

Instructions for Form 944

Employer's ANNUAL Federal Tax Return

Volume 2 of 2



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Department of the Treasury
Internal Revenue Service

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Limits on qualified sick leave wages. The EPSLA, as amended for purposes of the ARP, provides different limitations for different circumstances under which qualified sick leave wages are paid. For paid sick leave qualifying under (1), (2), or (3) above, the amount of qualified sick leave wages is determined at the employee's regular rate of pay, but the wages may not exceed \$511 for any day (or portion of a day) for which the individual is paid sick leave. For paid sick leave qualifying under (4), (5), or (6) above, the amount of qualified sick leave wages is determined at two-thirds the employee's regular rate of pay, but the wages may not exceed \$200 for any day (or portion of a day) for which the individual is paid sick leave. The EPSLA also limits each individual to a maximum of up to 80 hours of paid sick leave in total for leave taken after March 31, 2020, and before April 1, 2021. The ARP resets this limit at 80 hours of paid sick leave for leave taken after March 31, 2021, and before

October 1, 2021. Therefore, for leave taken after March 31, 2020, and before April 1, 2021, the maximum amount of paid sick leave wages can't exceed \$5,110 for an employee for leave under (1), (2), or (3), and it can't exceed \$2,000 for an employee for leave under (4), (5), or (6). These maximum amounts also reset and apply to leave taken after March 31, 2021, and before October 1, 2021.

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

Expanded FMLA. Employers with fewer than 500 employees and, for leave taken after March 31, 2021, and before October 1, 2021, certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit under the FFCRA, as amended for purposes of the ARP, if they provide paid family leave to employees

that otherwise meets the requirements of the Expanded FMLA. For leave taken after March 31, 2020, and before April 1, 2021, wages are qualified family leave wages if paid to an employee who has been employed for at least 30 calendar days when an employee is unable to work or telework due to the need to care for a son or daughter under 18 years of age or incapable of self-care because of a mental or physical disability because the school or place of care for that child has been closed, or the childcare provider for that child is unavailable, due to a public health emergency. See *Son or daughter*, earlier, for more information. For leave taken after March 31, 2021, and before October 1, 2021, the leave can be granted for any other reason provided by the EPSLA, as amended for purposes of the ARP.

For leave taken after March 31, 2020, and before April 1, 2021, the first 10 days for which an employee takes leave may be

unpaid. During this period, employees may use other forms of paid leave, such as qualified sick leave, accrued sick leave, annual leave, or other paid time off. After an employee takes leave for 10 days, the employer provides the employee paid leave (that is, qualified family leave wages) for up to 10 weeks. For leave taken after March 31, 2021, and before October 1, 2021, the 10-day rule discussed above doesn't apply and the paid leave can be provided for up to 12 weeks.

Rate of pay and limit on wages. The rate of pay must be at least two-thirds of the employee's regular rate of pay (as determined under the Fair Labor Standards Act of 1938), multiplied by the number of hours the employee otherwise would have been scheduled to work. For leave taken after March 31, 2020, and before April 1, 2021, the total qualified family leave wages can't exceed \$200 per day or \$10,000 in the

aggregate per employee. For leave taken after March 31, 2021, and before October 1, 2021, the limit resets and the total qualified family leave wages can't exceed \$200 per day or \$12,000 in the aggregate per employee.

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

4a(i). Qualified sick leave wages. Enter the qualified taxable (subject to social security tax) sick leave wages you paid in 2022 to your employees for leave taken after March 31, 2020, and before April 1, 2021. Qualified sick leave wages for 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). Stop paying social security tax on and entering an employee's wages on line 4a(i) when the employee's taxable wages, including wages reported on line 4a, qualified sick leave wages reported on line 4a(i), qualified family leave

wages reported on line 4a(ii), and tips, reach \$147,000 for the year. See the instructions for line 4c for reporting Medicare tax on qualified sick leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified sick 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, 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 section 3121(b) when reporting qualified sick leave wages on lines 4a(i), 4c, and, if applicable, 4d. See the instructions for line 8b for information about the credit for qualified sick and family leave wages for leave taken

after March 31, 2020, and before April 1, 2021.

$$\begin{array}{r} \text{line 4a(i) (column 1)} \\ \times \quad 0.062 \\ \hline \text{line 4a(i) (column 2)} \end{array}$$

4a(ii). Qualified family leave wages. Enter the qualified taxable (subject to social security tax) family leave wages you paid in 2022 to your employees for leave taken after March 31, 2020, and before April 1, 2021. Qualified family leave wages for 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). Stop paying social security tax on and entering an employee's wages on line 4a(ii) when the employee's taxable wages, including wages reported on line 4a, qualified sick leave wages reported on line 4a(i), qualified family leave wages reported on line 4a(ii), and tips, reach

\$147,000 for the year. See the instructions for line 4c for reporting Medicare tax on qualified family leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, 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 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 section 3121(b) when reporting qualified family leave wages on lines 4a(ii), 4c, and, if applicable, 4d. See the instructions for line 8b for information about the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.

