tides or Tele-File</td>
<td>Quarterly filing, deposits may be required monthly, semi-monthly or semi-weekly, depending on liability</td>
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<tr>
<td>Local withholding form</td>
<td>Report local earned income tax withholding by mail or on-line</td>
<td><a href="http://www.hab-inc.com">www.hab-inc.com</a></td>
<td>Quarterly filing</td>
</tr>
<tr>
<td>LST Form</td>
<td>Report LST tax withholding by mail or on-line</td>
<td><a href="http://www.hab-inc.com">www.hab-inc.com</a></td>
<td>Quarterly filing</td>
</tr>
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Tax Rates (subject to change annually)

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<th>2018 Employee Tax Rate</th>
<th>2018 Employer Tax Rate</th>
<th>2018 Wage Limits</th>
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<tr>
<td>Federal withholding</td>
<td>Use tables from IRS Publication 15 - Circular E</td>
<td>None</td>
<td>No limit</td>
</tr>
<tr>
<td>Social Security</td>
<td>6.20%</td>
<td>6.20%</td>
<td>$128,400 wage limit</td>
</tr>
<tr>
<td>Medicare</td>
<td>1.45% ** see note on additional withholding below</td>
<td>1.45%</td>
<td>No limit</td>
</tr>
<tr>
<td>Federal unemployment</td>
<td>None</td>
<td>0.6% *** see credit reduction state info below</td>
<td>$7,000 wage limit</td>
</tr>
<tr>
<td>PA unemployment</td>
<td>0.06%</td>
<td>Assigned by PA</td>
<td>$10,000 wage limit for employer portion NO limit for employee portion</td>
</tr>
<tr>
<td>PA withholding tax</td>
<td>3.07%</td>
<td>None</td>
<td>No limit</td>
</tr>
<tr>
<td>Local withholding tax</td>
<td>Varies by residence / workplace locality</td>
<td>None</td>
<td>No limit</td>
</tr>
<tr>
<td>LST tax</td>
<td>Varies by workplace locality</td>
<td>None</td>
<td>Varies by locality</td>
</tr>
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** Additional Medicare withholding - An additional 0.9% (total of 2.35%) is to be withheld on any employee's wages in excess of the following thresholds based on filing status: $250,000 married filing jointly, $125,000 married filing separately, or $200,000 for other all others. The employer match remains at 1.45% on all wages subject to Medicare.

*** Credit reduction state - A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is a "credit reduction state." The US Department of Labor determines these states. If an employer pays wages subject to the unemployment tax laws of a credit reduction state, that employer must pay additional federal unemployment tax when filing its Form 940.

For 2017, ONLY CA and VI are credit reduction states. If you paid any wages subject to the unemployment compensation laws of any of these states, you are not allowed the credit reduction rate (i.e., .003 or .006) of the regular .054 credit for the credit reduction state. Use Schedule A (Form 940), to figure the tax. For more information, see the Multi-State Employer and Credit Reduction Information, Instructions for Schedule A (Form 940) or visit IRS.gov.
When is a “Worker” an EMPLOYEE Versus an INDEPENDENT CONTRACTOR?

If you’re an employer, mistaking an employee for an independent contractor can be very costly! Because employers avoid paying a myriad of fringe benefits and payroll taxes when a worker is classified as an independent contractor rather than an employee, the IRS closely scrutinizes these situations. The penalties for improperly classifying a worker as an independent contractor and not depositing taxes in a timely manner can easily exceed 100% of the tax, so proper classification is extremely important.

Although there is no one test that will allow you to determine whether a worker should be classified as an employee or an independent contractor, there are several important factors to consider.

Generally, the relationship of employer and employee exists when the person or persons for whom the services are performed have the right to control and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished. That is, an employee is subject to the will and control of the employer not only as to what shall be done but also as to how it shall be done. In this connection, it is not necessary that the employer actually direct or control the manner in which the services are performed; it is sufficient if the employer has the right to do so.

Conversely, individuals (such as physicians, lawyers, dentists, contractors and subcontractors) who follow an independent trade, business or profession, in which they offer their services to the public, generally are not employees.

Finally, if the relationship of employer and employee exists, the designation or description of the relationship by the parties as anything other than that of employer and employee is immaterial. Therefore, if such a relationship exists, it is of no consequence that the employee is designated as partner, coadventurer, agent, independent contractor, or the like.

The common-law rules that should be considered in determining whether an individual is an employee or an independent contractor are summarized on the following pages.
Common-Law Rules

An employer must generally withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. An employer does not generally have to withhold or pay any taxes on payments to independent contractors.

To determine whether an individual is an employee or an independent contractor under the common law, the relationship of the worker and the business must be examined. In any employee-independent contractor determination, all information that provides evidence of the degree of control and the degree of independence must be considered.

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

Behavioral control. Facts that show whether the business has a right to direct and control how the worker does the task for which the worker is hired include the type and degree of:

- Instructions the business gives the worker. An employee is generally subject to the business’ instructions about when, where, and how to work. All of the following are examples of types of instructions about how to do work:
  - When and where to do the 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

The amount of instruction needed varies among different jobs. Even if no instructions are given, sufficient behavioral control may exist if the employer has the right to control how the work results are achieved. A business may lack the knowledge to instruct some highly specialized professionals; in other cases, the task may require little or no instruction. The key consideration is whether the business has retained the right to control the details of a worker’s performance or instead has given up that right.

- Training the business gives the worker. An employee may be trained to perform services in a particular manner. Independent contractors ordinarily use their own methods.

Financial control. Facts that show whether the business has a right to control the business aspects of the worker’s job include:
The extent to which the worker has unreimbursed business expenses. Independent contractors are more likely to have unreimbursed expenses than are employees. Fixed ongoing costs that are incurred regardless of whether the work is currently being performed are especially important. However, employees may also incur unreimbursed expenses in connection with the services they perform for their employer.

The extent of the worker’s investment. An independent contractor often has a significant investment in the facilities he or she uses in performing services for someone else. However, a significant investment is not necessary for independent contractor status.

The extent to which the worker makes services available to the relevant market. An independent contractor is generally free to seek out business opportunities. Independent contractors often advertise, maintain a visible business location, and are available to work in the relevant market.

How the business pays the worker. An employee is generally guaranteed a regular wage amount for an hourly, weekly, or other period of time. This usually indicates that a worker is an employee, even when a commission supplements the wage or salary. An independent contractor is usually paid a flat fee or on a time and materials basis for the job. However, it is common in some professions, such as law, to pay independent contractors hourly.

The extent to which the worker can realize a profit or loss. An independent contractor can make a profit or loss.

Type of relationship. Facts that show the parties’ type of relationship include:

Written contracts describing the relationship the parties intended to create.

Whether the business provides the worker with employee-type benefits, such as insurance, a pension plan, vacation pay, or sick pay.

The permanency of the relationship. If you engage a worker with the expectation that the relationship will continue indefinitely, rather than for a specific project or period, this is generally considered evidence that your intent was to create an employer-employee relationship.
**The extent to which services performed by the worker are a key aspect of the regular business of the company.** If a worker provides services that are a key aspect of your regular business activity, it is more likely that you will have the right to direct and control his or her activities. For example, if a law firm hires an attorney, it is likely that it will present the attorney's work as its own and would have the right to control or direct that work. This would indicate an employer-employee relationship.


Federal “Safe Harbor” Rules

The IRS has special independent contractor rules which “exempt” certain workers from the common law rules if the following three statements are true:

1. **Consistent Treatment Since 1977**
   Since December 31, 1977, you (the hiring firm) or your predecessor have consistently treated individuals doing similar work as independent contractors.

2. **Filed Required 1099’s since 1978**
   You or your predecessor never treated your current “independent contractor” as an employee; and since December 31, 1978, you have filed all the required federal information returns (Form 1099-MISC) for independent contractors.

3. **Reasonable Basis**
   There was a reasonable basis for treating the worker as an independent contractor. Reasonable basis means:
   - You relied on similar judicial rulings, IRS rulings, or IRS technical advice (the written response you get when you submit an SS-8); or
   - In a past IRS audit, you were not charged fines for treating workers doing a similar type of work as independent contractors; or
   - It is a recognized practice for a large segment of your industry to treat certain types of workers as independent contractors.

**WARNING: These safe harbor rules do not apply to:**

- Technical service specialists performing services for their hiring firm’s clients (engineers, designers, drafters, system analysts, computer programmers, and other similarly skilled personnel).
- State taxes, workers’ compensation, or legal liability.

Without safe harbor protection, hiring firms must show that their independent contractors comply with the common law factors.
Who is a Household Employee?

A household worker is your employee if you can control not only what work is done, but how it is done. Household work is work done in or around your home by babysitters, nannies, housekeepers, cleaning people, health aides, private nurses, maids, caretakers, yard workers, and similar domestic workers. If the worker is your employee, it does not matter whether the work is full time or part time, or that you hired the worker through an agency or from a list provided by an agency or association. It also does not matter whether you pay the worker on an hourly, daily or weekly basis, or by the job. For additional information and withholding tables regarding household employees, see IRS Pub 926 - [www.irs.gov/pub/irs-pdf/p926.pdf](http://www.irs.gov/pub/irs-pdf/p926.pdf).

### Table 1. Do You Need To Pay Employment Taxes?

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<th>A. If you ...</th>
<th>THEN you need to ...</th>
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<tr>
<td>Pay cash wages of $2,000 or more in 2017 to any one household employee.</td>
<td>Withhold and pay social security and Medicare taxes.</td>
</tr>
<tr>
<td>Don't count wages you pay to:</td>
<td>• The taxes are 15.3% of cash wages.</td>
</tr>
<tr>
<td>• Your spouse,</td>
<td>• Your employee's share is 7.65% (You can choose to pay it yourself and not withhold it.)</td>
</tr>
<tr>
<td>• Your child under the age of 21,</td>
<td>• Your share is 7.65%.</td>
</tr>
<tr>
<td>• Your parent (see Wages not counted, later, for an exception), or</td>
<td>Pay federal unemployment tax.</td>
</tr>
<tr>
<td>Any employee under the age of 18 at any time in 2017 (see Wages not counted, later, for an exception).</td>
<td>• The tax is 5% of cash wages.</td>
</tr>
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</table>

1. In addition to withholding Medicare tax at 1.45%, you must withhold a 0.9% Additional Medicare Tax from wages you pay to an employee in excess of $200,000 in a calendar year. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of $200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the $200,000 withholding threshold.

### Table 2. Household Employer's Checklist

**You may need to do the following things when you have a household employee.**

- **When you hire a household employee:**
  - Find out if the person can legally work in the United States.
  - Find out if you need to withhold and pay federal taxes.
  - Find out if you need to withhold and pay state taxes.

- **When you pay your household employee:**
  - Withhold social security and Medicare taxes.
  - Withhold federal income tax.
  - Decide how you will make tax payments.
  - Keep records.

- **By January 31, 2018:**
  - Get an employer identification number (EIN).
  - Give your employee Copies B, C, and 2 of Form W-2, Wage and Tax Statement.
  - Send Copy A of Form W-2 with Form W-3 to the Social Security Administration (SSA).
  - Don't send Form W-2 to the SSA if you didn't withhold federal income tax and the social security and Medicare wages were below $2,000 for 2017.

- **By April 17, 2018:**
  - File Schedule H (Form 1040), Household Employment Taxes, with your 2017 federal income tax return (Form 1040, 1040NR, 1040-SS, or 1041). If you don't have to file a return, file Schedule H by itself.

* **State employment taxes** – You should contact your state employment tax agency to find out whether you need to pay state employment tax or carry workers’ compensation insurance for your household employee.
New Hire Reporting

A nationwide new hire-reporting program has been implemented by the U. S. Department of Health and Human Services. This became a requirement for all states October 1, 1997. The program has been implemented to enforce child support orders and to prevent unlawful or erroneous receipt of public assistance payments.

Upon hiring or rehiring an individual, (see PA new-hire conditions list below – note that other states’ conditions differ) you are required to report employee information to your state. You may do this by fax, by mail, via the internet or if available, by e-mail. The information required includes the employee name, address, Social Security number, and date of hire; the employer’s name, address and federal identification number. The W-4 form may be used or a form compatible. This information has to be reported within 20 days of the date of hire.

Pennsylvania, Ohio and New York employers are all required to report new hires. Visit the State specific websites shown below for more complete details on each.

Pennsylvania and Ohio have forms that may be used for reporting, but are not required. Find the forms at:


New York does not provide a specific reporting form. Filing instructions can be found at http://www.tax.ny.gov/bus/wt/newhire.htm

Ohio employers are required to report new hires defined both as employees as well as certain independent contractors. See specific new hire and independent contractor instructions at:

Following is additional contact information to assist you with your Pennsylvania, Ohio and New York new hire reporting.

**PENNSYLVANIA**

Mail To: Commonwealth of Pennsylvania  
New Hire Reporting Program  
P.O. Box 69400  
Harrisburg, PA 17106-9400

Phone: (888) 724-4737 (PAHIREs)  
Fax To: (866) 748-4473 (HIRE) or (717) 657-4473 (HIRE)


E-Mail: Go to link above and select “Contact Us”

**OHIO**

Mail To: Ohio New Hire Reporting Center  
P.O. Box 15309  
Columbus, OH 43215-0309

Phone: (888) 872-1490 or (614) 221-5330  
Fax To: (888) 872-1611

Website: [https://newhire-reporting.com/OH-Newhire/default.aspx](https://newhire-reporting.com/OH-Newhire/default.aspx)

E-Mail: Go to link above and select “Contact Us”

**NEW YORK**

Mail To: NYS Department of Taxation and Finance  
New Hire Notification  
P.O. Box 15119  
Albany, NY  12212-5119

Fax To: (518) 320-1080

Website: [http://www.nynewhire.com](http://www.nynewhire.com)

E-Mail: None provided on website
State of Pennsylvania New Hire Reporting Instructions

- Print using black or blue ink, or type to complete the form.

- Complete the employer information including FEIN, Employer Name and Address, as well as Contact Name and Phone Number.

- The Contact Name and Phone Number will be used if there is a problem with the information submitted. It should be the name and phone number of someone who can answer questions about the New Hire Report. If a payroll firm is being used to submit the New Hire Reports, a contact at the payroll firm may be used.

- Please note that the employer’s address should be either a legal or mailing address for the employer. If a payroll firm is submitting the New Hire Report for the employer, the address should be the employer’s, not the payroll firm’s.

- The newly-hired employee may complete the employee information but please ensure that the information submitted is accurate.

- Employee’s Social Security Number should be verified by reviewing the employee’s Social Security Card. (Or, with the Social Security Number Verification Service SSNVS.)

  **NOTE:** For more detailed instructions on registering and/or using SSNVS, get a copy of the SSNVS Handbook at: [www.ssa.gov/employer/ssnvs_handbk.htm](http://www.ssa.gov/employer/ssnvs_handbk.htm).

- Employee’s Name should be the legal name for the employee that corresponds to the Social Security Number.

- Employee’s Address is the employee’s permanent address.

- Date of Hire is defined as: the first day services are performed for wages by an individual.

- Remember: New Hire Reports are due within 20 days of hiring an employee.

---

All Pennsylvania employers are required to report all newly-hired employees.
You can find all information on complying with this Federal and State mandate at the New Hire Program website:
PRINT THE FORMS:

OR COMPLETE ONLINE AT www.pacareerlink.state.pa.us:

WORKING TOGETHER SETS US APART
State of Ohio New Hire Reporting Instructions

All Ohio employers are required to report certain information about employees who have been newly hired, rehired, or have returned to work.

The Ohio New Hire Reporting Center offers many options to help make new hire reporting simple and easy for employers. The options available are listed below.

**Electronic Reporting**
- *Electronic Reports* - This feature provides printable confirmation of reports received and is conveniently available 24 hours a day, 7 days a week.

**Non-Electronic Reporting**
- *Printed List*: If your software is unable to export your new hire information in our electronic format, you might be able to have your software create a printed list containing your new hire data. The printed list should contain all of the required information on the New Hire Reporting Form, be created using at least a 10-point font size, and have the employer's name, Federal Employer Identification Number, and address clearly displayed at the top of the report.
- *W-4 Form*: If you choose to submit a W-4 form as a new hire report, please ensure that each W-4 is easily readable and has the employer's name, Federal Employer Identification Number, and address written at the top of each form.

**Other Reporting Methods**
- *Payroll Service*: If you use a payroll or accounting service, consider asking the service to report your new hires for you. Leading payroll services are already electronically reporting new hires for thousands of employers.
  - This information must be submitted within 20 days of the hire date, rehire date, or return to work.
  - You may mail or fax information on paper, mail information on disk or you may submit the information electronically via the internet. Call 1-888-872-1490 to obtain information on submitting new hires, or visit the website.

Ohio New Hire Reporting Center Home Page

This information will be used to help locate parents who owe and enforce child support obligations, to make adjustments to public assistance benefits and to uncover those who are fraudulently receiving benefits. This information is also available to Ohio Unemployment and Worker’s compensation.
Ohio Department of Job and Family Services

**OHIO NEW HIRE REPORTING**

Ohio Revised Code section 3121.89 to 3121.8910 requires all Ohio employers, both public and private, to report all contractors and newly hired employees to the state of Ohio within 20 days of the contract or hire date. Information about new hire reporting and online reporting is available on our website: [www.oh-newhire.com](http://www.oh-newhire.com)

**Send completed forms to:**
Ohio New Hire Reporting Center
PO Box 15500
Columbus, OH 43215-0309
Fax: (614) 221-7088 or toll-free fax (888) 872-1611

To ensure the highest level of accuracy, please print neatly in capital letters and avoid contact with the edges of the boxes. The following will serve as an example:

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
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</table>

## EMPLOYER INFORMATION

Federal Employer ID Number (FEIN) (Please use the same FEIN as the listed employee’s quarterly wages will be reported under):

<p>| | | | | | |</p>
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<thead>
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Employer Name:

<p>| | | | | | |</p>
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Employer Address (Please indicate the address where the Income Withholding Orders should be sent):

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</thead>
</table>

Employer City:  
Employer State:  
Zip Code (5 digit):  
Employer Phone (optional):  
Extension:  
Employer Fax (optional):

Email:

<p>| | | | | | |</p>
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## EMPLOYEE OR CONTRACTOR INFORMATION

Social Security Number (SSN)  
(Check here if using FEIN for the Contractor)

<p>| | | | | | |</p>
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</table>

First Name:  
State of Hire:
Middle Initial:

Last Name:

<p>| | | | | | |</p>
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Address:

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</table>

City:  
State:  
Zip Code (5 digit):

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</table>

Date of Hire:  
Date of Birth:  
Is this a Contractor?  
Yes  
No

Date payments will begin for Contractor:  
Length of time the Contractor will be performing services:  

<p>| | | | | | |</p>
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**REPORTS WILL NOT BE PROCESSED IF REQUIRED INFORMATION IS MISSING**

Questions? Call us at (614) 221-5330 or toll-free (888) 872-1490

New York State New Hire Reporting Instructions

- New York State legislation defines employers for New Hire purposes the same as for federal income tax purposes.

- Employers have 20 calendar days from the hiring date to report newly hired employees who will be employed in New York State. If the employer reports by magnetic media, the employer must report using two monthly submissions (if needed) not less than 12 nor more than 16 days apart.

- The following information must be provided for each employee:
  1. Employee name (first, middle initial, last)
  2. Employee address (street, city, state and ZIP code)
  3. Employee Social Security number
  4. Employer name
  5. Employer address (street, city, state and ZIP code)
  6. Employer identification number (assigned by the IRS)
  7. If dependent health insurance benefits are available to the employee, and if so, the date the employee qualifies for the benefits
  8. Hire date

The required information can be reported by submitting a completed and legible copy of the employee’s federal Form W-4, or an equivalent form developed by the employer, as New York does not have an official new hire form.

In addition to new hire reporting, effective April 9, 2011. Section 195.1 of the Labor Law requires all employers, other than government agencies, to give employees at the time of hire (before work is performed) and on or before February 1 of each year, notice of the following:

1. the employee’s rate or rates of pay
2. the overtime rate of pay, if the employee is nonexempt from overtime regulations
3. the basis of wage payment (per hour, per shift, per week, piece rate, commission, etc.)
4. any allowances the employer intends to claim as part of the minimum wage including tip, meal, and lodging allowances
5. the regular payday
6. the employer’s name and any names under which the employer does business (DBA)
7. the physical address of the employer’s main office or principal place of business and, if different, the employer’s mailing address
8. the employer’s telephone number

This notice must be given at the time of hiring. No particular form is required to be used. Employers may create their own forms, or use and/or adapt one of the model forms provided at the links below. See the “Guidelines” and “Instructions” below for more detailed information.
Temporary help firms have specialized guidelines and notice forms, since their employees’ rates of pay can vary with each assignment.

https://www.labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm

The entire pay notice template links list can be found in a variety of languages at the following site:
https://www.labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm#Employment_Agency

Reporting methods:

Employers who are required to report to New York State (and multistate employers who designate New York as their reporting state) should use one of the methods below to submit the new hire information:

- Online via the Web site at www.nynewhire.com;
- Submit a copy of the employee’s Form IT-2104, Employee’s Withholding Allowance Certificate, in place of, or in addition to, the federal Form W-4, Employees Withholding Allowance Certificate
  - Mail new hire reporting information to:
    New York State Dept. of Taxation and Finance
    New Hire Notification
    PO Box 15119
    Albany NY 12212-5119
    Fax: (518) 320-1080
  - Electronic filers may obtain current specifications by contacting Employer Outreach at (518) 320-1079

Note: You do not have to report or file copies of Forms IT-2104 or federal form W-4 for existing employees who change deduction amounts or other information.

Other useful NY sites:

Wage and Hour Law: https://labor.ny.gov/workerprotection/laborstandards/workprot/lshmpg.shtm

## Form I-9

**Title:** Employment Eligibility Verification  
**Agency:** Department of Homeland Security, U.S. Citizenship and Immigration Services

**OMB No:** 1615-0047  
**Expiration Date:** 08/31/2019

**Form I-9 Instructions:**

**Instructions**  
Read instructions carefully before completing this form. The instructions must be available, either in paper or electronically, during completion of this form. Employers are liable for errors in the completion of this form.

**Anti-Discrimination Notice:** It is illegal to discriminate against work-authorized individuals. Employers cannot specify which document(s) an employee may present to establish employment authorization and identity. The refusal to hire or continue to employ an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

<table>
<thead>
<tr>
<th>Section 1: Employee Information and Attestation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Last Name (Family Name)</th>
<th>First Name (Given Name)</th>
<th>Middle Initial</th>
<th>Other Last Names Used (if any)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Address (Street Number and Name)</th>
<th>Apt. Number</th>
<th>City or Town</th>
<th>State</th>
<th>ZIP Code</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Date of Birth (mm/dd/yyyy)</th>
<th>U.S. Social Security Number</th>
<th>Employee's E-Mail Address</th>
<th>Employee's Telephone Number</th>
</tr>
</thead>
<tbody>
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I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following boxes):

1. A citizen of the United States

2. A noncitizen national of the United States [See instructions]

3. A lawful permanent resident [Alien Registration Number/USCIS Number]:

4. An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy):

   Some aliens may write "N/A" in the expiration date field. [See instructions]

   Aliens authorized to work must provide only one of the following document numbers to complete Form I-9:
   - Alien Registration Number/USCIS Number
   - Form I-94 Admission Number OR Form I-94 Admission Number OR Foreign Passport Number:

   1. Alien Registration Number/USCIS Number: ____________
   2. Form I-94 Admission Number: ____________
   3. Foreign Passport Number: ____________

   Country of Issuance: ____________

Signature of Employee: ____________

Today's Date (mm/dd/yyyy): ____________

Preparer and/or Translator Certification (check one):

[ ] I did not use a preparer or translator.

[ ] A preparer(s) and/or translator(s) assisted the employee in completing Section 1.

Preliminary steps must be completed and signed when preparers and/or translators assist an employee in completing Section 1.

I attest, under penalty of perjury, that I have assisted in the completion of Section 1 of this form and that the best of my knowledge the information is true and correct.

Signature of Preparer or Translator: ____________

Today's Date (mm/dd/yyyy): ____________

<table>
<thead>
<tr>
<th>Last Name (Family Name)</th>
<th>First Name (Given Name)</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Address (Street Number and Name)</th>
<th>City or Town</th>
<th>State</th>
<th>ZIP Code</th>
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</tbody>
</table>

Click to Finish

---

Form I-9 11/14/2015

For complete Form I-9 with instructions and list of acceptable documents, visit

THE 2018 FORM W-4 WAS NOT YET FINAL AT PUBLICATION OF BOOKLET

---

**Form W-4 (2018)**

**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 2018 expires February 15, 2019. 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 can’t claim exemption from withholding if your annual income exceeds $2,000 and includes more than $300 of unearned income (for example, interest and dividends).

