

# Instructions for Form 944-X

(Rev. February 2024)

## Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund

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Volume 2 of 2



Department of the Treasury  
Internal Revenue Service

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If a prior year error was a nonadministrative error, you may correct only the **wages and tips** subject to Additional Medicare Tax withholding that were originally reported on Form 944, line 4d, column 1, or previously corrected on Form 944-X. You can't correct the tax reported on Form 944, line 4d, column 2.

**Prior year administrative errors.** If you're correcting the taxable wages and tips subject to Additional Medicare Tax withholding that you reported on Form 944, line 4d, column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)

- line 13 (column 2)

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line 13 (column 3) If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.009 (0.9% tax rate) and enter that result in column 4.

line 13 (column 1)

x 0.009

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line 13 (column 3) If the amount in column 3 used a minus sign, also use a minus sign in column 4.

***Example—Prior year administrative error (incorrectly reported amount of Additional Medicare Tax actually***

***withheld)***. Nathan Black's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2023. The total wages paid to

Nathan for 2023 were \$230,000. You withheld \$270 ( $\$30,000 \times 0.009$ ) from Nathan's wages. However, on your 2023 Form 944, you mistakenly reported \$3,000 on line 4d, column 1, and Additional Medicare Tax withheld of \$27 on line 4d, column 2. You discover the error on March 13, 2024. This is an example of an administrative error that may be corrected in a later calendar year because the amount actually withheld isn't the amount reported on your 2023 Form 944. Use Form 944-X, line 13, to correct the error as shown below.

Column 1 (corrected amount)	30,000.00
Column 2 (Form 944, line 4d, column 1)	- 3,000.00
Column 3 (difference)	<hr/> 27,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	27,000.00
Tax rate (0.9%)	x 0.009
Column 4 (tax correction)	<hr/> 243.00

Be sure to explain the reasons for this correction on line 43.

**Prior year nonadministrative errors.** You may correct **only** the taxable wages and tips subject to Additional Medicare Tax withholding that you reported on Form 944, line 4d, column 1. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as

previously corrected. In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)

- line 13 (column 2)

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line 13 (column 3) If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Don't multiply the amount in column 3 by 0.009 (0.9% tax rate). Leave column 4 blank and explain the reasons for this correction on line 43.

***Example—Prior year nonadministrative error (failure to withhold Additional Medicare Tax when required).*** Leah Green's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2023. The total wages paid

to Leah for 2023 were \$220,000. You were required to withhold \$180 ( $\$20,000 \times 0.009$ ) but you withheld nothing and didn't report an amount on line 4d of your 2023 Form 944. You discover the error on March 13, 2024. File Form 944-X to correct wages and tips subject to Additional Medicare Tax withholding for your 2023 Form 944, but you may not correct the Additional Medicare Tax withheld (column 4) because the error involves a previous year and the amount previously reported for the employee represents the actual amount withheld from the employee during 2023.

**Combination of prior year administrative and nonadministrative errors.** If you're reporting both administrative errors and nonadministrative errors for the same prior year, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between



columns 1 and 2. However, multiply only the amount of wages and tips reported in column 3 that are related to administrative errors by 0.009 (0.9% tax rate). Don't multiply any wages and tips reported in column 3 that are related to nonadministrative errors by 0.009 (0.9% tax rate). Use line 43 to explain in detail your corrections. The explanation must include the reasons for the corrections and a breakdown of the amount reported in column 3 into the amounts related to administrative errors and nonadministrative errors.

***Example—Combination of prior year administrative and nonadministrative errors.*** Nathan Black's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2023. The total wages paid to Nathan for 2023 were \$230,000. You withheld \$270 ( $\$30,000 \times 0.009$ ) from Nathan's wages. However, on your 2023 Form 944, you mistakenly reported \$3,000 on line 4d, column 1, and Additional

Medicare Tax withheld of \$27 on line 4d, column 2. The difference in wages subject to Additional Medicare Tax related to this administrative error is \$27,000 (\$30,000 \$3,000).

Leah Green's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2023. The total wages paid to Leah for 2023 were \$220,000. You were required to withhold \$180 ( $\$20,000 \times 0.009$ ) but you withheld nothing and didn't report Leah's \$20,000 in wages subject to Additional Medicare Tax withholding on line 4d of your 2023 Form 944.

You discover both errors on March 13, 2024. Use Form 944-X, line 13, to correct the errors as shown below.

Column 1 (corrected amount)	50,000.00
Column 2 (Form 944, line 4d, column 1)	- 3,000.00
	<hr/>
Column 3 (difference)	47,000.00

Determine the portion of wages and tips reported in column 3 that is related to the administrative error (\$47,000 - \$20,000 (nonadministrative error) = \$27,000

(administrative error)). Multiply this portion of column 3 by 0.009 (0.9% tax rate) to determine your tax correction.

Difference related to administrative error	27,000.00
Tax rate (0.9%)	x 0.009
	<hr/>
Column 4 (tax correction)	243.00

Be sure to explain the reasons for these corrections on line 43. You must also report

that \$20,000 of the amount shown in column 3 was related to the correction of a prior year nonadministrative error and \$27,000 of the amount shown in column 3 was related to the correction of an administrative error.

## 14. Tax Adjustments



*For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages."*

Don't enter an amount on line 14 unless you need to correct any adjustments reported on Form 944, line 6. Amounts reported on line 14 reflect corrections of amounts misstated on Form 944, line 6. See Example—Third-party sick pay underreported, later.

Enter in column 1 the total **corrected** amount for Form 944, line 6. Enter in column 2 the total originally reported or previously corrected amount from Form 944, line 6. In

column 3, enter the difference between columns 1 and 2.

line 14 (column 1)

-line 14 (column 2)

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line 14 (column 3)



*You may need to report negative numbers in any column. Make sure that the difference you enter in column 3 accurately represents the change to adjustments originally reported or previously corrected on Form 944, line 6.*

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.

On line 43, describe what you misreported on Form 944. Tell us if your adjustment is for fractions of cents, third-party sick pay, tips, or group-term life insurance.

***Example—Third-party sick pay***

***underreported.*** You reported \$690 (shown as “-690.00”) as a third-party sick pay adjustment (reduction to tax) on your 2023 Form 944, line 6. Your third-party sick pay adjustment should have been \$960 (shown as “-960.00”) because your third-party sick pay payer withheld that amount of social security and Medicare taxes from your employees. You discover the error in April of 2024. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	-960.00
Column 2 (Form 944, line 6)	- (690.00)
Column 3 (difference)	<hr/> -270.00

Here is how you would enter the numbers on Form 944-X.

Column 1 (corrected amount)	Column 2 (Form 944, line 6)	Column 3 (difference)
-960.00	-690.00	-270.00

Report “-270.00” as your correction in column 4.

In this example, you’re claiming a credit for \$270 in overreported tax for your 2023 Form 944. Always enter the same amount in column 4 (including any minus sign) that you enter in column 3.

Be sure to explain the reasons for this correction on line 43.

## **15. Qualified Small Business Payroll Tax Credit for Increasing Research Activities**



*The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). Any election to take the payroll tax credit may be revoked only with the consent of the IRS.*

If you're correcting the qualified small business payroll tax credit for increasing research activities that you reported on Form 944, line 8a (line 8 for years prior to 2020), enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4.