$$\begin{array}{r}
 \text{line 4a(ii) (column 1)} \\
 \times \quad 0.062 \\
 \hline
 \text{line 4a(ii) (column 2)}
 \end{array}$$

4b. Taxable social security tips. Enter all tips your employees reported to you during the year until the total of the tips and taxable wages, including wages reported on line 4a, qualified sick leave wages reported on line 4a(i), and qualified family leave wages reported on line 4a(ii), for an employee reach \$147,000 for the year. Include all tips your employees reported to you even if you were unable to withhold the 6.2% employee share of social security tax. You will reduce your total taxes by the amount of any uncollected employee share of social security and Medicare taxes on tips later on line 6; see Adjustments for tips and group-term life insurance, later. Don't include service charges on line 4b. For details about the difference between tips and service charges, see Rev.

Rul. 2012-18, 2012-26 I.R.B. 1032, available at [IRS.gov/irb/2012-26_IRB#RR-2012-18](https://www.irs.gov/irb/2012-26_IRB#RR-2012-18).

Your employee must report cash tips to you by the 10th day of the month after the month the tips are received. Cash tips include tips paid by cash, check, debit card, and credit card. The report should include charged tips (for example, credit and debit card charges) you paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. Both directly and indirectly tipped employees must report tips to you. No report is required for months when tips are less than \$20. Employees may use Form 4070 (available only in Pub. 1244) or Form 4070-PR (available only in Pub. 1244-PR), or submit a written statement or electronic tip record.

$$\begin{array}{r}
 \text{line 4b (column 1)} \\
 \times \quad 0.124 \\
 \hline
 \text{line 4b (column 2)}
 \end{array}$$

For more information on tips, see section 6 of Pub. 15, section 5 of Pub. 80, or section 6 of Pub. 179.

4c. Taxable Medicare wages and tips.

Enter all wages, including qualified sick leave wages paid in 2022 and qualified family leave wages paid in 2022; tips; sick pay; and taxable fringe benefits that are subject to Medicare tax. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax. See the instructions for line 6 for an adjustment that you may need to make on Form 944 for sick pay.

The rate of Medicare tax is 1.45% (0.0145) each for the employer and employee or 2.9% (0.029) for both. Include all tips your employees reported during the year, even if

you were unable to withhold the employee tax of 1.45%.

$$\begin{array}{r} \text{line 4c (column 1)} \\ \times \quad 0.029 \\ \hline \text{line 4c (column 2)} \end{array}$$

4d. Taxable wages & tips subject to Additional Medicare Tax withholding.

Enter all wages, including qualified sick leave wages paid in 2022 and qualified family leave wages paid in 2022; tips; sick pay; and taxable fringe benefits that are subject to Additional Medicare Tax withholding. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to

Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on what wages are subject to Medicare tax, see the chart, *Special Rules for Various Types of Services and Payments*, in section 15 of Pub. 15.

For more information on Additional Medicare Tax, go to [IRS.gov/ADMTfaq](https://www.irs.gov/ADMTfaq). See the instructions for line 6 for an adjustment that you may need to make on Form 944 for sick pay.

Once wages and tips exceed the \$200,000 withholding threshold, include all tips your employees reported during the year, even if you were unable to withhold the employee tax of 0.9%.

$$\begin{array}{r} \text{line 4d (column 1)} \\ \times \quad 0.009 \\ \hline \text{line 4d (column 2)} \end{array}$$

4e. Total social security and Medicare taxes. Add the column 2 amounts on lines 4a–4d. Enter the result on line 4e.

5. Total Taxes Before Adjustments

Add the total federal income tax withheld from wages, tips, and other compensation from line 2 and the total social security and Medicare taxes before adjustments from line 4e. Enter the result on line 5.

6. Current Year's Adjustments

Enter tax amounts that result from current period adjustments. Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 5. Otherwise, use parentheses.

In certain cases, you must adjust the amounts you entered as social security and Medicare taxes in column 2 of lines 4a–4d to figure your correct tax liability for this year's Form 944. See section 13 of Pub. 15, section 9 of Pub. 80, or section 12 of Pub. 179.

Adjustment for fractions of cents. Enter adjustments for fractions of cents (due to rounding) relating to the employee share of social security and Medicare taxes withheld. The employee share of amounts shown in column 2 of lines 4a–4d may differ slightly from amounts actually withheld from employees' pay due to rounding social security and Medicare taxes based on statutory rates. This adjustment may be a positive or a negative adjustment.

Adjustment for sick pay. If your third-party payer of sick pay that isn't your agent (for example, an insurance company) transfers the liability for the employer share of the social security and Medicare taxes to you, enter a negative adjustment on line 6 for the employee share of social security and Medicare taxes that were withheld and deposited by your third-party sick pay payer on the sick pay. If you're the third-party sick pay payer and you transferred the liability for

the employer share of the social security and Medicare taxes to the employer, enter a negative adjustment on line 6 for any employer share of these taxes required to be paid by the employer. The sick pay should be included on line 4a, line 4c, and, if the withholding threshold is met, line 4d.