**Personal Allowances Worksheet.** Enter “1” for yourself if no one else can claim you as a dependent.

**A.** Enter “1” for yourself if no one else can claim you as a dependent.

- **B.** Enter “1” if:
  - You’re single and have only one job;
  - You’re married, have only one job, and your spouse doesn’t work; or
  - You’re a head of household or your spouse’s wages (or the total of both) are $3,000 or less.

**C.** Enter “1” for your spouse. 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.)

**D.** Enter number of dependents (other than your spouse or yourself) you claim on your tax return.

**E.** Enter “1” if you will file as head of household on your tax return (see conditions under Head of household above).

**F.** Enter “1” if you have at least 1 child or dependent care expenses for which you claim a credit. (Note: Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

**G.** Child Tax Credit (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.

- **H.** If your total income will be less than $3,000 ($3,600 if married), enter “2” for each eligible child, or “2” if you have two or four eligible children or “3” if you have five or more eligible children.

**I.** If your total income will be between $3,000 and $6,000 ($3,600 and $7,600 if married), enter “2” for each eligible child, or “3” if you have two or four eligible children or “4” if you have five or more eligible children.

For accuracy, complete all worksheets that apply.

---

**Employee's Withholding Allowance Certificate.**

**Handbook & Consultants August 2017**

The 2018 Form W-4 was not yet final at publication of booklet.

Form W-4 (2018) Deductions and Adjustments Worksheet

Note: Use this worksheet only if you plan to itemize deductions or claim certain credits or adjustments to income.

1. Enter an estimate of your 2018 itemized deductions. This includes qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% of your income, and miscellaneous deductions. For 2018, you may have to reduce your itemized deductions if your income is over $200,000 and you are married filing jointly or if you are a qualifying widow(er); $120,000 if you are head of household; $120,000 if you are single, head of household and not a qualifying widow(er); or $60,000 if you are married filing separately. See Pub. 505 for details.

2. Enter: $X,XXX if head of household $X,XXX if single or married filing separately

3. Subtract line 2 from line 1. If zero or less, enter “0.”

4. Enter an estimate of your 2018 adjustments to income and any additional standard deduction (see Pub. 505).

5. Add lines 3 and 4 and enter the total. (Include any amount for credits from the Converting Credits to Withholding Allowances for 2018 Form W-4 worksheet in Pub. 505.)

6. Enter an estimate of your 2018 nonwage income (such as dividends or interest).

7. Subtract line 6 from line 5. If zero or less, enter “0.”

8. Divide the amount on line 7 by $X,XXX and enter the result here. Drop any fraction.

9. Enter the number from the Personal Allowances Worksheet, line H, page 1.

10. Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earners/Multiple Jobs Worksheet, also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1.

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.

1. Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet).

2. Find the number in Table 1 below that applies to the LOWEST paying job and enter it here. However, if you are married filing jointly and wages from the highest paying job are $X,XXX or less, do not enter more than “0”.

3. If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter “0.”) and on Form W-4, line 5, page 1. Do not use the rest of this worksheet.

4. If line 1 is less than line 2, 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.

5. Enter the number from line 2 of this worksheet.

6. Enter the number from line 1 of this worksheet.

7. Subtract line 5 from line 4.

8. Find the amount in Table 2 below that applies to the HIGHEST paying job and enter it here.

9. Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed.

10. Divide line 8 by the number of pay periods remaining in 2018. 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 2018. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck.

Table 1

<table>
<thead>
<tr>
<th>Married Filing Jointly</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>If wages from LOWEST paying job are—</td>
<td>Enter on line 2 above</td>
</tr>
<tr>
<td>$X - $XXX</td>
<td>0</td>
</tr>
<tr>
<td>XXXXX - XXXXX</td>
<td>1</td>
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<tr>
<td>XXXXX - XXXXX</td>
<td>2</td>
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<td>XXXXX - XXXXX</td>
<td>3</td>
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<td>XXXXX - XXXXX</td>
<td>7</td>
</tr>
<tr>
<td>XXXXX - XXXXX</td>
<td>8</td>
</tr>
<tr>
<td>XXXXX - XXXXX</td>
<td>9</td>
</tr>
<tr>
<td>XXXXX - XXXXX and over</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 2

<table>
<thead>
<tr>
<th>Married Filing Jointly</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>If wages from HIGHEST paying job are—</td>
<td>Enter on line 7 above</td>
</tr>
<tr>
<td>$X - $XXX,XXX</td>
<td>X XXX</td>
</tr>
<tr>
<td>XXXXX - XXXXX,XXX</td>
<td>X XXX</td>
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<td>XXXXX - XXXXX,XXX</td>
<td>X XXX</td>
</tr>
<tr>
<td>XXXXX - XXXXX,XXX and over</td>
<td>XXX</td>
</tr>
</tbody>
</table>

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) 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 the failure to provide the information to the Internal Revenue Service; 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 government agencies under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

RESIDENCY CERTIFICATION FORM
Local Earned Income Tax Withholding

TO EMPLOYERS/TAXPAYERS:
This form is to be used by employers and/or taxpayers to report essential information for the collection and distribution of Local Earned Income Taxes. This form must be utilized by employers when a new employee is hired or when a current employee notifies employer of a name and/or address change.

EMPLOYEE INFORMATION - RESIDENCE LOCATION

NAME (Last Name, First Name, Middle Initial)  SOCIAL SECURITY NUMBER
STREET ADDRESS (No PO Box, RD or RR)
SECOND LINE OF ADDRESS
CITY  STATE  ZIP CODE  DAYTIME PHONE NUMBER
MUNICIPALITY (City, Borough or Township)
COUNTY  RESIDENT PSD CODE  TOTAL RESIDENT EIT RATE

EMPLOYER INFORMATION - EMPLOYMENT LOCATION

EMPLOYER BUSINESS NAME (Use Federal ID Name)  EMPLOYER FEIN
STREET ADDRESS WHERE ABOVE EMPLOYEE REPORTS TO WORK (No PO Box, RD or RR)
SECOND LINE OF ADDRESS
CITY  STATE  ZIP CODE  PHONE NUMBER
MUNICIPALITY (City, Borough or Township)
COUNTY  WORK LOCATION PSD CODE  WORK LOCATION NON-RESIDENT EIT RATE

CERTIFICATION

Under penalties of perjury, I (we) declare that I (we) have examined this information, including all accompanying schedules and statements and to the best of my (our) belief, they are true, correct and complete.

SIGNATURE OF EMPLOYEE  DATE (MM/DD/YYYY)
PHONE NUMBER  EMAIL ADDRESS

For information on obtaining the appropriate MUNICIPALITY (City, Borough, Township), PSD CODES and EIT (Earned Income Tax) RATES, please refer to the Pennsylvania Department of Community & Economic Development website:

www.newPA.com

To Find Your Municipality: http://munstats.pa.gov/Public/FindLocalTax.aspx
Mandatory Workplace Postings

Mandatory workplace notices are available for download through the Pennsylvania Labor and Industry online at http://www.dli.pa.gov/pages/mandatory-postings.aspx or you can call (717) 783-8794 and request the notices be mailed to you. These postings are required and inform employees of certain conditions of employment and their rights and responsibilities under employment-related laws.

(You can click at the underlined links shown below to go directly to the notice.)

State Required Employee Notices

<table>
<thead>
<tr>
<th>NOTICE</th>
<th>POSTING REQUIREMENTS</th>
<th>HOW TO OBTAIN NOTICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract of the Pennsylvania Child Labor Act Form No. LLC-5 (Rev 1-13)</td>
<td>All PA Employers of Minors</td>
<td>Department of Labor &amp; Industry Labor Law Compliance 1-800-932-0665</td>
</tr>
<tr>
<td>Abstract of Equal Pay Law Form No. LLC-8 (Rev 2-07)</td>
<td>All PA Employers</td>
<td>Department of Labor &amp; Industry Labor Law Compliance 1-800-932-0665</td>
</tr>
<tr>
<td>Resumen de la Ley de Trabajo Infantil Form No. LLC-5 (ESP) (6-08)</td>
<td>All Employers of Minors (To be posted for Spanish-speaking employees.)</td>
<td>Department of Labor &amp; Industry Labor Law Compliance 1-800-932-0665</td>
</tr>
<tr>
<td>Hours of Work for Minors Under Eighteen Form No. LLC-17 (Rev 2-07)</td>
<td>All PA Employers of Minors</td>
<td>Department of Labor &amp; Industry Labor Law Compliance 1-800-932-0665</td>
</tr>
<tr>
<td>Horas de Trabajo para Menores de Dieciocho Años Form No. LLC-17 (ESP) (6-08)</td>
<td>All Employers of Minors (To be posted for Spanish-speaking employees.)</td>
<td>Department of Labor &amp; Industry Labor Law Compliance 1-800-932-0665</td>
</tr>
<tr>
<td>Minimum Wage Law Poster and Fact Sheet Form No. LLC-1 (Rev 9-16)</td>
<td>All PA Employers</td>
<td>Department of Labor &amp; Industry Labor Law Compliance 1-800-932-0665</td>
</tr>
<tr>
<td>Pennsylvania Right to Know Law Form No. LIBC-262 (Rev 08-14)</td>
<td>Public Employers (State, County, Township, etc.)</td>
<td>Department of Labor &amp; Industry Bureau of Workers’ Compensation Health &amp; Safety Division 717-772-1635</td>
</tr>
<tr>
<td>Unemployment Compensation Form No. UC-700 (Rev 9-17)</td>
<td>All Employers</td>
<td>Department of Labor &amp; Industry Office of UC Policy 717-783-8794</td>
</tr>
<tr>
<td>Compensacion Por Desempleo Form UC-700(ESP) (Rev 9-16)</td>
<td>All Employers (To be posted for Spanish-speaking employees.)</td>
<td>Department of Labor &amp; Industry Office of UC Policy 717-783-8794</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance Posting Form No. LIBC-500 (Rev 1-15)</td>
<td>All PA Employers</td>
<td>Your Insurance Carrier or Department of Labor &amp; Industry Workers’ Compensation 717-783-5421</td>
</tr>
<tr>
<td>PA Clean Indoor Air Act Signage for No Smoking</td>
<td>All Employers identified under the PA Clean Indoor Air Act</td>
<td>PA Department of Health Clean Indoor Air Helpline: 1-877-835-9535</td>
</tr>
<tr>
<td>Equal Opportunity &amp; Fair Practices Notices</td>
<td>Click here for specific requirements.</td>
<td>Pennsylvania Human Relations Commission 717-772-2845</td>
</tr>
</tbody>
</table>
The following publications are also available by calling the PA Human Relations Commission at (717) 772-2845, by visiting the website at www.phrc.pa.gov or directly at the following links:

- [Fair Education](#) (PDF)
- [Fair Employment](#) (PDF)
- [Fair Housing](#) (PDF)
- [Fair Lending](#) (PDF)
- [Public Accommodations](#) (PDF)

http://www.phrc.pa.gov/About-Us/Publications/Pages/Required-Posters.aspx#.Vm7IF9Eo7IV

You can also request the posters via e-mail from phrc@pa.gov

**Federal Posters:**

The US Department of Labor (USDOL) also has certain requirements for employers to post various notices in the workplace.

These posters are available for free at the USDOL's website [https://www.dol.gov/general/topics/posters/](https://www.dol.gov/general/topics/posters/) or by calling 1-866-487-2365. Posters included on the web page include but are not limited to:

**Workplace Posters**

- Expand all

  - Employee Rights Under the Fair Labor Standards Act* Poster (FLSA / Minimum Wage)
  - Job Safety and Health: It's the Law* Poster (Occupational Safety and Health Act/OSHA)
  - "Employee Rights and Responsibilities Under The Family and Medical Leave Act" (FMLA)
  - Equal Employment Opportunity is the Law* Poster (EEO)
  - Pay Transparency Nondiscrimination Provision (41 CFR Part 60-1.35)
  - Migrant and Seasonal Agricultural Worker Protection Act Notice (MSPA)
  - Employee Rights for Workers with Disabilities Paid at Special Minimum Wages* Poster (FLSA Section 14(c))
  - Employee Polygraph Protection Act Notice (EPPA)
  - "Your Rights Under USERRA* Notice/Poster
  - Employee Rights Under the H-2A Program

[Federal Required Employee Notices](#)
# Minimum Wage Laws (State & Federal)

## Minimum Wage Law Summary

**Must be Posted in a Conspicuous Place in Every Pennsylvania Business**

**Governed by the Minimum Wage Act**

The Pennsylvania Minimum Wage Act establishes a fixed Minimum Wage and Overtime Rate for employees. It also sets forth compliance-related duties for the Department of Labor & Industry and for employers. In addition, the Minimum Wage Act provides penalties for noncompliance. This summary is for general information only and is not an official position formally adopted by the Department of Labor & Industry.

### Tipped Employees:

An employer may pay a minimum of $2.83 per hour to an employee who makes $30.00 per month in tips. The employer must make up the difference if the tips and $2.83 do not meet the regular Pennsylvania minimum wage.

### Keeping Records:

Every employer must maintain accurate records of each employee’s earnings and hours worked, and provide access to Labor & Industry.

### Penalties:

Failure to pay the legal minimum wage or other violations may result in payment of back wages and other civil or criminal action where warranted.

### Exemptions:

- Overtime applies to certain employment classifications. (see pages 2 and 3)

### Special Allowances For:

- Students, learners and people with disabilities, upon application only.

### Minimum Wage Rate:

$7.25 per hour

**Effective**

**July 24, 2009**

(Except as Described)

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**COMMONWEALTH OF PENNSYLVANIA**

| TOM WOLF | GOVERNOR |

----

**DEPARTMENT OF LABOR & INDUSTRY**

| KATHY M. MANDERINO | SECRETARY |

---

Above is Page 1 of the Pennsylvania Minimum Wage Law Poster

For the complete four page notice, please click [Form No. LLC-1](http://www.dli.pa.gov/Documents/Mandatory%20Postings/llc-1.pdf) or go to [http://www.dli.pa.gov/Individuals/Labor-Management-Relations/llc/minimum-wage/Pages/FAQs.aspx](http://www.dli.pa.gov/Individuals/Labor-Management-Relations/llc/minimum-wage/Pages/FAQs.aspx)
NON-TIPPED EMPLOYEES

A Minimum Wage of $8.30 per hour

"Non-Tipped Employees" includes any employee who does not engage in an occupation in which he/she customarily and regularly receives more than thirty dollars ($30.00) per month in tips.

"Employers" who gross less than $350,000 shall pay their employees no less than the current federal minimum wage rate.

"Employees" under the age of 16 shall be paid no less than the current federal minimum wage rate.

"Current Federal Minimum Wage" is $7.25 per hour.

TIPPED EMPLOYEES

A Minimum Wage of $4.15 per hour PLUS TIPS

"Tipped Employees" includes any employee who engages in an occupation in which he/she customarily and regularly receives more than thirty dollars ($30.00) per month in tips. Employers, in order to use the tip credit provision must be able to show that tipped employees receive at least the minimum wage when direct or cash wages and the tip credit amount are combined.

OVERTIME

1. An employer shall pay an employee for overtime at a rate of one and one half times the employee's wage rate for hours in excess of forty hours in one workweek, except for employers grossing less than $150,000 per year.

RECORDS TO BE KEPT BY THE EMPLOYER

1. Each employer shall keep records for at least three years, available for copying and inspection by the Director of the Ohio Department of Commerce, showing the following information concerning each employer:
   A. Name
   B. Address
   C. Occupation
   D. Rate of Pay
   E. Amount paid each pay period
   F. Hours worked each day and each workweek

2. The records may be opened for inspection or copying at any reasonable time and no employer shall hinder or delay the Director of the Ohio Department of Commerce in the performance of these duties.

SUB-MINIMUM WAGE RATE

Sub-minimum wage rates may be paid to employees who are:
1. Under eighteen years of age and employed by an employer who is licensed to employ minors;
2. Under the age of twenty-one and employed by a licensed or exempt hotel, restaurant, or other similar establishment;
3. Enrolled in an approved training program;
4. Employed by a nonprofit organization or group of organizations;
5. Employed in an agricultural or horticultural occupation.

INDIVIDUALS EXEMPT FROM MINIMUM WAGE

1. Any individual employed by the United States;
2. Any individual employed as a nurse's aide in the employer's home, or a live-in companion to a sick, convalescing, or elderly person whose principal duties do not include housekeeping;
3. Any individual employed as an outside salesmen compensated by commissions or in a bona fide executive, administrative, or professional capacity, or computer professionals;
4. Any individual who volunteers to perform services for a public agency which is a state, a political subdivision of a state, or an interstate government agency, if the individual receives no compensation or in paid expenses, reasonable benefits, or a nominal fee for performing services for which the individual volunteered; and
5. Any individual employed by a public agency which is a state, a political subdivision of a state, or an interstate government agency;
6. Any individual who works for or provides personal services to a charitable nature in a hospital or school institution for which compensation is not sought or contemplated;
7. Any employee of a family member owned and operated business who are family members of an owner.
8. For information about additional exemptions, please visit the website of the Ohio Division of Industrial Compliance or U.S. Department of Labor.

For further information about minimum wage issues, please contact The Ohio Department of Commerce, Division of Industrial Compliance, 6606 Tiffin Avenue, Columbus, Ohio 43205, Phone: 614-466-2256, TTY/TDD: 1-800-385-0750, An Equal Opportunity Employer and Provider.

REVISED: 9/01/17

POST IN A CONSPICUOUS PLACE

## Attention Miscellaneous Industry Employees

**Minimum Wage hourly rates effective 12/31/2017 – 12/30/2018**

### New York City

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Wage</th>
<th>Overtime after 40 hours</th>
<th>Tipped workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Employers (11 or more employees)</td>
<td>$13.00</td>
<td>$19.50</td>
<td>At least $9.80 or $11.05, Overtime after 40 hours $16.30 or $17.55</td>
</tr>
<tr>
<td>Small Employers (10 or less employees)</td>
<td>$12.00</td>
<td>$18.00</td>
<td>At least $9.05 or $10.20, Overtime after 40 hours $15.05 or $16.20</td>
</tr>
</tbody>
</table>

### Long Island and Westchester County

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Wage</th>
<th>Overtime after 40 hours</th>
<th>Tipped workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$11.00</td>
<td>$16.50</td>
<td>At least $8.30 or $9.35, Overtime after 40 hours $13.80 or $14.85</td>
</tr>
</tbody>
</table>

### Remainder of New York State

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Wage</th>
<th>Overtime after 40 hours</th>
<th>Tipped workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$10.40</td>
<td>$15.60</td>
<td>At least $7.85 or $8.85, Overtime after 40 hours $13.05 or $14.05</td>
</tr>
</tbody>
</table>

If you have questions, need more information or want to file a complaint, please visit [www.labor.ny.gov/minimumwage](https://www.labor.ny.gov/minimumwage) or call: 1-888-469-7365.

Credits and Allowances that may reduce your pay below the minimum wage rates shown above:
- **Tips** – Your employer may use a limited amount of your tips to reduce your wages. This is called a tip credit. Your employer may take a tip credit only if your tips plus wages add up to at least the minimum wage. They must still pay you at least the tipped wage rates shown above.
- **Meals and lodging** – Your employer may claim a limited amount of your wages for meals and lodging that they provide to you, as long as they do not charge you anything else. The rates and requirements are set forth in wage orders and summaries, which are available online.

Extra Pay you may be owed in addition to the minimum wage rates shown above:
- **Overtime** – You must be paid 1½ times your regular rate of pay (no less than amounts shown above) for weekly hours over 40 (or 44 for residential employees).
  - *Exceptions*: Overtime is not required for salaried professionals, or for executives and administrative staff whose weekly salary is more than 75 times the minimum wage rate.
- **Call-in pay** – If you go to work as scheduled and your employer sends you home early, you may be entitled to extra hours of pay at the minimum wage rate for that day.
- **Spread of hours** – If your workday lasts longer than ten hours, you may be entitled to extra daily pay. The daily rate is equal to one hour of pay at the minimum wage rate.
- **Uniform maintenance** – If you clean your own uniform, you may be entitled to additional weekly pay. The extra rates are available online.

LS 207 (12/17)

Minimum Wage Poster  Post in Plain View


[https://www.labor.ny.gov/workerprotection/laborstandards/employer/posters.shtm](https://www.labor.ny.gov/workerprotection/laborstandards/employer/posters.shtm)

EMPLOYEE RIGHTS
UNDER THE FAIR LABOR STANDARDS ACT

FEDERAL MINIMUM WAGE

$7.25 PER HOUR
BEGINNING JULY 24, 2009

The law requires employers to display this poster where employees can readily see it.

OVERTIME PAY
At least 1 1/2 times the regular rate of pay for all hours worked over 40 in a workweek.

CHILD LABOR
An employee must be at least 16 years old to work in most non-farm jobs and at least 18 to work in non-farm jobs declared hazardous by the Secretary of Labor. Youths 14 and 15 years old may work outside school hours in various non-manufacturing, non-mining, non-hazardous jobs with certain work hours restrictions. Different rules apply in agricultural employment.

TIP CREDIT
Employers of "tipped employees" who meet certain conditions may claim a partial wage credit based on tips received by their employees. Employers must pay tipped employees a cash wage of at least $2.13 per hour if they claim a tip credit against their minimum wage obligation. If an employee's tips combined with the employer's cash wage of at least $2.13 per hour do not equal the minimum hourly wage, the employer must make up the difference.

NURSING MOTHERS
The FLSA requires employers to provide reasonable break time for a nursing mother employee who is subject to the FLSA's overtime requirements in order for the employee to express breast milk for her nursing child for one year after the child's birth. Each time such employee has a need to express breast milk, employers are also required to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by the employee to express breast milk.

ENFORCEMENT
The Department has authority to recover back wages and an equal amount in liquidated damages in instances of minimum wage, overtime, and other violations. The Department may institute and/or recommend criminal prosecution. Employers may be assessed civil money penalties for each willful or repeated violation of the minimum wage or overtime pay provisions of the law. Civil money penalties may also be assessed for violations of the FLSA's child labor provisions. Heightened civil money penalties may be assessed for each child labor violation that results in the death or serious injury of any minor employee, and such assessments may be doubled when the violations are determined to be willful or repeated. The law also prohibits retaliating against or discharging workers who file a complaint or participate in any proceeding under the FLSA.

ADDITIONAL INFORMATION
• Certain occupations and establishments are exempt from the minimum wage, and/or overtime pay provisions.
• Special provisions apply to workers in American Samoa, the Commonwealth of the Northern Mariana Islands, and the Commonwealth of Puerto Rico.
• Some state laws provide greater employee protections; employers must comply with both.
• Some employers incorrectly classify workers as "independent contractors" when they are actually employees under the FLSA. It is important to know the difference between the two because employees (unless exempt) are entitled to the FLSA's minimum wage and overtime pay protections and correctly classified independent contractors are not.
• Certain full-time students, student learners, apprentices, and workers with disabilities may be paid less than the minimum wage under special certificates issued by the Department of Labor.

http://www.dol.gov/whd/regs/compliance/posters/flsa.htm
Small Business Health Insurance
Tax Credit (SBHIC)

Small Business Health Care Tax Credit and the SHOP Marketplace

If you are a small employer, there is a tax credit that can put money in your pocket.

The small business health care tax credit benefits employers that:

- Have fewer than 25 full-time equivalent employees
- Pay average wages of less than $50,000 a year per full-time equivalent (indexed annually for inflation beginning in 2014)
  - For tax years 2015 and 2016, the inflation-adjusted amount is $52,000
- Pay at least half of employee health insurance premiums

To be eligible for this credit, you must have purchased coverage through the small business health options program, also known as the SHOP marketplace.

For information about insurance plans offered through the SHOP Marketplace, visit Healthcare.gov.

How will the credit make a difference for you?

For tax years 2010 through 2013, the maximum credit is 35 percent of premiums paid for small business employers and 25 percent of premiums paid for small tax-exempt employers such as charities.

For tax years beginning in 2014 or later, there are changes to the credit:

- The maximum credit increases to 50 percent of premiums paid for small business employers and 35 percent of premiums paid for small tax-exempt employers.
- To be eligible for the credit, a small employer must pay premiums on behalf of employees enrolled in a qualified health plan offered through a Small Business Health Options Program (SHOP) Marketplace or qualify for an exception to this requirement.
- The credit is available to eligible employers for two consecutive taxable years.

If you pay $50,000 a year toward employees’ health care premiums — and if you qualify for a 15 percent credit, you save... $7,500. If you save $7,500 a year from tax year 2010 through 2013, that’s total savings of $30,000. If, in 2014, you qualify for a slightly larger credit, say 20 percent, your savings go from $7,500 a year to $10,000 a year.