You must attach a corrected Form 8974 and explain the reasons for this correction on line 43.

**16. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021**





*Form 944-X and these instructions use the terms "nonrefundable" and "refundable" when discussing credits.*

*The term "nonrefundable" means the portion of the credit which is limited by law to certain taxes. The term "refundable" means the portion of the credit which is in excess of those taxes.*

If you're correcting the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 8b, enter the total corrected amount from Worksheet 1, Step 2, line 2j, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4.

For corrections to 2020 Form 944, line 8b, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. For corrections to 2021, 2022, or 2023 Form 944, line 8b, the credit for qualified sick and family leave wages is only available for wages paid in 2021, 2022, or 2023 with respect to any leave taken after March 31, 2020, and before April 1, 2021. If you're correcting a year before 2020, don't enter any amount on line 16.

**Definition of qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.** For purposes of the credit for qualified sick and family leave wages, qualified sick and family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the Emergency Paid Sick Leave Act (EPSLA) or the Emergency Family and Medical Leave

Expansion Act (Expanded FMLA), as enacted under the FFCRA and amended by the COVID-related Tax Relief Act of 2020. However, don't include any wages otherwise excluded under sections 3121(b)(1)–(22) when reporting qualified sick and family leave wages on your employment tax return and when figuring the credit on Worksheet 1, Step 2, lines 2a and 2a(i), and on Step 2, lines 2e and 2e(i).

Instead, include qualified sick leave wages and qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22) separately on Step 2, line 2a(iii) and/or line 2e(iii), respectively, before you figure your total credit on Step 2, line 2d (credit for qualified sick leave wages), or Step 2, line 2h (credit for qualified family leave wages).

The 2020 Instructions for Form 944 were released before the COVID-related Tax Relief Act of 2020 was enacted on December 27, 2020; therefore, Worksheet 1 in the 2020 Instructions for Form 944 didn't include lines to add the wages that meet an exclusion under sections 3121(b)(1)–(22) when figuring the credit for qualified sick and family leave wages. If your Form 944 for 2020 didn't claim the correct amount of the credit for qualified sick and family leave wages because you paid qualified sick leave wages and/or qualified family leave wages that meet an exclusion

under sections 3121(b)(1)–(22), you may file Form 944-X and complete Worksheet 1 to claim the correct amount of the credit. You'll also include on Form 944-X, lines 28 and 29, and on Worksheet 1 any qualified health plan expenses allocable to those wages. The appropriate lines related to the exclusions under sections 3121(b)(1)–(22) were added to Worksheet 1 in the 2021 Instructions for Form 944.

***Example—Nonrefundable portion of credit for qualified sick and family leave wages increased.*** You originally reported a \$1,000 nonrefundable portion of the credit for qualified sick and family leave wages on Form 944, line 8b, for 2021. In March 2024, you discover that you made an error when figuring the credit. You use Worksheet 1 to refigure the nonrefundable portion of the credit for qualified sick and family leave wages and you determine that the correct

credit is \$2,000. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 944, line 8b)	- 1,000.00
Column 3 (difference)	1,000.00

To properly show the credit increase as a reduction to your tax balance, enter the positive number in column 3 as a negative number in column 4. Here is how you would enter the numbers on Form 944-X, line 16.

Column 1	Column 2	Column 3	Column 4
(corrected amount)	(Form 944, line 8b)	(difference)	(tax correction)
2,000.00	1,000.00	1,000.00	-1,000.00

Be sure to explain the reasons for this correction on line 43.

## **17a. Nonrefundable Portion of Employee Retention Credit**

Use line 17a only for corrections to a 2020 or 2021 Form 944.



*Section 206(c) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 removed the restriction on an employer who has received a Small Business Interruption Loan under the Paycheck Protection Program (PPP) from claiming the employee retention credit. The eligible employer can claim the employee retention credit on any qualified wages that aren't counted as payroll costs in obtaining PPP loan forgiveness. Any wages that could count toward eligibility for the employee retention credit or PPP loan forgiveness can be applied to either of these two programs but not both. If your Form 944 for 2020 didn't claim the correct amount for the employee retention*

*credit because you received a Small Business Interruption Loan under the PPP, you may file Form 944-X and complete Worksheet 2 to claim the correct amount of the credit. For more information, see Notice 2021-20, 2021-11 I.R.B. 922, available at [IRS.gov/irb/2021-11\\_IRB#NOT-2021-20](https://www.irs.gov/irb/2021-11_IRB#NOT-2021-20); and Rev. Proc. 2021-33, 2021-34 I.R.B. 327, available at [IRS.gov/irb/2021-34\\_IRB#REV-PROC-2021-33](https://www.irs.gov/irb/2021-34_IRB#REV-PROC-2021-33).*

## **Instructions for Qualified Wages Paid After March 12, 2020, and Before July 1, 2021**

If you're correcting the nonrefundable portion of the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, that you reported on Form 944, line 8c, enter the total corrected amount from Worksheet 2, Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In



column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#). See Notice 2021-23, 2021-16 I.R.B. 1113, available at [IRS.gov/irb/ 2021-16 IRB#NOT-2021-23](#), for more information about the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021. Also see section IV of Notice 2021-49, 2021-34 I.R.B. 316, available at [IRS.gov/irb/2021-](#)

[34 IRB#NOT-2021-49](#); and [Rev. Proc. 2021-33](#).

Be sure to explain the reasons for this correction on line 43.



*For corrections to a 2020 Form 944, the employee retention credit is only available for qualified wages paid after March 12, 2020, and before January 1, 2021. For corrections to a 2021 Form 944, the employee retention credit is only available for qualified wages paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for wages paid after September 30, 2021, and before January 1, 2022. Adjustments to the nonrefundable portion of the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, are reported on Form 944-X, line 17a, and adjustments to the*

refundable portion of the credit are reported on Form 944-X, line 26a. Adjustments to qualified wages for the employee retention credit are reported on Form 944-X, line 30. Adjustments to qualified health plan expenses allocable to the employee retention credit are reported on Form 944-X, line 31. If you claimed the employee retention credit on your original 2020 Form 944 or your original 2021 Form 944 for qualified wages paid before July 1, 2021, and you make any corrections on Form 944-X for the year to amounts used to figure this credit, you'll need to refigure the amount of the credit using Worksheet 2. You'll also use this worksheet to figure the credit for qualified wages paid after March 12, 2020, and before July 1, 2021, if you're claiming the credit for the first time on Form 944-X.

## **Instructions for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022**



*The Infrastructure Investment and Jobs Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages. See the 2021 revision of the Instructions for Form 944 for more information about a recovery startup business.*

If you're correcting the nonrefundable portion of the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, that you reported on Form 944, line 8c, enter the total corrected amount

from Worksheet 4, Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

For more information about the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#) and [Rev. Proc. 2021-33](#). See Notice 2021-65, 2021-51 I.R.B. 880, available at [IRS.gov/irb/2021-51 IRB#NOT-2021-65](#), for modifications to Notice 2021-49.

Be sure to explain the reasons for this correction on line 43.