No adjustment is reported on line 6 for sick pay that is paid through a third party as an employer's agent. An employer's agent bears no insurance risk and is reimbursed on a cost-plus-fee basis for payment of sick pay and similar amounts. If an employer uses an agent to pay sick pay, the employer reports the wages on line 4a, line 4c, and, if the withholding threshold is met, line 4d, unless the employer has an agency agreement with the third-party payer that requires the third-party payer to do the collecting, reporting, and/or paying or depositing employment taxes on the sick pay. See section 6 of Pub.

15-A for more information about sick pay reporting.

Adjustments for tips and group-term life insurance. Enter a negative adjustment for:

- Any uncollected employee share of social security and Medicare taxes on tips, and
- The uncollected employee share of social security and Medicare taxes on group-term life insurance premiums paid for former employees.

See the General Instructions for Forms W-2 and W-3 for information on how to report the uncollected employee share of social security and Medicare taxes on tips and group-term life insurance on Form W-2.

Prior year's adjustments. If you need to adjust any amount reported on line 6 from a previously filed Form 944, complete and file Form 944-X. Form 944-X is an adjusted return or claim for refund and is filed

separately from Form 944. See section 13 of Pub. 15 or section 9 of Pub. 80.

7. Total Taxes After Adjustments

Combine the amounts shown on lines 5 and 6 and enter the result on line 7.

8a. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Enter the total amount of the credit from Form 8974, line 12.



If you enter an amount on line 8a, you must attach Form 8974. The December 2017 revision of Form 8974 instructs you to enter the amount from Form 8974, line 12, on Form 944, line 8. For 2022, the amount from Form 8974, line 12, should be entered on Form 944, line 8a.



Form 944 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 the amount of certain taxes. The term "refundable" means the portion of the credit which is in excess of those taxes.

8b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021



*Complete line 8b **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021.*

Certain private employers with fewer than 500 employees that provide paid sick leave under the EPSLA and/or provide paid family leave under the Expanded FMLA are eligible to claim the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 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. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from Worksheet 1, Step 2, line 2j. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the qualified health plan expenses allocable to those wages, and the employer share of Medicare tax allocable to those wages. The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 944, lines 4a and 4b, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, any

credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans, and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations.

If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the credit for qualified sick and family leave wages for amounts paid to your own employees, the amount of the employer share of social security tax reported on line 4a must be reduced by any adjustment you make on line 6 for the employer share of social security tax transferred to your client. See Worksheet 1 to figure your credit.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 944, line

10d. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Qualified health plan expenses allocable to qualified sick and family leave wages.

The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pretax salary reduction contributions. However, qualified health plan expenses don't include amounts that the

employee paid for with after-tax contributions. For more information, go to [IRS.gov/PLC](https://www.irs.gov/PLC).



You must include the full amount (both the nonrefundable and refundable portions) of the credit for qualified sick and family leave wages in your gross income for the tax year that includes the last day of any calendar quarter in which a credit is allowed.

8d. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021



*Complete line 8d **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021.*

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA, as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the Expanded FMLA, as amended for purposes of the ARP, for 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. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from Worksheet 2, Step 2, line 2p.

The credit for qualified sick and family leave wages consists of the:

- Qualified sick leave wages and/or qualified family leave wages;
- Qualified health plan expenses allocable to qualified sick and family leave wages;
- Collectively bargained defined benefit pension plan contributions, subject to the qualified leave wage limitations, allocable to the qualified sick and family leave wages;
- Collectively bargained apprenticeship program contributions, subject to the qualified leave wage limitations,

allocable to the qualified sick and family leave wages; and

- Employer share of social security and Medicare tax allocable to the qualified sick and family leave wages.

The nonrefundable portion of the credit is limited to the employer share of Medicare tax reported on Form 944, line 4c. You can't claim the credit for leave taken after March 31, 2021, and before October 1, 2021, if you provided the leave in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure when making qualified sick and/or family leave available to employees. See Highly compensated employee, later, for the definition.

For leave taken after March 31, 2021, and before October 1, 2021, the credit for qualified sick and family leave wages is reduced by the amount of the credit allowed

under section 41 (for the credit for increasing research activities) with respect to wages taken into account for determining the credit for qualified sick and family leave wages; and any wages taken into account in determining the credit for qualified sick and family leave wages can't be taken into account as wages for purposes of the credits under sections 45A, 45P, 45S, and 51. For leave taken after March 31, 2021, and before October 1, 2021, qualified wages also don't include wages that were used as payroll costs in connection with a Shuttered Venue Operator Grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; or a restaurant revitalization grant under section 5003 of the ARP. Employers can receive both a Small Business Interruption Loan under the Paycheck Protection Program (PPP) and the credit for qualified sick and family leave wages; however, employers can't receive both loan forgiveness and a credit for the same wages. The same wages can't be

treated as both qualified sick leave wages and qualified family leave wages.



If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the credit for qualified sick and family leave wages for amounts paid to your own employees, the amount of the employer share of Medicare tax reported on line 4c must be reduced by any adjustment you make on line 6 for the employer share of Medicare tax transferred to your client. See Worksheet 2 to figure your credit.

