

# Instructions for Form 941-X

(Rev. April 2025)

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

# 2025

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Volume 2 of 2



Department of the Treasury  
**Internal Revenue Service**

Instructions for Form 941-X (Rev 04-2025) Catalog Number 53099V  
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In January 2025, Jack repaid \$2,000 to you for the 1 month Jack didn't work. You can't file Form 941-X to reduce the federal income tax withheld because you actually withheld the federal income tax from wages. You also can't file Form 941-X to reduce wages because the wages were income to Jack for the prior year. These amounts were correctly reported on Form 941.

## **8. Taxable Social Security Wages**



*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 941, line 5a, column 1, and can be adjusted only on Form 941-X, line 8.*

If you're correcting the taxable social security wages you reported on Form 941, line 5a, 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 8 (column 1)

- line 8 (column 2)

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line 8 (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 0.124 and enter that result in column 4.

line 8 (column 3)

X 0.124

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line 8 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 941-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to social security wages, use 0.062 (6.2%) when multiplying the amount shown in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, enter the properly calculated amount in column 4. Be sure to show your calculations on line 43.

***Example—Social security wages decreased.*** Following *Example—Wages, tips, and other compensation decreased* in the instructions for line 6, the wages that you counted twice were also taxable social security wages. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form 941, line 5a, column 1)	- 9,000.00
Column 3 (difference)	<hr/> -2,000.00

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

Column 3 (difference)	-2,000.00
Tax rate (12.4%)	x 0.124
Column 4 (tax correction)	<hr/> -248.00

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

## **9. Qualified Sick Leave Wages (For Leave Taken After March 31, 2020, and Before April 1, 2021)**



*Generally, the period of limitations for correcting qualified sick leave wages paid in the second, third, and fourth quarters of 2020 expired on April 15, 2024, for most employers. Generally, the period of limitations for correcting qualified sick leave wages paid in the first quarter of 2021 expired on April 15, 2025, for most employers.*

*For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*



*Adjustments to the social security tax on qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form 941-X, lines 9 and 10, respectively. Adjustments to 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, are reported on Form 941-X, line 17, and adjustments to the refundable portion of the credit are reported on Form 941-X, line 25. Adjustments to qualified health plan expenses allocable to qualified sick leave wages and to qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form 941-X, lines 28 and 29, respectively.*

*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 for the quarter, and you make any corrections on Form 941-X for the quarter to amounts used to figure this credit, you'll need to refigure the amount of this credit using Worksheet 1. You'll also use this worksheet to figure this credit if you're claiming the credit for the first time on Form 941-X. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).*

Qualified sick leave wages paid with respect to leave taken after March 31, 2020, and before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). For more information about qualified sick leave wages, see Definition of qualified sick and family leave wages for leave taken after March 31, 2020, and



*before April 1, 2021*, later, and go to [IRS.gov/PLC](https://www.irs.gov/PLC). If you're correcting the qualified sick leave wages you reported on Form 941, line 5a(i), 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 9 (column 1)

- line 9 (column 2)

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line 9 (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 0.062 and enter that result in column 4.

line 9 (column 3)

x 0.062

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line 9 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you erroneously reported qualified sick leave wages for leave taken after March 31, 2020, and before April 1, 2021, on Form 941, line 5a, instead of on line 5a(i), you'll need to make a correction on Form 941-X, lines 8 and 9, and enter the properly calculated amount in column 4 for each line.

***Example—Qualified sick leave wages increased.*** You paid \$2,000 of qualified sick leave wages to only one of your employees in the first quarter of 2021.

In March 2025, you discovered that you only reported \$1,000 of qualified sick leave wages on Form 941 for the first quarter. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 941, line 5a(i), column 1)	- 1,000.00
Column 3 (difference)	<hr/> 1,000.00

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

Column 3 (difference)	1,000.00
Tax rate (6.2%)	<div style="border: 1px solid black; padding: 2px;">x 0.062</div>
Column 4 (tax correction)	62.00

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

## **10. Qualified Family Leave Wages (For Leave Taken After March 31, 2020, and Before April 1, 2021)**



*Generally, the period of limitations for correcting qualified family leave wages paid in the second, third, and fourth quarters of 2020 expired on April 15, 2024, for most employers. Generally, the period of limitations for correcting qualified family leave wages paid in the first quarter of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

Qualified family leave wages paid with respect to leave taken after March 31, 2020, and before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062).