Even if you are a small business employer who did not owe tax during the year, you can carry the credit back or forward to other tax years. Also, since the amount of the health insurance premium payments is more than the total credit, eligible small businesses can still claim a business expense deduction for the premiums in excess of the credit. That’s both a credit and a deduction for employee premium payments.
Small Business Health Insurance
Tax Credit (SBHIC)


https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits/

- Overview of the SHOP Marketplace
- What's new in the SHOP Marketplace for 2018
- See if your small business qualifies to use the SHOP Marketplace
- How to work with an insurance agent or broker in the SHOP Marketplace
- The Small Business Health Care Tax Credit
- SHOP Marketplace insurance for multiple locations and businesses
- SHOP Marketplace how-to guides, fact sheets, tools, and other resources for employers

START HERE
See if you qualify for SHOP
See SHOP plans & prices
Find an agent or broker
Create an account or log in

Small Business Health Care Tax Credit 101
You may qualify for employer health care tax credits if you have fewer than 25 full-time equivalent employees making an average of about $50,000 a year or less.
It's worth up to 50% of the costs you pay for your employees' premiums (35% for non-profit employers).

See if you qualify for the Small Business Health Care Tax Credit
To qualify for the tax credit, all of the following must apply:
- You have fewer than 25 full-time equivalent (FTE) employees
- Your average employee salary is about $50,000 per year or less
- You pay at least 50% of your full-time employees' premium costs
- You offer coverage to your full-time employees through the SHOP Marketplace. (You don’t have to offer it to dependents or employees working fewer than 30 hours per week to qualify for the tax credit.)

TAKE ME TO THE TAX CREDIT ESTIMATOR

Higher benefits for smaller businesses
The tax credit is highest for companies with fewer than 10 employees who are paid an average of $25,000 or less. The smaller the business, the bigger the credit.

Questions?
- See all SHOP Marketplace tools, calculators, fact sheets, how-to guides, videos and other resources for employers.
- Contact the SHOP Call Center at 1-800-706-7893 (TTY: 711) weekdays from 9 a.m. to 7 p.m. ET. Agents and brokers selling SHOP plans can use this number too.
- View the U.S. Small Business Administration "Affordable Care Act 101" webinar.

https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits/
https://www.sba.gov/tools/sba-learning-center/search/training
# 2018 Payroll Tax Changes

## PAYROLL DEDUCTIONS FOR EMPLOYEES:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Withholding</td>
<td>See Circular E</td>
<td>See Circular E</td>
</tr>
<tr>
<td>FICA:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security</td>
<td>6.20% - Wage base of $128,400</td>
<td>6.20% - Wage base of $127,200</td>
</tr>
<tr>
<td>Medicare</td>
<td>1.45% - unlimited wage base, *additional 0.9% on wages reaching certain thresholds</td>
<td>1.45% - unlimited wage base, *additional 0.9% on wages reaching certain thresholds</td>
</tr>
<tr>
<td>Total FICA to be withheld</td>
<td>7.65% *</td>
<td>7.65% *</td>
</tr>
</tbody>
</table>

*Effective Jan. 1, 2013, an employer must withhold Additional Medicare Tax on wages it pays to an employee in excess of $200,000 in a calendar year. An employer has this withholding obligation even though an employee may not be liable for Additional Medicare Tax because, for example, the employee’s wages together with that of his or her spouse do not exceed the $250,000 threshold for joint return filers. Any withheld Additional Medicare Tax will be credited against the total tax liability shown on the individual’s income tax return (Form 1040).*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pennsylvania State Income Tax</td>
<td>3.07%</td>
<td>3.07%</td>
</tr>
<tr>
<td>PA Unemployment Tax</td>
<td>.06%</td>
<td>.07%</td>
</tr>
<tr>
<td>Local Wage Tax (ACT 32) – rate to withhold is the higher of employer’s local or the employee’s residence municipality rate**</td>
<td>1.0% - in “most” localities</td>
<td>1.0% - in “most” localities</td>
</tr>
<tr>
<td>Local Services Tax (LST) -</td>
<td>$10-$52 per year – varies by residence / workplace locality</td>
<td>$10-$52 per year – varies by residence / workplace locality</td>
</tr>
</tbody>
</table>

## EMPLOYER PAYROLL TAX EXPENSE:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security</td>
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</tr>
<tr>
<td>Medicare</td>
<td>1.45% - unlimited wage base</td>
<td>1.45% - unlimited wage base</td>
</tr>
<tr>
<td>PA Unemployment Compensation</td>
<td>Assigned rate on $10,000 base</td>
<td>Assigned rate on $9,750 base</td>
</tr>
<tr>
<td>OH Unemployment Compensation</td>
<td>Assigned rate on $9,500 base</td>
<td>Assigned rate on $9,000 base</td>
</tr>
<tr>
<td>NY Unemployment Compensation</td>
<td>Assigned rate on $11,100 base</td>
<td>Assigned rate on $10,900 base</td>
</tr>
<tr>
<td>FUTA - Federal Unemployment Compensation</td>
<td>.6% on $7,000 base + additional percentage for credit reduction states</td>
<td>.6% on $7,000 base + additional percentage for credit reduction states</td>
</tr>
</tbody>
</table>
Federal Withholding and FICA
(Form 941 & Form 944)

Generally, employers must withhold, deposit, report and pay federal income tax and FICA taxes.

Wages subject to Federal employment taxes include all pay given an employee for services performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses, commissions and fringe benefits (per Pub. 15). It does not matter how payments are measured or paid. The employer must also collect income tax and the employee's share of Social Security and Medicare tax on any tips collected over $20.

A child employed by his or her parent in the course of the parent's trade or business is exempt from Social Security and Medicare tax until the age of 18. Refer to the Circular E for other exemptions.

♦ For 2018, there is a Social Security Cost of Living Adjustment (COLA) of 2.0%.

♦ For most employees, the FICA tax rate for 2018 will be 7.65%, with a division of 6.2% Social Security and 1.45% Medicare.

♦ The Social Security wage base will be $128,400 in 2018 (an increase from the 2017 limit of $127,200.)

♦ There is NO maximum wage base for the Medicare portion of FICA in 2018. This remains unchanged from 2017.

♦ Employee Medicare tax withholding remains 2.35% on wages paid to an employee in excess of $200,000 in a calendar year. An employer has this withholding obligation even though an employee may not be liable for Additional Medicare Tax because, for example, the employee’s wages together with that of his or her spouse do not exceed the $250,000 threshold for joint return filers. Any withheld Additional Medicare Tax will be credited against the total tax liability shown on the individual’s income tax return (Form 1040). The employer match remains at 1.45% on all Medicare wages.


Federal employment taxes are generally reported using Form 941, Form 944 or Form 943 (specifically for agricultural employers, discussed later.)
Form **941** is used by most employers, and it is filed on a **QUARTERLY** basis:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Due On or Before</th>
</tr>
</thead>
<tbody>
<tr>
<td>January - March</td>
<td>April 30</td>
</tr>
<tr>
<td>April - June</td>
<td>July 31</td>
</tr>
<tr>
<td>July - September</td>
<td>October 31</td>
</tr>
<tr>
<td>October - December</td>
<td>January 31</td>
</tr>
</tbody>
</table>

Form **944** – Employers **ANNUAL Federal Tax Return** - Certain employers *(who are notified by the IRS)* are expected to file Form 944 instead of Form 941. This annual form for 2017 is due January 31, 2018.

**What if you want to file Form 941 instead of Form 944?** - You must file Form 944 if the IRS has notified you to do so, unless you contact the IRS to request to file quarterly Forms 941, 941-SS, or 941-PR instead. To request to file quarterly Forms 941, 941-SS, or 941-PR to report your social security, Medicare, and withheld federal income taxes for the 2018 calendar year, call the IRS at 1-800-829-4933 or 267-941-1000 (toll call) by April 1, 2018, or send a written request postmarked by March 15, 2018. Written requests should be sent to:

```
Department of Treasury
Internal Revenue Service
Ogden, UT  84201-0038

Department of Treasury
Internal Revenue Service
Cincinnati, OH  45999-0038
```

Select one of the addresses above based on the state filing alignment for returns filed **Without a payment** under *Where Should You File*, later. After you contact the IRS, the IRS will send you a written notice that your filing requirement has been changed. If you do not receive this notice, you must file Form 944 for calendar year 2018. [www.irs.gov/irb/2009-45_IRB/ar12.html](http://www.irs.gov/irb/2009-45_IRB/ar12.html).

**Zero wage return** - If you have not filed a “final” Form 941 or Form 944, or are not a “seasonal” employer, you must continue to file a Form 941 or Form 944 even for periods during which you paid no wages. IRS encourages you to file (especially your “Zero Wage” Forms 941 or 944) electronically using IRS e-file at [https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/e-file-Form-940-941-or-944-for-Small-Businesses](https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/e-file-Form-940-941-or-944-for-Small-Businesses)

**Final return** - If you go out of business, you must file a final return for the last quarter (last year for Form 944) in which wages are paid. If you continue to pay wages or other compensation for periods following termination of your business, you must file returns for those periods. See the Instructions for Form 941 or the Instructions for Form 944 for details on how to file a final return. If you are required to file a final return, you are also required to furnish Forms W-2 to your employees by the due date of your final return. File Forms W-2 and W-3 with the SSA by the last day of the month that follows the due date of your final return. Do not send an original or copy of your Form 941 or Form 944 to the SSA. See the Instructions for Forms W-2 and W-3 for more information.
Form 941 for 2017: Employer's QUARTERLY Federal Tax Return

Department of the Treasury — Internal Revenue Service

Report for this Quarter of 2017

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.

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)

2. Wages, tips, and other compensation

3. Federal income tax withheld from wages, tips, and other compensation

4. If no wages, tips, and other compensation are subject to social security or Medicare tax
   - Check and go to line 6.

5a. Taxable social security wages
   - Column 1
   - Column 2
   - \( \times 0.124 = \)

5b. Taxable social security tips
   - Column 1
   - Column 2
   - \( \times 0.124 = \)

5c. Taxable Medicare wages & tips
   - Column 1
   - Column 2
   - \( \times 0.029 = \)

5d. Taxable wages & tips subject to Additional Medicare Tax withholding
   - Column 1
   - Column 2
   - \( \times 0.009 = \)

5e. Add Column 2 from lines 5a, 5b, 5c, and 5d

5f. Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions)

6. Total taxes before adjustments. Add lines 3, 5e, and 5f

7. Current quarter’s adjustment for fractions of cents

8. Current quarter’s adjustment for sick pay

9. Current quarter’s adjustments for tips and group-term life insurance

10. Total taxes after adjustments. Combine lines 6 through 9

11. Qualified small business payroll tax credit for increasing research activities. Attach Form 8974

12. Total taxes after adjustments and credits. Subtract line 11 from line 10

13. Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (FP), 944-X, or 944-X (SP) filed in the current quarter

14. Balance due. If line 12 is more than line 13, enter the difference and see instructions

15. Overpayment. If line 13 is more than line 12, enter the difference

You MUST complete both pages of Form 941 and SIGN it.

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.

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.  

16 Check one:  

☐ Line 12 on this return is less than $2,500 or line 12 (line 10 if the prior quarter was the fourth quarter of 2018) on the return for the prior quarter was less than $2,500, and you didn’t incur a $100,000 next-day deposit obligation during the current quarter. If line 12 (line 10 if the prior quarter was the fourth quarter of 2018) for the prior quarter was less than $2,500 but line 12 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 12.  

☐ 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.  

17 If your business has closed or you stopped paying wages ....................  

☐ Check here, and enter the final date you paid wages / / .  

18 If you are a seasonal employer and you don’t have to file a return for every quarter of the year ...  

☐ 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.  

Signature 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  

Preparer’s signature  

Firm’s name (or yours if self-employed)  

Address  

City  

State  

ZIP code  

PTIN  

Date / /  

EIN  

Phone  


Form 944 for 2017: Employer’s ANNUAL Federal Tax Return

Department of the Treasury — Internal Revenue Service

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.

Go to www.irs.gov/Form944 for instructions and the latest information.

Part 1:

1. Wages, tips, and other compensation
2. Federal income tax withheld from wages, tips, and other compensation
3. If no wages, tips, and other compensation are subject to social security or Medicare tax
4. Taxable social security and Medicare wages and tips:
   4a. Taxable social security wages
   4b. Taxable social security tips
   4c. Taxable Medicare wages & tips
   4d. Taxable wages & tips subject to additional Medicare Tax withholding

5. Total taxes before adjustments. Add lines 2 and 4e
6. Current year’s adjustments (see instructions)
7. Total taxes after adjustments. Combine lines 5 and 6
8. Qualified small business payroll tax credit for increasing research activities. Attach Form 8974
9. Total taxes after adjustments and credits. Subtract line 8 from line 7
10. 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)
11. Balance due. If line 9 is more than line 10, enter the difference and see instructions
12. Overpayment. If line 10 is more than line 9, enter the difference

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.

Federal Tax Deposit Filing Requirements for 2018

As of the printing of this booklet, the 2018 Publication 15 (CIRCULAR E) had not yet been published by the IRS. Please refer to IRS Pub.15 for possible changes once released at: https://www.irs.gov/pub/irs-pdf/p15.pdf

The determination of which of the following deposit schedules apply (monthly or semiweekly) will be made by the Internal Revenue Service by "looking back" at the employment taxes reported during the previous July 1 through June 30 period; IRS will notify employers each year of their filing status.

<table>
<thead>
<tr>
<th>Type of Filer</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly:</td>
<td>Deposit on or before the 15th day of the following month.</td>
</tr>
<tr>
<td>$50,000 or less in employment taxes in look-back period</td>
<td></td>
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<tr>
<td>Semiweekly:</td>
<td>for Saturday, Sunday, Monday or Tuesday pay dates, the tax deposit is due on or before the following Friday.</td>
</tr>
<tr>
<td>Employment taxes of more than $50,000 in look-back period</td>
<td>For Wednesday, Thursday, or Friday pay dates, the tax deposit is due on or before the following Wednesday.</td>
</tr>
</tbody>
</table>

New employers are monthly filers since they do not have a lookback period with a tax liability.

The current $100,000 (next banking day deposit rule) is retained.

Please note: Employers may no longer deposit employment taxes at financial institutions. Deposits must be made via EFTPS unless one of the exceptions noted in item C on the next page applies. In the event an exception applies and a payment is being made by check, the check is to be made payable to U.S. Treasury, not IRS.

For employers who are monthly 941 depositors, the summary of federal tax liability in Part 2 – line 16 on Page 2 of Form 941 should be completed. Semiweekly depositors and employers that accumulate a $100,000 tax liability on any given day are required to report their federal tax liability on the 941 Schedule B - Report of Tax Liability for Semiweekly Schedule Depositors.

Employers are no longer required to provide withholding information for pensions, annuities, gambling payments and backup withholdings on form 941. These non-payroll items are required to be reported on Form 945 - Annual Return of Withheld Federal Income Tax, and Form 945A - Annual Record of Federal Tax Liability.

PENALTIES:

Penalties may apply if you do not make required deposits on time, make deposits for less than the required amount, or if you do not use EFTPS when required.

A. Late Deposits:
The penalty rate is calculated on the number of days the tax deposit is late. If the failure is:

(1) not more than 5 days late, the applicable percentage is 2% of the under deposited taxes; or
(2) more than 5 days late but less than 16 days late, the applicable percentage is 5% of the under deposited taxes; or
(3) if the failure is more than 15 days late, the penalty is 10%.

Also, the penalty of 15% may be imposed if the under deposited taxes are not paid on or before the earlier of:

(1) 10 days after the first delinquency notice; or
(2) the day on which notice and demand for immediate payment is given.

B. Failure to use EFTPS when required:
Amounts subject to electronic deposit requirements but not deposited using EFTPS are subject to a 10% penalty - see exception in item C below.

C. Other:
Deposits paid directly to the IRS or paid with your return are subject to a 10% penalty. Exceptions include the following: (1) if you have applied for but have not yet received your EIN, (2) if you accumulate less than $2,500 in tax liability during the quarter, or (3) if you are eligible to make up a deposit shortfall with form 941 (See Circular E). As mentioned previously, an employer making a payment with a return must make the check payable to U.S. Treasury, not IRS.
Electronic Federal Tax Payment System (EFTPS)

As of January 1, 2011, most employers who had previously been allowed to use Federal Tax Deposit Coupons and checks to make payroll tax deposits now have to make those deposits electronically through the Electronic Federal Tax Payment System (EFTPS).

The primary exemption will be for employers that have $2,500 or less in quarterly payroll tax liability and that pay their liability when filing their employment tax returns (e.g. Forms 941, 944, 945 or 943).

If you make your payroll tax liability deposits in any manner other than paying them with the quarterly return (primary exemption above), you are required to deposit them electronically through EFTPS. You are no longer allowed to pay them at your bank with a coupon.

In order to deposit taxes through EFTPS, you need to enroll. It is easy and it is free. Just go to www.irs.gov and on the right hand side of the page, you will see the EFTPS logo. Click on the logo and it will take you to a brief description of the program and a link which allows you to enroll.

You may also go directly to this link - https://www.eftps.gov/eftps/. Some of the items that you will need to complete the registration besides the company name and address include your company's Federal I.D. number and banking information. You will also need to assign a designated individual as the primary contact.

You may also enroll for EFTPS by phone at 1.800.555.4477.

Once your company is enrolled, you can make any of your federal tax deposits via the internet or telephone. By 8:00 p.m. (ET) at least one calendar day in advance of the due date, you access EFTPS directly to report your tax information. You will instruct EFTPS to move the funds from your account to the Treasury's account for payment of your federal taxes. Funds will not move from your account until the date you indicate. You receive an immediate acknowledgement of your payment instructions, and your bank statement will confirm the payment was made. You can initiate your tax payment 24 hours a day, seven days a week.

As an added convenience, EFTPS allows taxpayers to schedule tax payments in advance. Businesses can schedule payments up to 120 days in advance of their tax due date. Individuals can schedule payments up to 365 days in advance of their tax due date. EFTPS will automatically make your payments for you on the due date you indicate. Scheduled payments can be changed or cancelled up to 2 business days in advance of the scheduled payment date.
For general EFTPS Customer Service assistance, call 800.555.4477. If you have questions about the rule, search on "Tax Topics 757" at the IRS Web site or call the IRS at 800.830.5215.

When you enroll on-line at https://www.eftps.gov/eftps/, you will receive your personal identification number (PIN) within 15 calendar days. You will also receive confirmation materials including instructions for obtaining your internet password.

EFTPS payments may be made either online at https://www.eftps.gov/eftps/ or by telephone using the Voice Response System at 1-800-555-3453. When making payments using either method, you will need to have your PIN available. If you are paying online, you will also need to have your internet password available. Once you submit your payment, you will be given an acknowledgement number. This number and the transfer on your bank statement are your proof of timely payment.

If you are required to make your federal tax deposits electronically for 941 or 944, then you are required to make all federal tax payments electronically (Forms 720, 940, 943, 945, 990-C, 990-PF, 1042, 1120, CT-1).

Please note: ANY type of tax payment that you have historically made at the bank with a federal deposit coupon (Form 8109B) now must be made via EFTPS.

The federal tax deposit filing due dates remain the same.

If you have any questions regarding this program, please contact us and we will be glad to help.
EFTPS
DEPOSITORY LOG

BANK TELEPHONE #__________________________  FEDERAL EIN ____________________________

PIN # _______________________________

<table>
<thead>
<tr>
<th>Date Deposit Telephoned</th>
<th>Time Deposit Telephoned</th>
<th>Settlement Date</th>
<th>Amount Of Deposit</th>
<th>IRS Acknowledgement Number</th>
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EFTPS-Direct Payment Worksheet (long form)

**EFTPS Voice Response System** (Photocopy this worksheet for future use.)

1. You dial: 1-800-229-5848 (1-800-229-5872) To practice: 1-800-945-6400
   
   EFTPS responds: “Welcome to EFTPS, the Electronic Federal Tax Payment System”

2. You enter: [9-digit Taxpayer Identification Number or TIN] (0-digit Employer Identification Number)
   
   EFTPS prompts: “Please enter your 9-digit Taxpayer Identification Number or TIN”

3. You enter: [4-digit PIN]
   
   EFTPS prompts: “Enter your 4-digit PIN”

4. You enter: [4-digit Personal Identification Number]
   
   EFTPS prompts: “Enter your 4-digit PIN”

5. You enter: [5-to-6 digit Tax Form number]
   
   EFTPS prompts: “Enter the 5-to-6 digit Tax Form number”

6. You enter: [1 digit number Tax Payment Type] (Select Tax Payment Type from VRS Prompt. Listen carefully for your specific Tax Payment Type. Other payment types are available through the EFTPS operator.)
   
   EFTPS prompts: “Enter Tax Payment Type”

7. You enter: [Valid 1-or 2-digit Tax Period based on IRS Tax Form Numbers/Codes on pages 10-12]
   
   EFTPS responds: Tax Form/Tax Description (Based on the selection in step #5)

8. You enter: The Menu option to accept the business date or select a different business date.
   
   EFTPS prompts: “Select the business date that the payment will be made”

9. You enter: [5-digit business date in MMDDYY format]
   
   EFTPS prompts: “Enter the business date in the format MMDDYY.”

10. You enter: [Payment amount cannot exceed $9,395,999.99]
    
    (Note, for tax forms 941, 720, and CT-1 see the back of this worksheet for subcategory breakdowns)

11. You enter: The Menu option from the VRS prompt (1-Accept; 2-Change; 3-Void)

Suggestion:
Use this long worksheet your first few times to follow the voice response exactly.
When comfortable with the process, you can use the short form on page 5.

For assistance, EFTPS Customer Service: 24 hours a day/7 days a week
English Speaking: 800-945-6400 en español: 800-945-8900 TDD (Hearing Impaired): 800-345-3800

CLICK HERE FOR INSTRUCTION BOOKLET: https://download.eftps.com/pib_combined.pdf OR GO TO www.eftps.gov/eftps/ (Select Help & Information, then Downloads, then Download Payment Instruction Book)
Further breakout for the following tax forms:
For Tax Form 720, you are requested to report IRS numbers and amounts, and the IRS number amounts must balance to the Tax Form 720 payment amount. For Tax Form 941 and CT-1, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form 941 or CT-1 payment amount.

For Tax Form 941 Payment:
For Tax Form 941, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form 941 payment amount.
EFPS prompts: “Enter the 941 Social Security Amount.”
You enter: $________ $________ $________ $________ $________ $________ (941 Social Security Amount)
You should enter at least one 941 subcategory amount when making a 941 tax payment. The individual 941 subcategory amounts must balance with the 941 tax payment amount entered in Step #18.
EFPS prompts: “Enter the 941 Medicare Amount.”
You enter: $________ $________ $________ $________ $________ (941 Medicare Amount)
EFPS prompts: “Enter the 941 Withholding Amount.”
You enter: $________ $________ $________ $________ (941 Withholding Amount)

For Tax Form 720 Payment:
For Tax Form 720, you are requested to report IRS Number and amounts and the IRS Number amounts must balance to the Tax Form 720 payment amount.
EFPS prompts: “Enter an IRS Number (Enter the IRS Numbers on page (3).”
You enter: $________ $________ $________ $________ $________ $________ (IRS Number entered on page 3)
EFPS prompts: “Enter the IRS Number Amount.” (The individual IRS number amounts must balance with the 720 tax payment amount entered in Step #10.)
You enter: $________ $________ $________ $________ $________ $________ (IRS Number Amount)
And “Press 2 to return to the Enter an IRS Number prompt.” OR “Press the pound key (#) if there are no more IRS Numbers to report.”

For Tax Form CT-1 Payment:
For Tax Form CT-1, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form CT-1 payment amount.
EFPS prompts: “Enter the CT-1 Tier I (FICA Equivalent Amount)”
You enter: $________ $________ $________ $________ $________ $________ (Tier I FICA Equivalent Amount)
EFPS prompts: “Enter the CT-1 Tier II (Industry Portion Amount)”
EFPS prompts: “Enter the CT-1 Supplemental Annuity Amount.”
EFPS prompts: “Enter the CT-1 Supplemental Family Amount.”

If this is correct, EFPS responds: “Your EFT Number is (EFT Number). Record your EFT Number for future reference. Again, your EFT Number is (EFT Number). Press the star (*) key to repeat this message.”

You may now hang up.

CLICK HERE FOR INSTRUCTION BOOKLET:  https://download.eftps.com/pib_combined.pdf  OR GO TO www.eftps.gov/eftps/ (Select Help & Information, then Downloads, then Download Payment Instruction Book)
Agricultural Employers

Agricultural employers are required to file Form 943 Employer’s Annual Federal Tax Return for Agricultural Employees, if they paid wages to one or more farm workers and the wages were subject to Social Security and Medicare or Income Tax Withholding under the following tests:

- You pay an employee cash wages of $150 or more in one year for farm work OR
- The total (cash and noncash) wages you pay to all farm workers is $2,500 or more.

