

# (Rev. April 2023)

## Instructions for Form 941-X

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

---

#### Volume 3 of 3



Department of the Treasury  
**Internal Revenue Service**

Instruction for Form 941-X (Rev 4-2023) Catalog Number 53099V  
Department of the Treasury **Internal Revenue Service** [www.irs.gov](http://www.irs.gov)



Visit the Accessibility  
Page on IRS.gov

This page intentionally left blank

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employer and/or 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 employer and/or 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. If you make any corrections to the deferred amount of the employee share of social security tax on Form 941-X, line 24, you may also need to make a correction on Form 941-X, line 33b.

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

**Deferred amount of the employer share of social security tax.** If you're filing Form 941-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 941-X to increase the amount of the deferred employer share of social security tax originally reported on Form 941, line 13b. If you're filing Form 941-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 941-X to decrease the amount of the deferred employer share of social security tax originally reported on Form 941, line 13b, 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 941, line 13b, 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's share of social security tax for a calendar quarter during the payroll tax deferral period, you may not subsequently defer the payment by filing Form 941-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 quarter ending on December 31, 2020. 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 941, available at [IRS.gov/Form941](https://www.irs.gov/Form941).

**Deferred amount of the employee share of social security tax.** You may only correct the amount of the deferred employee share of social security tax if the amount originally reported on Form 941, line 13b, 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 941-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).

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

For corrections to Form 941, line 13c, 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 April 1, 2021. Don't enter an amount on line 25 if you're correcting a quarter that began before April 1, 2020.

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 941, line 13c, 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 17, earlier.

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 quarters beginning after March 31, 2020, 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 941, line 13d, for qualified wages paid after March 12, 2020, and before July 1, 2021, enter the total corrected amount from Worksheet 2, 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 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 17](#), 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 941, line 13d, 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 17, earlier.

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

**Corrections to Form 941, Line 13f (For Quarters Beginning After March 31, 2020, and Ending Before April 1, 2021) or Line 13h (For Quarters Beginning After March 31, 2021, and Ending Before January 1, 2022)**

Form 941-X doesn't include a line to correct amounts reported on Form 941, line 13f (13h), for the total advances received from filing Form(s) 7200 for the quarter. If a discrepancy exists between the amount reported on Form 941 and the amount of advance payments issued, the IRS will generally correct the amount reported on Form 941, line 13f (13h), to match the amount of advance payments issued. However, aggregate filers may need to correct the amount reported on Form 941, line 13f (13h), to reflect the correct advance payments received by their clients or

customers. If you're an aggregate filer that needs to correct the amount reported on Form 941, line 13f (13h), include any increase or decrease to the amount in the "Total" reported on Form 941-X, line 27; write "Correction to line 13f" or "Correction to line 13h," as applicable, on the dotted line to the left of the entry box on line 27; explain your correction on line 43; and attach Schedule R (Form 941) to Form 941-X to show corrections for your clients or customers.

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

For corrections to Form 941, line 13e, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2021, and before October 1, 2021. Don't enter an

amount on line 26b if you're correcting a quarter that began 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, 2021, and before October 1, 2021, that you reported on Form 941, line 13e, 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 17, earlier.

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

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

The 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. Use line 26c only for corrections to quarters beginning after March 31, 2021.

If you're correcting the refundable portion of the COBRA premium assistance credit that you reported on Form 941, line 13f, 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 17, earlier.

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

## **27. Total**

Combine the amounts from column 4 on lines 23–26c 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 941 for the quarter during which you filed Form 941-X. If you currently file Form 944 because your filing requirement changed, include this amount on the "Total deposits" line of Form 944 for the year during which you filed Form 941-X. Don't make any changes to your record of federal tax liability reported on Form 941, line 16, or Schedule B (Form 941) if your Form 941-X is filed timely. The amounts reported on the record should reflect your actual tax liability for the period.
- 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 only if you ask us in writing to do so.

**Amount you owe.** If the amount on line 27 is a positive number, you must **pay** the amount you owe **by the time you file** Form 941-X. You may not use any credit that you show on another Form 941-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 941-X, don't file an amended Schedule B (Form 941) unless you were assessed an FTD penalty caused by an incorrect, incomplete, or missing Schedule B (Form 941). Don't include the tax increase reported on Form 941-X on any amended Schedule B (Form 941) you file.