Any credit in excess of the remaining amount of the employer share of Medicare tax is refundable and reported on Form 944, line 10f. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Qualified health plan expenses allocable to qualified sick and family leave wages.

The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, qualified health plan expenses don't include amounts that the employee paid for with after-tax contributions. For more information, go to [IRS.gov/PLC](https://www.irs.gov/plc).

Collectively bargained defined benefit pension plan contributions. For purposes of qualified sick and family leave wages, collectively bargained defined benefit pension plan contributions are contributions for a calendar quarter that are:

- Paid or incurred by an employer on behalf of its employees to a defined benefit plan, as defined in section 414(j), which meets the requirements of section 401(a);
- Made based on a pension contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter.

Pension contribution rate. The pension contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement to a defined benefit plan, as the rate is applied

to contribution base units, as defined by section 4001(a) (11) of the Employee Retirement Income Security Act of 1974 (ERISA).

Allocation rules. The amount of collectively bargained defined benefit pension plan contributions allocated to qualified sick leave wages and/or qualified family leave wages during a quarter is the pension contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter.

Collectively bargained apprenticeship program contributions. For purposes of qualified sick and family leave wages, collectively bargained apprenticeship program contributions are contributions for a calendar quarter that are:

- Paid or incurred by an employer on behalf of its employees to a registered apprenticeship program, which is an apprenticeship registered under the National Apprenticeship Act of August 16, 1937, and meets the standards of Federal Regulations under subpart A of Part 29 and Part 30 of title 29;
- Made based on an apprenticeship program contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter.

Apprenticeship program contribution

rate. The apprenticeship program contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement for benefits under a registered apprenticeship program, as the rate is applied to contribution base units, as defined by section 4001(a)(11) of ERISA.

Allocation rules. The amount of collectively bargained apprenticeship program contributions allocated to qualified sick leave wages and/or qualified family leave wages in a quarter is the apprenticeship program contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter.

Highly compensated employee. A highly compensated employee is an employee who meets either of the following tests.

1. The employee was a 5% owner at any time during the year or the preceding year.
2. The employee received more than \$130,000 in pay for the preceding year.

You can choose to ignore test (2) if the employee wasn't also in the top 20% of employees when ranked by pay for the preceding year.

8e. Nonrefundable Portion of COBRA Premium Assistance Credit

*Complete line 8e **only** if an eligible individual elects coverage in 2022 for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021, due to the COBRA notice and election period requirements (generally, employers have 60 days to provide notice and assistance eligible individuals have 60 days to elect coverage).*

If an eligible individual elects coverage in 2022 for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021, enter the COBRA premium

assistance that you provided. You can claim the credit for a period of coverage once the individual elects COBRA continuation coverage, and for any period of coverage beginning after the election, as of the beginning of such period of coverage for which the individual doesn't pay the premiums for the coverage. Don't include any amount that was included as qualified health plan expenses allocable to qualified sick and family leave wages. Enter the nonrefundable portion of the COBRA premium assistance credit from Worksheet 3, Step 2, line 2e. See COBRA background next for more information about COBRA.

COBRA background. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. COBRA generally covers multiemployer

health plans and health plans maintained by private-sector employers (other than churches) with 20 or more full- and part-time employees. Parallel requirements apply to these plans under ERISA. Under the Public Health Service Act, COBRA requirements also apply to health plans covering state or local government employees. Similar requirements apply under some state laws.

8f. Number of Individuals Provided COBRA Premium Assistance

Enter the number of individuals provided COBRA premium assistance for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. Count each assistance eligible individual that received assistance as one individual, whether or not the COBRA coverage was for insurance that covered more than one assistance eligible individual. For example, if the coverage was for a former employee, spouse, and two

children, you would include one individual on line 8f. Further, each individual is reported only once per year. For example, an assistance eligible individual that received assistance monthly is only reported as one individual.

8g. Total Nonrefundable Credits

Add lines 8a, 8b, 8d, and 8e. Enter the total on line 8g.

9. Total Taxes After Adjustments and Nonrefundable Credits

Subtract line 8g from line 7 and enter the result on line 9. The amount entered on line 9 can't be less than zero.

- **If line 9 is less than \$2,500,** you may pay the amount with Form 944 or you may deposit the amount.
- **If line 9 is \$2,500 or more,** you must generally deposit your tax liabilities by EFT. However, if you

deposited all taxes accumulated in the first 3 quarters of the year and your fourth quarter liability is less than \$2,500, you may pay taxes accumulated during the fourth quarter with Form 944. Also see section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for information about payments made under the accuracy of deposits rule. The amount shown on line 9 must equal the amount shown on line 13m or the “Total tax liability for the year” shown on line M of Form 945-A, Annual Record of Federal Tax Liability. For more information, see the line 13 instructions, later.

For more information and rules about federal tax deposits, see *Must You Deposit Your Taxes*, earlier, and section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. See [Notice 2020-22](#) and [Notice 2021-24](#)

for information on reducing deposits for certain credits.