For more information about qualified family leave wages, see *Definition of qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021,* later, and go to [IRS.gov/PLC](https://www.irs.gov/plc). If you're correcting the qualified family leave wages you reported on Form 941, line 5a(ii), 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 10 (column 1)

- line 10 (column 2)

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line 10 (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 0.062 and enter that result in column 4.

line 10 (column 3)

x 0.062

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line 10 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.
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**Note.** If you erroneously reported qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, on Form 941, line 5a, instead of on line 5a(ii), you'll need to make a correction on Form 941-X, lines 8 and 10, and enter the properly calculated amount in column 4 for each line.

***Example—Qualified family leave wages decreased.*** You paid \$1,000 of qualified family leave wages to only one of your employees in the first quarter of 2021.

In March 2025, you discovered that you erroneously reported \$3,000 of qualified family leave wages on Form 941 for the first quarter. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	1,000.00
Column 2 (Form 941, line 5a(ii), column 1)	- 3,000.00
Column 3 (difference)	-2,000.00

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

Column 3 (difference)	-2,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	-124.00

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

## 11. Taxable Social Security Tips

If you're correcting the taxable social security tips you reported on Form 941, line 5b, 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 11 (column 1)

- line 11 (column 2)

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line 11 (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 0.124 and report that result in column 4.



line 11 (column 3)

x 0.124

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line 11 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.
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**Note.** If you checked the box on Form 941-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to social security tips, use 0.062 (6.2%) when multiplying the amount shown in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, report the properly calculated amount in column 4. Be sure to show your calculations on line 43.

***Example—Social security tips increased.***

Following Example—Wages, tips, and other compensation increased in the instructions for line 6, the tips that you overlooked were also

taxable social security tips. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	10,000.00
Column 2 (Form 941, line 5b, column 1)	- 9,000.00
Column 3 (difference)	<hr/> 1,000.00

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

Column 3 (difference)	1,000.00
Tax rate (12.4%)	x 0.124
Column 4 (tax correction)	<hr/> 124.00

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

## **12. Taxable Medicare Wages & Tips**

If you're correcting the taxable Medicare wages and tips you reported on Form 941, line 5c, 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 12 (column 1)

- line 12 (column 2)

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line 12 (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 0.029 (2.9% tax rate) and enter that result in column 4.

line 12 (column 3)

x 0.029

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line 12 (column 4) If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 941-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to Medicare wages and tips, use 0.0145 (1.45%) when multiplying the amount in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, enter the properly calculated amount in column 4. Be sure to explain your calculations on line 43.

***Example—Medicare wages and tips decreased.*** Following *Example—Wages, tips, and other compensation decreased* in the instructions for line 6, the wages that you counted twice were also taxable Medicare wages and tips. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form 941, line 5c, column 1)	- 9,000.00
Column 3 (difference)	<hr/> -2,000.00

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

Column 3 (difference)	-2,000.00
Tax rate (2.9%)	x 0.029
Column 4 (tax correction)	<hr/> -58.00

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

### **13. Taxable Wages & Tips Subject to Additional Medicare Tax Withholding**

Generally, you may correct errors to Additional Medicare Tax withholding **only** if you discovered the errors in the same calendar year the wages and tips were paid to employees. However, you may correct errors to Additional Medicare Tax withholding for prior years if the amount reported on Form 941, line 5d, column 2, isn't the amount you actually withheld, including any amount you paid on behalf of your employee rather than deducting it from the employee's pay (

which resulted in additional wages subject to tax). This type of error is an administrative error. The administrative error adjustment corrects the amount reported on Form 941 to agree with the amount actually withheld from employees.

You may also correct errors to Additional Medicare Tax withholding for prior years if section 3509 rates apply. If section 3509 rates apply, see the instructions for lines 19–22, later.

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 941, line 5d, column 1, or previously corrected on Form 941-X. You can't correct the tax reported on Form 941, line 5d, column 2.

### **Errors discovered in the same calendar year or prior year administrative errors.**

If you're correcting the taxable wages and

tips subject to Additional Medicare Tax withholding that you reported on Form 941, line 5d, 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 3)

x 0.009

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line 13 (column 4) 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)***. Xavier Black's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2024. The total wages paid to Xavier for 2024 were \$230,000. You withheld \$270 (\$30,000 x 0.009) from Xavier's wages. However, on your fourth quarter 2024 Form 941, you mistakenly reported \$3,000 on line 5d, column 1, and Additional Medicare Tax withheld of \$27 on line 5d, column 2. You discovered the error on March 10, 2025. 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 fourth quarter 2024 Form 941. Use Form 941-X, line 13, to correct the error as shown.