If you owe tax and are filing a late Form 941-X, that is, after the due date for Form 941 for the quarter in which you discovered the error,

you must file an amended Schedule B (Form 941) with the Form 941-X. Otherwise, the IRS may assess an “averaged” FTD penalty. The total tax reported on the “Total liability for the quarter” line of Schedule B (Form 941) must match the corrected tax (Form 941, line 12, combined with any correction reported on Form 941-X, line 23) for the quarter, 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 800-555-4477. 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/PayByCard). 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 941-X," the calendar quarter you corrected (for example, "Quarter 2"), and the calendar year of the quarter you corrected.

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

***Previously assessed FTD penalty.*** If line 27 reflects overreported tax and the IRS previously assessed an FTD penalty, you may be able to reduce the penalty. For more information, see the Instructions for Schedule B (Form 941).

### **Lines 28–40**

For lines 28–31a and lines 32–40, 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 28–31a and lines 32–40 are amounts that you use in Worksheets 1–5, as applicable, to figure your credits. If you reported an incorrect amount on lines 19–28 on your original Form 941, then you'll use lines 28–31a and lines 32–40 of Form 941-X to report the correction. Use Worksheets 1–5, as applicable, to refigure your credits based on the corrected amounts reported in column 1. For details on how to

complete line 31b, see the instructions for line 31b, later. Be sure to explain the reasons for your corrections 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 941, line 19, 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 941, 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 1, Step 2, line 2f.

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

Use line 30 only for corrections to quarters beginning after March 31, 2020, and before January 1, 2022.

If you're correcting the qualified wages for the employee retention credit that you reported on Form 941, 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 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.

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

Use line 31a only for corrections to quarters beginning after March 31, 2020, and before January 1, 2022.

If you're correcting the qualified health plan expenses allocable to wages reported on Form 941, line 21, that you reported on Form 941, line 22, 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.

## 31b. Recovery Startup Business Checkbox



*For the fourth quarter of 2021, only a recovery startup business may claim the employee retention credit.*

Whether you check the box on line 31b to tell us if you're eligible for the employee retention credit in the third or fourth quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and how you originally answered the question on Form 941, line 18b.

- If you checked the box on line 18b on your originally filed Form 941 and you still qualify for the employee retention credit solely because your business is a recovery startup business, check the box on line 31b.
- If you checked the box on line 18b on your originally filed Form 941 but that response is no longer accurate, don't

check the box on line 31b. However, explain in detail on line 43 why you no longer think that you're a recovery startup business and, if correcting the third quarter of 2021, the reasons that you still qualify for the employee retention credit.

- If you didn't check the box on line 18b on your originally filed Form 941 and this question still doesn't apply, don't check the box on line 31b.
- If you didn't check the box on line 18b on your originally filed Form 941 but you're now claiming the employee retention credit as a recovery startup business, check the box on line 31b.

**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. The employee retention credit isn't available in the second quarter of 2021 on the basis of being a recovery startup business.

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.



*Recovery startup businesses are limited to a ! maximum employee retention credit of \$50,000 per quarter. If you check the box on line 31b, don't enter more than \$50,000 per quarter in total on lines 18a and 26a.*

## **32. Credit From Form 5884-C, Line 11, for This Quarter**

Use line 32 only for corrections to quarters beginning after March 31, 2020, and before April 1, 2021.

If you're correcting the credit from Form 5884-C, line 11, for the second, third, or fourth quarter of 2020, or the first quarter of 2021, that you reported on Form 941, line 23, 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 1j. 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 1k, 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.

### **33a. Qualified Wages Paid March 13 Through March 31, 2020, for the Employee Retention Credit**

Use line 33a only for corrections to the second quarter of 2020.

If you're correcting the qualified wages paid March 13, 2020, through March 31, 2020, for the employee retention credit that you reported on Form 941, line 24, for the second quarter of 2020, 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 2c.

### **33b. Deferred Amount of the Employee Share of Social Security Tax Included on Form 941, Line 13b**

Use line 33b only for corrections to the third and fourth quarters of 2020.

If you're correcting the deferred amount of the employee share of social security tax (for the third and fourth quarters of 2020) that you reported on Form 941, 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.