If you're a semiweekly schedule depositor, you ! must complete Form 945-A. If you fail to complete and submit Form 945-A, the IRS may assess deposit penalties based on available information.

10a. Total Deposits for This Year

Enter your deposits for this year, including any overpayment that you applied from filing Form 944-X, 944-X (SP), 941-X, or 941-X (PR) in the current year. Also include in the amount shown any overpayment from a previous period that you applied to this return. Don't include any amount you didn't deposit because you reduced your deposits in anticipation of the credit for qualified sick and family leave wages, and/or the COBRA premium assistance credit, as discussed in [Notice 2020-22](#) and [Notice 2021-24](#).

10d. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021



*Complete line 10d **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021.*

Certain private employers with fewer than 500 employees that provided paid sick leave under the EPSLA and/or provided paid family leave under the Expanded FMLA are eligible to claim the credit for qualified sick and family leave wages. Enter the refundable portion of the credit for qualified sick and family leave wages from Worksheet 1, Step 2, line 2k. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the qualified health plan expenses allocable to

those wages, and the employer share of Medicare tax allocable to those wages. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits that are applied against the employer share of social security tax.

10f. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021



*Complete line 10f **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021.*

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section

501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA, as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the Expanded FMLA, as amended for purposes of the ARP, for leave taken after March 31, 2021, and before October 1, 2021. Enter the refundable portion of the credit for qualified sick and family leave wages from Worksheet 2, Step 2, line 2q. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

10g. Refundable Portion of COBRA Premium Assistance Credit



*Complete line 10g **only** if an eligible individual elects coverage in 2022 for periods of*

coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021, due to the COBRA notice and election period requirements (generally, employers have 60 days to provide notice and assistance eligible individuals have 60 days to elect coverage).

Enter the refundable portion of the COBRA premium assistance credit from Worksheet 3, Step 2, line 2f. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

10h. Total Deposits and Refundable Credits

Add lines 10a, 10d, 10f, and 10g. Enter the total on line 10h.

11. Balance Due

If line 9 is more than line 10h, enter the difference on line 11. Otherwise, see the instructions for line 12, later. **Never make an entry on both lines 11 and 12.**

You don't have to pay if line 11 is less than \$1. Generally, you should have a balance due only if your total taxes after adjustments and nonrefundable credits (line 9) are less than \$2,500. However, see *If line 9 is \$2,500 or more* under the instructions for line 9, earlier, for exceptions.

If you were required to make federal tax deposits, pay the amount shown on line 11 by EFT. If you weren't required to make federal tax deposits (see the *Federal Tax Deposit Requirements for Form 944 Filers* chart, earlier) or you're a monthly schedule depositor making a payment under the accuracy of deposits rule, you may pay the amount shown on line 11 by EFT, credit card, debit card, check, money order, or EFW. For

more information on electronic payment options, go to [IRS.gov/ Payments](https://www.irs.gov/Payments).

If you pay by EFT, credit card, or debit card, file your return using the *Without a payment* address under *Where Should You File*, earlier. Don't file Form 944-V, Payment Voucher.

If you pay by check or money order, make it payable to "United States Treasury." Enter your EIN, "Form 944," and the tax period on your check or money order. Complete Form 944-V and enclose it with Form 944.



If you're required to make deposits and instead pay the taxes with Form 944, you may be subject to a penalty.

What if you can't pay in full? If you can't pay the full amount of tax you owe, you can apply for an installment agreement online. You can apply for an installment agreement online if:

- You can't pay the full amount shown on line 11,
- The total amount you owe is \$25,000 or less, and
- You can pay the liability in full in 24 months.

To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://www.irs.gov/opa).

Under an installment agreement, you can pay what you owe in monthly installments. There are certain conditions you must meet to enter into and maintain an installment agreement, such as paying the liability within 24 months, and making all required deposits and timely filing tax returns during the length of the agreement.

If your installment agreement is accepted, you will be charged a fee and you will be subject to penalties and interest on the amount of tax not paid by the due date of the return.

12. Overpayment

If line 10h is more than line 9, enter the amount on line 12. **Never make an entry on both lines 11 and 12.**

If you deposited more than the correct amount for the year, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check only one box on line 12. If you don't check either box or if you check both boxes, we will generally apply the overpayment to your next return. Regardless of any boxes you check or don't check on line 12, we may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 12 is less than \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

Part 2: Tell Us About Your Deposit Schedule and Tax Liability for This Year

13. Tax Liability

If line 9 is less than \$2,500, check the first box on line 13 and go to line 14.

If line 9 is \$2,500 or more, check the second box on line 13. If you're a monthly schedule depositor, enter your tax liability for each month and figure the total liability for the year. The amounts entered on line 13 are a summary of your monthly tax liabilities, not a summary of deposits you made. The IRS gets deposit data from EFTs. Enter your tax liabilities in the month that corresponds to the dates you paid wages to your employees, not the date payroll liabilities were accrued or deposits were made. If you don't enter your tax liability for each month, the IRS won't know when you should have made deposits and may assess an "averaged" FTD penalty.