*For corrections to a 2021 Form 944, the employee retention credit is only available for qualified wages paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for wages paid after September 30, 2021, and before January 1, 2022. Adjustments to the nonrefundable portion of the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, are reported on Form 944-X, line 17a, and adjustments to the refundable portion of the credit are reported on Form 944-X, line 26a. Adjustments to qualified wages for the employee retention credit are reported on Form 944-X, line 30. Adjustments to qualified health plan expenses allocable to the employee retention credit are*

*reported on Form 944-X, line 31. If you claimed the employee retention credit on your original 2021 Form 944 and you make any corrections on Form 944-X to amounts used to figure the credit for qualified wages paid after June 30, 2021, and before January 1, 2022, you'll need to refigure the amount of the credit using Worksheet 4. You'll also use this worksheet to figure this credit if you're claiming the credit for the first time on Form 944-X.*

### **17b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 8d, enter the total corrected amount from Worksheet 3, Step 2, line 2r, in column 1. In column 2, enter the

amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

For corrections to 2021, 2022, or 2023 Form 944, line 8d, the credit for qualified sick and family leave wages is only available for wages paid in 2021, 2022, or 2023 with respect to any leave taken after March 31, 2021, and before October 1, 2021. If you're correcting a



year before 2021, don't enter any amount on line 17b.

**Definition of qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.**

For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA, as enacted under the FFCRA and amended for purposes of the ARP. Taxable qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, were included on Form 944, line 4a, column 1, and can be adjusted only on Form 944-X, line 8. Total qualified sick and family leave wages for leave taken after March 31, 2021, and before

October 1, 2021, including any qualified sick and family leave wages that were above the social security wage base and any qualified sick and family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22), were included on Form 944, lines 19 and 22, respectively, and can be adjusted only on Form 944-X, lines 33 and 36, respectively. Use Worksheet 3 to figure your credit.

Be sure to explain the reasons for this correction on line 43.

### **17c. Nonrefundable Portion of COBRA Premium Assistance Credit**

COBRA premium assistance was available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. For more information, see *Credit for COBRA premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage*

beginning on or before September 30, 2021,  
under *Reminders*, earlier.



*Premium payees that receive an election from an assistance eligible individual are entitled to the COBRA premium assistance credit for premiums not paid during the quarter in which the election is received. See [Notice 2021-31](#) for more information.*

If you're correcting the nonrefundable portion of the COBRA premium assistance credit that you reported on Form 944, line 8e, enter the total corrected amount from Worksheet 5, Step 2, line 2g, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3

as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

Be sure to explain the reasons for this correction on line 43.

### **17d. Number of Individuals Provided COBRA Premium Assistance**

If you're correcting the number of individuals provided COBRA premium assistance that you reported on Form 944, line 8f, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Be sure to explain the reasons for this correction on line 43.

## **18–21. Special Additions to Wages for Federal Income Tax, Social Security Taxes, Medicare Taxes, and Additional Medicare Tax**

Section 3509 provides special rates for the employee share of social security tax, Medicare tax, Additional Medicare Tax, and federal income tax withholding when workers are reclassified as employees in certain circumstances. The applicable rate depends on whether you filed required information returns. An employer can't recover any tax paid under this provision from the employees. The full employer share of social security tax and Medicare tax is due for all reclassifications.

**Note.** Section 3509 rates aren't available if you intentionally disregarded the requirements to withhold taxes from the employee, or if you withheld federal income tax but didn't withhold social security and

Medicare tax. Section 3509 rates are also not available for certain statutory employees.

On lines 18–21, enter **only** corrections to wages resulting from reclassifying certain workers as employees when section 3509 rates are used to calculate the taxes.

If the employer issued the required information returns, use the section 3509 rates as follows.

- For social security taxes, use the employer rate of 6.2% plus 20% of the employee rate of 6.2%, for a total rate of 7.44% of wages.
- For Medicare taxes, use the employer rate of 1.45% plus 20% of the employee rate of 1.45%, for a total rate of 1.74% of wages.
- For Additional Medicare Tax, 0.18% (20% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.

- For federal income tax withholding, the rate is 1.5% of wages.

If the employer didn't issue the required information returns, use the section 3509 rates as follows.

- For social security taxes, use the employer rate of 6.2% plus 40% of the employee rate of 6.2%, for a total rate of 8.68% of wages.
- For Medicare taxes, use the employer rate of 1.45% plus 40% of the employee rate of 1.45%, for a total rate of 2.03% of wages.
- For Additional Medicare Tax, 0.36% (40% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For federal income tax withholding, the rate is 3.0% of wages.

Unlike some other lines on Form 944-X, enter in column 1 only the corrected wages for workers being reclassified, not the amount paid to **all** employees. Enter in column 2 previously reported wages (if any) to reclassified employees. To get the amount for column 4, use the applicable section 3509 rates. If you filed the required information returns for some employees but didn't file them for other employees, be sure to use the applicable rates for each employee when calculating the amounts in column 4 and show your calculations on line 43. The tax correction in column 4 will be a positive number if you increased the amount of wages you previously reported. See the instructions for line 42, later, for more information.

## **22. Subtotal**

Combine the amounts on lines 7–21 of column 4 and enter the total on line 22.



**Example.** You entered "1,400.00" in column 4 of line 7, "-500.00" in column 4 of line 8, and "-100.00" in column 4 of line 12. Combine these amounts and enter "800.00" in column 4 of line 22.

Line 7 (column 4)	1400.00
Line 8 (column 4)	-500.00
Line 12 (column 4)	-100.00
	<hr/>
Line 22 (column 4)	800.00

### **23. Deferred Amount of the Employer Share of Social Security Tax**

Use Form 944-X, line 23, if you need to correct the deferred amount of the employer share of social security tax that you reported on your 2020 Form 944, line 10b. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or

the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employer share of social security tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the employer share of social security tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

If you're filing Form 944-X to increase the amount of social security wages paid on or after March 27, 2020, and before January 1, 2021, so that there is an additional amount of social security tax that hasn't yet been paid, and hasn't yet been deferred, then you may

use Form 944-X to increase the amount of the deferred employer share of social security tax originally reported on Form 944, line 10b. If you're filing Form 944-X to decrease the amount of social security wages paid on or after March 27, 2020, and before January 1, 2021, so that there is a decrease in the amount of social security tax that is eligible for deferral, then you must use Form 944-X to decrease the amount of the deferred employer share of social security tax originally reported on Form 944, line 10b, if the decrease in wages causes the amount you originally deferred to exceed the amount that is now eligible for deferral. Otherwise, you may only correct the amount of the deferred employer share of social security tax if the amount originally reported on Form 944, line 10b, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the employer share of social security tax during

the payroll tax deferral period, you may not subsequently defer the payment by filing Form 944-X. See [IRS.gov/ETD](https://www.irs.gov/ETD) for more information about the interaction of credits and the deferral of employment tax deposits and payments.

The deferred amount of the employer share of social security tax was only available for deposits and payments due on or after March 27, 2020, and before January 1, 2021, as well as deposits and payments due after January 1, 2021, that were required for wages paid during the applicable period. One-half of the deferred amount of the employer share of social security tax was due by December 31, 2021, and the remainder was due by December 31, 2022. Because both December 31, 2021, and December 31, 2022, were nonbusiness days, payments made on the next business day were considered timely. Any payments or deposits you made before December 31, 2021, were first applied

against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For more information about the deferral of employment tax deposits, go to [IRS.gov/ETD](https://www.irs.gov/ETD) and see the Instructions for Form 944, available at [IRS.gov/Form944](https://www.irs.gov/Form944).