Column 1 (corrected amount)	30,000.00
Column 2 (Form 941, line 5d, 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 941, line 5d, 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)	
<hr/>	
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).*** Sophie Rose's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2024. The total wages paid to Sophie for 2024 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 5d of your fourth quarter 2024 Form 941. You discovered the error on March 10, 2025. File Form 941-X to correct wages and tips subject to Additional Medicare Tax withholding for your 2024 fourth quarter Form 941, 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 Sophie represents the actual amount withheld from Sophie during 2024.

**Combination of prior year administrative and nonadministrative errors.** If you're reporting both administrative errors and nonadministrative errors for the same quarter of a 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.*** Xavier Black's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2024. The total wages paid to Xavier for 2024 were \$230,000. You withheld \$270 ( $\$30,000 \times 0.009$ ) from Xavier's wages. However, on your fourth quarter 2024 Form 941, you mistakenly reported \$3,000 on line 5d, column 1, and Additional Medicare Tax withheld of \$27 on line 5d, column 2. The difference in wages subject to Additional Medicare Tax related to this administrative error is \$27,000 ( $\$30,000 - \$3,000$ ).

Sophie Rose's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2024. The total wages paid to Sophie for 2024 were \$220,000. You were required to withhold \$180 ( $\$20,000 \times 0.009$ ) but you withheld nothing and didn't report Sophie's \$20,000 in wages subject to

Additional Medicare Tax withholding on line 5d of your fourth quarter 2024 Form 941.

You discovered both errors on March 10, 2025. Use Form 941-X, line 13, to correct the errors as shown.

Column 1 (corrected amount)	50,000.00
Column 2 (Form 941, line 5d, column 1)	- 3,000.00
Column 3 (difference)	<hr/> 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%)	<hr/> x 0.009
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. Section 3121(q) Notice and Demand—Tax on Unreported Tips**

Enter on line 14 any corrections to amounts reported on Form 941, line 5f, for the tax due from a Section 3121(q) Notice and Demand. The IRS issues a Section 3121(q) Notice and Demand to advise an employer of the amount of tips received by employees who failed to report or underreported tips to the employer. An employer isn't liable for the employer share of the social security and Medicare taxes on unreported tips until a Section 3121(q) Notice and Demand for the taxes is made to the employer by the IRS.

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

## 15. Tax Adjustments



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

Use line 15 to correct any adjustments reported on Form 941, lines 7–9. Enter in column 1 the total corrected amount for Form 941, lines 7–9.

Enter in column 2 the total originally reported or previously corrected amounts from Form 941, lines 7–9. In column 3, enter the difference between columns 1 and 2.

line 15 (column 1)

-line 15 (column 2)

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line 15 (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 941, lines 7–9.*

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 941. Tell us if your adjustment is for fractions of cents, third-party sick pay, tips, or group-term life insurance.

***Example—Current quarter's third-party sick pay underreported.*** You reported \$6,900 (shown as “-6,900.00”) as a third-party sick pay adjustment (reduction to tax) on line 8 of your 2024 second quarter Form 941. You didn’t report any amounts on lines 7 and 9.

Your third-party sick pay adjustment should've been \$9,600 (shown as "-9,600.00") because your third-party sick pay payer withheld that amount of social security and Medicare taxes from your employees. You discovered the error in April of 2025. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	-9,600.00
Column 2 (Form 941, line 8)	- (6,900.00)
Column 3 (difference)	-2,700.00

Here is how you would enter the numbers on Form 941-X.

Column 1	Column 2	Column 3
(corrected amount)	(Form 941, line 8)	(difference)
-9,600.00	-6,900.00	-2,700.00

Report "-2,700.00" as your correction in column 4.

In this example, you're claiming a credit for \$2,700 in overreported tax for your 2024 second quarter Form 941. 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.

## **16. 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 941, line 11a (line 11 for quarters beginning after December 31, 2023), 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.