Exceptions: Special rules apply to certain hand-harvest laborers who receive less than $150 in annual cash wages for 2016.

The 2016 Form 943 is due by January 31, 2017. However, if all deposits were made on time in full payment of the taxes due for the year, you may file the return as late as February 10, 2017.

Deposit Requirements

You must deposit employer and employee Social Security and Medicare taxes and withheld income tax of $2,500 or more electronically, via EFTPS, following the applicable monthly or semiweekly schedules outlined previously. You are not required to make any deposits of Form 943 taxes if your net taxes are less than $2,500 for the year. Instead you may pay this liability with the Form 943 tax return.

Following is an excerpt from the Form 943 Instructions - www.irs.gov/pub/irs-pdf/i943.pdf

What's New

New filing addresses. The filing addresses for employers located in Georgia, Illinois, Kentucky, Michigan, Tennessee, and Wisconsin have changed. See Where To File, later.

Social security and Medicare tax for 2017. The social security tax rate is 6.2% each for the employee and employer, unchanged from 2016. The social security wage base limit is $127,200.

The Medicare tax rate is 1.45% each for the employee and employer, unchanged from 2016. There is no wage base limit for Medicare tax.

Reminders

Social security wage base for 2018. The maximum amount of wages subject to the social security tax for 2018 will be discussed in the December 2017 revision of Pub. 51.

Please visit the above link for the complete review of reminders and instructions.
Form 943

Employer’s Annual Federal Tax Return for Agricultural Employees

Go to www.irs.gov/Form943 for instructions and the latest information.


Correcting Employment Tax Returns

Effective for errors discovered on or after January 1, 2009, regulations were issued in connection with the IRS's development of the "X" amended return forms. The "X" forms are used to report adjustments to employment taxes and to claim refunds of overpaid employment taxes. These forms correspond and relate line-by-line to the employment tax return they are correcting.

Employers should use the corresponding "X" forms listed below to correct employment tax errors as soon as they are discovered. For example, use Form 941-X, Adjusted Employers QUARTERLY Federal Tax Return or Claim for Refund, to correct errors on a previously filed Form 941.

Taxpayers will continue to use Form 843 when requesting abatement of assessed penalties and interest. In addition, there is no "X" form for the Form 940, and taxpayer will continue to use a Form 940 for amended returns.

For overpayments: Employers correcting an overpayment must use the corresponding “X” form. Employers can choose to either make an adjustment or claim a refund on the form.

For underpayments: Employers correcting an underpayment must use the corresponding “X” form. Amounts owed must be paid by the receipt of the return. Payments can be made using EFTPS, by sending a check, or by credit card (for most “X” forms).

### Correcting Employment Taxes
#### 94X Series Adjusted Tax Forms

<table>
<thead>
<tr>
<th>Return previously filed</th>
<th>Corresponding 94X series form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form 941, Employer’s Quarterly Federal Tax Return (PDF)</td>
<td>Form 941-X, Adjusted Employer’s Quarterly Federal Tax Return or Claim for Refund (PDF), Instructions (PDF)</td>
</tr>
<tr>
<td>Form 943, Employer’s Annual Federal Tax Return for Agricultural Employees (PDF)</td>
<td>Form 943-X, Adjusted Employer’s Annual Federal Tax Return for Agricultural Employees or Claim for Refund (PDF), Instructions (PDF)</td>
</tr>
<tr>
<td>Form 944, Employer’s Annual Federal Tax Return (PDF)</td>
<td>Form 944-X, Adjusted Employer’s Annual Federal Tax Return or Claim for Refund (PDF), Instructions (PDF)</td>
</tr>
<tr>
<td>Form 945, Annual Return of Withheld Federal Income Tax (PDF)</td>
<td>Form 945-X, Adjusted Annual Return of Withheld Federal Income Tax or Claim for Refund (PDF), Instructions (PDF)</td>
</tr>
<tr>
<td>Form CT-1, Employer’s Annual Railroad Retirement Tax Return (PDF)</td>
<td>Form CT-1X, Adjusted Employer’s Annual Railroad Retirement Tax Return or Claim for Refund (PDF), Instructions (PDF)</td>
</tr>
</tbody>
</table>
Federal Unemployment Taxes – FUTA
(Form 940)

For FUTA tax purposes, an employer is:

1. Any person or organization that during the current year or preceding year either:
   - Paid wages of $1,500 or more in any calendar quarter in 2016 or 2017, or
   - Had one or more employees for at least some part of a day in any 20 or more different weeks in 2016 or 2017 (count all regular, temporary, and part-time employees – do not count partners).

2. Any agricultural employer who during the current year or preceding year either:
   - Paid cash wages of $20,000 or more for farm labor in any calendar quarter in 2016 or 2017, or
   - Employed 10 or more farm workers during some part of a day for at least one day during any 20 different weeks in 2016 or 2017.

   Count wages you paid to aliens who were admitted to the U.S. on a temporary basis to perform farm work (workers with H-2(A) visas). However, wages paid to H-2(A) visa workers are not subject to FUTA tax.

3. A household employer who paid cash wages of $1,000 or more during any calendar quarter in 2016 or 2017 for household service in a private home, local college club, or local chapter of a college fraternity or sorority. Generally, household employers must file Schedule H (Form 1040), Household Employment Taxes, instead of Form 940. However, if you have other employees in addition to household employees, you can choose to include the FUTA taxes for your household employees on the Form 940 instead of filing Schedule H (Form 1040). If you choose to file Form 940, you must also file Form 941, Form 944 or Form 943 to report Social Security, Medicare, and any federal taxes withheld for your household employees.

The identification number to use when filing the annual Form 940 is the Employer Identification Number (EIN) assigned by the IRS. Form 940 is an annual return and must be filed on or before January 31, 2018. HOWEVER – IF you deposit all your FUTA tax when due, you have until February 12, 2018 to file Form 940.

Wages subject to federal unemployment taxes include all pay given an employee for service performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses and commissions. It does not matter how payments are measured or paid. Any employee’s Social Security tax paid by the employer (rather than deducting it) is includable in FUTA wages (this does not apply to household workers or farmers.)

Continued...
Religious, education, scientific, charitable, and other organizations described in IRS Section 501(c)(3) and exempt from tax under section 501(a) are not subject to FUTA tax and do not have to file Form 940.

A spouse of a proprietor is exempt from federal unemployment tax, as well as a child under the age of 21 employed by his or her parent in the course of the parent's trade or business.

For 2017, the tax is calculated at 0.6% on the first $7,000 paid to each employee. Additional tax is due for payroll in states that are designated as “Credit Reduction States”, which includes CA and US Virgin Islands for 2017. PA was NOT a credit reduction state for 2017. See Form 940 instructions for specific exceptions and “Credit Reduction States”.

Deposit requirements for FUTA are as follows:

<table>
<thead>
<tr>
<th>Amount of Deposit</th>
<th>Deposit by EFTPS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>If total tax for quarter is more than $500</td>
<td>On or before last day of the month following the end of the quarter</td>
</tr>
<tr>
<td>If total tax for quarter is less than $500</td>
<td>Payment not required. Combine with next quarter.</td>
</tr>
<tr>
<td>If total tax reportable on Form 940, less amount paid to date, is more than $500</td>
<td>By January 31.</td>
</tr>
<tr>
<td>If total tax reportable on Form 940 less amounts paid to date is less than $500</td>
<td>Option to deposit by EFTPS by January 31 or pay with Form 940 by January 31 by check, credit card or debit card (see below).</td>
</tr>
</tbody>
</table>

If you have payroll in a “credit reduction state”, liabilities owed for “credit reduction” are due with your 4th quarter deposit.

**How to deposit or pay the balance due.** – Since January 1, 2011, you are no longer permitted to deposit FUTA taxes using Federal Deposit Coupons (Form 8109B) at financial institutions. You may pay the amount shown on line 14 using EFTPS, a credit or debit card, or electronic funds withdrawal (EFW). **Do not** use a credit or debit card or EFW to pay taxes that were required to be deposited. For more information on paying your taxes with a credit or debit card or EFW, go to [www.irs.gov/e-pay](http://www.irs.gov/e-pay).

If you pay by EFTPS, credit or debit card, or EFW, file your return using the ‘Without a Payment’ address under ‘Where Do You File?’ and do not file Form 940-V, Payment Voucher.
What's New

New certification program for professional employer organizations. The Tax Increase Prevention Act of 2014 required the IRS to establish a voluntary certification program for professional employer organizations (PEOs). PEOs handle various payroll administration and tax reporting responsibilities for their business clients and are typically paid a fee based on payroll costs. To become and remain certified under the certification program, certified professional employer organizations (CPEOs) must meet various requirements described in sections 3511 and 7705 and related published guidance.

Certification as a CPEO may affect the employment tax liabilities of both the CPEO and its customers. A CPEO is generally treated as the employer of any individual who performs services for a customer of the CPEO and is covered by a contract described in section 7705(e)(2) between the CPEO and the customer (CPEO contract), but only for wages and other compensation paid to the individual by the CPEO. For more information, visit the IRS website at [IRS.gov/CPEO](https://www.irs.gov/pub/irs-pdf/i940.pdf).

For wages paid to a work site employee, a CPEO is eligible for the credit for state unemployment tax paid to a state unemployment fund, whether the CPEO or a customer of the CPEO made the contribution. In addition, a CPEO is allowed the additional credit if the CPEO is permitted, under state law, to collect and remit contributions to the state unemployment fund with respect to a work site employee. For more information on the credit, see [Credit for State Unemployment Tax Paid to a State Unemployment Fund](https://www.irs.gov/pub/irs-pdf/i940.pdf).


Credit reduction state. A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is a “credit reduction state.” The Department of Labor determines these states. If an employer pays wages that are subject to the unemployment tax laws of a credit reduction state, that employer must pay additional federal unemployment tax when filing its Form 940.

For 2017, there are credit reduction states. If you paid any wages that are subject to the unemployment compensation laws of a credit reduction state, your credit against federal unemployment tax will be reduced based on the credit reduction rate for that credit reduction state. Use Schedule A (Form 940) to figure the credit reduction. For more information, see the Schedule A (Form 940) instructions or visit IRS.gov.

Reminders

If you change your business name, business address, or responsible party. Notify the IRS immediately if you change your business name, business address, or responsible party.

- Write to the IRS office where you file your returns (using the Without a payment address under [Where Do You File](https://www.irs.gov/pub/irs-pdf/i940.pdf), later) to notify the IRS of any business name change. See Pub. 1655 to see if you need to apply for a new employer identification number (EIN).
- Complete and mail Form 8822-B to notify the IRS of a business address or responsible party change. Don’t mail Form 8822-B with your Form 940. For a definition of “responsible party,” see the Form 8822-B instructions.

Federal tax deposits must be made by electronic funds transfer (EFT). You must use EFT to make all federal tax deposits. Generally, an EFT is made using the Electronic Federal Tax Payment System (EFTPS). If you don’t want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make electronic deposits on your behalf. Also, you may arrange for your financial institution to initiate a same-day wire payment on your behalf. EFTPS is a free service provided by the Department of Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

For more information on making federal tax deposits, see section 11 of Pub. 15. To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](https://www.irs.gov/pub/irs-pdf/i940.pdf), or call 1-800-555-4477, 1-800-733-4829 (TDD), or 1-800-244-4829 (Spanish). Additional information about EFTPS is also available in Pub. 966.

When Must You File Form 940?

The due date for filing Form 940 for 2017 is January 31, 2018. However, if you deposited all your FUTA tax when it was due, you may file Form 940 by February 12, 2018.

If we receive your return after the due date, we will treat your return as filed on time if the envelope containing your return is properly addressed, contains sufficient postage, and is postmarked by the U.S. Postal Service on or before the due date or sent by an IRS-designated private delivery service (PDS) on or before the due date. However, if you don’t follow these guidelines, we will consider your return filed when it is actually received. Go to [IRS.gov/PDS](https://www.irs.gov/pub/irs-pdf/i940.pdf) for the current list of PDSs. For the IRS mailing address to use if you’re using a PDS, go to [IRS.gov/PDSstreetAddresses](https://www.irs.gov/pub/irs-pdf/i940.pdf). You’re encouraged to file Form 940 electronically. Go to [IRS.gov/EmploymentFile](https://www.irs.gov/pub/irs-pdf/i940.pdf) for more information on electronic filing.

CREDIT REDUCTION STATES

Following is a report from the US Department of Labor illustrating how much each State owes the Federal Unemployment Trust Account (FUTA) to fund their Unemployment Claims as of 12/04/17. These balances are used to determine which states are “credit reduction states” for the year. The two highest States are highlighted.

UI Budget

Resource Justification Model (RJM)

Estimated FUTA Receipts vs. Amounts Returned

FY 2018 State UI Allocations (Planning Targets)

- State Tables (Att1)
- Secondary Tables (Att2)
- Postage (Att3)

FY: 2018 Report State UI Allocations

Trust Fund Loans

- Outstanding Loans from the Federal Unemployment Account. Balances as of December 04, 2017 are:

  California  $821,980,881.89
  Virgin Islands  $66,977,423.20

  Total  $888,958,305.09

Updated: July 28, 2017

Source:  http://workforcesecurity.doleta.gov/unemploy/budget.asp
Form 940 for 2017: Employer’s Annual Federal Unemployment (FUTA) Tax Return

**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.
1b. If you had to pay state unemployment tax in more than one state, you are a multistate employer.
2. If you paid wages in a state that is subject to CREDIT REDUCTION.

**Part 2:** Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

3. Total payments to all employees
4. Payments exempt from FUTA tax
   4a. Fringe benefits
   4b. Group-term life insurance
   4c. Retirement/Pension
   4d. Other
5. Total of payments made to each employee in excess of $7,000
6. Subtotal (line 4 + line 5 = line 6)
7. Total taxable FUTA wages (line 3 – line 6 = line 7). See instructions.
8. FUTA tax before adjustments (line 7 x 0.006 = line 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.
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.
11. If credit reduction applies, enter the total from Schedule A (Form 940)

**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)
13. FUTA tax deposited for the year, including any overpayment applied from a prior year.
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.
15. Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below.
   ▶ You MUST complete both pages of this form and SIGN it.
   • Check one: □ Apply to next return. □ Send a refund.

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.

Cat. No. 112340 Form 940 (2017)

## Schedule A (Form 940) for 2017:

**Multi-State Employer and Credit Reduction Information**

Department of the Treasury — Internal Revenue Service

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.

<table>
<thead>
<tr>
<th>Postal Abbreviation</th>
<th>FUTA Taxable Wages</th>
<th>Reduction Rate</th>
<th>Credit Reduction</th>
<th>Postal Abbreviation</th>
<th>FUTA Taxable Wages</th>
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**Total Credit Reduction.** Add all amounts shown in the Credit Reduction boxes. Enter the total here and on Form 940, line 11. 

For Privacy Act and Paperwork Reduction Act Notice, see the instructions for Form 940.
Forms W-2 & W-3 Instructions

Form W-2 - Annual Wage and Tax Statement:
- Must be given to each employee by January 31 of the following year
- Copy A of all Forms W-2 and Form W-3 - Transmittal, must be sent to the Social Security Administration (SSA) by January 31 the following year.
- Whenever these due dates fall on a Saturday, Sunday or legal holiday, the due date is extended to the next business day

Form W-3 – Transmittal of Wage and Tax Statement:
- Original (pink copy), or SSA approved black & white copy from software, must accompany Copy A of W-2s to Social Security Administration, if filing on paper.
- Summarizes totals of various entries made on all W-2’s

W-2 COPY DISTRIBUTION:
Total number of paper copies needed is eight (8)* – Copy A (original pink copy or an SSA approved black & white copy from your software) and seven (7) additional copies.

Employer:
1. Mail (Copy A) to SSA with Form W-3 (Federal due 01/31/18*)
2. Mail, E-File or TeleFile State W-2 to Pennsylvania (State due 01/31/18) (Copy 1)
3. Mail or E-File copy to Berkheimer (or applicable tax agent) with local reconciliation (Local due 02/28/18) (Copy 2)
4. Retain one copy for employer’s file (Copy D)
5. One copy to file with Federal tax return (1040) (Copy B)
6. One copy to file with State tax return (Copy 1)
7. One copy to file with local tax return (Copy 2)
8. One copy for employee’s records (Copy C)

*NOTE: Even if you file your Federal or PA W-2’s electronically, the due date is still 01/31/2018, & only 7 paper copies will be needed. If you file electronically, DO NOT file the same returns on paper.

Employee: (to employee by 01/31/2018)

Undeliverable W-2 Forms: Keep for 4 years any employee copies of Form W-2 that you tried to deliver, but could not. Do not send undeliverable W-2 Forms to the SSA.

To Avoid Common Entry Errors: Type, using black ink. Use 12 point Courier font, if possible. Do not use script, inverted or italic fonts. Do not use dollar signs or commas, but do use decimal points showing the cents portion in the amounts. Keep entries inside the boxes provided, staying off the lines. Enter employee’s first name and middle initial in first box, and surname in second box, with suffix (optional) in third box. Make sure to check the retirement plan box only when “appropriate” (see instructions).

Employers Terminating Operations: If you terminate your business, you must provide Forms W-2 to your employees for the calendar year of termination by the date your final Form 941 is required to be filed. You must also file Forms W-2 with the SSA by the end of the second month after the end of the quarter for which the final Form 941 is filed. Be advised that certain circumstances may dictate special rules, please contact us.
**Electronic Filing:** You may now file Forms W-2 on-line with the SSA. To begin using BSO, you must first complete a one-time registration process. Select the *Register* button at https://www.ssa.gov/bso/bsowelcome.htm.

**WHAT IS BUSINESS SERVICES ONLINE (BSO)?**
Business Services Online offers Internet services for businesses and employers who exchange information with Social Security. This handbook focuses on wage reporting by employers as well as third-party submitters. As a registered Business Services Online user who selected wage reporting suite of services during registration, you are able to:

- Create/Resume Forms W-2/W-3 Online,
- Create/Resume Forms W-2c/W-3c Online,
- Save Submitted Reports to Your Computer,
- Submit/Resubmit a Formatted Wage File,
- Submit a Special Wage Payments File,
- Check W-2/W-2c reports for formatting accuracy before sending them to Social Security Administration,
- View Submission Status to check report status, errors, and notice information for previously submitted wage reports,
- View Employer Report Status to check report status or view errors for reports submitted for your company by a third party, and
- Request an Extension to File a Resubmission.


**NEW FOR TAX YEAR 2017**
The following are new for Tax Year 2017:

All EWR applications:

- Add Tax Year 2017;
- Remove Tax Year 2013;
- Change references from Tax Year 2016 (TY16) to Tax Year 2017 (TY17);
- Update Quarter of Coverage (QC);
- Update Federal Insurance Contribution Act (FICA) maximum wages; and
- Update EWR supporting documents and services, including Electronic W-2 Filing Handbook, EWR Demo and ApPages, EWR Tutorials (English and Spanish), Employer W-2 Filing Instructions and Information websites, and Employer Support website.
- W-2/W-2c Online: add a new box 12 code “FF”. Code FF is used to report the total amount of permitted benefits under a qualified small employer health reimbursement arrangement (QSEHRA) according to 21st Century Cures Act.
- W-2 Online: remove “Are you submitting Third-party Sick Pay Recap Forms W-2 and W-3 described in part 6 of Internal Revenue Service publication 15-A” from Before You Create Your Form(s) W-2 page.
- You Create Your Form(s) W-2/W-3 page: modify “For which tax year is this wage report being corrected?” field on Before You Create Your Form(s) W-2c/W-3c page: replace the default value of current tax year with “Please select...” to force the users to choose the right tax year in order to reduce filing errors.
- Wage File Upload: remove “Original receipt year” field on What’s in the File page to make the page more user friendly.

For additional BSO information, visit - https://www.ssa.gov/employer/bsohbnew.htm
SOCIAL SECURITY ADMINISTRATION CONTACT INFORMATION

For information about Social Security programs and benefits: By calling 1-800-772-1213, you can use our automated telephone services to get recorded information and conduct some business 24 hours a day. If you cannot handle your business through our automated services, you can speak to a Social Security representative between 7 a.m. and 7 p.m. Monday through Friday. Generally, you’ll have a shorter wait time if you call during the week after Tuesday. If you are deaf or hard of hearing, call our toll-free TTY number, 1-800-325-0778, between 7 a.m. and 7 p.m. Monday through Friday.

Employer Reporting Service Center
Social Security's toll-free line to help employers with registering or access to business services:
Phone: 1-800-772-6270 (TTY 1-800-325-0778) Monday through Friday, 7 a.m. to 7 p.m., Eastern Time
E-mail: ssa.comments@ssa.gov

Employer Service Liaison Officers and Staff
Contact an expert in one of the Social Security's Regional Offices who can provide technical wage reporting information and expertise.

Electronic W-2/W-2c Reporting Using the Business Services Online Website
For questions about using Social Security's Business Services Online website for filing Forms W-2 electronically: Phone: 1-888-772-2970 (TTY 1-800-325-0778) Monday through Friday, 8:30 a.m. to 4 p.m., Eastern Time / Fax: 1-410-597-0237
E-mail: bso.support@ssa.gov

Local Office Search
Follow this link to find out how to contact a local office.

WHERE TO FILE W-2'S:

FEDERAL
Online: http://www.ssa.gov/bso/bsowelcome.htm

First Class Mail with Form W-3 to:
Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001
(Certified Mail: use ZIP: 18769-0002)

Other than US Mail: add...
ATTN: W-2 Process
1150 E. Mountain Drive
and change ZIP code to 18702-7997

PENNSYLVANIA
Online: www.etides.state.pa.us

First Class Mail with form REV-1667 to:
PA Department of Revenue
P.O. Box 280412
Harrisburg, PA 17128-0412

If 10 or fewer employees:
TeleFile at: 1-800-748-8299

LOCAL (Berkheimer “for most in our area”)
Online: www.hab-inc.com

First Class Mail with Form W-2R to:
HAB-EMP REC
PO Box 25113
Lehigh Valley, PA 18002-5113
For detailed and specialized reporting instructions, please refer to the IRS provided instruction booklet or find on-line at http://www.irs.gov/pub/irs-pdf/fw2.pdf

HBK also orders laser forms - call us!
Form W-3 Transmittal of Wage and Tax Statements 2017

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 (EFWz).

W-2 Online fill-in forms or file uploads will be on time if submitted by January 31, 2016. For more information, go to 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 18706-0001

Note: If you use “Certified Mail” to file, change the ZIP code to “18706-0002.” 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.
Cat. No. 10159Y

Reporting Employer Sponsored Health Coverage on Forms W-2 and W-3

Reporting the cost of employee health insurance remains optional for smaller employers for 2017 wage reporting. However, this reporting is mandatory for employers that were required to file at least 250 Forms W-2 for the preceding calendar year.

The amount to be reported includes both the employer-paid and employee-paid portions, and may include premiums for other types of health coverage as well. This cost, which is not treated as taxable income to the employee, is reported in Box 12, Code DD.

Additional guidance is displayed below, and at the following IRS link: https://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer’s excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families). However, federally recognized Indian tribal governments are not subject to this requirement.

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Transition Relief

For certain employers, types of coverage and situations, there is transition relief from the requirement to report the value of coverage beginning with the 2012 Forms W-2. This transition relief first applied to the 2013 Forms W-2 that were issued in 2014. The relief applies for the 2015 tax year and will continue to apply to future calendar years until the IRS publishes additional guidance. (Note: employers generally are required to provide employees with the 2015 Forms W-2 in January 2016.) Any guidance that expands the reporting requirements will apply only to calendar years that start at least six months after the guidance is issued. See the "Optional Reporting" column in the below chart for the employers, types of coverage, and situations eligible for the transition relief.

Reporting on the Form W-2

Employers that are subject to this requirement should report the value of the health care coverage in Box 12 of the Form W-2, with Code DD to identify the amount. There is no reporting on the Form W-3 of the total of these amounts for all the employer’s employees.
In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. See the chart, below, and the questions and answers for more information.

An employer is not required to issue a Form W-2 solely to report the value of the health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide a Form W-2.

The chart below illustrates the types of coverage that employers must report on the Form W-2. Certain items are listed as "optional" based on transition relief provided by Notice 2012-9 (restating and clarifying Notice 2011-28). Future guidance may revise reporting requirements but will not be applicable until the tax year beginning at least six months after the date of issuance of such guidance.

The chart reviews the reporting requirements for Box 12, Code DD, and has no impact on requirements to report these items elsewhere. For example, while contributions to Health Savings Arrangements (HSA) are not to be reported in Box 12, Code DD, certain HSA contributions are reported in Box 12, Code W (see General Instructions for Forms W-2 and W-3).