Be sure to explain the reasons for any corrections on line 43.

## **24. Deferred Amount of the Employee Share of Social Security Tax**

Use Form 944-X, line 24, if you need to correct the deferred amount of the employee share of social security tax that you reported on your 2020 Form 944, line 10c. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employee share of social security tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the employee share of social security tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

You may only correct the amount of the deferred employee share of social security tax if the amount originally reported on Form 944, line 10c, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the employee's share of social

security tax, you may not subsequently defer the payment by filing Form 944-X.

The deferred amount of the employee share of social security tax was only available for social security wages of less than \$4,000 paid to an employee in any biweekly pay period (or the equivalent threshold amount for other pay periods) paid on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020. The due date for withholding and payment of the deferred employee share of social security tax was postponed until the period beginning on January 1, 2021, and ending on December 31, 2021. The employer was liable to pay the deferred employee share of social security tax to the IRS and was required to do so before January 1, 2022, to avoid interest, penalties, and additions to tax on those amounts. Because January 1, 2022, was a nonbusiness day, payments made on January 3, 2022, were considered timely. For more information

about the deferral of the employee share of social security tax, see Notice 2020-65, 2020-38 I.R.B. 567, available at [IRS.gov/irb/2020-38\\_IRB#NOT-2020-65](https://www.irs.gov/irb/2020-38_IRB#NOT-2020-65); and Notice 2021-11, 2021-06 I.R.B. 827, available at [IRS.gov/irb/2021-06\\_IRB#NOT-2021-11](https://www.irs.gov/irb/2021-06_IRB#NOT-2021-11).

Be sure to explain the reasons for any corrections on line 43.

## **25. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021**

If you're correcting the refundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 10d, enter the total corrected amount from Worksheet 1, Step 2, line 2k, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For



more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

For corrections to 2020 Form 944, line 10d, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. For corrections to 2021, 2022, or 2023 Form 944, line 10d, the credit for qualified sick and family leave wages is only available for wages paid in 2021, 2022, or 2023 with respect to any leave taken after March 31, 2020, and before

April 1, 2021. If you're correcting a year before 2020, don't enter any amount on line 25.

Be sure to explain the reasons for this correction on line 43.

## **26a. Refundable Portion of Employee Retention Credit**

Use line 26a only for corrections to a 2020 or 2021 Form 944.



*For corrections to a 2020 Form 944, the employee retention credit is only available for qualified wages paid after March 12, 2020, and before January 1, 2021. For corrections to a 2021 Form 944, the employee retention credit is only available for qualified wages paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for wages paid after*

*September 30, 2021, and before January 1, 2022.*

## **Instructions for Qualified Wages Paid After March 12, 2020, and Before July 1, 2021**

If you're correcting the refundable portion of the employee retention credit that you reported on Form 944, line 10e, for qualified wages paid after March 12, 2020, and before July 1, 2021, enter the total corrected amount from Worksheet 2, Step 2, line 2i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#). See [Notice 2021-23](#) for more information about the employee retention credit for qualified wages paid after December 31, 2020, and

before July 1, 2021. Also see section IV of [Notice 2021-49](#), and [Rev. Proc. 2021-33](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

Be sure to explain the reasons for this correction on line 43.

### **Instructions for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022**

If you're correcting the refundable portion of the employee retention credit that you reported on Form 944, line 10e, for qualified wages paid after June 30, 2021, and before January 1, 2022, enter the total corrected

amount from Worksheet 4, Step 2, line 2i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#) and [Rev. Proc. 2021-33](#). See [Notice 2021-65](#) for modifications to Notice 2021-49.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

Be sure to explain the reasons for this correction on line 43.

## **26b. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the refundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 10f, enter the total corrected amount from Worksheet 3, Step 2, line 2s, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3

as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 16, earlier.

For corrections to 2021, 2022, or 2023 Form 944, line 10f, the credit for qualified sick and family leave wages is only available for wages paid in 2021, 2022, or 2023 with respect to any leave taken after March 31, 2021, and before October 1, 2021. If you're correcting a year before 2021, don't enter any amount on line 26b.

Be sure to explain the reasons for this correction on line 43.

## **26c. Refundable Portion of COBRA Premium Assistance Credit**

COBRA premium assistance was available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. For more information, see Credit for COBRA

premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021, under *Reminders*, earlier.

If you're correcting the refundable portion of the

COBRA premium assistance credit that you reported on Form 944, line 10g, enter the total corrected amount from Worksheet 5, Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns



1–4 for an employment tax credit, see the instructions for line 16, earlier.

Be sure to explain the reasons for this correction on line 43.

### **Corrections to Form 944, Line 10g (For 2020) or Line 10i (For 2021)**

Form 944-X doesn't include a line to correct amounts reported on Form 944, line 10g (10i), for the total advances received from filing Form(s) 7200 for the year. If a discrepancy exists between the amount reported on Form 944 and the amount of advance payments issued, the IRS will generally correct the amount reported on Form 944, line 10g (10i), to match the amount of advance payments issued.

### **27. Total**

Combine the amounts from column 4 on lines 22–26c and enter the result on line 27.

**Your credit.** If the amount entered on line 27 is less than zero, for example, “-115.00,” you have a credit because you overreported your federal employment taxes.

- If you checked the box on line 1, include this amount on the “Total deposits” line of Form 944 for the year during which you filed Form 944-X. If you currently file Form 941 because your filing requirement changed, include this amount on the “Total deposits” line of Form 941 for the quarter during which you filed Form 944-X. Don’t make any changes to your record of federal tax liability reported on Form 944, line 13, or Form 945-A, unless you were assessed an FTD penalty. For more information, see the Form 945-A instructions.
- If you checked the box on line 2, you’re filing a claim for refund or abatement of the amount shown.

If your credit is less than \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

**Amount you owe.** If the amount entered on line 27 is a positive number, you must **pay** the amount you owe **by the time you file** Form 944-X. You may not use any credit that you show on another Form 944-X to pay the amount you owe, even if you filed for the amount you owe and the credit at the same time.

If you owe tax and are filing a timely Form 944-X, don't file an amended Form 945-A unless you were assessed an FTD penalty caused by an incorrect, incomplete, or missing Form 945-A. Don't include the tax increase reported on Form 944-X on any amended Form 945-A you file.

If you owe tax and are filing a late Form 944-X, that is, after the due date of Form 944 for the year in which you discovered the error, you must file an amended Form 945-A with

the Form 944-X. Otherwise, the IRS may assess an “averaged” FTD penalty. The total tax reported on Form 945-A, line M, must match the corrected tax (Form 944, line 9, combined with any correction reported on Form 944-X, line 22) for the year, less any previous abatements and interest-free tax assessments.

***Payment methods.*** You may pay the amount you owe on line 27 electronically using the Electronic Federal Tax Payment System (EFTPS), by credit or debit card, or by a check or money order.

- The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](https://www.irs.gov/eftps) or call EFTPS Customer Service at 800-555-4477 (800-244-4829 (Spanish) or 303-967-5916 if you're outside the United States (toll call)). To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech

disability, dial 711 and then provide the TRS assistant the 800-555-4477 number above or 800-733-4829. Additional information about EFTPS is also available in Pub. 966.