See section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. If your tax liability for any month is negative after accounting for your adjustments reported on line 6, don't enter a negative amount for the month. Instead, enter zero for the month and subtract that negative amount from your tax liability for the next month.



The amount shown on line 13m must equal the amount shown on line 9. If it doesn't, your tax deposits and payments may not be counted as timely. Don't reduce your total liability reported on line 13 by the refundable portion of the credit for qualified sick and family leave wages, or the refundable portion of the COBRA premium assistance credit. Don't change your current year tax liability reported on line 13 by adjustments reported on any Forms 944-X.

If you're a semiweekly schedule depositor or if you became one because you accumulated \$100,000 or more in tax liability on any day in a deposit period, you must complete Form 945-A and file it with Form 944. See *\$100,000 Next-Day Deposit Rule* in section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. Don't complete lines 13a–13m if you file Form 945-A.

Adjusting tax liability for nonrefundable credits claimed on lines 8a, 8b, 8d, and 8e. Monthly schedule depositors and semiweekly schedule depositors must account for nonrefundable credits claimed on lines 8a, 8b, 8d, and 8e when reporting their tax liabilities on line 13 or Form 945-A. The total tax liability for the year must equal the amount reported on line 9. Failure to account for the nonrefundable credits on line 13 or Form 945-A may cause line 13 or Form 945-A to report more than the total tax liability reported on line 9. Don't reduce your monthly

tax liability reported on lines 13a through 13l or your daily tax liability reported on Form 945-A below zero.

Qualified small business payroll tax credit for increasing research activities (line 8a).

The qualified small business payroll tax credit for increasing research activities is limited to the employer share of social security tax on wages paid during the quarter that begins after the income tax return electing the credit has been filed. In completing line 13 or Form 945-A, you take into account the payroll tax credit against your liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages to your employees subject to social security tax. The credit may be taken to the extent of the employer share of social security tax on wages associated with the first payroll payment, and then to the extent of the employer share of social

security tax associated with succeeding payroll payments in the quarter until the credit is used. Consistent with the entries on line 13 or Form 945-A, the payroll tax credit should be taken into account in making deposits of employment tax. If any payroll tax credit is remaining at the end of the quarter that hasn't been used completely because it exceeds the employer share of social security tax for the quarter, the excess credit may be carried forward to the succeeding quarter and allowed as a payroll tax credit for the succeeding quarter. The payroll tax credit may not be taken as a credit against income tax withholding, Medicare tax, or the employee share of social security tax.

Also, the remaining payroll tax credit may not be carried back and taken as a credit against wages paid from preceding quarters that are reported on the same Form 944 or on Forms 944 for preceding years. If an amount of payroll tax credit is unused at the end of the

calendar year because it is in excess of the employer share of social security tax on wages paid during the applicable quarters in the calendar year, the remaining payroll tax credit may be carried forward to the first quarter of the succeeding calendar year as a payroll tax credit against the employer share of social security tax on wages paid in that quarter.

Example. Rose Co. is an employer with a calendar tax year that filed its timely income tax return on April 15, 2022. Rose Co. elected to take the qualified small business payroll tax credit for increasing research activities on Form 6765. The third quarter of 2022 is the first quarter that begins after Rose Co. filed the income tax return making the payroll tax credit election. Therefore, the payroll tax credit applies against Rose Co.'s share of social security tax on wages paid to employees in the third quarter of 2022. Rose Co. is a semiweekly schedule depositor. Rose

Co. completes Form 945-A by reducing the amount of liability entered for the first payroll payment in the third quarter of 2022 that includes wages subject to social security tax by the lesser of (1) its share of social security tax on the wages, or (2) the available payroll tax credit. If the payroll tax credit elected is more than Rose Co.'s share of social security tax on the first payroll payment of the quarter, the excess payroll tax credit would be carried forward to succeeding payroll payments in the third quarter until it is used. If the amount of the payroll tax credit exceeds Rose Co.'s share of social security tax on wages paid to its employees in the third quarter, the excess credit would be treated as a payroll tax credit against its share of social security tax on wages paid in the fourth quarter. If the amount of the payroll tax credit remaining exceeded Rose Co.'s share of social security tax on wages paid in the fourth quarter, it could be carried

forward and treated as a payroll tax credit for the first quarter of 2023.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021 (line 8b).

The nonrefundable portion of the credit for qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021, is limited to the employer share of social security tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 944, line 8a, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations. In

completing line 13 or Form 945-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages paid in 2022 against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021, that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on line 10d as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.

Example. Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2022, Maple Co. had pay dates every Friday of 2022 starting January 7, 2022. Maple Co. paid qualified sick and family leave

wages on March 11 and March 18 for leave taken after March 31, 2020, and before April 1, 2021. The nonrefundable portion of the credit for qualified sick and family leave wages for the year is \$300. On line 13, Maple Co. will use the \$300 to reduce the liability for the January 7 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 14 pay date, then the January 21 pay date, and so forth until the entire \$300 is used.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (line 8d). The

nonrefundable portion of the credit for qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021, is limited to the employer share of Medicare tax on wages paid during the year. In completing line 13 or

Form 945-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages paid in 2022 against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 10f as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.