Page Last Reviewed or Updated: 22-Nov-2017
### Form W-2 Reporting of Employer-Sponsored Health Coverage

<table>
<thead>
<tr>
<th>Coverage Type</th>
<th>Report</th>
<th>Do Not Report</th>
<th>Optional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-employer plans</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Domestic partner coverage included in gross income</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Governmental plans providing coverage primarily for members of the military and their families</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Federally recognized Indian tribal government plans and plans of tribally charted corporations wholly owned by a federally recognized Indian tribal government</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Self-funded plans not subject to Federal COBRA</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Accident or disability income</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Long-term care</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Liability insurance</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Supplemental liability insurance</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Workers' compensation</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Automobile medical payment insurance</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Credit-only Insurance</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Excess reimbursement to highly compensated individual, included in gross income</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Payment/reimbursement of health insurance premiums for 2% shareholder-employee, included in gross income</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Other Situations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Forms W-2 provided by third-party sick-pay provider to employees of other employers</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

The chart was created at the suggestion of and in collaboration with the IRS' Information Reporting Program Advisory Committee (IRPAC). IRPAC's members are representatives of industries responsible for providing information returns, such as Form W-2, to the IRS. IRPAC works with IRS to improve the information reporting process.

**Related Information:**
Changes to Note for Completing
Forms W-2 and W-3

What’s New

New box 12 Code FF. A new box 12 Code FF has been added to report the total amount of permitted benefits under a qualified small employer health reimbursement arrangement (QSEHRA). These new QSEHRAs allow eligible employers to pay or reimburse medical care expenses of eligible employees after the employees provide proof of coverage. The maximum reimbursement for an eligible employee under a QSEHRA is $4,950 ($10,000 if it also provides reimbursements for family members), before indexing for inflation. For more information, see the 21st Century Cures Act, Public Law 114–255, Division C, Section 18001.

Leave-based donation programs to aid victims of the severe storms and flooding in Louisiana. Under these programs, employees may donate their vacation, sick, or personal leave in exchange for employer cash payments made before January 1, 2018, to qualified tax-exempt organizations providing relief for the victims of the severe storms and flooding in Louisiana that began on August 11, 2016. The donated leave will not be included in the income or wages of the employee. The employer may deduct the cash payments as business expenses or charitable contributions. For more information, see Notice 2016-55, 2016-40 I.R.B. 432, available at IRS.gov/irb/2016-40_IRB/ar08.html.

Leave-based donation programs to aid victims of Hurricane Matthew. Under these programs, employees may donate their vacation, sick, or personal leave in exchange for employer cash payments made before January 1, 2018, to qualified tax-exempt organizations providing relief for the victims of Hurricane Matthew. The donated leave will not be included in the income or wages of the employee. The employer may deduct the cash payments as business expenses or charitable contributions. For more information, see Notice 2016-69, 2016-51 I.R.B. 832, available at IRS.gov/irb/2016-51_IRB/ar11.html.

Penalties increased. Failure to file and failure to furnish penalties and penalties for intentional disregard of filing and payee statement requirements have increased due to adjustments for inflation. The higher penalty amounts apply to returns required to be filed after December 31, 2017. See Penalties for more information.


Reminders

Due date for filing with SSA. The due date for filing 2017 Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3, and W-3SS with the SSA is January 31, 2018, whether you file using paper forms or electronically.

Extensions of time to file. Extensions of time to file Form W-2 with the SSA are no longer automatic. You may request one 30-day extension to file Form W-2 by submitting a complete application on Form 8809. Application for Extension of Time to File Information Returns, including a detailed explanation of why you need additional time and signed under penalties of perjury. The IRS will only grant the extension in extraordinary circumstances or catastrophe. See Extension of time to file Forms W-2 with the SSA for more information. This does not affect extensions of time to furnish Forms W-2 to employees. See Extension of time to furnish Forms W-2 to employees for more information.

These are excerpts from the 2017 IRS W-2 and W-3 Instruction Booklet. There are other items of note which may be pertinent to your situation. Please review the 2016 Instruction Booklet or go to the booklet on-line at the link below.

Pennsylvania Income Tax Withholding

Since January 2006, **ALL** employer withholding tax quarterly reports and deposits must be made electronically via E-Tides (or Telefile [not recommended].)

Every employer with an office or transacting business in the Commonwealth of Pennsylvania and making payments to resident or nonresident individuals performing services within the Commonwealth must comply with all depository, reporting and filing requirements of the Commonwealth.

A new employer completes Form PA-100, Pennsylvania Combined Registration Application Form and Instructions, using the federal employer identification number (EIN) issued by the Internal Revenue Service, to register for PA withholding. This application can be completed online at [www.pa100.state.pa.us](http://www.pa100.state.pa.us).

Compensation which is subject to Pennsylvania personal income tax withholding includes salaries, wages, commissions, bonuses and incentive payments, fees, tips and similar remuneration received for services rendered whether in cash or in property.

**As of the date of this publication, the PA withholding rate for 2018 remains at 3.07%.**

Pennsylvania has reciprocal agreements with six states: Indiana, Maryland, New Jersey, Ohio, Virginia and West Virginia. If your employee is a resident of one of these states, you must contact their home state and register to withhold the appropriate state tax if the employee wishes. The employee must complete PA Form REV-419 – Employee’s Non-Withholding Application Certificate.


**NOTE:** Unless the state of residence changes, residents of the reciprocal states **DO NOT** need to refile this application every year.
Pennsylvania Income Tax Withholding Deposit Requirements

<table>
<thead>
<tr>
<th>Estimated Annual Tax</th>
<th>Due On or Before</th>
</tr>
</thead>
<tbody>
<tr>
<td>If total tax withheld is expected to be $20,000 or more</td>
<td>Semiweekly: due on Wednesday after paydate&lt;br&gt; If the paydate falls on Wed, Thur or Fri.&lt;br&gt; If paydate falls on Sat, Sun, Mon or Tues, tax is due the following Friday.</td>
</tr>
<tr>
<td>If total tax withheld is expected to be at least $4,000 but less than $20,000</td>
<td>Semimonthly: within 3 banking days after close of each semi-monthly period (i.e., the 15th and last day of month)</td>
</tr>
<tr>
<td>If total tax withheld is expected to be at least $1,200 but less than $4,000</td>
<td>Monthly: on or before the 15th day of succeeding month</td>
</tr>
<tr>
<td>If total tax withheld is expected to be less than $1,200</td>
<td>Quarterly: on or before the last day of month following end of quarter*&lt;br&gt;*Quarterly filers transmit their payment together with their PA W-3 quarterly reconciliation return.</td>
</tr>
</tbody>
</table>

All employers are required to file a PA W-3 reconciliation return for each quarter as follows:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Due On Or Before</th>
</tr>
</thead>
<tbody>
<tr>
<td>January - March</td>
<td>April 30</td>
</tr>
<tr>
<td>April - June</td>
<td>July 31</td>
</tr>
<tr>
<td>July - September</td>
<td>October 31</td>
</tr>
<tr>
<td>October - December</td>
<td>January 31</td>
</tr>
</tbody>
</table>

Quarterly filers (as discussed above) must transmit their payment and reconcile the quarterly account via E-Tides or TeleFile by filing the PA W-3 return - "Employer Quarterly Deposit Statement and Return of Income Tax Withheld".

Monthly, semiweekly and semimonthly type filers must file payments (PA 501) and the "Employer Quarterly Return of Income Tax Withheld" (PA W-3) via E-Tides or TeleFile.

TeleFile: 1-800-748-8299 / 1-800-447-3020 only for TT / special hearing/speaking needs.

E-Tides: [http://www.etides.state.pa.us](http://www.etides.state.pa.us)

If any amount of tax required to be withheld is not reported and paid in full on or before the payment due date, simple interest will be charged daily from the date the tax is due and payable to the date of payment. This interest rate is determined annually by the PA Department of Revenue.

Failure to file a quarterly return may result in the imposition of additional tax of 5% per month or fraction thereof of the amount shown on the return (minimum $5, maximum 25%). Additionally, failure to pay withheld tax to the Department on or before the due date for filing the quarterly return will result in an additional tax of 5% per month of the underpayment for each month or fraction thereof (maximum 50%).
EFT Payment Requirement

Am I required to pay my business taxes electronically?

You are required to remit payments electronically when the payment amount(s) meets or exceeds $1,000. If your payment is less than $1,000, you may voluntarily remit your payment electronically.

Sales tax, employer withholding and corporation tax payments can be remitted electronically through e-TIDES at http://www.etides.state.pa.us/ or through TeleFile at 1-800-748-8299.

Important Notice: To comply with industry standards for security, the Department of Revenue has made modifications to implement new complexity rules for our e-Signature Passwords. These changes are scheduled to take place in the near future. With the exception of these new requirements you should not notice any difference when logging in.

Password

- Minimum Password length will be 8 characters
- Maximum Password length will be 20 characters
- Must contain a combination of at least 3 of the following
  - Upper/Lower case letters
  - Numbers
  - Special characters @ { : ) . ^ _ } ~ * , -$ (  

Upon login all users will be required to change their Password if they do not meet the minimum requirements. Your new Password must meet these security standards or the change will not be allowed, and you will receive an error message.

Prior to the department implementing these security changes, you can update your Password to meet these requirements under the User Profile link.

W-2 Information: The year-end W-2 filing due date for 2017 is January 31, 2018. You can file your W-2 transmittals (REV-1667), employee wage statements and 1099-R forms through a multi-import file upload. Select the "Instructions" link from the left navigation menu, scroll down to the "Multi-Import" section and select "File Specifications" for more information.

1099-Misc Information: Under Act 85 of 2012, entities paying either nonemployee compensation for Pennsylvania-based work or Pennsylvania-source oil/gas lease payments are required to submit copies of federal forms 1099-MISC to the department. Click the following link for more information: 1099-Miscellaneous Overview.
**e-911 Surcharge Changes:** Effective Aug. 1, 2015, the tax rate for pre-paid telecommunication services and wireless telephones subject to the pre-paid wireless emergency-911 surcharge (pre-paid e-911 surcharge) will change from $1.00 to $1.65 per retail transaction. This surcharge is collected on each retail transaction regardless of whether the service or pre-paid wireless telephone is purchased in person, by telephone, through the Internet or by any other method. The pre-paid e-911 surcharge is to be charged and collected by the retailer in addition to any other charges or fees and is not to be included for purposes of calculating sales tax.

Also effective Aug. 1, 2015, the discount available to retailers that timely remit pre-paid e-911 surcharge returns and payments will go from 3 percent to 1.5 percent. This discount is separate from the 1 percent discount available for timely remitting sales tax returns and payments and will automatically be calculated by the department.

Additionally, retailers are responsible for keeping records detailing non-retail sales transactions, which may be requested for review by the department.

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**PA Business Tax e-Services TeleFile**

Use the Department's TeleFile system to quickly and easily file payments - including assessment, billing, late and notice payments - for corporation taxes, employer withholding, malt beverage tax, public transportation assistance fund tax/fees, sales/use tax, unstampable little cigar tax and vehicle rental tax using a touch-tone telephone. The toll-free number is 1-800-748-8299.

Transmission of your TeleFile tax return and ACH Debit payment must be completed before 11:59 PM Eastern Time on or before the due date in order to be considered timely.

Select a type of tax below to see what information you will need to use TeleFile:

- Assessment/Billing/Late-File Notice Payments
- Corporation Taxes
- Employer Withholding
- Malt Beverage Tax
- Public Transportation Assistance Fund Taxes and Fees
- Sales/Use Tax
- Unstampable Little Cigar Tax
- Vehicle Rental Tax
# 2017 PA Withholding Tax and Quarterly Return Filing Due Dates

## 2018 Period Ending and Administrative Due Dates for the Remittance of Employer Withholding and Filing of Quarterly Returns and W-2 Forms

### Table of Weekly Due Dates

<table>
<thead>
<tr>
<th>SEMI-MONTHLY FILERS</th>
<th>MONTHLY FILERS</th>
<th>MONTHLY, SEMI-MONTHLY AND SEMI-WEEKLY FILERS</th>
<th>QUARTERLY FILERS</th>
<th>ALL FILERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Due Dates PA-501</strong></td>
<td><strong>Due Dates W-3</strong></td>
<td><strong>Due Dates PA-50L/50S</strong></td>
<td><strong>Due Dates W-2</strong></td>
<td><strong>Due Date</strong></td>
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<tr>
<td>03/08/2018</td>
<td>03/15/2018</td>
<td>04/15/2018</td>
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<td>05/01/2018</td>
<td>05/15/2018</td>
<td>06/15/2018</td>
<td>05/01/2019</td>
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</tr>
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<td>09/15/2018</td>
<td>10/15/2018</td>
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<td>10/22/2018</td>
<td>11/20/2018</td>
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<td>02/15/2019</td>
<td>03/15/2019</td>
<td>01/01/2019</td>
<td></td>
</tr>
</tbody>
</table>

### Table of Weekly Due Dates

<table>
<thead>
<tr>
<th>1st QUARTER 2018 Period Ending 03/31/2018</th>
<th>2nd QUARTER 2018 Period Ending 06/30/2018</th>
<th>3rd QUARTER 2018 Period Ending 09/30/2018</th>
<th>4th QUARTER 2018 Period Ending 12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payroll Date</strong></td>
<td><strong>Due Date</strong></td>
<td><strong>Payroll Date</strong></td>
<td><strong>Due Date</strong></td>
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<tr>
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<tr>
<td>Mar 1</td>
<td>Mar 7</td>
<td>Jul 2</td>
<td>Jul 3</td>
</tr>
<tr>
<td>Mar 2</td>
<td>Mar 7</td>
<td>Jul 5</td>
<td>Jul 4</td>
</tr>
<tr>
<td>Mar 3</td>
<td>Mar 7</td>
<td>Jul 8</td>
<td>Jul 5</td>
</tr>
<tr>
<td>Mar 4</td>
<td>Mar 7</td>
<td>Jul 11</td>
<td>Jul 6</td>
</tr>
<tr>
<td>Mar 5</td>
<td>Mar 7</td>
<td>Jul 14</td>
<td>Jul 7</td>
</tr>
<tr>
<td>Mar 6</td>
<td>Mar 7</td>
<td>Jul 17</td>
<td>Jul 8</td>
</tr>
<tr>
<td>Mar 7</td>
<td>Mar 7</td>
<td>Jul 21</td>
<td>Jul 9</td>
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<tr>
<td>Mar 8</td>
<td>Mar 7</td>
<td>Jul 24</td>
<td>Jul 10</td>
</tr>
<tr>
<td>Mar 9</td>
<td>Mar 7</td>
<td>Jul 27</td>
<td>Jul 11</td>
</tr>
<tr>
<td>Mar 10</td>
<td>Mar 7</td>
<td>Jul 31</td>
<td>Jul 12</td>
</tr>
</tbody>
</table>

See reverse side for electronic filing instructions.

TO FILE ONLINE:
First time e-TIDES users must register at www.etides.state.pa.us, creating a User ID and Password.

Step One
Select “Enter e-TIDES.”
- Select “Register,” located at the bottom of the page.
- Select “I Agree” to the e-Signature Agreement to create your User ID and Password.

Write your User ID and Password below and keep them in a secure location.

Step Two
- Select “Register Enterprise” from the left navigation.
- Choose tax type and select “Next.”
- Select “I Agree” to the agreement.
- Enter a combination of two of the following account identifiers: Account ID number, 10-digit Revenue ID number and Entity ID number, select the type of entity from the drop-down box, then select “Next.”

Additional Online Help
For instructions and other information, select “Instructions” from the left navigation of the e-TIDES screen.
- Visit the e-TIDES Online Demonstration.

User ID ________________________________
Password ______________________________

IMPORTANT: Keep your User ID and Password in a secure location.

Electronic Funds Transfer (EFT) Change – Effective Jan. 1, 2014, taxpayers remitting payments of $1,000 or more are required to remit using an approved electronic funds transfer (EFT) method.

TO FILE OVER THE TELEPHONE, CALL TELEFILE AT 1-800-748-8299.
All filers (semi-monthly, semi-weekly, monthly and quarterly) will need to provide the following information:
- 8-digit PA Employer Withholding Account ID Number;
- 9-digit Entity ID (EIN, SSN) or 10-digit Revenue ID;
- 8-digit tax period end date (see reverse side).

If making a payment (501 Deposit):  
- Total compensation subject to PA tax is not required to make a payment.
- If no PA tax was withheld, no payment transaction is required.
- Semi-monthly, semi-weekly and monthly filers will need the total amount of PA tax withheld for the tax period total.
- Banking information (routing number, account number and account type) is required.

If filing a Quarterly Reconciliation (W3), you will need to provide the following:
- Total compensation subject to PA tax for the quarter;
- Total amount of PA tax withheld per period (semi-monthly, semi-weekly and monthly filers only);
- Total amount of PA tax withheld for the quarter; and
- Total deposits for the quarter (including verified overpayments).

If filing an Annual Reconciliation (W-2 Transmittal) you will need to provide the following:
- Total number of individual W-2s (maximum of 10);
- Total compensation subject to PA tax for each quarter;
- Total PA income tax withheld for each quarter;
- 9-digit SSN, total PA compensation, and total PA income tax withheld for each W-2; and
- 8-digit tax period end date (see reverse side).

A confirmation number will be provided as proof of filing. Please record this number for future reference.

File electronically using e-TIDES at www.etides.state.pa.us

Pennsylvania Income Tax Withholding
Annual / Final Filing

A Wage and Tax Statement (W-2) for each employee must be submitted to the Pennsylvania Department of Revenue by January 31 following the year of compensation or thirty days from the termination of business if the business terminated during the calendar year.

W-2 forms may be submitted to the Pennsylvania Department of Revenue with the W-2 Transmittal (Rev-1667) via E-TIDES, TeleFile (for up to 10 employees) or by mail.


Termination of a Business:
In the event a business is terminated, a Business/Account Cancellation Form (Rev 1706) must be filed with payment of the last tax withheld within thirty days of termination. Instructions are available from the website www.revenue.state.pa.us, and the form can be filed via E-Tides.

Pennsylvania Sales Tax

Since January 2005, All Pennsylvania Sales Tax Reports and Payments Must be Made Electronically

Businesses can register for a Pennsylvania sales tax license by mail with the PA-100 form at http://www.revenue.state.pa.us/portal/server.pt/community/business_registration_forms/19096 or online at www.pa100.state.pa.us.

The PA Department of Revenue has two electronic filing options to report and pay sales tax:

- filing on the internet via E-Tides - www.etides.state.pa.us
- filing via Telefile - using a toll-free telephone filing system at 1-800-748-8299.

Both methods are fast, free, easy and safe ways to file your sales and use Tax return and make payments. In addition to not having to use paper coupons, electronic filing offers many advantages:

- Receive immediate confirmation that the Department received your return and payment
- Calculate your return automatically, thus preventing costly assessments due to math errors
- File early and set-up your payment for the due date

You will not receive a paper coupon booklet for the 2018 calendar year. Following are links to assist you in electronically filing your PA sales tax.

Getting Started: www.doreservices.state.pa.us/businessstax/default.htm

For E-tides: http://www.etides.state.pa.us

For TeleFile: http://www.doreservices.state.pa.us/BusinessTax/TeleFile.htm

PA Business Tax e-Services TeleFile

Use the Department’s TeleFile system to quickly and easily file Corporation Taxes, Employer Withholding and Sales Tax using a touch-tone telephone. The toll-free number is 1-800-748-8299.

Filing using the TeleFile system does not change the due date for your tax return/payment. Transmission of your TeleFile tax return and ACH Debit payment must be completed before 11:59 PM Eastern Standard Time on or before the due date.

Select a type of tax below to see what information you will need to use TeleFile:

Corporation Tax
Employer Withholding
Sales Tax
Pennsylvania Unemployment Compensation

Pennsylvania employers as defined under the Pennsylvania Unemployment Compensation Law are required to file Pennsylvania Unemployment Compensation Tax. Wages as defined in the Act include salaries, commissions, bonuses, overtime, incentive awards, the cash value of wages paid in a medium other than cash such as lodging, meals, rent, etc., and tips used to meet the state or federal minimum wage. As of January 1, 1986, all tips are included as wages. Also included are sickness and accident disability payments (other than workers' compensation payments by an employer or third party (insurance company)), payments to an IRS approved 401(k) plan, and annuity payments under Section 403(b) of the Code.

Agricultural Employment – If an agricultural enterprise employs 10 or more full or part-time employees for any part of a day in 20 or more calendar weeks in the current or preceding calendar year, or pays $20,000 in cash wages in any calendar quarter of the current or preceding calendar year, the employer will be liable for contributions.

Domestic Employment – Individual homeowners, local college clubs, fraternities or sororities paying $1,000 or more in cash wages in any quarter of the current or preceding calendar year will be subject to the provisions of the Pennsylvania Unemployment Compensation Law.

Excluded Employment – Services performed by an individual in the employ of a son, daughter, spouse, or by a child under the age of 18 in the employ of a parent do not constitute covered employment and are not subject to the Pennsylvania Unemployment Compensation.

Employers that pay wages subject to PA Unemployment may register by completing Form PA-100, Pennsylvania Combined Registration Forms and Instructions, at www.pa100.state.pa.us using the federal employer identification number (EIN) issued by the Internal Revenue Service.

The employer contribution rate is based upon employment experience and is assigned every year by the state of Pennsylvania. Rates for all employers for 2018 will range from 3.6890% to 10.2238%. New employer rates for 2018 and 2017 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>New Employer</th>
<th>New Construction Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.6890 %</td>
<td>10.2238 %</td>
</tr>
<tr>
<td>2017</td>
<td>3.6785 %</td>
<td>10.1947 %</td>
</tr>
</tbody>
</table>

NOTE: For 2018, the employer’s contribution is calculated only on the first $10,000 of each employee's gross wages. (Increased from $9,750 in 2017.)

Employee Unemployment Contribution – the 2018 employee payroll deduction for PA unemployment is 0.06% (multiply by .0006) on all wages paid (prior year .07%). Unlike the employer contribution, which is calculated only on each employee’s first $10,000 in gross wages, the employee deduction is taken from each pay, regardless of year-to-date gross wages. For example, an employee’s SUTA deduction would be $7.00 for $10,000 in wages, $70 for $100,000 in wages, etc.

http://www.uc.pa.gov/employers-uc-services-uc-tax/ucms/Pages/default.aspx
**Continuing Business Without Employees or Discontinued Business:**
If an employer is continuing business without employees and no longer expects to give employment, or if the employer has discontinued the business, Form UC-2B must be completed and submitted directly to the employer’s local Field Accounting County office.

[PA Form UC-2B](http://www.uc.pa.gov/Documents/UC_Forms/uc-2b.pdf)

<table>
<thead>
<tr>
<th>Change</th>
<th>From</th>
<th>To</th>
<th>Reason for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Address</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PO Box</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City/State/Zip</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEIN</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone #</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. To add another PA business location, enter the new address here:

- Date wages last paid in PA: [ ]
- Did business discontinue in PA: [ ]
- Did this business transfer all, or any part of, its PA businesses to another PA business: [ ]
- Did this business acquire all, or any part of, another PA business: [ ]
- Did this business acquire 51% or more of the assets of another PA business: [ ]
- Did this business acquire 11% or more of the assets of another PA business: [ ]
- Did this business acquire assets of another business that were determined to be a PA business: [ ]
- Did the business acquire part of a PA business that had been determined to be a PA business: [ ]
- Did this business purchase the business of another PA business: [ ]
- Did this business receive less than 51% of the assets of another PA business: [ ]
- Did this business receive more than 51% of the assets of another PA business: [ ]
- Did this business receive assets of another business that were determined to be a PA business: [ ]
- Did this business acquire less than 11% of the assets of another PA business: [ ]
- Did this business purchase part of a PA business that had been determined to be a PA business: [ ]

**UC BENEFITS CONTACT INFO:** [http://www.uc.pa.gov/pages/contact-us-uc-benefits-info.aspx](http://www.uc.pa.gov/pages/contact-us-uc-benefits-info.aspx)

To find contact information for UC Field Accounting offices for your location, go to:

**SERVICES NEAR YOU:** [http://www.dli.pa.gov/regional-services/Pages/default.aspx](http://www.dli.pa.gov/regional-services/Pages/default.aspx)

**For Employers Who Find it Necessary to Lay-Off Employees:**
If an employer finds it necessary to lay-off employees, following is a form link that should be given to all employees at the time of their lay-off.

**Form UC-1609: Employer Information:**

This form provides accurate information for use when unemployment claims are filed. If wrong information is given on a claim, it can create delays that can lead to a wrong financial determination, which could increase your tax rate. This form can help your company save money by reducing inaccurate claims, and subsequently, inaccurate charges to your account - charges that would require extra time and energy on your part to remove. Complete the form, and provide a copy to every employee who leaves your organization. This simple step could save your company time and money.