### **34. Qualified Health Plan Expenses Allocable to Wages Reported on Form 941, Line 24**

Use line 34 only for corrections to the second quarter of 2020.

If you're correcting the qualified health plan expenses allocable to wages reported on

Form 941, line 24, that you reported on Form 941, line 25, for the second quarter of 2020, 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 2d.

### **35. 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 941, line 23, 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.

### **36. 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 941, 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 2b.

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

### **37. 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 941, line 25, 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.

### **38. 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 941, line 26, 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.

### **39. 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 941, line 27, 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.

## **40. 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 941, line 28, 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.

## **Part 4: Explain Your Corrections for This Quarter**

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

Check the box on line 41 if any corrections you entered on lines 7–26c, or lines 28–31a, or lines 32–40, column 3, reflect both underreported and overreported amounts.

**Example.** If you had an increase to social security wages of \$15,000 for Xavier Black and a decrease to social security wages of \$5,000 for Sophie Rose, you would enter \$10,000 on line 8, column 3. That \$10,000 represents the net change from corrections.

On line 43, you must explain the reason for both the \$15,000 increase and the \$5,000 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 19–22 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 941 because you mistakenly treated all workers as independent contractors or as nonemployees, file a Form 941 for each delinquent quarter.

On each Form 941 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 12.
- Complete the signature area.
- Attach a completed Form 941-X (see instructions next). On each Form 941-X, complete the following steps.
- Complete the top of Form 941-X, including the date you discovered the error.
- Enter the wage amounts on lines 19–22, column 1.
- Enter zeros on lines 19–22, 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 941 for each delinquent quarter. Write "**Misclassified Employees**" in **bold** letters across the top margin of page 1 of each Form 941. Complete Form 941 using the Instructions for Form 941. Attach a Form 941-X to each Form 941. Complete the top of Form 941-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 7–22, and lines 24–26c. Also use line 43 to describe corrections made on line 6 and lines 28–40. If you need more space, attach additional sheets, but be sure to write your name, EIN, "Form 941-X," the

quarter you're correcting (for example, "Quarter 2"), and the calendar year of the quarter 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" or "administrative/payroll errors were discovered" or "taxes were not withheld" are insufficient and may delay processing your Form 941-X because the IRS may need to ask for a more complete explanation.

Provide the following information in your explanation for each correction.

- Form 941-X line number(s) affected.
- Date you discovered the error.
- Difference (amount of the error).
- Cause of the error.

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

“The \$1,000 difference shown in column 3 on lines 6, 8, and 12 was discovered on May 15, 2023, during an internal payroll audit. We discovered that we included \$1,000 of wages for one of our employees twice. This correction removes the reported wages that were never paid.”

For corrections shown on lines 19–22, 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 941-X and sign it on page 5. If you don't sign, processing of Form 941-X will be delayed.

**Who must sign the Form 941-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 941-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 941-X by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39. You can find Rev. Proc. 2005-39, 2005-28 I.R.B. 82, 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 941-X and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 941-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 the IRS website at [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 941 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 941-X. If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.