- To pay by credit or debit card, go to [IRS.gov/ PayByCard](https://www.irs.gov/pay-by-card). Your payment will be processed by a payment processor who will charge a processing fee.
- If you pay by check or money order, make it payable to "United States Treasury." On your check or money order, be sure to write your EIN, "Form 944-X," and the year corrected.

You don't have to pay if the amount you owe is less than \$1.

## **Lines 28–40**

For lines 28–40, you'll only enter amounts in columns 1, 2, and 3. These lines don't have an entry space for column 4 because these adjustments don't directly result in an

increase or decrease to your tax. The amounts entered on lines 28–38 are amounts that you use in Worksheets 1–5, as applicable, to figure your credits. If you reported an incorrect amount on lines 15–26 on your original Form 944, then you'll use lines 28–40 of Form 944-X to report the correction. Use Worksheets 1–5, as applicable, to refigure your credits based on the corrected amounts reported in column 1. Be sure to explain the reasons for your corrections to lines 28–40 on line 43.

## **28. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021**

If you're correcting the qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 15, enter the total corrected amount for all employees in column

1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2b.

**29. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021**

If you're correcting the qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 16, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2f.

### **30. Qualified Wages for the Employee Retention Credit**

Use line 30 only for corrections to a 2020 or 2021 Form 944.

If you're correcting the qualified wages for the employee retention credit that you reported on Form 944, line 17, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 2, Step 2, line 2a, for qualified wages paid after March 12, 2020, and before July 1, 2021. Enter the corrected amount from column 1 on Worksheet 4, Step 2, line 2a, for qualified wages paid after June 30, 2021, and before January 1, 2022.



## **31. Qualified Health Plan Expenses for the Employee Retention Credit**

Use line 31 only for corrections to a 2020 or 2021 Form 944.

If you're correcting the qualified health plan expenses allocable to wages reported on Form 944, line 17, that you reported on Form 944, line 18, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Enter the corrected amount from column 1 on Worksheet 2, Step 2, line 2b, for qualified health plan expenses allocable to qualified wages paid after March 12, 2020, and before July 1, 2021. Enter the corrected amount from column 1 on Worksheet 4, Step 2, line 2b, for qualified health plan expenses allocable to qualified wages paid after June 30, 2021, and before January 1, 2022.

## **32. Credit From Form 5884-C, Line 11, for the Year**

Use line 32 only for corrections to a 2020 Form 944.

If you're correcting the credit from Form 5884-C, line 11, for the year, that you reported on 2020 Form 944, line 19, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 1, line 1i. Entering an amount here is strictly for purposes of figuring the credit for qualified sick and family wages for leave taken after March 31, 2020, and before April 1, 2021, on Worksheet 1. For purposes of figuring the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, enter the corrected amount from column 1 on Worksheet 2, Step 1, line 1j,

unless you also completed Worksheet 1 and you're bringing the amount from Worksheet 1, Step 1, line 1l, forward to Worksheet 2, Step 1, line 1a. Reporting a correction on this line doesn't correct the credit claimed on Form 5884-C.

### **33. Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 19, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected.

In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2a.

Be sure to explain the reasons for this correction on line 43.

### **34. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 20, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2b.

Be sure to explain the reasons for this correction on line 43.

### **35. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 21, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2c.

Be sure to explain the reasons for this correction on line 43.

### **36. Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 22, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected.

In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2g.

Be sure to explain the reasons for this correction on line 43.

### **37. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 23, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2h.

Be sure to explain the reasons for this correction on line 43.

### **38. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 24, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2i.

Be sure to explain the reasons for this correction on line 43.





*Recovery startup businesses are limited to a maximum employee retention credit of \$50,000 per quarter. Don't enter more than \$50,000 per quarter in total on lines 17a and 26a.*

### **39. If You're Eligible for the Employee Retention Credit in the Third Quarter of 2021 Solely Because Your Business Is a Recovery Startup Business . . .**

Whether you complete line 39 to tell us if you're eligible for the employee retention credit in the third quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and whether you originally reported an amount on your 2021 Form 944, line 25.

- If you reported the total of any amounts included on lines 8c and 10e on line 25 for the third quarter on your originally filed 2021 Form 944 but that is no longer accurate, explain in detail on line 43 why you no longer think that you're a recovery

startup business and the reasons that you still qualify for the employee retention credit.

- If you didn't report the total of any amounts included on lines 8c and 10e on line 25 for the third quarter on your originally filed 2021 Form 944 and this still doesn't apply, don't complete line 39.
- If you didn't report the total of any amounts included on lines 8c and 10e for the third quarter on your originally filed 2021 Form 944 but you're now claiming the employee retention credit as a recovery startup business, complete line 39 with the total of the corrected amounts included on Form 944-X, lines 17a and 26a.

**Recovery startup business.** For the third quarter of 2021, a recovery startup business is an employer that:

- Began carrying on a trade or business after February 15, 2020;
- Had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the calendar quarter in which the employee retention credit is claimed; and
- Isn't otherwise eligible for the employee retention credit because business operations aren't fully or partially suspended due to a governmental order or because gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) aren't less than 80% of the gross receipts for the same calendar quarter in calendar year 2019.

## **40. If You're Eligible for the Employee Retention Credit in the Fourth Quarter of 2021 Solely Because Your Business Is a Recovery Startup Business . . .**

For the fourth quarter of 2021, only a recovery startup business may claim the employee retention credit. Whether you complete line 40 to tell us if you're eligible for the employee retention credit in the fourth quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and whether you originally reported an amount on your 2021 Form 944, line 26.

- If you reported the total of any amounts included on lines 8c and 10e on line 26 for the fourth quarter on your originally filed 2021 Form 944 but that is no longer accurate, explain in detail on line 43 why you no longer think that you're a recovery startup business and the reasons that you

still qualify for the employee retention credit.

- If you didn't report the total of any amounts included on lines 8c and 10e on line 26 for the fourth quarter on your originally filed 2021 Form 944 and this still doesn't apply, don't complete line 40.
- If you didn't report the total of any amounts included on lines 8c and 10e for the fourth quarter on your originally filed 2021 Form 944 but you're now claiming the employee retention credit as a recovery startup business, complete line 40 with the total of the corrected amounts included on Form 944-X, lines 17a and 26a.

For the fourth quarter of 2021, a recovery startup business is an employer that began carrying on a trade or business after February 15, 2020, and had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the

calendar quarter in which the employee retention credit is claimed.

## **Part 4: Explain Your Corrections for the Calendar Year You're Correcting**

### **41. Corrections of Both Underreported and Overreported Amounts**

Check the box on line 41 if any corrections you entered on lines 7–21, lines 23–26c, or lines 28–40, in column 3 reflect both underreported and overreported amounts.

**Example.** If you had an increase to social security wages of \$1,500 for Nathan Black and a decrease to social security wages of \$500 for Leah Green, you would enter \$1,000 on line 8, column 3. That \$1,000 represents the net change from offsetting corrections.

On line 43, you must explain the reason for both the \$1,500 increase and the \$500 decrease.