**For more information, visit the PA Unemployment Compensation: Employer Services link:**
[http://www.uc.pa.gov/EMPLOYERS-UC-SERVICES-UC-TAX/Pages/default.aspx](http://www.uc.pa.gov/EMPLOYERS-UC-SERVICES-UC-TAX/Pages/default.aspx)

[https://www.etides.state.pa.us/help/gettingassistanceUC.htm](https://www.etides.state.pa.us/help/gettingassistanceUC.htm)
Please visit this link for the complete form and filing instructions:
Local Earned Income Tax

Pennsylvania Act 166 took effect on February 7, 2003 and amended the Local Tax Enabling Act to revise certain definitions to be used in connection with local earned income taxes. The definitions of "earned income" and "net profits" are amended to conform to the provisions in the Pennsylvania statute that govern the determination of income for Pennsylvania state personal income tax purposes.

Under the revised definitions, local "earned income" is now "compensation" as determined under Pennsylvania statute and related regulations. “Compensation” is defined to include salaries, wages, commissions, bonuses, and incentive payments whether based on profits or otherwise, fees, tips and similar remuneration received for services rendered, whether directly or through an agent, and whether in cash or in property. However, the following provides a list of certain items that are excluded from the state definition of “compensation” and will no longer be taxable for local earned income tax purposes:

- Personal use of employer-owned property, including vehicles and parking facilities;
- Employee contributions under a Section 125 cafeteria plan relating to health insurance benefits; and
- Employer-paid premiums for group term life insurance.

Accordingly, for purposes of 2017 and 2018 wage reporting and tax withholding, in most cases, the local wage amount should equal the Pennsylvania wage amount.

Pennsylvania statute defines "net profits" as the net income from the operation of a business, profession, or other activity, after the provision for all costs and expenses, incurred in the conduct thereof, determined either on a cash or accrual basis in accordance with accepted accounting principles and practices, but without deduction of taxes based on income.

Accordingly, the 2017 and 2018 “net profits” reported for local purposes should agree to the amount reported for Pennsylvania state personal income tax purposes, with the following exception, per the PA Department of Revenue:

*Line 4 of the PA-40, Net Income or Loss from Operation of Business, Profession, or Farm, combines an individual’s net profits or losses derived through sole proprietorships with those derived from pass-thru entities such as PA S corporations, certain limited liability companies or partnerships. Net profits passed through to a taxpayer by and S corporation are NOT subject to the local earned income tax. Therefore, in the case of a taxpayer(s) with an investment(s) in an S corporation(s), the amount on line 4 of the PA-40 will include some income not subject to local earned income tax. For ease of reconciling with the State return, local tax collectors may wish to require taxpayers to report the amount they reported on line 4 of the State return and then separately show a deduction for income that is not taxable locally (S corp profits).*

*Effective with 2009 tax year, pursuant to PA Act 32, business losses derived through sole proprietorships and other qualifying pass-thru entities such as limited liability companies or partnerships cannot be used to offset earned income for local tax liability purposes. A loss from one business, however, can be used to offset net profits from another business.*
What is Act 32?
Act 32 is a law that reforms and standardizes the local earned income tax system. The appointment of collection responsibility falls on countywide committees made up of representatives from local municipalities and school districts. The committees established tax collection districts and elected tax officers to collect the Earned Income Tax (EIT).

ACT 32 Changes Regarding Local EIT Collection

**Effective January 1, 2012**

Act 32 of 2008, which became effective statewide January 1, 2012, reforms the local earned income tax withholding system and establishes countywide tax collection districts for the remittance and distribution of local earned income taxes (except Allegheny County, which is comprised of four tax collection districts). Philadelphia is not regulated by Act 32, so the present system as administered by the Philadelphia Department of Revenue will remain in effect.

Every business that employs individuals at worksites within Pennsylvania, or employs individuals who work from their homes in Pennsylvania, are REQUIRED to withhold the applicable local earned income tax amount from employees’ wages and remit the tax to the appropriate tax officer.

For additional information regarding Act 32, including access to standard forms, rates and tax officer information, please contact the PA Department of Community and Economic Development by accessing the website [www.newPA.com](http://www.newPA.com) or calling, toll-free, 1-888-223-6837.

[http://munstats.pa.gov/Public/FindLocalTax.aspx](http://munstats.pa.gov/Public/FindLocalTax.aspx)

Additional information about local income tax rates and collection can be found at:

[http://dced.pa.gov/local-government/local-income-tax-information/#.WE7zeTbFDIU](http://dced.pa.gov/local-government/local-income-tax-information/#.WE7zeTbFDIU)

Residency Certification:

Under Act 32, all new employees are required to complete a Residency Certification Form so the employer may verify his or her municipality of residence and withhold the correct rate, which is the higher of the rate of the employee’s municipality of residence or the employer’s municipal rate.
RESIDENCY CERTIFICATION FORM
Local Earned Income Tax Withholding

TO EMPLOYERS/TAXPAYERS:
This form is to be used by employers and/or taxpayers to report essential information for the collection and distribution of Local Earned Income Taxes to the local EIT collector. This form must be utilized by employers when a new employee is hired or when a current employee notifies employer of a name and/or address change. Use the Address Search Application at www.newPA.com/Act32 to determine PSD codes, EIT rates and tax collector contact information.

EMPLOYEE INFORMATION – RESIDENCE LOCATION

| NAME (Last Name, First Name, Middle Initial) | SOCIAL SECURITY NUMBER |
| STREET ADDRESS (No PO Box, RD or RR) | |
| ADDRESS LINE 2 | |
| CITY | STATE | ZIP CODE | DAYTIME PHONE NUMBER |
| MUNICIPALITY (City, Borough or Township) | |
| COUNTY | RESIDENT PSD CODE | TOTAL RESIDENT EIT RATE |

EMPLOYER INFORMATION – EMPLOYMENT LOCATION

| EMPLOYER BUSINESS NAME (Use Federal ID Name) | BUSINESS PHONE |
| STREET ADDRESS WHERE ABOVE EMPLOYEE REPORTS TO WORK (No PO Box, RD or RR) | |
| ADDRESS LINE 2 | |
| CITY | STATE | ZIP CODE | PHONE NUMBER |
| MUNICIPALITY (City, Borough or Township) | |
| COUNTY | WORK LOCATION PSD CODE | WORK LOCATION NON-RESIDENT EIT RATE |

CERTIFICATION

Under penalties of perjury, I (we) declare that I (we) have examined this information, including all accompanying schedules and statements and to the best of my (our) belief, they are true, correct and complete.

SIGNATURE OF EMPLOYEE |
PHONE NUMBER |
DATE (MM/DD/YYYY) |
EMAIL ADDRESS

For information on obtaining the appropriate MUNICIPALITY (City, Borough, Township), PSD CODES and EIT (Earned Income Tax) RATES, please refer to the Pennsylvania Department of Community & Economic Development website:
www.newPA.com/Act32

Additional Act 32 Local Income Tax Information and FAQ:
http://dced.pa.gov/local-government/local-income-tax-information/#.WE74cTbFDIU


Each municipality has been assigned a “PSD” code. Each employee’s resident PSD code is required to be reported on the employer’s quarterly local income tax returns. Following is a list of PSD codes for the Crawford Tax Collection District. The full list of PSD codes for all counties can be found at: https://dced.pa.gov/download/political-subdivision-codes-psd-codes-statewide/

<table>
<thead>
<tr>
<th>CRAWFORD TAX COLLECTION DISTRICT</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONNEAUT SD</td>
<td></td>
</tr>
<tr>
<td>CRAWFORD BEAVER TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD CONNEAUT LAKE BORO</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD CONNEAUT TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD CONNEAUTVILLE BORO</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD EAST FALLOWFIELD TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD GREENWOOD TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD LINESVILLE BORO</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD NORTH SHENANGO TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD PINE TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD SADSURY TWP</td>
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</tr>
<tr>
<td>CRAWFORD SPRING TWP</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD SPRINGBORO BORO</td>
<td>2001</td>
</tr>
<tr>
<td>CRAWFORD SUMMERTOWN TWP</td>
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</tr>
<tr>
<td>CRAWFORD WEST FALLOWFIELD TWP</td>
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</tr>
<tr>
<td>CRAWFORD CENTRAL SD</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD COCHRANTON BORO</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD EAST FAIRFIELD TWP</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD FAIRFIELD TWP</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD MEADOWVILLE CITY</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD UNION TWP</td>
<td>2002</td>
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<tr>
<td>CRAWFORD VERNON TWP</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD WAYNE TWP</td>
<td>2002</td>
</tr>
<tr>
<td>CRAWFORD WEST MEAD TWP</td>
<td>2002</td>
</tr>
<tr>
<td>MERCER FRENCH CREEK TWP</td>
<td>2002</td>
</tr>
<tr>
<td>JAMESTOWN AREA SD</td>
<td>2003</td>
</tr>
<tr>
<td>CRAWFORD SOUTH SHENANGO TWP</td>
<td>2003</td>
</tr>
<tr>
<td>CRAWFORD WEST SHENANGO TWP</td>
<td>2003</td>
</tr>
<tr>
<td>MERCER GREENE TWP</td>
<td>2003</td>
</tr>
<tr>
<td>MERCER JAMESTOWN BORO</td>
<td>2003</td>
</tr>
</tbody>
</table>

Additionally, the employer may do an address search online to find an employee’s PSD code. The helpful tools displayed below can also be found by clicking on the individual links shown below:

How do I find Earned Income Tax (EIT) rates and PSD Codes?
To determine EIT rates, PSD Codes, Municipality and/or tax collector/officer contact information, use either of these links:

Additional Act 32 Local Income Tax Information and FAQ:
http://dced.pa.gov/local-government/local-income-tax-information/#.WE74cTbFDIU

PSD Codes & EIT Rates:

Municipal Statistics: http://munstats.pa.gov/Public/FindLocalTax.aspx
- If you’re unsure of the county, municipality or school district in which your address lies
  Click here for the American Fact Finder
EMPLOYER QUARTERLY RETURN
Local Earned Income Tax Withholding

Mailing Address:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Address</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>St</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

LOCATION OF BUSINESS

<table>
<thead>
<tr>
<th>Year / Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account #</td>
</tr>
</tbody>
</table>

MUNICIPAL TAXING AUTHORITY (City, Borough, or Township) IN WHICH FACILITY OR BUSINESS IS LOCATED (Attach listing of multiple locations within PA if applicable)

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>BUSINESS PHONE NUMBER</th>
</tr>
</thead>
</table>

EMPLOYER PSD CODE | FEDERAL EIN OR SOCIAL SECURITY # | ACCOUNT NUMBER | BUSINESS TAX NUMBER |

1. TOTAL EARNED INCOME TAX WITHHELD
2. CREDIT OR ADJUSTMENT (attach explanation)
3. TOTAL OF EARNED INCOME DUE (line 1 minus line 2)
4. TOTAL PAYMENTS MADE THIS QUARTER (Schedule B (8)"
5. ADJUSTED TOTAL OF DUE (line 1 minus line 4)
6. PENALTY AND INTEREST

7. BALANCE DUE WITH RETURN (part 3 (5) and 6)...

Unsure penalties of perjury. If (we) declare that (we) have examined this information, including all accompanying schedules and statements and to the best of my (our) belief, they are true, correct and complete

PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)

<table>
<thead>
<tr>
<th>TITLE</th>
<th>PRIMARY CONTACT PHONE NUMBER</th>
</tr>
</thead>
</table>

SIGNATURE OF PRIMARY CONTACT INDIVIDUAL

<table>
<thead>
<tr>
<th>DATE (MM/DD/YYYY)</th>
<th>PRIMARY CONTACT EMAIL ADDRESS</th>
</tr>
</thead>
</table>

(11) EMPLOYEE'S SOCIAL SECURITY NUMBER

(12) EMPLOYEE'S NAME/ADDRESS

(13) GROSS COMPENSATION PAID THIS QUARTER

(14) AMOUNT OF EIT WITHHELD THIS QUARTER

(15) RESIDENT PSD CODE

(16) FIRST PAGE TOTAL

Make Checks payable to: HAB-EIT

There will be an additional cost assessed for returned payments.

TOTAL Amount Enclosed: $
EMPLOYER QUARTERLY RETURN for Local Earned Income Tax Withholding

<table>
<thead>
<tr>
<th>Employer Business Location:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mailing Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>City</td>
</tr>
<tr>
<td>St</td>
</tr>
<tr>
<td>Zip Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year / Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account #</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(1) EMPLOYEE’S SOCIAL SECURITY NUMBER</th>
<th>(2) EMPLOYEE’S NAME/ADDRESS</th>
<th>(3) GROSS COMPENSATION PAID THIS QUARTER</th>
<th>(4) AMOUNT OF EIT WITHHELD THIS QUARTER</th>
<th>(5) RESIDENT PDD CODE</th>
</tr>
</thead>
<tbody>
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</table>

(6) THIS PAGE TOTAL: ____________________________

Print
INSTRUCTIONS

WHO MUST FILE:
If you have employed one or more individuals, other than domestic servants, for a salary, wage, commission, or other compensation, you must file a return for the first quarter in which you are required to withhold the Earned Income Tax from earnings, and each quarter thereafter.

If you have no employees for a tax period, a return must be filed indicating "no employees" for that quarter. All Pennsylvania based employers are required to withhold the tax based on the higher rate of either the employee's resident tax rate or employer's non-resident tax rate.

QUARTERLY RETURNS AND DUE DATES: A return must be filed for each quarter of the calendar year on the dates listed below unless the date falls on a Saturday or Sunday then the due date becomes the next business day.

1st quarter: January, February, March Due on or Before April 30
2nd quarter: April, May, June Due on or Before July 31
3rd quarter: July, August, September Due on or Before October 31
4th quarter: October, November, December Due on or Before January 31

NOTE: Delinquent fees may be assessed for failure to file a required Employer Quarterly Earned Income Tax return.

WHERE TO FILE:
To file your Employer Quarterly Return electronically, visit our website at www.hab-inc.com.
If you choose not to use an online filing option, you must mail your return and payment to the address noted at the bottom of this form.

EMPLOYER QUARTERLY RETURN

ITEM 1: Total Earned Income Tax withheld from all employees' wages during the quarter.

ITEM 2: Credit or Adjustment (attach explanation). Line is for the correction of tax withheld for the preceding quarter(s) of the same calendar year. Explanation should include details showing year/quarter, social security number (s) and the revised amount for each individual.

ITEM 3: Total of Earned Income Tax Due (Line 1 minus Line 2)

ITEM 4: Total Payments made this quarter.

ITEM 5: Adjusted total of EIT Due (Line 3 minus line 4).

ITEM 6: Interest must be calculated at the rate indicated, per month (or days) after due date. Multiply rate by line 5.

ITEM 7: Balance due with return (add lines 5 and 6).

ITEM 8 THRU 12: These items are self-explanatory. Note: Item 12 must be employee's street address. PO Boxes are not acceptable addresses for filing purposes.

ITEM 13: Gross Compensation Paid This Quarter - List Gross Wages Paid to each employee this quarter. With the passage of Pennsylvania Act 48 of 1994, it is no longer possible for us to remit to the City of Philadelphia any monies which you have collected for employees. If you need to set up an account with the City of Philadelphia you may call them at 215-686-6600.

ITEM 14: Amount of Tax Withheld This Quarter - List amount of Earned Income Tax Withheld by you for each employee this quarter. Enter "0" if no Tax withheld this quarter for employee listed.

ITEM 15: PSD Code - Please list for each employee the 6 digit PSD Code of the CITY, BOROUGH, or TOWNSHIP in which the employee resides so the Earned Income Tax Administrator may distribute the tax to the proper taxing jurisdiction.

ITEM 16: Include Total Taxable Gross Wages and Earned Income Tax Withheld.

ADDITIONAL FILING INSTRUCTIONS

The Employer Quarterly Return has been prepared by the Earned Income Tax Office to the Department of Community and Economic Development (DCED). When the form of this form has employed has been filed in sections 11-15 it is based on the list of employees submitted by the employer. In order to assure proper credit to your account, employers are required to perform the following:

- CHECK THE BOX to the left of each employee if any changes or additions are made to that line. Address changes submitted must be actual street address of the employee. PO Boxes are not acceptable addresses for filing purposes.
- Draw a line through the name of any employee who has terminated employment for any reason prior to the end of the preceding quarter.
- Write a "0" in column fourteen (14) for any employee who has had a leave of absence and received no taxable earnings during the quarter.
- Indicate any change or correction in employee's name, address, social security number, or resident taxing jurisdiction (PSD). Add if not shown.
- Add the name, address, social security number and correct taxing jurisdiction of any new employee.

REMIT TO:
BERNHEIMER TAX INNOVATIONS
PO BOX 25132
LEHIGH VALLEY, PA 18002-5132

2017.02.09


WORKING TOGETHER SETS US APART
Local Services Tax (LST)
(formerly known as (EMS) and (OP) Tax)

Legislation was passed in 2010 changing the “Emergency Municipal Services Tax” to “Local Services Tax”. Following are highlights of changes from this legislation per the following link - www.newpa.com/local-government/tax-information/local-services-tax:

- For municipalities with a tax of $10.00 or less, withhold the tax in one lump sum.

- **Installment Collection.** If the combined rate of a municipal and school LST exceeds $10, it must be assessed and collected in installments based on payroll periods.
  
  - **Example** – if 52 pay periods (weekly):
    Withhold $1.00 each pay ($52.00 divided by 52 payroll periods)
  
  - **Example** – if 26 payroll periods (bi-weekly)
    Withhold $2.00 each pay ($52.00 divided by 26 payroll periods)
  
  - **Example** – if 24 payroll periods (semi-monthly)
    Withhold $2.16 each pay ($52.00 divided by 24 payroll periods)
  
  - **Example** – if 12 payroll periods (monthly)
    Withhold $4.33 each pay ($52.00 divided by 12 payroll periods)

- **Mandatory Low-Income Exemption.** Political subdivisions that levy an LST at a rate that exceeds $10 must exempt from the tax taxpayers whose total earned income and net profits from all sources within the political subdivision is less than $12,000.

- **Upfront Exemption.** Employers are required to stop withholding the LST if an employee provides an exemption certification.

- Employers are only required to withhold the LST on a payroll period basis for those payroll periods in which the taxpayer is employed. However, when two or more employers employ a taxpayer in a payroll period, an employer is not required to withhold the LST if the taxpayer provides a pay stub from his/her principal employer accompanied by an employee statement of principal employment (on a form developed by DCED) that the pay stub is from the taxpayer’s principal employer and that the taxpayer will notify the employer of any change in employment. Employers are relieved of liability for the tax if they fail to withhold the tax due to incorrect information provided by the taxpayer regarding the taxpayer’s principal employer or if the employer complies with the provisions establishing the collection of the tax on a payroll period basis.

- **Concurrent Employment.** If a taxpayer has two or more jobs in different political subdivisions during a payroll period, the priority of claim to collect the LST is as follows:
  
  - Where the taxpayer maintains his or her principal office or is principally employed;
  - Where the taxpayer resides and works; and
  - Where the taxpayer is employed that is nearest in miles to the taxpayer’s home.

- **Self-Employed Individuals.** If the combined rate of an LST exceeds $10, the tax should be pro-rated and paid by self-employed individuals on a quarterly basis, as if their payroll period is a calendar quarter. Self-employed taxpayers shall pay the tax to the municipality or the tax collector 30 days after the end of each calendar quarter.

- **Limits.** The total LST paid by any taxpayer in a calendar year remains limited to $52, regardless of the number of political subdivisions in which an individual works during the year. Upon request, a political subdivision must provide a taxpayer with a receipt for payment of the tax. The total tax levied by a municipality and school district remains limited to $52. Taxpayers are not subject to the payment of the LST at more than one place of employment during a payroll period.
Exemptions/Exceptions: An employee may qualify for exemption under certain circumstances. For exemptions, the employee must complete an Exemption Certificate (copy of form on next two pages) and submit with proper documentation to his/her employer and municipality tax collector. Following are samples of exemption/exception:

A. Employee files Exemption Certificate certifying that another employer is his/her “principal employer” together with:
   i. A recent pay statement from employee’s “principal employer” that includes employer’s name, payroll period and amount of tax withheld; and
   ii. A statement of employee that employee’s “pay statement is from employee’s principal employer and employee will notify other employers of a change in principal place of employment within 2 weeks of its occurrence.”

B. Employee files Exemption Certificate at beginning of calendar year or at beginning of employment certifying:
   i. That employee expects to receive less than $12,000 from all employment in the Municipality in that calendar year;
   ii. With documentation including copies of all W-2 forms or final pay statements from all employment in the Municipality for the previous year.

C. Employee files Exemption Certificate at any time certifying and with documentation that:
   i. Employee is member of armed forces and has orders for active duty status in calendar year (not including training).

D. Employee files an Exemption Certificate at or before the beginning of the calendar year certifying one of the following military* disabilities resulting from military service:
   i. Blindness;
   ii. Paraplegia;
   iii. Double or quadruple amputation;
   iv. 100% permanently disabled.

*Proof or documentation of the following must be provided:
- Honorable discharge
- Veterans’ Administration acknowledgement of service-connected disability

LST Filing and Rate Information
Please contact your current tax collector to find out if your LST rate or tax collector has changed for 2018. The LST tax collector may either still be your local municipal tax collector or the subcontracted EIT collection agency designated as per Act 32 for earned income collection. Alternatively, tax collector and municipal LST rates can be found at: http://munstats.pa.gov/Reports/ReportInformation2.aspx?report=EitWithCollector_Dyn_Excel&type=0.

Quarterly LST taxes are predominantly filed using paper forms, which vary by municipality and rate. Follow this link to view an example of a Berkheimer LST form:

Remember, this tax rate is determined by and paid to the local municipality governing where the employer is located or where the employee physically works, not where the employee lives.
LOCAL SERVICES TAX – EXEMPTION CERTIFICATE

APPLICATION FOR EXEMPTION FROM LOCAL SERVICES TAX

➢ A copy of this application for exemption from the Local Services Tax (LST), and all necessary supporting documents, must be completed and presented to your employer AND to the political subdivision levying the Local Services Tax for the municipality or school district in which you are primarily employed.
➢ This application for exemption from the Local Services Tax must be signed and dated.
➢ No exemption will be approved until proper documentation has been received.

Name: ___________________________ Soc Sec #: ___________________________
Address: ___________________________ Phone #: ___________________________
City/State: ___________________________ Zip: ___________________________

REASON FOR EXEMPTION

1. ________ MULTIPLE EMPLOYERS: Attach a copy of a current pay statement from your principal employer that shows the name of the employer, the length of the payroll period and the amount of Local Services Tax withheld. List all employers on the reverse side of this form. You must notify your other employers of a change in principal place of employment within two weeks of the change.

2. ________ EXPECTED TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN (municipality or school district) WILL BE LESS THAN $________: Attach copies of your last pay statements or your W-2 for the year prior.

If you are self-employed, please attach a copy of your PA Schedule C, F, or RK-1 for the prior year.

3. ________ ACTIVE DUTY MILITARY EXEMPTION: Please attach a copy of your orders directing you to active duty status. Annual training is not eligible for exemption. You are required to advise the tax office when you are discharged from active duty status.

4. ________ MILITARY DISABILITY EXEMPTION: Please attach copy of your discharge orders and a statement from the United States Veterans Administrator documenting your disability. Only 100% permanent disabilities are recognized for this exemption.

EMPLOYER: Once you receive this Exemption Certificate, you shall not withhold the Local Services Tax for the portion of the calendar year for which this certificate applies, unless you are otherwise notified or instructed by the tax collector to withhold the tax.

Tax Office: Berkheimer Tax Administrator
Address: PO Box 25156 Phone #: (610) 588-0965
City/State: Lehigh Valley, PA Zip: 18002

IMPORTANT NOTE TO EMPLOYERS

1. The municipality is required by law to exempt from the LST employees whose earned income from all sources (employers and self-employment) in their municipality is less than $12,000 when the combined rate exceeds $10.00.
2. The school district for the municipality in which your worksite(s) is located may or may not levy an LST. If it does, the income exemption provided may differ from the municipality and can be anywhere from $0 to $11,999.
3. Contact the tax office where your business worksites are located to obtain this information.

LST Exemption 10-07

https://dced.pa.gov/download/lstexemptioncertificate-4-pdf/?wpdmdl=57778 “or”

WORKING TOGETHER SETS US APART
Employment Information: List all places of employment for the applicable tax year. Please list your PRIMARY EMPLOYER under #1 below and your secondary employers under the other columns. If self employed, write SELF under Employer Name column.