Nonrefundable portion of COBRA premium assistance credit (line 8e). The nonrefundable portion of the COBRA premium assistance credit is limited to the employer share of Medicare tax on wages paid during the year that is remaining after that share is

first reduced by any credit claimed on Form 944, line 8d, for the nonrefundable portion of the credit for qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021. In completing line 13 or Form 945-A, you take into account the nonrefundable portion of the COBRA premium assistance credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any COBRA premium assistance credit that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 10g as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.



*You may reduce your deposits
by the amount of the*

nonrefundable and refundable portions of the credit for qualified sick and family leave wages, and the nonrefundable and refundable portions of the COBRA premium assistance credit, as discussed earlier under Reducing your deposits for COVID-19 credits.

Part 3: Tell Us About Your Business

In Part 3, answer only those questions that apply to your business. If the questions don't apply, leave them blank and go to Part 4.

14. If Your Business Has Closed...

If you permanently go out of business or stop paying wages, you must file a final return. To tell the IRS that a particular Form 944 is your final return, check the box on line 14 and enter the date you last paid wages in the space provided. For additional filing requirements, including information about

attaching a statement to your final return, see *If Your Business Has Closed*, earlier.

Lines 15, 16, and 19 Through 24

The amounts entered on lines 15, 16, and 19 through 24 are amounts that you use on the worksheets at the end of these instructions to figure certain credits. If you're claiming these credits, you must enter the applicable amounts.



*Complete lines 15 and 16 **only** if qualified health plan expenses allocable to qualified sick leave wages and/or qualified family leave wages were paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021.*

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

Enter the qualified health plan expenses allocable to qualified sick leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021. This amount is also entered on Worksheet 1, Step 2, line 2b.

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

Enter the qualified health plan expenses allocable to qualified family leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021. This amount is also entered on Worksheet 1, Step 2, line 2f.



*Complete lines 19, 20, and 21
only if qualified sick leave*

wages were paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021.

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

Enter the qualified sick leave wages you paid in 2022 to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified sick leave wages that were above the social security wage base and any qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for line 8d, earlier, for more information about qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2a.

20. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages Reported on Line 19

Enter the qualified health plan expenses allocable to qualified sick leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2b.

21. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Wages Reported on Line 19

Enter the collectively bargained defined benefit pension plan contributions and collectively bargained apprenticeship program contributions allocable to qualified sick leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2c.



*Complete lines 22, 23, and 24 **only** if qualified family leave wages were paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021.*

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

Enter the qualified family leave wages you paid in 2022 to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified family leave wages that were above the social security wage base and any qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for line 8d, earlier, for more information about qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2g.

23. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages Reported on Line 22

Enter the qualified health plan expenses allocable to qualified family leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2h.

24. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Wages Reported on Line 22

Enter the collectively bargained defined benefit pension plan contributions and collectively bargained apprenticeship program contributions allocable to qualified family leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2i.

Part 4: May We Speak With Your Third-Party Designee?

If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 944 with the IRS, check the “Yes” box in Part 4. Enter the name, phone number, and five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm that prepared your tax return. The designee may choose any five numbers as his or her PIN.

By checking “Yes,” you authorize the IRS to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to do all of the following.

- Give us any information that is missing from your return.
- Call us for information about processing your return.

- Respond to certain IRS notices that you have shared with your designee about math errors and return preparation. The IRS won't send notices to your designee.

You're not authorizing your designee to bind you to anything (including additional tax liability) or to otherwise represent you before the IRS. If you want to expand your designee's authorization, see Pub. 947.

The authorization will automatically expire 1 year after the due date (without regard to extensions) for filing your Form 944. If you or your designee wants to terminate the authorization, write to the IRS office for your location using the *Without a payment* address under *Where Should You File*, earlier.

Part 5: Sign Here (Approved Roles)

Complete all information and sign Form 944. 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 partner, member, or officer having knowledge of its affairs.
- **Single-member LLC treated as a disregarded entity for federal**

income tax purposes—The owner of the LLC or a principal officer duly authorized to sign.

- **Trust or estate**—The fiduciary.

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

Alternative signature method. Corporate officers or duly authorized agents may sign Form 944 by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/2005-28_IRB#RP-2005-39](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

Paid Preparer Use Only

A paid preparer must sign Form 944 and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 944 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, don't 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.

How To Get Forms, Instructions, and Publications



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 forms mailed to you.

Worksheet 1. Credit for Qualified Sick and Family Leave Wages
Paid in 2022 for Leave Taken After March 31, 2020, and Before April
1, 2021

Keep for Your Records 

Determine how you will complete this worksheet.
If you paid qualified sick leave wages and/or qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 2 to figure the credit for qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2021, and before October 1, 2021.

Step 1.