<b>Step 1.</b>		<b>Determine the corrected employer share of social security tax this quarter after it is reduced by any credit claimed on Form 8974, Form 5884-C, and/or Form 5884-D</b>	
1a	Enter the amount of social security wages from Form 941, Part 1, line 5a, column 1, or, if corrected, the amount from Form 941-X, line 8, column 1	1a	_____
1b	Enter the amount of social security tips from Form 941, Part 1, line 5b, column 1, or, if corrected, the amount from Form 941-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 941, Part 1, line 8, or, if corrected, the amount of the employer share of social security tax on sick pay that you included on Form 941-X, line 15, column 1 (enter as a <b>negative</b> number)	1e	_____
1f	Employer share of social security tax included on Form 941-X, line 20, column 4	1f	_____
1g	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of social security tax from the notice	1g	_____
1h	<b>Employer share of social security tax.</b> Combine lines 1d, 1e, 1f, and 1g	1h	_____
1i	Enter the amount from Form 8974, line 12 (including any amended Form 8974 attached to Form 941-X)	1i	_____
1j	Enter the amount from Form 5884-C, line 11, for this quarter (for quarters ending before April 1, 2021, this amount was also included on Form 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 32, column 1)	1j	_____
1j(i)	Enter the amount from Form 5884-D, line 12, for this quarter	1j(i)	_____
1k	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1i, 1j, and 1j(i)	1k	_____
1l	<b>Employer share of social security tax remaining.</b> Subtract line 1k from line 1h	1l	_____
<b>Step 2.</b>		<b>Figure the sick and family leave credit</b>	
2a	Qualified sick leave wages reported on Form 941, Part 1, line 5a(i), column 1, or, if corrected, the amount from Form 941-X, line 9, column 1	2a	_____
2a(i)	Qualified sick leave wages included on Form 941, Part 1, line 5c, or, if corrected, the amount from Form 941-X, line 12, column 1, but not included on Form 941, Part 1, line 5a(i), column 1, or Form 941-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 941, Part 3, line 19, or, if corrected, Form 941-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	<b>Credit for qualified sick leave wages.</b> Add lines 2a(ii), 2a(iii), 2b, and 2c	2d	_____
2e	Qualified family leave wages reported on Form 941, Part 1, line 5a(ii), column 1, or, if corrected, the amount from Form 941-X, line 10, column 1	2e	_____
2e(i)	Qualified family leave wages included on Form 941, Part 1, line 5c, or, if corrected, the amount from Form 941-X, line 12, column 1, but not included on Form 941, Part 1, line 5a(ii), column 1, or Form 941-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 941, Part 3, line 20, or, if corrected, Form 941-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	<b>Credit for qualified family leave wages.</b> Add lines 2e(ii), 2e(iii), 2f, and 2g	2h	_____
2i	<b>Credit for qualified sick and family leave wages.</b> Add lines 2d and 2h	2i	_____
2j	<b>Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.</b> Enter the smaller of line 1l or line 2i. Enter this amount on Form 941-X, line 17, column 1	2j	_____
2k	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.</b> Subtract line 2j from line 2i and enter this amount on Form 941-X, line 25, column 1	2k	_____

**Worksheet 2. Adjusted Employee Retention Credit for Qualified Wages Paid After March 12, 2020, and Before July 1, 2021**

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 July 1, 2021, on your original Form 941 and you correct any amounts used to figure the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 941-X. If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.