<table>
<thead>
<tr>
<th>1. PRIMARY EMPLOYER</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Name</td>
<td></td>
<td></td>
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<tr>
<td>Address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address 2</td>
<td></td>
<td></td>
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<tr>
<td>City, State Zip</td>
<td></td>
<td></td>
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<tr>
<td>Municipality</td>
<td></td>
<td></td>
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<tr>
<td>Phone</td>
<td></td>
<td></td>
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<tr>
<td>Start Date</td>
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<td>End Date</td>
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<tr>
<td>Status (FT or PT)</td>
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<tr>
<td>Gross Earnings</td>
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</tbody>
</table>

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<th>4.</th>
<th>5.</th>
<th>6.</th>
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<tbody>
<tr>
<td>Employer Name</td>
<td></td>
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<tr>
<td>Address</td>
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<tr>
<td>Address 2</td>
<td></td>
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<tr>
<td>City, State Zip</td>
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<tr>
<td>Municipality</td>
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<td>Phone</td>
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<td>Start Date</td>
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<td>End Date</td>
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<td>Status (FT or PT)</td>
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<tr>
<td>Gross Earnings</td>
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PLEASE NOTE:

All information received by the Tax Collector is considered to be CONFIDENTIAL and is only used for official purposes relating to the collection, administration and enforcement of the LOCAL SERVICES TAX.

I DECLARE UNDER PENALTY OF LAW THAT THE INFORMATION STATED ON AND ATTACHED TO THIS FORM IS TRUE AND CORRECT:

SIGNATURE: ___________________________ DATE: _______________

LST Exemption 10-07

http://dced.pa.gov/download/lstexemptioncertificate-4-pdf/?wpdmdl=57778  “or”
Auto Fringe Benefits and Standard Mileage Rate

For 2016, auto fringe benefits are subject to the following taxes:

- FICA (Social Security and Medicare)
- Federal Withholding
- Federal Unemployment
- Pennsylvania Unemployment

For those individuals receiving the benefit, indicate the auto fringe benefit as gross payroll then deduct the applicable withholdings, enter the net pay as a miscellaneous deduction. The result of this will be a net pay of zero.

Depositing the federal employment taxes on the fringe benefits should be done according to the filing status you are currently under by the IRS rulings.

If the federal tax deposit was made before the fringe benefit calculation was done, then deposit the unpaid taxes on or before the 15th of January if you are a monthly filer or as soon as possible if you are a semi-monthly filer.

If the auto fringe benefit amount was not determined until after the employee’s last check of the year was written, the employer is responsible for paying the employee and employer taxes on the auto fringe benefit at the end of the quarter. This will affect Form 941, 940, and PA Unemployment Form UC-2.

To reimburse the employer for the employee taxes that were required to be withheld and remitted on the auto fringe benefit, take a miscellaneous deduction from the employees next payroll check in the new year.

For W-2 purposes, the auto fringe benefit should be entered in Box 1 – wages, tips and other compensation; Box 3 – Social Security wages; Box 5 – Medicare wages and Box 14 – Other. Enter the federal income tax withheld in Box 2, the Social Security tax withheld in Box 4 and the Medicare tax withheld in Box 6.

Standard Mileage Rate


The Standard Mileage Rate is determined every year by the federal government, and it can be used to reimburse employees for business use of their personal vehicles.

For 2018 – the standard mileage rate INCREASED to 54.5 cents per mile (beginning 1/1/2018).

For 2017 – the standard mileage rate was 53.5 cents per mile.
## 2017 W-2 Auto Fringe Benefits

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Vehicle Description</th>
<th>Date purchased</th>
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</thead>
</table>

| Fair market value (FMV) * at date vehicle is made available to employee | | |
| Begin date vehicle was made available to employee (use Jan 1 if available the entire year) | | |
| End date vehicle was made available to employee (use Dec 31 if available the entire year) | | |
| Odometer reading at end date (above) | | |
| Odometer reading at begin date (above) | | |
| TOTAL MILES DRIVEN | | |

Less: Business Miles

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<th>PERSONAL MILES</th>
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</table>

| Number of commuting miles driven | |
| Number of other personal miles driven | |
| PERSONAL MILES | |

| Does employer provide fuel for automobile? yes/no | |
| PERSONAL USE PERCENTAGE | |

### Calculating Employee Automobile Fringe Benefit Under the ANNUAL LEASE VALUE METHOD

* Annual lease value per IRS tables

| Personal use percentage | |
| Subtotal | |
| Number of days vehicle was avail / 365 days | |

Value of employer-provided fuel

| (.055/mile x total personal miles) [5.5 cents] | |

### AMOUNT TO BE INCLUDED ON EMPLOYEE’S W-2

For purchased autos use purchase price, including sales tax, sales expenses, title charges and other acquisition costs.

For leased vehicles, use manufacturers suggested retail price including sales tax, title and other purchase costs x 92%.

Use the same fair market value for up to 4 years or until vehicle is made available to another employee.

Revalue after each 4 year period of continuous use by same employee or at date vehicle is made available to another employee.

Revalue using Kelley Blue Book or NADA are acceptable sources.

---

IRS Lease Value Tables can be found in IRS Publication 15-B - "Employer’s Tax Guide to Fringe Benefits"

Group Term Life Insurance Coverage

Generally, you must include in your employees’ wages subject to Social Security and Medicare taxes, the cost of group-term life insurance that is more than the cost of $50,000 of coverage, reduced by the amount the employee paid toward the insurance.

Uniform Premiums on $1,000 of Group-Term Life Insurance:

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Under 25</td>
<td>$0.05</td>
</tr>
<tr>
<td>25 to 29</td>
<td>0.06</td>
</tr>
<tr>
<td>30 to 34</td>
<td>0.08</td>
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<tr>
<td>35 to 39</td>
<td>0.09</td>
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<td>40 to 44</td>
<td>0.10</td>
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<tr>
<td>45 to 49</td>
<td>0.15</td>
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<td>50 to 54</td>
<td>0.23</td>
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<tr>
<td>55 to 59</td>
<td>0.43</td>
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<tr>
<td>60 to 64</td>
<td>0.66</td>
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<tr>
<td>65 to 69</td>
<td>1.27</td>
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<tr>
<td>70 and older</td>
<td>2.06</td>
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</table>

Figure the monthly cost of the insurance to include in the employee’s wages by multiplying the number of thousands of dollars of insurance coverage over $50,000 (figured to the nearest 10th) by the cost shown in the above table. For this calculation, use the employee’s age on the last day of the tax year. You must prorate the cost from the table if less than a full month of coverage is involved.

Figure the total cost to include in the employee’s wages by multiplying the monthly cost by the number of full months coverage at that cost.

Exception for key employees:
Generally, if your group-term life insurance plan favors key employees as to participation or benefits, you must include the entire cost of the insurance in your key employees’ wages. (This exception generally does not apply to church plans.) When figuring Social Security and Medicare taxes, you must also include the entire cost in the employees’ wages. Include the cost in boxes 1, 3 and 5 of Form W-2. However, you do not have to withhold federal income tax or pay FUTA tax on the cost of any group-term life insurance you provide to an employee.

Exception for S Corporation Shareholders:
Because you cannot treat a 2% shareholder of an S corporation as an employee for this exclusion, you must include the cost of all group-term life insurance coverage you provide the 2% shareholder in his or her wages. When figuring Social Security and Medicare taxes, you must also include the cost of this coverage in the 2% shareholder’s wages. Include the cost in boxes 1, 3 and 5 of Form W-2. However, you do not have to withhold federal income tax or pay FUTA tax on the cost of any group-term life insurance coverage you provide to the 2% shareholder.

The above table and more benefit calculation instructions and exceptions can be found in IRS Publication 15-B - "Employer's Tax Guide to Fringe Benefits":
# 2017 Fringe Benefit Taxability

<table>
<thead>
<tr>
<th>For All Corporations</th>
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<tr>
<td></td>
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<td>Pennsylvania</td>
<td>Local</td>
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<tr>
<td></td>
<td>W/H</td>
<td>FICA</td>
<td>FUTA</td>
<td>SUTA</td>
<td>W/H</td>
<td>W/H</td>
</tr>
<tr>
<td>Personal Use Of Employer Provided Auto</td>
<td>no*</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no**</td>
<td>no</td>
</tr>
<tr>
<td>Reimbursement of Business Use of Auto</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
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* Not required to withhold federal income tax, but must include in federal gross wages on employee W-2
** Depends on your local municipality

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<tbody>
<tr>
<td>Country Club Dues</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Group-Term Life Insurance (greater than $50,000)</td>
<td>no*</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
</table>

* Not required to withhold federal income tax, but must include in federal gross wages on employee W-2

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<tbody>
<tr>
<td>401(k) and Simple Plans</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Medical/Accident/Cancer/Dental/Flex (125) Plans</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Dependent Care (125) Plans</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
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</table>

– Not including group-term life insurance

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</thead>
<tbody>
<tr>
<td>PS-58 COST (Life Insurance)</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
</table>

– Not taxable for payroll taxes – to be reported on 1099R – only if qualified plan

### Additional Taxable Fringe Benefits for S-Corporations

<p>| | | | | | |</p>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance for greater than 2% shareholder of S-Corp</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Health Savings Account</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Disability insurance for greater than 2% shareholder of S-Corp</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Group Term Life insurance up to $50K for greater than 2% shareholder of S-Corp</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Cafeteria Plan</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>Contact HBK</td>
<td>Contact HBK</td>
</tr>
</tbody>
</table>
## Employee Benefit Limits

The retirement plan and employee benefit limits for 2018 and 2017 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>401(k) Contribution Limit [403(b) or 457(b)]</td>
<td>$18,500</td>
<td>$18,000</td>
</tr>
<tr>
<td>401(k) Catch-Up Contribution Limit</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>SIMPLE Contribution Limit</td>
<td>12,500</td>
<td>12,500</td>
</tr>
<tr>
<td>SIMPLE Catch-Up Contribution Limit</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Compensation Limit</td>
<td>275,000</td>
<td>270,000</td>
</tr>
<tr>
<td>Highly Compensated Employee Salary Amount</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Defined Benefit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Annual Benefit</td>
<td>220,000</td>
<td>215,000</td>
</tr>
<tr>
<td>Defined Contribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Annual Contribution</td>
<td>55,000</td>
<td>54,000</td>
</tr>
<tr>
<td>If Catch-Up Contributions Apply</td>
<td>61,000</td>
<td>60,000</td>
</tr>
</tbody>
</table>

2017 - ACA INFORMATION REPORTING - Forms 1094C and 1095C

What's New

Section 4980H transition relief. Several forms of transition relief were available to some employers under section 4980H for 2016. No section 4980H transition relief is available for 2017. Therefore, these instructions have been revised to remove discussion of section 4980H transition relief, and Form 1094-C has also been revised. Specifically, Form 1094-C, line 22, box C is designated "Reserved"; Part III, column (e) is designated "Reserved"; and the entry rows in Part III, column (e) are shaded.

Additional Information


Who Must File

An ALE Member must file one or more Forms 1094-C (including a Form 1094-C designated as the Authoritative Transmittal, whether or not filing multiple Forms 1094-C), and must file a Form 1095-C for each employee who was a full-time employee of the ALE Member for any month of the calendar year. Generally, the ALE Member is required to furnish a copy of the Form 1095-C (or a substitute form) to the employee.

An ALE Member is, generally, a single person or entity that is an Applicable Large Employer, or if applicable, each person or entity that is a member of an Aggregated ALE Group. An Applicable Large Employer, generally, is an employer with 50 or more full-time employees (including full-time equivalent employees) in the previous year. For purposes of determining if an employer or group of employers is an Applicable Large Employer, all ALE Members under common control (an Aggregated ALE Group) are aggregated together. If the Aggregated ALE Group, taking into account the employees of all ALE Members in the group, employed on average 50 or more full-time employees (including full-time equivalent employees) on business days during the preceding calendar year, then the Aggregated ALE Group is an Applicable Large Employer and each separate employer within the group is an ALE Member. Each ALE Member is required to file Forms 1094-C and 1095-C reporting offers of coverage to its full-time employees (even if the ALE Member has fewer than 50 full-time employees of its own).

Are you concerned about how the Affordable Care Act impacts YOUR business?

HBK CPAs & Consultants can help!

Business owners everywhere have many questions about the Affordable Care Act. Do you know the answers to the following questions?

- Do you have 50 or more full time equivalent employees, making you an applicable large employer subject to the filing requirements?
- Does your self-insured health plan subject you to filing requirements regardless of how many employees you have?
- What penalties may be assessed if you fail to comply with the ACA filing requirements?
- What type of information do you need to collect in order to complete the reporting?
- Who will help you prepare and file the appropriate forms?

Our Offer to You: We'd be glad to sit down with you and answer your questions about the requirements and compliance for your business. If you are subject to filing requirements, we can assist you in form preparation.

Forms 1099 and 1096

FEDERAL FILING REQUIREMENTS:

Payers filing returns on paper Forms 1099, 1098, 5498 and W-2G must send the original “pink” Copy A to the Internal Revenue Service using a separate transmittal (Form 1096) for each type of form submitted.

Recipient copies must be issued by January 31, 2018

For specific due date exceptions, visit the instructions at: www.irs.gov/pub/irs-pdf/i1099gi.pdf

PENNSYLVANIA 1099 FILING REQUIREMENTS:

Beginning with 2012, entities making payment of income from Pennsylvania sources, payments of nonemployee compensation or PA-source oil/gas lease payments are required to submit copies of Forms 1099-MISC to the PA Department of Revenue. Reporting is required for payees that are resident or non-resident individuals, partnerships or any other entity to which the payer would already be required to file a Form 1099-MISC with the federal government.

Additional information is available on the Pennsylvania Department of Revenue’s Customer Support website at: https://revenue-pa.custhelp.com/app/answers/detail/a_id/2906/~/how-do-i-file-the-1099-misc%3F

How do I file the 1099-MISC?

How do I file the 1099-MISC?

If the entity issuing Form 1099-MISC has a PA employer withholding account and 250 or more 1099-MISC forms to file, they must be filed through e-TIDES. If the entity has a PA employer withholding account and will be issuing 249 or less 1099-MISC forms, they should be filed electronically through e-TIDES, but they do have the option to submit the paper form.

When electronically filing the user must use a multi-import file upload. This process will allow users to prepare a file and upload all of their records in a single transaction. The file should not exceed 5 MB and be formatted using the .CSV file extension or any other type of a comma delimited/comma separated value file. (This file should contain a minimum of 17 columns of data.)

If the entity issuing the 1099-MISC does not have a PA employer withholding account, the forms must be submitted in paper format.

If you are mailing paper forms, please mail them to:
PA Department of Revenue
P.O. Box 280412
Harrisburg, PA 17128-0412

Continued...
PENNSYLVANIA 1099 FILING REQUIREMENTS (Continued):

What is considered a payment with regard to the 1099-MISC filing requirement?
Answer ID 2902 | Published 10/09/2012 09:24 AM | Updated 06/24/2015 11:01 AM

What is considered a payment with regard to the 1099-MISC filing requirement?

Generally, a payment is considered nonemployee compensation if it is made to someone who is not an employee of the entity for services in the course of the entity’s trade or business. Rents, royalties, bonuses and other income paid pursuant to the terms of an oil and gas lease are generally considered payments under an oil and gas lease.

What is the minimum amount of nonemployee compensation that must be reported?
Answer ID 2904 | Published 10/09/2012 09:36 AM | Updated 06/24/2015 11:01 AM

What is the minimum amount of nonemployee compensation that must be reported?

The IRS and Pennsylvania require entities to report payments made to a nonemployee contractor when payments exceed a total of $600 in a calendar year.

Is there a special PA 1099-MISC form to be used?
Answer ID 2905 | Published 10/09/2012 09:39 AM | Updated 01/21/2015 11:02 AM

Is there a special PA 1099-MISC form to be used?

No, under Act 85 of 2012, entities paying nonemployee compensation for Pennsylvania-based work or Pennsylvania-source oil/gas lease payments are required to submit copies of federal forms 1099-MISC to the department.

What are the due dates for filing the 1099-MISC electronically and by paper?
Answer ID 2907 | Published 10/09/2012 09:48 AM | Updated 01/13/2015 03:36 PM

What are the due dates for filing the 1099-MISC electronically and by paper?

The forms are due to the department the same time they are due to the Internal Revenue Service; paper 1099-MISC forms are due by Feb. 28, and electronically filed 1099-MISC forms are due by March 31.

Does PA require a transmittal form similar to the IRS Form 1096 when remitting the 1099-MISC forms?
Answer ID 2911 | Published 01/10/2013 09:41 AM | Updated 02/25/2015 01:34 PM

Does PA require a transmittal form similar to the IRS Form 1096 when remitting the 1099-MISC forms?

No, PA does not require the submission of a transmittal form; we only need a copy of the 1099-MISC forms.

https://revenue-pa.custhelp.com/app/answers/detail/a_id/2906/~/how-do-i-file-the-1099-misc%3F
PENNSYLVANIA 1099 FILING REQUIREMENTS (Continued):

Is a payor required to provide Copy A "For Internal Revenue Service Center" or Copy 1 "For State Tax Department" when remitting the 1099-MISC forms to the department?

The department’s preferred method for receiving a copy of form 1099-MISC is for Copy 1 to be prepared and filed with the commonwealth. Should payors wish to forgo this and literally photocopy Copy A and file that with the commonwealth, the department will view this as compliant with section 330(f)'s mandate.

How does a payor or its representative report the specific Pennsylvania source income for form 1099-MISC?

Forms 1099-MISC should be completed according to the federal Instructions for Form 1099-MISC. If the payor or its representative wishes to clearly communicate the PA source income portion, then the payor or its representative may enter appropriate information in blocks 17 (State Payee’s state no.) and 18 (State income) of the Form 1099-MISC.

I issue 1099-MISC forms to an employee for work done in PA and also in another state. I have not been separately accounting for each state. In these cases how do I handle the reporting?

The payor should provide the department with a copy of Form 1099-MISC if it makes payments of nonemployee compensation or payments under an oil and gas lease from sources within Pennsylvania to a resident or nonresident individual, an entity treated as a partnership for tax purposes or a single member limited liability company.

Payors are encouraged, but not required, to complete Boxes 16, 17 and 18 where there is income sourced to multiple states.

https://revenue-pa.custhelp.com/app/answers/detail/a_id/2906/~/how-do-i-file-the-1099-misc%3F

Please contact HBK for additional guidance in filing your 1099-MISC forms with Pennsylvania.
IDENTIFICATION NUMBERS AND BUSINESS NAME REQUIREMENTS:

When issuing a 1099 to an Individual (Sole Proprietor), you must show the individual’s first and last name. You may also enter the d/b/a business name on the second line. For the TIN, the IRS prefers use of the SSN. If the sole proprietor insists that you use their EIN, use the EIN, and list the corresponding business name, but also show the proprietor’s first and last name. Whether you use SSN or EIN, the IRS wants the individual’s first and last name.

Taxpayer Identification Number (TIN) Matching

TIN Matching is a pre-filing service offered to payers and/or authorized agents who submit any of six information returns subject to backup withholding (Forms 1099-B, INT, DIV, OID, PATR, and MISC). With Interactive TIN Matching authorized payers can match up to 25 payee TIN and name combinations against IRS records prior to submitting an information return. Bulk TIN Matching allows payers and/or authorized agents filing any of the six information returns to match up to 100,000 TIN and name combinations. In order to participate in TIN Matching, payers must be listed in the IRS Payer Account File (PAF) database. If your company has not filed information returns with the IRS in one of the past two tax years, the application will not be available to you at this time. Registration Services are found at https://ia2.irs.gov/e-services/Registration/index.htm

WHAT’S NEW FOR 2017:

Please see the 2017 IRS General Instructions for complete updates and changes in filing instructions for all types of information forms: http://www.irs.gov/pub/irs-pdf/i1099gi.pdf
**Filing Information Returns Electronically:**

Payers who are required to file 250 or more information returns must file electronically. However, the IRS encourages you to file electronically even if you are filing fewer than 250 returns.

**Who can participate?**

Anyone with a FIRE System Transmitter Control Code (TCC) who is required to submit the information returns listed above (except Forms 1094/1095) can file electronically through FIRE. The law requires any corporation, partnership, employer, estate and/or trust, who is required to file 250 or more information returns for any calendar year, must file electronically. IRS encourages filers who have less than 250 information returns to file electronically as well.

**What are the benefits of electronic filing?**

By transmitting your Information Returns through the FIRE System, Listed below are a few benefits of electronic filing:

- Files are processed faster with fewer errors.
- FIRE System can accept multiple files for the same type of return.
- Combined Federal/State Filing Program (CF/SF) is available for participating states.
- Fill-in Forms are available for Form 4419, Application for Filing Information Returns Electronically (FIRE) and Form 8809, Extension of Time to File Information Returns.

Please go to the link below for 2017 Alerts and Updates on the IRS “FIRE” Information Page:  Page Last Reviewed or Updated: 04-Dec-2017


For more information regarding electronic filing, please refer to Publication 1220:

PENALTIES:

There is a graduated penalty system for incorrect information returns filed. These penalties are based on when correct information returns are filed.

The following penalties generally apply to the person required to file information returns. The penalties apply to paper filers as well as to electronic filers.

**O. Penalties**

The following penalties generally apply to the person required to file information returns. The penalties apply to paper filers as well as to electronic filers.

**TIP**

For information on the penalty for failure to file electronically, see Penalty, earlier, in part F.

**Failure To File Correct Information Returns by the Due Date (Section 6721)**

If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to file timely, you fail to include all information required to be shown on a return, or you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file electronically, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms that are machine readable.

The amount of the penalty is based on when you file the correct information return. The penalty is as follows:

- $50 per information return if you correctly file within 30 days (by March 30 if the due date is February 28): maximum penalty $536,000 per year ($187,500 for small businesses, defined below).
- $100 per information return if you correctly file more than 30 days after the due date but by August 1: maximum penalty $1,609,000 per year ($536,000 for small businesses).
- $260 per information return if you file after August 1 or you do not file required information returns; maximum penalty $3,218,500 per year ($1,072,500 for small businesses).

**Warning**

If you do not file corrections and you do not meet any of the exceptions to the penalty described later, the penalty is $260 per information return.

Small businesses—lower maximum penalties. You are a small business if your average annual gross receipts for the 3 most recent tax years (or for the period you were in existence, if shorter) ending before the calendar year in which the information returns were due are $5 million or less.

**Exceptions to the penalty.** The following are exceptions to the failure to file penalty.

1. The penalty will not apply to any failure that you can show was due to reasonable cause and not to willful neglect. In general, you must be able to show that your failure 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 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 except as provided, later, with respect to the safe harbor for de minimis dollar amount errors.

3. De minimis rule for corrections. Even though you cannot show reasonable cause, the penalty for failure to file correct information returns will not apply to a certain number of returns if you:
   a. Filed those information returns timely,
   b. Either failed to include all the information required on a return or included incorrect information, and
   c. Filed corrections by August 1.


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

**Intentional disregard of filing requirements.** If any failure to file a correct information return is due to intentional disregard of the filing or correct information requirements, the penalty is at least $530 per information return with no maximum penalty.

**Failure To Furnish Correct Payee Statements (Section 6722)**

If you fail to provide correct payee statements and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to provide the statement by the due date (January 31 for most returns; see the Guide to Information Returns, later), you fail to include all information required to be shown on the statement, or you include incorrect information on the statement. "Payee statement" has the same meaning as "statement to recipient" as used in part M.

The amount of the penalty is based on when you furnish the correct payee statement. It is a separate penalty, and is applied in the same manner as the penalty for failure to file correct information returns by the due date (section 6721), described earlier.


The graduated penalty system encourages filing of all required information returns, even if they are delinquent. A good rule of thumb to use is: "When in doubt...send it out."

Use The Correct Three Line Address for Mailing the IRS Copy of 1099s.
Send all information returns filed on paper to the appropriate address below.

The following three pages are excerpts (pages 24 - 26) from the 2017 IRS General Instructions for Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498 and W-2G, which identifies all the information return forms and describes what they are used to report, guidelines and due dates. Also (page 27) lists "Types of Payments" alphabetically, with a reference to what type of Form needs filed. We have also included the instructions (page 11) for filing Corrected information returns on page 103 of this booklet.