## **42. Did You Reclassify Any Workers?**

Check the box on line 42 if you reclassified any workers to be independent contractors or nonemployees. Also check this box if the IRS or you determined that workers you treated as independent contractors or nonemployees should be classified as employees. On line 43, give us a detailed reason why any worker was reclassified and, if you used section 3509 rates on lines 18–21 for any worker reclassified as an employee, explain why section 3509 rates apply and what rates you used.

**Return not filed because you didn't treat any workers as employees.** If you didn't previously file Form 944 because you mistakenly treated workers as independent contractors or as nonemployees, file a Form 944 for each delinquent year.

On each Form 944 for which you're entitled to use section 3509 rates, complete the following steps.

- Write “**Misclassified Employees**” in **bold** letters across the top margin of page 1.
- Enter a zero on line 9.
- Complete the signature area.
- Attach a completed Form 944-X (see instructions next). On each Form 944-X, complete the following steps.
- Complete the top of Form 944-X, including the date you discovered the error.
- Enter the wage amounts on lines 18–21, column 1.
- Enter zeros on lines 18–21, column 2.
- Complete columns 3 and 4 as instructed in Part 3.
- Provide a detailed statement on line 43.
- Complete the signature area.





*If you can't use section 3509 rates (for example, because the workers you treated as nonemployees were certain statutory employees), file a Form 944 for each delinquent year. Write **"Misclassified Employees"** in **bold** letters across the top margin of page 1 of each Form 944. Complete Form 944 using the Instructions for Form 944. Attach a Form 944-X to each Form 944. Complete the top of Form 944-X, including the date you discovered the error, and provide a detailed explanation on line 43.*

### **43. Explain Your Corrections**

Treasury regulations require you to explain in detail the grounds and facts relied upon to support each correction. On line 43, describe in detail each correction you entered in column 4 on lines 7–21 and lines 23–26c. Also use line 43 to describe in detail corrections made on lines 28– 40. If you need more space, attach additional sheets, but be

sure to write your name, EIN, "Form 944-X," and the calendar year you're correcting on the top of each sheet.

You must describe the events that caused the underreported or overreported amounts. Explanations such as "social security and Medicare wages were overstated," "administrative/payroll errors were discovered," or "taxes were not withheld" are insufficient and may delay processing your Form 944-X because the IRS may need to ask for a more complete explanation.

Provide the following information in your explanation of each correction.

- Form 944-X line number(s) affected.
- Date you discovered the error.
- Amount of the error.
- Cause of the error.

You may report the information in paragraph form. The following paragraph is an example.

“The \$100 difference shown in column 3 of lines 6, 8, and 12 was discovered on May 15, 2024, during an internal payroll audit. We discovered that we included \$100 of wages for one of our employees twice. This correction removes the reported wages that were never paid.”

For corrections shown on lines 18–21, explain why the correction was necessary and attach any notice you received from the IRS.

## **Part 5: Sign Here**

You must complete all five pages of Form 944-X and sign it on page 5. If you don't sign, processing of Form 944-X will be delayed.

**Who must sign the Form 944-X?** The following persons are authorized to sign the return for each type of business entity.

- **Sole proprietorship**—The individual who owns the business.

- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized member, partner, or officer having knowledge of its affairs.
- **Single-member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary.

Form 944-X may also be signed by a duly authorized agent of the taxpayer if a valid power of attorney has been filed.

**Alternative signature method.** Corporate officers or duly authorized agents may sign Form 944-X by rubber stamp, mechanical

device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/ 2005-28 IRB#RP-2005-39](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

## **Paid Preparer Use Only**

A paid preparer must sign Form 944-X and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 944-X and isn't an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give you a copy of the return in addition to the copy to be filed with the IRS.

If you're a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided.

Include your complete address. If you work for a firm, enter the firm's name and the EIN of the firm. You can apply for a PTIN online or by filing Form W-12. For more information

about applying for a PTIN online, go to [IRS.gov/PTIN](https://www.irs.gov/PTIN). You can't use your PTIN in place of the EIN of the tax preparation firm.

Generally, you're not required to complete this section if you're filing the return as a reporting agent and have a valid Form 8655 on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its workers are employees or independent contractors for federal tax purposes.



Worksheet 1. Adjusted Credit for Qualified Sick and Family Leave  
Wages for Leave Taken After March 31, 2020, and Before April 1,  
2021

Keep for Your Records 

You must use this worksheet if you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, on your original Form 944 and you correct any amounts used to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

Step 1.

Determine the corrected employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D

1a

Enter the amount of social security wages from Form 944, Part 1, line 4a, column 1, or, if corrected, the amount from Form 944-X, line 8, column 1

1a

1b

Enter the amount of social security tips from Form 944, Part 1, line 4b, column 1, or, if corrected, the amount from Form 944-X, line 11, column 1

1b

1c

Add lines 1a and 1b

1c

1d

Multiply line 1c by 6.2% (0.062)

1d

1e

If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of social security tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a **negative** number)

1e

1f

Employer share of social security tax included on Form 944-X, line 19, column 4

1f

1g

Employer share of social security tax. Combine lines 1d, 1e, and 1f

1g

1h

Enter the amount from Form 8974, line 12 (including any amended Form 8974 attached to Form 944-X)

1h

1i

Enter the amount from Form 5884-C, line 11, for this year (for 2020, this amount was also included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 32, column 1)

1i

1j

Enter the amount from Form 5884-D, line 12, for the year

1j

1k

Total nonrefundable credits already used against the employer share of social security tax. Add lines 1h, 1i, and 1j

1k

1l

Employer share of social security tax remaining. Subtract line 1k from line 1g

1l

Step 2.

Figure the sick and family leave credit

2a

Qualified sick leave wages reported on Form 944, Part 1, line 4a(i), column 1, or, if corrected, the amount from Form 944-X, line 9, column 1

2a

2a(i)

Qualified sick leave wages included on Form 944, Part 1, line 4c, or, if corrected, the amount from Form 944-X, line 12, column 1, but not included on Form 944, Part 1, line 4a(i), column 1, or Form 944-X, line 9, column 1, because the wages reported on that line were limited by the social security wage base

2a(i)

2a(ii)

Total qualified sick leave wages. Add lines 2a and 2a(i)

2a(ii)

2a(iii)

Qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22)

2a(iii)

2b

Qualified health plan expenses allocable to qualified sick leave wages (Form 944, Part 3, line 15, or, if corrected, Form 944-X, line 28, column 1)

2b

2c

Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)

2c

2d

Credit for qualified sick leave wages. Add lines 2a(ii), 2a(iii), 2b, and 2c

2d

2e

Qualified family leave wages reported on Form 944, Part 1, line 4a(ii), column 1, or, if corrected, the amount from Form 944-X, line 10, column 1

2e

2e(i)

Qualified family leave wages included on Form 944, Part 1, line 4c, or, if corrected, the amount from Form 944-X, line 12, column 1, but not included on Form 944, Part 1, line 4a(ii), column 1, or Form 944-X, line 10, column 1, because the wages reported on that line were limited by the social security wage base

2e(i)

2e(ii)

Total qualified family leave wages. Add lines 2e and 2e(i)

2e(ii)

2e(iii)

Qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22)

2e(iii)

2f

Qualified health plan expenses allocable to qualified family leave wages (Form 944, Part 3, line 16, or, if corrected, Form 944-X, line 29, column 1)

2f

2g

Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)

2g

2h

Credit for qualified family leave wages. Add lines 2e(ii), 2e(iii), 2f, and 2g

2h

2i

Credit for qualified sick and family leave wages. Add lines 2d and 2h

2i

2j

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. Enter the smaller of line 1l or line 2i. Enter this amount on Form 944-X, line 16, column 1

2j

2k

Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. Subtract line 2j from line 2i and enter this amount on Form 944-X, line 25, column 1

2k



Worksheet 2. Adjusted Employee Retention Credit for Qualified Wages Paid After March 12, 2020, and Before January 1, 2021, for a 2020 Form 944, or Qualified Wages Paid After December 31, 2020, and Before July 1, 2021, for a 2021 Form 944

Keep for Your Records

You must use this worksheet if you claimed the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, on your original 2020 Form 944 or for qualified wages paid after December 31, 2020, and before July 1, 2021, on your original 2021 Form 944 and you correct any amounts used to figure the employee retention credit. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

Step 1.