<b>Step 1.</b>		<b>Determine the corrected employer share of social security tax this quarter after it is reduced by any credit claimed on Form 8974, Form 5884-C, and/or Form 5884-D</b>	
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, for a quarter in which you're also claiming the employee retention credit, enter the amount from Worksheet 1, Step 1, line 1f, and go to Step 2. Otherwise, complete lines 1b–1n below and then go to Step 2		1a _____
1b	Enter the amount of social security wages from Form 941, Part 1, line 5a, column 1, or, if corrected, the amount from Form 941-X, line 8, column 1	1b _____	
1c	Enter the amount of social security tips from Form 941, Part 1, line 5b, column 1, or, if corrected, the amount from Form 941-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 941, Part 1, line 8, or, if corrected, the amount of the employer share of social security tax on sick pay that you included on Form 941-X, line 15, column 1 (enter as a <b>negative</b> number)	1f _____	
1g	Employer share of social security tax included on Form 941-X, line 20, column 4	1g _____	
1h	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of social security tax from the notice	1h _____	
1i	<b>Employer share of social security tax.</b> Combine lines 1e, 1f, 1g, and 1h	1i _____	
1j	Enter the amount from Form 941, Part 1, line 11a, or, if corrected, the amount from Form 941-X, line 16, column 1 (credit from Form 8974)	1j _____	
1k	Enter the amount from Form 5884-C, line 11, for this quarter (for quarters ending before April 1, 2021, this amount was also included on Form 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 32, column 1)	1k _____	
1l	Enter the amount from Form 5884-D, line 12, for this quarter	1l _____	
1m	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1j, 1k, and 1l	1m _____	
1n	<b>Employer share of social security tax remaining.</b> Subtract line 1m from line 1i	1n _____	
<b>Step 2.</b>		<b>Figure the employee retention credit</b>	
<b>Caution:</b> For qualified wages paid before January 1, 2021, the cumulative total for all quarters of 2020 that can be claimed on lines 2a, 2b, 2c, and 2d can't exceed \$10,000 per employee. For qualified wages paid after December 31, 2020, the total amount included on lines 2a and 2b can't exceed \$10,000 per employee each quarter.			
2a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, line 21, or, if corrected, Form 941-X, line 30, column 1)	2a _____	
2b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, line 22, or, if corrected, Form 941-X, line 31a, column 1)	2b _____	
2c	Qualified wages (excluding qualified health plan expenses) paid March 13, 2020, through March 31, 2020, for the employee retention credit (Form 941, Part 3, line 24, or, if corrected, Form 941-X, line 33a, column 1). Enter an amount here only if filing a Form 941-X to correct the second quarter of 2020	2c _____	
2d	Qualified health plan expenses allocable to qualified wages paid March 13, 2020, through March 31, 2020, for the employee retention credit (Form 941, Part 3, line 25, or, if corrected, Form 941-X, line 34, column 1). Enter an amount here only if filing a Form 941-X to correct the second quarter of 2020	2d _____	
2e	Add lines 2a, 2b, 2c, and 2d	2e _____	
2f	<b>Retention credit.</b> If you're correcting the second, third, or fourth quarter of 2020, multiply line 2e by 50% (0.50). If you're correcting the first or second quarter of 2021, multiply line 2e by 70% (0.70)	2f _____	
2g	Enter the amount of the employer share of social security tax from Step 1, line 1a, or, if applicable, Step 1, line 1n	2g _____	
2h	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 quarter or you may need to enter the credit claimed on your original Form 941 for the quarter)	2h _____	
2i	Subtract line 2h from line 2g	2i _____	
2j	<b>Nonrefundable portion of employee retention credit.</b> Enter the smaller of line 2f or line 2i. Enter this amount on Form 941-X, line 18a, column 1	2j _____	
2k	<b>Refundable portion of employee retention credit.</b> Subtract line 2j from line 2f and enter this amount on Form 941-X, line 26a, column 1	2k _____	

**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 941 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 941-X. If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.

<b>Step 1.</b>		<b>Determine the corrected employer share of Medicare tax</b>	
1a	Enter the amount of Medicare wages from Form 941, Part 1, line 5c, column 1, or, if corrected, the amount from Form 941-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 941, Part 1, line 8, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 941-X, line 15, column 1 (enter as a <b>negative</b> number)	1c	_____
1d	Employer share of Medicare tax included on Form 941-X, line 21, column 4	1d	_____
1e	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of Medicare tax from the notice	1e	_____
1f	<b>Employer share of Medicare tax.</b> Combine lines 1b, 1c, 1d, and 1e	1f	_____
1g	For corrections to quarters beginning after December 31, 2022, only, enter the amount from Form 8974, line 16 (including any amended Form 8974 attached to Form 941-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 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 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 35, column 1	2a	_____
2a(i)	Qualified sick leave wages included on Form 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 35, column 1, that were not included as wages reported on Form 941, Part 1, lines 5a and 5c, or, if corrected, the amount from Form 941-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 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 35, column 1, that were not included as wages reported on Form 941, Part 1, line 5a, or, if corrected, the amount from Form 941-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 941, Part 3, line 24, or, if corrected, the amount from Form 941-X, line 36, 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 941, Part 3, line 25, or, if corrected, the amount from Form 941-X, line 37, 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 941, Part 3, line 26, or, if corrected, the amount from Form 941-X, line 38, column 1	2g	_____
2g(i)	Qualified family leave wages included on Form 941, Part 3, line 26, or, if corrected, the amount from Form 941-X, line 38, column 1, that were not included as wages reported on Form 941, Part 1, lines 5a and 5c, or, if corrected, the amount from Form 941-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 941, Part 3, line 26, or, if corrected, the amount from Form 941-X, line 38, column 1, that were not included as wages reported on Form 941, Part 1, line 5a, or, if corrected, the amount from Form 941-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 941, Part 3, line 27, or, if corrected, the amount from Form 941-X, line 39, 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 941, Part 3, line 28, or, if corrected, the amount from Form 941-X, line 40, 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	<b>For second quarter of 2021 only,</b> enter any employee retention credit claimed under section 2301 of the CARES Act (this amount may come from Worksheet 2, Step 2, line 2f, in these instructions if you're correcting that credit for the second quarter of 2021 or you may need to enter the credit claimed on your original Form 941 for the second quarter of 2021) with respect to any wages taken into account for the credit for qualified sick and family leave wages for the quarter	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 1h or line 2q. Enter this amount on Form 941-X, line 18b, 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 941-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 Form 941 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 941-X. If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.