Also following are snapshots of Forms W-9, 1096 and 1099MISC and 1099INT and website links are provided.
Guide to Information Returns (If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)

<table>
<thead>
<tr>
<th>Form</th>
<th>Title</th>
<th>What To Report</th>
<th>Amounts To Report</th>
<th>Due Date</th>
<th>To Recipient (unless indicated otherwise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1042-S</td>
<td>Foreign Person’s U.S. Source Income Subject to Withholding</td>
<td>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.</td>
<td>See form instructions</td>
<td>March 15</td>
<td>March 15</td>
</tr>
<tr>
<td>1097-BTC</td>
<td>Bond Tax Credit</td>
<td>Tax credit bond credits to shareholders.</td>
<td>All amounts</td>
<td>February 28*</td>
<td>(To Payee/Borrower) January 31</td>
</tr>
<tr>
<td>1098</td>
<td>Mortgage Interest Statement</td>
<td>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.</td>
<td>$600 or more</td>
<td>February 28*</td>
<td>(To Payee/Borrower) January 31</td>
</tr>
<tr>
<td>1098-C</td>
<td>Contributions of Motor Vehicles, Boats, and Airplanes</td>
<td>Information regarding a donated motor vehicle, boat, or airplane.</td>
<td>Gross proceeds of more than $500</td>
<td>February 28*</td>
<td>(To Donor) 30 days from date of sale or contribution</td>
</tr>
<tr>
<td>1098-E</td>
<td>Student Loan Interest Statement</td>
<td>Student loan interest received in the course of your trade or business.</td>
<td>$600 or more</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1098-MAR</td>
<td>Mortgage Assistance Payments</td>
<td>Assistance payments paid to homeowners from funds allocated by the Housing Finance Agency Innovation Fund for the Healthcare Housing Merit (HFA Healthcare Fund) or the Emergency Homeowners’ Loan Program.</td>
<td>All amounts</td>
<td>January 31</td>
<td></td>
</tr>
<tr>
<td>1098-Q</td>
<td>Qualifying Longevity Annuity Contract Information</td>
<td>Status of a contract that is intended to be a qualifying longevity annuity contract (QLAC), defined in section 417 of the America's Secret Service Act of 2016 (Public Law 114-113), that is purchased or held under any plan, annuity, or account described in section 403(a), 403(b), or 404 (other than a Roth IRA or eligible governmental plan under section 457(b)).</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1098-T</td>
<td>Tuition Statement</td>
<td>Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).</td>
<td>See instructions</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1098-A</td>
<td>Acquisition or Abandonment of Secured Property</td>
<td>Information about the acquisition or abandonment of property that is security for a debt for which you are the lender.</td>
<td>All amounts</td>
<td>January 31</td>
<td>(To Borrower) January 31</td>
</tr>
<tr>
<td>1098-B</td>
<td>Proceeds From Broker and Barter Exchange Transactions</td>
<td>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)(3)(iv)(A)) or reported as described in Regulations section 1.1471-4(e)(3)(iv)(A)).</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31 **</td>
</tr>
<tr>
<td>1098-CAP</td>
<td>Cancellation of Debt</td>
<td>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.</td>
<td>$500 or more</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1098-CAP</td>
<td>Changes in Corporate Control and Capital Structure</td>
<td>Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.</td>
<td>Over $1,000</td>
<td>February 28*</td>
<td>(To Shareholders) January 31, (To Cleaning Organization) January 31</td>
</tr>
<tr>
<td>1098-DIV</td>
<td>Dividends and Distributions</td>
<td>Distributions, such as dividends, capital gains distributions, or nontaxable distributions, that were paid on stock and liquidation distributions (including dividends reported pursuant to an election described in Regulations section 1.1471-4(d)(3)(iv)(A)) or reported as described in Regulations section 1.1471-4(e)(3)(iv)(A)).</td>
<td>$10 or more, except $500 or more for liquidations</td>
<td>February 28*</td>
<td>January 31***</td>
</tr>
<tr>
<td>1098-G</td>
<td>Certain Government Payments</td>
<td>Unemployment compensation, state and local income tax refunds, agricultural payments, and taxable grants.</td>
<td>$10 or more for refunds and unemployment</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1098-INT</td>
<td>Interest Income</td>
<td>Interest income (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(3)(iv)(A)) or reported as described in Regulations section 1.1471-4(e)(3)(iv)(A)); market discount subject to an election under section 1278(b)).</td>
<td>$10 or more ($600 or more in some cases)</td>
<td>February 28*</td>
<td>January 31***</td>
</tr>
<tr>
<td>1098-K</td>
<td>Payment Card and Third Party Network Transactions</td>
<td>Payment card transactions.</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
</tbody>
</table>

Notes:
*The due date is March 31 if filed electronically.
**The due date is March 15 for reporting by trustees and middlemen of WHTFIs.

## Guide to Information Returns (Continued)

<table>
<thead>
<tr>
<th>Form</th>
<th>Title</th>
<th>What To Report</th>
<th>Amounts To Report</th>
<th>Due To IRS</th>
<th>To Recipient (unless indicated otherwise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1099-LTC</td>
<td>Long-Term Care and Accelerated Death Benefits</td>
<td>Payments under a long-term care insurance contract and accelerated death benefits paid under a life insurance contract or by a viatical settlement provider.</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1099-MISC</td>
<td>Miscellaneous Income</td>
<td>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(h)(3)(i)(A); or reported as described in Regulations section 1.1471-4(h)(2)(i)(A)). Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch. Section 408A income from nonqualified deferred compensation plans (NGDCP). Payments to a physician, physician’s corporation, or other supplier of health and medical services, issued mainly by medical assistance programs or health and accident insurance plans. Payments for services performed for a trade or business by people not treated as employees (including payments reported pursuant to an election described in Regulations section 1.1471-4(h)(3)(i)(A); or reported as described in Regulations section 1.1471-4(h)(2)(i)(A)). Examples: fees to subcontractors or directors and golden parachute payments. Fish purchases paid in cash for resale. Crop insurance proceeds. Substitute dividends and tax-exempt interest payments reportable by brokers. Gross proceeds paid to attorneys. 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 that was required to be reported in the preceding year that 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(h)(3)(i)(A); or reported as described in Regulations section 1.1471-4(h)(2)(i)(A)); market discount subject to an election under section 1278(b).</td>
<td>$900 or more, except $10 or more for royalties. All amounts</td>
<td>February 28*</td>
<td>January 31**</td>
</tr>
<tr>
<td>1099-QID</td>
<td>Original Issue Discount</td>
<td>Original issue discount (including amounts reported) pursuant to an election described in Regulations section 1.1471-4(h)(3)(i)(A); or reported as described in Regulations section 1.1471-4(h)(2)(i)(A)); market discount subject to an election under section 1278(b).</td>
<td>All amounts (including $5)</td>
<td>February 28*</td>
<td>January 31**</td>
</tr>
<tr>
<td>1099-PATR</td>
<td>Taxable Distributions Received From Cooperatives</td>
<td>Distributions from cooperatives passed through to their patrons including any domestic production activities deduction and certain pass-through credits.</td>
<td>$10 or more</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1099-Q</td>
<td>Payments From Qualified Education Programs (Under Sections 529 and 530)</td>
<td>Earnings from qualified tuition programs and Coverdell ESAs.</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1099-RA</td>
<td>Distributions From ABLE Accounts</td>
<td>Distributions from ABLE accounts.</td>
<td>All amounts</td>
<td>February 28</td>
<td>January 31</td>
</tr>
<tr>
<td>1099-R</td>
<td>Distributions From Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</td>
<td>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(h)(3)(i)(A); or reported as described in Regulations section 1.1471-4(h)(2)(i)(A)).</td>
<td>$10 or more</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
<tr>
<td>1099-S</td>
<td>Proceeds From Real Estate Transactions</td>
<td>Gross proceeds from the sale or exchange of real estate and certain royalty payments.</td>
<td>Generally, $600 or more</td>
<td>February 28*</td>
<td>February 15</td>
</tr>
<tr>
<td>1099-SA</td>
<td>Distributions From an HSA, Archer MSA, or Medicare Advantage MSA</td>
<td>Distributions from an HSA, Archer MSA, or Medicare Advantage MSA.</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
</tr>
</tbody>
</table>

*The due date is March 31 if filed electronically.
**The due date is March 15 for reporting by trustees and middlemen of WHRTs.

### Guide to Information Returns (Continued)

<table>
<thead>
<tr>
<th>Form</th>
<th>Title</th>
<th>What To Report</th>
<th>Amounts To Report</th>
<th>Due Date</th>
<th>To IRS</th>
<th>To Recipient (unless indicated otherwise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3921</td>
<td>Exercise of an Incentive Stock Option Under Section 422(b)</td>
<td>Transfer of stock pursuant to the exercise of an incentive stock option</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
<td></td>
</tr>
<tr>
<td>3922</td>
<td>Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)</td>
<td>Transfer of stock acquired through an employee stock purchase plan under section 423(c)</td>
<td>All amounts</td>
<td>February 28*</td>
<td>January 31</td>
<td></td>
</tr>
<tr>
<td>5498</td>
<td>IRA Contribution Information</td>
<td>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.</td>
<td>All amounts</td>
<td>May 31</td>
<td>(To Participant) For FMV/MD, Jan 31; For contributions, May 31</td>
<td></td>
</tr>
<tr>
<td>5498-ESA</td>
<td>Covered ESA Contribution Information</td>
<td>Contributions (including rollover contributions) to a Covered ESA.</td>
<td>All amounts</td>
<td>May 31</td>
<td>April 30</td>
<td></td>
</tr>
<tr>
<td>5498-QA</td>
<td>ABLE Account Contributions Information</td>
<td>Contributions (including rollover contributions) to an ABLE account</td>
<td>All amounts</td>
<td>May 31</td>
<td>March 15</td>
<td></td>
</tr>
<tr>
<td>5498-SA</td>
<td>HSA, Archer MSA, or Medicare Advantage MSA Information</td>
<td>Contributions to an HSA (including transfers and rollovers) or Archer MSA and the FMV of an HSA, Archer MSA, or Medicare Advantage MSA.</td>
<td>All amounts</td>
<td>May 31</td>
<td>(To Participant) May 31</td>
<td></td>
</tr>
<tr>
<td>W-2G</td>
<td>Certain Gambling Winnings</td>
<td>Gambling winnings from horse racing, dog racing, jai alai, lotteries, keno, bingo, slot machines, sweepstakes, wagering pools, poker tournaments, etc.</td>
<td>Generally, $600 or more; $1,200 or more from bingo or slot machines; $1,500 or more from keno</td>
<td>February 28*</td>
<td>January 31</td>
<td></td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th>Type of Payment Report on Form</th>
<th>Type of Payment Report on Form</th>
<th>Type of Payment Report on Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABLE accounts:</td>
<td>Accelerated</td>
<td>Mortgage interest</td>
</tr>
<tr>
<td>Contributions</td>
<td>Debt cancellation</td>
<td>Moving expense</td>
</tr>
<tr>
<td>Distribution</td>
<td>Dependent care payments</td>
<td>Nonemployee compensation</td>
</tr>
<tr>
<td></td>
<td>Direct rollover</td>
<td>Nonqualified deferred income</td>
</tr>
<tr>
<td></td>
<td>Direct sales of consumer</td>
<td>Beneficiary</td>
</tr>
<tr>
<td></td>
<td>products for resale</td>
<td>Employee</td>
</tr>
<tr>
<td></td>
<td>Directors' fees</td>
<td>Nonemployee</td>
</tr>
<tr>
<td></td>
<td>Discharge of indebtedness</td>
<td>Original issue discount (OID)</td>
</tr>
<tr>
<td></td>
<td>Dividends</td>
<td>Taz-exempt OID</td>
</tr>
<tr>
<td></td>
<td>Education loan interest</td>
<td>Patroonage dividends</td>
</tr>
<tr>
<td></td>
<td>Education loan interest</td>
<td>Payment card transactions</td>
</tr>
<tr>
<td></td>
<td>Employee business expense</td>
<td>Pensions</td>
</tr>
<tr>
<td></td>
<td>reimbursement</td>
<td>Points</td>
</tr>
<tr>
<td></td>
<td>Employee compensation</td>
<td>Prizes, employee</td>
</tr>
<tr>
<td></td>
<td>Excess death benefit</td>
<td>Prizes, nonemployee</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Profit-sharing plan</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Punitive damages</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Qualified longevity annuity</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>contract</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Qualified plan distributions</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Qualified tuition program</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>payments</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Real estate transactions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Recharacterized IRA</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>contributions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Refund, state and local tax</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Rent</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Roth conversion IRA</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>distributions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Roth conversion IRA</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>distributions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Roth IRA distribution</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Roth IRA distribution</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Royalties</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Timber, pay-as-you contract</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Sales</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Real estate</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Securities</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Section 1035 exchange</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>SEP contributions</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>SEP distributions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Severance pay</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Sick pay</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>SIMPLE contributions</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>SIMPLE distributions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Student loan interest</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Subsidize payments in lieu of</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>dividends or tax-exempt interest</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Supplemetary unemployment</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Tax refunds, state and local</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Third party network transactions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>TIP</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Traditional IRA contributions</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Traditional IRA distributions</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Transfer of stock acquired</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>through an employer stock</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>purchase plan under section 422</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Tuition</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Unemployment benefits</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Vacation allowance, employee</td>
</tr>
<tr>
<td></td>
<td>option under section 422(j)</td>
<td>Vacation allowance, nonemployee</td>
</tr>
<tr>
<td></td>
<td>Exercise of incentive stock</td>
<td>Wages</td>
</tr>
</tbody>
</table>


To order official IRS forms, call 1-800-TAX-FORM (1-800-829-3676) or Order Information Returns and Employer Returns Online at http://www.irs.gov/Businesses/Online-Ordering-for-Information-Returns-and-Employer-Returns and IRS will mail you the scannable carbonless forms (BUT NOT LASER PRINTER) and other products.

![Image of Form 1096](https://www.irs.gov/pub/irs-access/f1096_accessible.pdf)

### Form 1099-MISC

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

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2.</td>
<td>3.</td>
<td>4.</td>
</tr>
<tr>
<td><strong>Miscellaneous Income</strong></td>
<td><strong>Copy A</strong></td>
<td><strong>For Internal Revenue Service Center</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Form 1099-MISC</strong></td>
<td><strong>Cat. No. 14425J</strong></td>
<td><strong><a href="http://www.irs.gov/form/1099misc">www.irs.gov/form/1099misc</a></strong></td>
<td></td>
</tr>
<tr>
<td><strong>Department of the Treasury - Internal Revenue Service</strong></td>
<td><strong>1099-MISC</strong></td>
<td><strong>Department of the Treasury - Internal Revenue Service</strong></td>
<td></td>
</tr>
</tbody>
</table>


---

### Form 1099-INT

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

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2.</td>
<td>3.</td>
<td>4.</td>
</tr>
<tr>
<td><strong>Interest Income</strong></td>
<td><strong>Copy A</strong></td>
<td><strong>For Internal Revenue Service Center</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Form 1099-INT</strong></td>
<td><strong>Cat. No. 14401K</strong></td>
<td><strong><a href="http://www.irs.gov/form/1099int">www.irs.gov/form/1099int</a></strong></td>
<td></td>
</tr>
<tr>
<td><strong>Department of the Treasury - Internal Revenue Service</strong></td>
<td><strong>1099-INT</strong></td>
<td><strong>Department of the Treasury - Internal Revenue Service</strong></td>
<td></td>
</tr>
</tbody>
</table>


---

**WORKING TOGETHER SETS US APART**

103
FILING CORRECTED

PAPER INFORMATION RETURNS

Filing Corrected Returns on Paper Forms
Identify the correction needed based on Error Type 1 or 2; then follow the steps to make the corrections and file the form(s). Also see part H, earlier.

<table>
<thead>
<tr>
<th>Error Type 1</th>
<th>Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorrect money amount(s), code, or checkbox</td>
<td>A. Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G</td>
</tr>
<tr>
<td></td>
<td>1. Prepare a new information return.</td>
</tr>
<tr>
<td></td>
<td>2. Enter an &quot;X&quot; in the &quot;CORRECTED&quot; box (and date (optional)) at the top of the form.</td>
</tr>
<tr>
<td></td>
<td>3. Correct any recipient information such as money amounts. Report other information as per the original return.</td>
</tr>
<tr>
<td>A return was filed when one should not have been filed.</td>
<td>B. Form 1096</td>
</tr>
<tr>
<td></td>
<td>1. Prepare a new transmittal Form 1096.</td>
</tr>
<tr>
<td></td>
<td>2. Provide all requested information on the form as it applies to Part A, 1 and 2.</td>
</tr>
<tr>
<td></td>
<td>3. File Form 1096 and Copy A of the return with the appropriate service center.</td>
</tr>
<tr>
<td></td>
<td>4. Do not include a copy of the original return that was filed incorrectly.</td>
</tr>
<tr>
<td>Caution: If you must correct a TIN or a payee name, follow the instructions under Error Type 2.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Error Type 2</th>
<th>Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>No payee TIN (SSN, EIN, GI-EIN, or ITIN), or Incorrect payee TIN, or Incorrect payee name, or</td>
<td>A. Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G</td>
</tr>
<tr>
<td>Original return filed using wrong type of return (for example, a Form 1099-DIV was filed when a Form 1099-INT should have been filed).</td>
<td>1. Prepare a new information return.</td>
</tr>
<tr>
<td>Two separate returns are required to make the correction properly. Follow all instructions for both Steps 1 and 2.</td>
<td>2. Enter an &quot;X&quot; in the &quot;CORRECTED&quot; box (and date (optional)) at the top of the form.</td>
</tr>
<tr>
<td></td>
<td>3. Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; however, enter 0 (zero) for all money amounts.</td>
</tr>
<tr>
<td></td>
<td>B. Form 1096</td>
</tr>
<tr>
<td></td>
<td>1. Prepare a new transmittal Form 1096.</td>
</tr>
<tr>
<td></td>
<td>2. Do not enter an &quot;X&quot; in the &quot;CORRECTED&quot; box at the top of the form. Prepare the new return as though it is an original.</td>
</tr>
<tr>
<td></td>
<td>3. Include all the correct information on the form including the correct TIN and name.</td>
</tr>
<tr>
<td></td>
<td>A. Home Office Business Expenses (Form 1099-DIV)</td>
</tr>
<tr>
<td></td>
<td>1. Prepare a new information return.</td>
</tr>
<tr>
<td></td>
<td>2. Enter one of the following phrases in the bottom margin of the form.</td>
</tr>
<tr>
<td></td>
<td>• Filed To Correct TIN.</td>
</tr>
<tr>
<td></td>
<td>• Filed To Correct Name.</td>
</tr>
<tr>
<td></td>
<td>• Filed To Correct Return.</td>
</tr>
<tr>
<td></td>
<td>3. Provide all requested information on the form as it applies to the returns prepared in Steps 1 and 2.</td>
</tr>
<tr>
<td></td>
<td>4. File Form 1096 and Copy A of the return with the appropriate service center.</td>
</tr>
<tr>
<td></td>
<td>5. Do not include a copy of the original return that was filed incorrectly.</td>
</tr>
</tbody>
</table>

Unclaimed Property Reporting

The Pennsylvania Disposition of Abandoned and Unclaimed Property Law (72 P.S. 130101.1 et. Seq.) requires that all financial institutions, businesses and all other legal entities report all abandoned and unclaimed property (including unclaimed pay checks) in their possession for a certain period of time (see below). Reports are due by April 15 of each and every year. The Unclaimed Property Reporting Forms and Instructions Booklet can be downloaded from Pennsylvania’s web site or you can call 1-800-379-3999 or e-mail to report@patreasury.gov.

http://www.patreasury.gov/unclaimed-property/

http://www.patreasury.gov/unclaimed-property/holder/

http://www.patreasury.gov/unclaimed-property/finder/

http://www.patreasury.gov/unclaimed-property/tangible/

http://www.patreasury.gov

http://www.patreasury.gov/claim/

If someone offers to help you locate unclaimed money for a fee (finders): Call the Treasury Department at 1-800-222-2046 before you do anything! Signing an agreement to have someone assist you in recovering unclaimed money may entail the payment of fees. Before signing any agreement, check with our office first. Our staff will assist you in recovering your property free of charge.
Important Addresses, Phone Numbers and Websites

Hill, Barth & King LLC:
15942 Conneaut Lake Road
Meadville, PA 16335
(814)336-1512 or Toll Free (888)629-7763
Website: http://www.hbkcpa.com

Important IRS Departments:
Internal Revenue Service
Philadelphia, PA 19255
Toll Free Taxpayer Assistance:
for businesses: (800)829-4933
for individuals: (800)829-1040
Website: http://www.irs.gov

Ordering Federal Forms:
Most federal forms can be downloaded or ordered online at http://www.irs.gov
Toll Free Forms Ordering: (800)829-3676

Office Serving Crawford and Erie Counties:
Internal Revenue Service
1314 Griswold Plaza
Erie, PA 16501
Telephone: (814) 456-8967

Social Security Administration (W-2 Filing):
Data Operations Center
Wilkes-Barre, PA 18769-0001
(for certified mail, use zip 18769-0002)
(for other IRS approved delivery services, add: ATTN: W-2 Process, 1150 E. Mountain Drive and use zip 18702-7997)
Employer Reporting Service Center:
Telephone: (800) 772-6270
Website: http://www.ssa.gov
E-mail: employerinfo@ssa.gov

State Websites (Continued):

New York State Department of Taxation and Finance’s Public Website:
http://www.tax.ny.gov

PA Department of Labor & Industry:
http://www.dli.state.pa.us

PA Bureau of Labor Law Compliance (Western, PA):
(412) 565-5300
Toll Free 877-504-8354

Pennsylvania W-2 Mailing Addresses:
PA Department of Revenue
PO Box 280412
Harrisburg, PA 17128-0412

PA Department of Revenue:
448 West 11th Street
Erie, PA 16501
Sales & Use Tax Local Office:
(814) 871-4491

PA Unemployment Offices:

Serving Crawford & Erie County:
Field Accounting Service
153 E 13th Street, Suite 1200, Erie, PA 16503
Phone: (866) 403-6163

Serving Mercer County:
Field Accounting Service
8419 Sharon-Mercer Road, Bldg 2, Suite 2A
Mercer, PA 16137
Phone: (866) 403-6163

Established employers – address for quarterly voucher and payments:
Office of UC Tax Services
PO Box 60848
Harrisburg, PA 17106-0848

State Websites:

Pennsylvania Department of Revenue:
http://www.revenue.state.pa.us

Ohio Department of Taxation:
http://tax.ohio.gov
IRS Records Retention Guidelines


How long should I keep records?

The length of time you should keep a document depends on the action, expense, or event which the document records. Generally, you must keep your records that support an item of income, deduction or credit shown on your tax return until the period of limitations for that tax return runs out. The period of limitations is the period of time in which you can amend your tax return to claim a credit or refund, or the IRS can assess additional tax. The information below reflects the periods of limitations that apply to income tax returns. Unless otherwise stated, the years refer to the period after the return was filed. Returns filed before the due date are treated as filed on the due date.

Note: Keep copies of your filed tax returns. They help in preparing future tax returns and making computations if you file an amended return.

Period of Limitations that apply to income tax returns:

1) Keep records for 3 years if situations (4), (5), and (6) below do not apply to you.
2) Keep records for 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later, if you file a claim for credit or refund after you file your return.
3) Keep records for 7 years if you file a claim for a loss from worthless securities or bad debt deduction.
4) Keep records for 6 years if you do not report income that you should report, and it is more than 25% of the gross income shown on your return.
5) Keep records indefinitely if you do not file a return.
6) Keep records indefinitely if you file a fraudulent return.
7) Keep employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.

The following questions should be applied to each record as you decide whether to keep a document or throw it away.

Are the records connected to property?

Generally, keep records relating to property until the period of limitations expires for the year in which you dispose of the property. You must keep these records to figure any depreciation, amortization, or depletion deduction and to figure the gain or loss when you sell or otherwise dispose of the property.

If you received property in a nontaxable exchange, your basis in that property is the same as the basis of the property you gave up, increased by any money you paid. You must keep the records on the old property, as well as on the new property, until the period of limitations expires for the year in which you dispose of the new property.

What should I do with my records for nontax purposes?

When your records are no longer needed for tax purposes, do not discard them until you check to see if you have to keep them longer for other purposes. For example, your insurance company or creditors may require you to keep them longer than the IRS does.

Related Topics

- Recordkeeping

Publications

- Publication 547, Casualties, Disasters, and Thefts
- Publication 536, Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- Publication 535, Business Expenses
- Publication 583, Starting a Business and Keeping Records
- Publication 225, Farmer's Tax Guide
- Publication 594, The IRS Collection Process
- Publication 17, Your Federal Income Tax

Page Last Reviewed or Updated: 28-Nov-2017
### General Record Retention Guidelines

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**KEY – “P” means permanently**
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**KEY** – “P” means permanently
The retention periods shown are not offered as final authority, but as guidelines against which to check your company’s needs. Statutes of limitations for your State, as well as regulations of government agencies pertaining to your business must be considered. There may be good reasons to keep records longer than legally required.

We recommend that you contact your legal counsel prior to adopting a final record retention policy.

Refer to page 105 for guidelines from the IRS.gov website.