

## IRM PROCEDURAL UPDATE

**DATE: 05/21/2013**

**NUMBER: WI-03-0513-0978**

**SUBJECT: Section 40, Fields A through S (Error/Reject Register) – Credit and Account Transfers**

**AFFECTED IRM(s)/SUBSECTION(s): 3.12.21.9.2.1**

**CHANGE(s):**

**IRM 3.12.21.9.2.1** - Transmits revisions to text, entitled, Section 40-Field Requirements-Fields A Through S to highlight the following fields in particular.

- Field 40D-“Additional Taxable Medicare Wages and Tips (Form 941)” (new field) - Correct this field on the error/reject register with information found under Item E (Section 40), Page 2, Form 3413 (also, Line 5, Form 3552 (Page 1))
- Field 40E- “Exempt Wages/Tips Paid to Qualified Employees (Form 941, Form 943, & Form 944)” - Correct this field on the error/reject register with information is found under Item F (Section 40), Page 2, Form 3413 (also, Line 6, Form 3552 (Page 1))
- Field 40F-"Taxable Medicare Wages and Tips (Form 941 and Form 944)" - Correct this field on the error/reject register with information is found under Item D (Section 40), Page 2, Form 3413 (also, Line 4, Form 3552 (Page 1))
- Field 40G-"Section 3121Q Tax Amount" - Correct this field on the error/reject register with information is found on Item G (Section 40), Page 2, Form 3413 (also, Line 7, Form 3552 (Page 1))

1. **IMPORTANT: The Form 3413 (Transcription List (Account Transfer-in)) and the Form 3552 (Prompt Assessment Billing Assembly) were both revised in December 2012 (12-2012). The Fields 40A through 40S on the Form 3413 are found in the same sequence as Lines 1 through 19 on the Form 3552. Although the program was changed, the fields on these forms may NOT follow the same sequence in Section 40 of this error/reject register. PAY**

**PARTICULAR ATTENTION to the location of each field (on the form) prior to making corrections to the register. Also pay attention to the corresponding "Caution" notices in the following procedures.**

**NOTE:**

2. **Field 40–A—Adjustment Total of Income Tax Withheld (Form 943, Form 945, & Form 941-MFT 01- posted prior to 12/31/2004) (also known as Income Tax Withheld (Form 943, Form 945, and Form 941-MFT-01))**
  - a. This information is found under **Item A** (Section 40), Page 2, Form 3413 (also, **Line 1, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 01, 11, and 16.
  - c. On original input, this field, plus **Field 40–B, Taxable Social Security Wages**, and **Field 40–O, Total Income Tax Withheld**, must equal the net of all transaction codes 29X and 30X. If Invalid or Math Error, Clear with Action Code 7.
3. **Field 40B—Taxable Social Security Wages (Form 941, Form 943, Form 944 and Form 945) (also known as, Taxable FICA Wages Paid Amount (program))**
  - a. This information is found under **Item B** (Section 40), Page 2, Form 3413 (also, **Line 2, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 01, 11,14, and 16.
  - c. If the doc code is 51, MFT is 01, 11, 14, or 16 and Field 40B equals zero, Field 40B will appear invalid. If Invalid or Math Error, Clear with Action Code 7.
4. **Field 40C—Taxable Social Security Tips (Form 941 and 944) (also known as, Taxable Tips Reported Amount (program))**
  - a. This information is found under **Item C** (Section 40), Page 2, Form 3413 (also, **Line 3, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 01 and 14.
  - c. If Invalid on another MFT, delete Field 40–C.
5. **Field 40D—Additional Taxable Medicare Wages and Tips (Form 941) (new field)**
  - a. This information is found under **Item E** (Section 40), Page 2, Form 3413 (also, **Line 5, Form 3552 (Page 1)**)

**CAUTION: Please note the placement of this item on the register is different from its sequential order on the Form 3413 or Form 3552.**

- b. This field is only valid with MFT 01, 11, 14, and 16.
6. **Field 40E—Exempt Wages/Tips Paid to Qualified Employees (Form 941, Form 943, & Form 944) (also known as Qualified Employer Exempt Wage/Tips Paid Amount (Form 941, Form 943, and Form 944))**
  - a. This information is found under **Item F** (Section 40), Page 2, Form 3413 (also, **Line 6, Form 3552 (Page 1)**).

**CAUTION: Please note the placement of this item on the register is different from its sequential order on the Form 3413 or Form 3552.**

- b. This field is only valid with MFT 01 (Form 941), MFT 11 (Form 943), and MFT 14 (Form 944).
  - c. If invalid on another MFT, delete Field 40E.
7. **Field 40F—Taxable Medicare Wages and Tips (Form 941 and Form 944) (also known as, Taxable Hospital Insurance Benefits Wages (program))**
- a. This information is found under **Item D** (Section 40), Page 2, Form 3413 (also, **Line 4, Form 3552 (Page 1)**).