**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, for a quarter in which you're also claiming the employee retention credit, enter the amount from Worksheet 3, Step 1, line 1h, and go to Step 2. Otherwise, complete lines 1b–1g below and then go to Step 2 ..... 1a \_\_\_\_\_
- 1b Enter the amount of Medicare wages from Form 941, Part 1, line 5c, column 1, or, if corrected, the amount from Form 941-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 941, Part 1, line 8, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 941-X, line 15, column 1 (enter as a **negative** number) ..... 1d \_\_\_\_\_
- 1e Employer share of Medicare tax included on Form 941-X, line 21, column 4 ..... 1e \_\_\_\_\_
- 1f If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of Medicare tax from the notice ..... 1f \_\_\_\_\_
- 1g **Employer share of Medicare tax.** Combine lines 1c, 1d, 1e, and 1f ..... 1g \_\_\_\_\_

**Step 2. Figure the employee retention credit**

**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 can't exceed \$10,000 per employee each quarter.

- 2a Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, line 21, or, if corrected, Form 941-X, line 30, column 1) ..... 2a \_\_\_\_\_
- 2b Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, line 22, or, if corrected, Form 941-X, line 31a, 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 per quarter ..... 2d \_\_\_\_\_
- 2e Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1g ..... 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 941) ..... 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 941-X, line 18a, column 1 ..... 2h \_\_\_\_\_
- 2i **Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 941-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 941 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 941-X. If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.

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

- 1a If you completed Worksheet 3 or Worksheet 4 for a quarter in which you're also claiming the COBRA premium assistance credit, enter the amount listed on Worksheet 3, line 1h, or Worksheet 4, line 1a or 1g (as applicable). Otherwise, complete lines 1b-1g below and then go to Step 2 1a \_\_\_\_\_
- 1b Enter the amount of Medicare wages from Form 941, Part 1, line 5c, column 1, or, if corrected, the amount from Form 941-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 941, Part 1, line 8, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 941-X, line 15, column 1 (enter as a **negative** number) 1d \_\_\_\_\_
- 1e Employer share of Medicare tax included on Form 941-X, line 21, column 4 1e \_\_\_\_\_
- 1f If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of Medicare tax from the notice 1f \_\_\_\_\_
- 1g **Employer share of Medicare tax.** Combine lines 1c, 1d, 1e, and 1f 1g \_\_\_\_\_

**Step 2. Figure the COBRA premium assistance credit**

- 2a Enter the COBRA premium assistance that you provided this quarter 2a \_\_\_\_\_
- 2b Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1g 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 for the quarter or you may need to enter the credit claimed on your original Form 941 for the quarter) 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 for the quarter or you may need to enter the credit claimed on your original Form 941 for the quarter) 2d \_\_\_\_\_
- 2e **Other nonrefundable credits used against the employer share of Medicare tax.** Add lines 2c and 2d 2e \_\_\_\_\_
- 2f Subtract line 2e from line 2b 2f \_\_\_\_\_
- 2g **Nonrefundable portion of the COBRA premium assistance credit.** Enter the smaller of line 2a or line 2f. Enter this amount on Form 941-X, line 18c, column 1 2g \_\_\_\_\_
- 2h **Refundable portion of the COBRA premium assistance credit.** Subtract line 2g from line 2a and enter this amount on Form 941-X, line 26c, column 1 2h \_\_\_\_\_

This page intentionally left blank

# 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 941-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 that you owe. Section 6011 requires you to provide the requested information if the tax is applicable 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 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 941-X will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping . . . . .</b>	
. . . . .	31 hr., 19 min.
<b>Learning about the law or the form . . . . .</b>	35 min.
<b>Preparing and sending the form to the IRS . .</b>	1 hr., 8 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 941-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 941-X to this address. Instead, see *Where Should You File Form 941-X*, earlier.

This page intentionally left blank