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



*Form 941-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.*



*Generally, the period of limitations for correcting the nonrefundable portion of credit for qualified sick and family leave wages paid in the second, third, and fourth quarters of 2020 expired on April 15, 2024, for most employers. Generally, the period of limitations for correcting the nonrefundable portion of credit for qualified sick and family leave wages paid in the first quarter of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

For corrections to Form 941, line 11b, 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 17 if you're correcting a quarter that began before April 1, 2020.

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 941, line 11b, 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.

**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 in Step 2, line 2a(iii) and/or line 2e(iii), respectively, before you figure your total credit in Step 2, line 2d (credit for qualified sick leave wages), or Step 2, line 2h (credit for qualified family leave wages).

The April 2020 revision and July 2020 revision of the Instructions for Form 941 were released before the COVID-related Tax Relief Act of 2020 was enacted on

December 27, 2020; therefore, Worksheet 1, in those Instructions for Form 941, didn't include lines to add the wages that meet an exclusion under sections 3121(b)(1)– (22) when figuring the credits for qualified sick and family leave wages. If your Form 941 for the second, third, or fourth quarter of 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) and the period of limitations is still open, you may file Form 941-X and complete Worksheet 1 to claim the correct amount of the credit.

You'll also include on Form 941-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 first quarter 2021 Instructions for Form 941 (Revised March 2021).

***Example—Nonrefundable portion of credit for qualified sick and family leave wages increased.*** Following Example—Qualified sick leave wages increased in the instructions for line 9, you originally reported a \$1,000 nonrefundable portion of the credit for qualified sick and family leave wages on Form 941, line 11b,

for the first quarter of 2021. You use Worksheet 1 to refigure the correct nonrefundable portion of the credit for qualified sick and family leave wages and you determine that the correct credit is now \$2,000. To correct the error, figure the difference on Form 941-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 941, line 11b)	- 1,000.00
Column 3 (difference)	<hr/> 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 941-X, line 17.

Column 1	Column 2	Column 3	Column 4
(corrected amount)	(Form 941, line 11b)	(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.

**18b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**



*Generally, the period of limitations for correcting the nonrefundable portion of credit for qualified sick and family leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

For corrections to Form 941, line 11d, 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 18b if you're correcting a quarter that began before April 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 941, line 11d, enter the total corrected amount from Worksheet 2, 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 17, earlier.

**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 941, line 5a, column 1, and can be adjusted only on Form 941-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 leave wages that were above the social security wage base and any qualified leave wages excluded from the definition of employment under sections 3121(b)(1)–(22), were included on Form 941, lines 23 and 26, respectively, and can be adjusted only on Form 941-X, lines 35 and 38, respectively. Use Worksheet 2 to figure your credit.

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

### **18c. Nonrefundable 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 18c only for corrections to quarters beginning after March 31, 2021.



*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 941, line 11e, enter the total corrected amount from Worksheet 3, 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 17, earlier.

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

### **18d. Number of Individuals Provided COBRA Premium Assistance**

Use line 18d only for corrections to quarters beginning after March 31, 2021.

If you're correcting the number of individuals provided COBRA premium assistance that you reported on Form 941, line 11f, 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.

### **19–22. 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 federal income tax, social security tax, Medicare tax, and Additional Medicare 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 taxes. Section 3509 rates are also not available for certain statutory employees.

On lines 19–22, 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 941-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.

## 23. Subtotal

Combine the amounts from column 4 on lines 7–22 and enter the result on line 23.

**Example.** You entered “1,400.00” in column 4 on line 7, “-500.00” in column 4 on line 8, and “-100.00” in column 4 on line 12. Combine these amounts and enter “800.00” in column 4 on line 23.

Line 7	1,400.00
Line 8	(500.00)
Line 12	+ (100.00)
	<hr/>
Line 23	800.00

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



*Generally, the period of limitations for correcting the refundable portion of credit for qualified sick and family leave wages paid in the second, third, and fourth quarters of 2020 expired on April 15, 2024, for most employers. Generally, the period of limitations for correcting the refundable portion of credit for qualified sick and family leave wages paid in the first quarter of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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.

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



*Generally, the period of limitations for correcting the refundable portion of credit for qualified sick and family leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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 3, 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 IRS Direct Pay, by credit or debit card, or by a check or money order.