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

1a

Enter the amount of social security tax from Form 944, Part 1, [line 4a](#), column 2

1a

1b

Enter the amount of social security tax from Form 944, Part 1, [line 4b](#), column 2

1b

1c

Add lines 1a and 1b

1c

1d

Multiply line 1c by 50% (0.50)

1d

1e

If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, [line 6](#) (enter as a positive number)

1e

1f

Employer share of social security tax. Subtract line 1e from line 1d

1f

1g

Enter the amount from Form 944, Part 1, [line 8a](#) (credit from Form 8974)

1g

1h

Enter the amount to be claimed on Form 5884-C, line 11, for this year

1h

1i

Enter the amount to be claimed on Form 5884-D, line 12, for this year

1i

1j

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

1j

1k

Employer share of social security tax remaining. Subtract line 1j from line 1f

1k

Step 2.

Figure the sick and family leave credit

2a

Qualified sick leave wages reported on Form 944, Part 1, [line 4a\(i\)](#), column 1

2a

2a(i)

Qualified sick leave wages included on Form 944, Part 1, line 4c, but not included on Form 944, Part 1, line 4a(i), column 1, because the wages reported on that line were limited by the social security wage base

2a(i)

2a(ii)

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

2a(ii)

2a(iii)

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

2a(iii)

2b

Qualified health plan expenses allocable to qualified sick leave wages (Form 944, Part 3, [line 15](#))

2b

2c

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

2c

2d

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

2d

2e

Qualified family leave wages reported on Form 944, Part 1, [line 4a\(ii\)](#), column 1

2e

2e(i)

Qualified family leave wages included on Form 944, Part 1, line 4c, but not included on Form 944, Part 1, line 4a(ii), column 1, because the wages reported on that line were limited by the social security wage base

2e(i)

2e(ii)

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

2e(ii)

2e(iii)

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

2e(iii)

2f

Qualified health plan expenses allocable to qualified family leave wages (Form 944, Part 3, [line 16](#))

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 1k or line 2i. Enter this amount on Form 944, Part 1, line 8b


2j

2k

Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. Subtract line 2j from line 2i and enter this amount on Form 944, Part 1, line 10d

2k

Worksheet 2. Credit for Qualified Sick and Family Leave Wages
Paid in 2022 for Leave Taken After March 31, 2021, and Before
October 1, 2021

Keep for Your Records 

Determine how you will complete this worksheet.
If you paid qualified sick leave wages and/or qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 1 to figure the credit for qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021.

Step 1.

Determine the employer share of Medicare tax

1a

Enter the amount of Medicare tax from Form 944, Part 1, [line 4c](#), column 2

1a

1b

Multiply line 1a by 50% (0.50)

1b

1c

If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, [line 6](#) (enter as a positive number)

1c

1d

Employer share of Medicare tax. Subtract line 1c from line 1b

1d

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 (Form 944, Part 3, [line 19](#))

2a

2a(i)

Qualified sick leave wages included on Form 944, Part 3, line 19, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)

2a(i)

2a(ii)

Subtract line 2a(i) from line 2a

2a(ii)

2a(iii)

Qualified sick leave wages included on Form 944, Part 3, line 19, that were not included as wages reported on Form 944, Part 1, line 4a, 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 (Form 944, Part 3, [line 20](#))

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 (Form 944, Part 3, [line 21](#))

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 (Form 944, Part 3, [line 22](#))

2g

2g(i)

Qualified family leave wages included on Form 944, Part 3, line 22, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)

2g(i)

2g(ii)

Subtract line 2g(i) from line 2g

2g(ii)

2g(iii)

Qualified family leave wages included on Form 944, Part 3, line 22, that were not included as wages reported on Form 944, Part 1, line 4a, 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 (Form 944, Part 3, [line 23](#))

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 (Form 944, Part 3, [line 24](#))

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

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

2n

2o

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

2o

2p

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 1d or line 2o. Enter this amount on Form 944, Part 1, line 8d

2p

2q

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 2p from line 2o and enter this amount on Form 944, Part 1, line 10f

2q

Worksheet 3. COBRA Premium Assistance Credit

Keep for Your Records



Determine how you will complete this worksheet.

If you provided COBRA premium assistance, complete Step 1 and Step 2. If you're claiming the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, complete Worksheet 2 before starting this worksheet.

Step 1. Determine the employer share of Medicare tax

1a	If you completed Worksheet 2, enter the amount listed on Worksheet 2, line 1d. If you're not claiming this credit this year, continue by completing lines 1b–1e below and then go to Step 2	1a	
1b	Enter the amount of Medicare tax from Form 944, Part 1, line 4c , column 2	1b	
1c	Multiply line 1b by 50% (0.50)	1c	
1d	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6 (enter as a positive number)	1d	
1e	Employer share of Medicare tax. Subtract line 1d from line 1c	1e	

Step 2. Figure the COBRA premium assistance credit

2a	Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021	2a	
2b	Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1e	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, from Worksheet 2, Step 2, line 2p	2c	
2d	Subtract line 2c from line 2b	2d	
2e	Nonrefundable portion of the COBRA premium assistance credit. Enter the smaller of line 2a or line 2d. Enter this amount on Form 944, Part 1, line 8e	2e	
2f	Refundable portion of the COBRA premium assistance credit. Subtract line 2e from line 2a and enter this amount on Form 944, Part 1, line 10g	2f	

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