Determine the corrected employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D

1a

If you completed Worksheet 1 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, and you're also claiming the employee retention credit, enter the amount from Worksheet 1, Step 1, line 1l, and go to Step 2. Otherwise, complete lines 1b–1m below and then go to Step 2

1a

1b

Enter the amount of social security wages from Form 944, Part 1, line 4a, column 1, or, if corrected, the amount from Form 944-X, line 8, column 1

1b

1c

Enter the amount of social security tips from Form 944, Part 1, line 4b, column 1, or, if corrected, the amount from Form 944-X, line 11, column 1

1c

1d

Add lines 1b and 1c

1d

1e

Multiply line 1d by 6.2% (0.062)

1e

1f

If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer social security tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a **negative** number)

1f

1g

Employer share of social security tax included on Form 944-X, line 19, column 4

1g

1h

**Employer share of social security tax.** Combine lines 1e, 1f, and 1g

1h

1i

Enter the amount from Form 944, Part 1, line 8a, or, if corrected, the amount from Form 944-X, line 15, column 1 (credit from Form 8974)

1i

1j

Enter the amount from Form 5884-C, line 11, for this year (for 2020, this amount was also included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 32, column 1)

1j

1k

Enter the amount from Form 5884-D, line 12, for this year

1k

1l

**Total nonrefundable credits already used against the employer share of social security tax.** Add lines 1i, 1j, and 1k

1l

1m

**Employer share of social security tax remaining.** Subtract line 1l from line 1h

1m

Step 2.

Figure the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021

Caution:

For qualified wages paid before January 1, 2021, the cumulative total for 2020 that can be claimed on lines 2a and 2b can't exceed \$10,000 per employee. For qualified wages paid after December 31, 2020, and before July 1, 2021, the total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total for purposes of this worksheet).

2a

Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, for a 2020 Form 944, or qualified wages paid after December 31, 2020, and before July 1, 2021, for a 2021 Form 944 (these qualified wages are included in the total reported on Form 944, Part 3, line 17, or, if corrected, Form 944-X, line 30, column 1)

2a

2b

Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, for a 2020 Form 944, or qualified wages paid after December 31, 2020, and before July 1, 2021, for a 2021 Form 944 (these qualified health plan expenses are included in the total reported on Form 944, Part 3, line 18, or, if corrected, Form 944-X, line 31, column 1)

2b

2c

Add lines 2a and 2b

2c

2d

**Retention credit.** If you're correcting your 2020 Form 944, multiply line 2c by 50% (0.50). If you're correcting your 2021 Form 944, multiply line 2c by 70% (0.70)

2d

2e

Enter the amount of the employer share of social security tax from Step 1, line 1a, or, if applicable, Step 1, line 1m

2e

2f

Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021 (this amount may come from Worksheet 1, Step 2, line 2j, in these instructions if you're correcting that credit for the year or you may need to enter the credit claimed on your original Form 944)

2f

2g

Subtract line 2f from line 2e

2g

2h

**Nonrefundable portion of employee retention credit.** Enter the smaller of line 2d or line 2g. Enter this amount on Form 944-X, line 17a, column 1

2h

2i

**Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 944-X, line 26a, column 1

2i



Worksheet 3. Adjusted Credit for Qualified Sick and Family Leave  
Wages for Leave Taken After March 31, 2021, and Before October 1,  
2021

Keep for Your Records 

You must use this worksheet if you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, on your original Form 944 and you correct any amounts used to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

<b>Step 1.</b>		<b>Determine the corrected employer share of Medicare tax</b>	
1a	Enter the amount of Medicare wages from Form 944, Part 1, line 4c, column 1, or, if corrected, the amount from Form 944-X, line 12, column 1	1a	
1b	Multiply line 1a by 1.45% (0.0145)	1b	
1c	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a <b>negative</b> number)	1c	
1d	Employer share of Medicare tax included on Form 944-X, line 20, column 4	1d	
1e	<b>Employer share of Medicare tax.</b> Combine lines 1b, 1c, and 1d	1e	
1f	For corrections to tax years beginning after December 31, 2022, only, enter the amount from Form 8974, line 16 (including any amended Form 8974 attached to Form 944-X)	1f	
1g	<b>Employer share of Medicare tax remaining.</b> Subtract line 1f from line 1e	1g	
<b>Step 2.</b>		<b>Figure the sick and family leave credit</b>	
2a	Qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 33, column 1	2a	
2a(i)	Qualified sick leave wages included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 33, column 1, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, or, if corrected, the amount from Form 944-X, lines 8 and 12, column 1, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2a(i)	
2a(ii)	Subtract line 2a(i) from line 2a	2a(ii)	
2a(iii)	Qualified sick leave wages included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 33, column 1, that were not included as wages reported on Form 944, Part 1, line 4a, or, if corrected, the amount from Form 944-X, line 8, column 1, because the qualified sick leave wages were limited by the social security wage base	2a(iii)	
2a(iv)	Subtract line 2a(iii) from line 2a(ii)	2a(iv)	
2b	Qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 20, or, if corrected, the amount from Form 944-X, line 34, column 1	2b	
2c	Amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 21, or, if corrected, the amount from Form 944-X, line 35, column 1	2c	
2d	Employer share of social security tax on qualified sick leave wages. Multiply line 2a(iv) by 6.2% (0.062)	2d	
2e	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2e	
2f	<b>Credit for qualified sick leave wages.</b> Add lines 2a, 2b, 2c, 2d, and 2e	2f	
2g	Qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 22, or, if corrected, the amount from Form 944-X, line 36, column 1	2g	
2g(i)	Qualified family leave wages included on Form 944, Part 3, line 22, or, if corrected, the amount from Form 944-X, line 36, column 1, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, or, if corrected, the amount from Form 944-X, lines 8 and 12, column 1, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2g(i)	
2g(ii)	Subtract line 2g(i) from line 2g	2g(ii)	
2g(iii)	Qualified family leave wages included on Form 944, Part 3, line 22, or, if corrected, the amount from Form 944-X, line 36, column 1, that were not included as wages reported on Form 944, Part 1, line 4a, or, if corrected, the amount from Form 944-X, line 8, column 1, because the qualified family leave wages were limited by the social security wage base	2g(iii)	
2g(iv)	Subtract line 2g(iii) from line 2g(ii)	2g(iv)	
2h	Qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 23, or, if corrected, the amount from Form 944-X, line 37, column 1	2h	
2i	Amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 24, or, if corrected, the amount from Form 944-X, line 38, column 1	2i	
2j	Employer share of social security tax on qualified family leave wages. Multiply line 2g(iv) by 6.2% (0.062)	2j	
2k	Employer share of Medicare tax on qualified family leave wages. Multiply line 2g(ii) by 1.45% (0.0145)	2k	
2l	<b>Credit for qualified family leave wages.</b> Add lines 2g, 2h, 2i, 2j, and 2k	2l	
2m	<b>Credit for qualified sick and family leave wages.</b> Add lines 2f and 2l	2m	
2n	Enter any employee retention credit claimed under section 2301 of the CARES Act with respect to qualified wages paid after March 31, 2021, and before July 1, 2021, that were also taken into account for the credit for qualified sick and family leave wages	2n	
2o	Enter any credit claimed under section 41 for increasing research activities with respect to any wages taken into account for the credit for qualified sick and family leave wages	2o	
2p	Add lines 2n and 2o	2p	
2q	<b>Credit for qualified sick and family leave wages after adjusting for other credits.</b> Subtract line 2p from line 2m	2q	
2r	<b>Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.</b> Enter the smaller of line 1g or line 2q. Enter this amount on Form 944-X, line 17b, column 1	2r	
2s	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.</b> Subtract line 2r from line 2q and enter this amount on Form 944-X, line 26b, column 1	2s	