- For more information about EFTPS, go to [EFTPS.gov](https://www.irs.gov/eftps) or call 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 using IRS Direct Pay, go to [IRS.gov/DirectPay](https://irs.gov/DirectPay).
- To pay by credit or debit card, go to [IRS.gov/ PayByCard](https://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, 29, and 35–40**

For lines 28, 29, and 35–40, 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, 29, and 35–40 are amounts that you use in Worksheets 1–3, as applicable, to figure your credits. If you reported an incorrect amount on lines 19, 20, and 23–28 on your original Form 941, then you'll use lines 28, 29, and 35–40 of Form 941-X to report the corrections. Use Worksheets 1–3, as applicable, to refigure your credits based on the corrected amounts reported in column 1.



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**



*Generally, the period of limitations for correcting qualified health plan expenses allocable to qualified sick leave wages paid in the second, third, and fourth quarters of 2020 expired on April 15, 2024, for most employers. Generally, the period of limitations for correcting qualified health plan expenses allocable to qualified sick leave wages paid in the first quarter of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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.

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

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



*Generally, the period of limitations for correcting qualified health plan expenses allocable to qualified family leave wages paid in the second, third, and fourth quarters of 2020 expired on April 15, 2024, for most employers.*

*Generally, the period of limitations for correcting qualified health plan expenses allocable to qualified family leave wages paid in the first quarter of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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.

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

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



*Generally, the period of limitations for correcting qualified sick leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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**



*Generally, the period of limitations for correcting qualified health plan expenses allocable to qualified sick leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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**



*Generally, the period of limitations for correcting the amounts under certain collectively bargained agreements allocable to qualified sick leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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**



*Generally, the period of limitations for correcting qualified family leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the*

*period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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**





*Generally, the period of limitations for correcting qualified health plan expenses allocable to qualified family leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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**



*Generally, the period of limitations for correcting the amounts under certain collectively bargained agreements allocable to qualified family leave wages paid in the second and third quarters of 2021 expired on April 15, 2025, for most employers. For more information about the period of limitations, see Is There a Deadline for Filing Form 941-X, earlier.*

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 2, 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 7–17, 18b–22, 25, 26b, 26c, 28, 29, or 35–40, 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 reasons 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 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 7–17, 18b–22, 25, 26b, and 26c. Also use line 43 to describe corrections made on lines 6, 28– 29, and 35–40. 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 12, 2025, 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 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, the 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 [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.

Step 1.

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

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 **negative** 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

Employer share of social security tax. 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

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

1k

1l

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

1l

Step 2.

Figure the sick and family leave credit

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

Credit for qualified sick leave wages. 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

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 941-X, line 17, 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 941-X, line 25, column 1

2k

Worksheet 2. 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.

Step 1.

Determine the corrected employer share of Medicare tax

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 **negative** 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(g) Notice and Demand during the quarter, enter the amount of the employer share of Medicare tax from the notice

1e

1f

Employer share of Medicare tax. 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

Employer share of Medicare tax remaining. Subtract line 1g from line 1f

1h

Step 2.

Figure the sick and family leave credit

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

Credit for qualified sick leave wages. 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

Credit for qualified family leave wages. Add lines 2g, 2h, 2i, 2j, and 2k

2l

2m

Credit for qualified sick and family leave wages. Add lines 2f and 2l

2m

2n

Reserved for future use

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

Reserved for future use

2q

Credit for qualified sick and family leave wages after adjusting for other credits. Subtract line 2o from line 2m

2q

2r

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Enter the smaller of line 1h or line 2q. Enter this amount on Form 941-X, line 18b, column 1

2r

2s

Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Subtract line 2r from line 2q and enter this amount on Form 941-X, line 26b, column 1

2s



Worksheet 3. 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 2 for a quarter in which you're also claiming the COBRA premium assistance credit, enter the amount listed on Worksheet 2, line 1h. Otherwise, complete lines 1b–1i 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

1h

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)

1h

1i

**Employer share of Medicare tax remaining.** Subtract line 1h from line 1g

1i

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 1i

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 2, 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

Reserved for future use

2e

Reserved for future use

2f

Subtract line 2c 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

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**Paperwork Reduction Act Notice.** We ask for the information on Form 941-X to carry out the Internal Revenue laws of the United States. You're required to give us the information. We need it to ensure that you're complying with these laws and to allow us to figure and collect the right amount of tax.

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The time needed to complete and file Form 941-X will vary depending on individual circumstances. The estimated burden for employers filing Form 941-X is approved under OMB control number 1545-0029 and is included in the estimates shown in the Instructions for Form 941.