Worksheet 4. Adjusted Employee Retention Credit for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022

Keep for Your Records 

You must use this worksheet if you claimed the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, on your original 2021 Form 944 and you correct any amounts used to figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

**Step 1. Determine the corrected employer share of Medicare tax**

1a If you completed Worksheet 3 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, and you're also claiming the employee retention credit, enter the amount from Worksheet 3, Step 1, line 1g, and go to Step 2. Otherwise, complete lines 1b–1f below and then go to Step 2 1a \_\_\_\_\_

1b Enter the amount of Medicare wages from Form 944, Part 1, line 4c, column 1, or, if corrected, the amount from Form 944-X, line 12, column 1 1b \_\_\_\_\_

1c Multiply line 1b by 1.45% (0.0145) 1c \_\_\_\_\_

1d If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a **negative** number) 1d \_\_\_\_\_

1e Employer share of Medicare tax included on Form 944-X, line 20, column 4 1e \_\_\_\_\_

1f **Employer share of Medicare tax.** Combine lines 1c, 1d, and 1e 1f \_\_\_\_\_

**Step 2. Figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022**

**Caution:** You must be a recovery startup business to claim the employee retention credit for qualified wages paid after September 30, 2021, and before January 1, 2022 (fourth quarter 2021). The total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the third quarter and the fourth quarter of 2021 (\$20,000 in total for purposes of this worksheet).

2a Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified wages are included in the total reported on Form 944, Part 3, line 17, or, if corrected, Form 944-X, line 30, column 1) 2a \_\_\_\_\_

2b Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified health plan expenses are included in the total reported on Form 944, Part 3, line 18, or, if corrected, Form 944-X, line 31, column 1) 2b \_\_\_\_\_

2c Add lines 2a and 2b 2c \_\_\_\_\_

2d **Retention credit.** Multiply line 2c by 70% (0.70). If you qualify for the employee retention credit **solely** because your business is a recovery startup business, don't enter more than \$50,000 for each of the third quarter and the fourth quarter of 2021 (\$100,000 in total for the year) 2d \_\_\_\_\_

2e Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1f 2e \_\_\_\_\_

2f Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (this amount may come from Worksheet 3, Step 2, line 2r, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form 944) 2f \_\_\_\_\_

2g Subtract line 2f from line 2e 2g \_\_\_\_\_

2h **Nonrefundable portion of employee retention credit.** Enter the smaller of line 2d or line 2g. Enter this amount on Form 944-X, line 17a, column 1 2h \_\_\_\_\_

2i **Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 944-X, line 26a, column 1 2i \_\_\_\_\_

Worksheet 5. Adjusted COBRA Premium Assistance Credit

Keep for Your Records



You must use this worksheet if you claimed the COBRA premium assistance credit on your original Form 944 and you correct any amounts used to figure the COBRA premium assistance credit. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

<b>Step 1.</b>		<b>Determine the corrected employer share of Medicare tax</b>	
1a	If you completed Worksheet 3 or Worksheet 4, and you're also claiming the COBRA premium assistance credit, enter the amount listed on Worksheet 3, line 1g, or Worksheet 4, line 1a or 1f (as applicable). Otherwise, complete lines 1b–1h below and then go to Step 2	1a	
1b	Enter the amount of Medicare wages from Form 944, Part 1, line 4c, column 1, or, if corrected, the amount from Form 944-X, line 12, column 1	1b	
1c	Multiply line 1b by 1.45% (0.0145)	1c	
1d	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a <b>negative</b> number)	1d	
1e	Employer share of Medicare tax included on Form 944-X, line 20, column 4	1e	
1f	<b>Employer share of Medicare tax.</b> Combine lines 1c, 1d, and 1e	1f	
1g	For corrections to tax years beginning after December 31, 2022, only, enter the amount from Form 8974, line 16 (including any amended Form 8974 attached to Form 944-X)	1g	
1h	<b>Employer share of Medicare tax remaining.</b> Subtract line 1g from line 1f	1h	
<b>Step 2.</b>		<b>Figure the COBRA premium assistance credit</b>	
2a	Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021	2a	
2b	Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1h	2b	
2c	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (this amount may come from Worksheet 3, Step 2, line 2r, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form 944)	2c	
2d	Enter the amount of the nonrefundable portion of the employee retention credit (this amount may come from Worksheet 4, Step 2, line 2h, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form 944)	2d	
2e	<b>Other nonrefundable credits used against the employer share of Medicare tax.</b> Add lines 2c and 2d	2e	
2f	Subtract line 2e from line 2b	2f	
2g	<b>Nonrefundable portion of the COBRA premium assistance credit.</b> Enter the smaller of line 2a or line 2f. Enter this amount on Form 944-X, line 17c, column 1	2g	
2h	<b>Refundable portion of the COBRA premium assistance credit.</b> Subtract line 2g from line 2a and enter this amount on Form 944-X, line 26c, column 1	2h	

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# How Can You Get Forms, Instructions, and Publications From the IRS?



You can view, download, or print most of the forms, instructions, and publications you may need at [IRS.gov/Forms](https://www.irs.gov/forms). Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/orderforms) to place an order and have them mailed to you. The IRS will process your order for forms and publications as soon as possible. Don't resubmit requests you've already sent us. You can get forms and publications faster online.

**Paperwork Reduction Act Notice.** We ask for the information on Form 944-X to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes, including federal income tax withholding, on wages. This form is used

to determine the amount of taxes you owe. Section 6011 requires you to provide the requested information if the tax applies to you.

You're not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to complete and file Form 944-X will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping . . .</b>	38 hr., 15 min.
<b>Learning about the law or the form. . . . .</b>	1 hr., 25 min.
<b>Preparing and sending the form to the IRS . . . .</b>	4 hr., 30 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 944-X simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can send your comments to: Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 944-X to this address. Instead, see *Where Should You File Form 944-X*, earlier.

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