**CAUTION: Please note the placement of this item on the register is different from its sequential order on the Form 3413 or Form 3552.**

- b. This field is only valid with MFT 01 and 14.
  - c. If Invalid on another MFT, delete Field 40–F.
8. **Field 40G—Section 3121Q Tax Amount (also SECT-3121-Q-TAX-AMT (program)).**
- a. This information is found on **Item G** (Section 40), Page 2, Form 3413 (also, Line 7 ("SECT 3121Q Tax Amt.") of the Form 3552).
  - b. This field is only valid with MFT 01 (Form 941).
  - c. If invalid on another MFT, delete Field 40G.
9. **Field 40H—Fractions of cents adjustment (Form 941) (also known as, Fractions of cents adjustment or Current Quarter Adjustment Fraction of Cents (program))**
- a. This information is found under **Item H** (Section 40), Page 2, Form 3413 (also, **Line 8, Form 3552 (Page 1)**).
  - b. This field is only valid with MFT 01.

**NOTE:** Currently, the program does not accept this item with MFT 14 (Form 944).

- c. If an amount is present in this field for MFT 11 use Action Code 7 to accept taxpayer information.
  - d. If invalid on another MFT, delete Field 40H.
10. **Field 40I—Current Quarter's Sick Pay Amount (Form 941) Form 944 Current Year's Adjustment (also known as, Sick Paid Current Years Adjustment (Form 941) Form 944 or CURR-QTR's - Sick Pay (Form 941) Form 944 Current yrs. Adj. (program))**
- a. This information is found under **Item I** (Section 40), Page 2, Form 3413 (also, **Line 9, Form 3552 (Page 1)**).
  - b. This field is valid with MFT 01 and 14.
  - c. If Invalid on another MFT, delete Field 40I.

**NOTE:** Field 40I is positive and negative for Form 3552 ONLY.

11. **Field 40J—Current Quarter's Tips and Group Term Insurance Adjustment (also known as, Adjustment for tips and Group Term Life insurance or CURR-QTR- Tips and Group Term Life Insurance Adjustment (program))**
- This information is found under **Item J** (Section 40), Page 2, Form 3413 (also, **Line 10, Form 3552 (Page 1)**).
  - This field is only valid with doc code 51, MFT 01 (01 only prior to 199412).
  - If Invalid on another MFT, delete Field 40J.

**NOTE:** Field 40J is positive and negative for Form 3552 and Form 3413.

12. **Field 40K—Income Tax Withheld Adj. (Form 941 (Current)), Form 944 (Prior Year) (also known as, Income Tax Withheld Adjustment (Form 941 Current), (Form 944 Prior Year))**
- This information is found under **Item K** (Section 40), Page 2, Form 3413 (also, **Line 11, Form 3552 (Page 1)**).
  - This field is valid for MFT 01 and 14.
  - If Invalid on another MFT, delete Field 40K.
13. **Field 40L—SS and Med. Tax- Adj. ((Form 941, Form 943, Form 944 & Form 945) (Social Security and Medicare Tax - Adjustment (Form 941, Form 943, Form 944 and Form 945))**
- This information is found under **Item L** (Section 40), Page 2, Form 3413 (also, **Line 12, Form 3552 (Page 1)**).
  - This field is valid for MFT 01, 11, 14 and 16.
  - If Invalid on another MFT, delete Field 40L.

**NOTE:** Field 40L is positive and negative for Form 3552 ONLY.

14. **Field 40M—Special Addition to Federal Income Tax (Form 941 and Form 944)**
- This information is found under **Item M** (Section 40), Page 2, Form 3413 (also, **Line 13, Form 3552 (Page 1)**).
  - This field is valid for MFT 01 and 14.
  - If Invalid on another MFT, delete Field 40M.
15. **Field 40N Special Additions to Soc. Sec. and Med. Tax (Form 941 & Form 944)**
- This information is found under **Item N** (Section 40), Page 2, Form 3413 (also, **Line 14, Form 3552 (Page 1)**).
  - This field is valid for MFT 01 and 14.
  - If Invalid on another MFT, delete Field 40N.
16. **Field 40O Total Income Tax Withheld from wages (Form 941 and Form 944)**
- This information is found under **Item O** (Section 40), Page 2, Form 3413 (also, **Line 15, Form 3552 (Page 1)**).
  - This field is valid for MFT 01 and 14.
  - If Invalid on another MFT, delete Field 40O.
17. **Field 40P Tips Deemed Wages (Sec. 3121g)**

- a. This information is found under **Item P** (Section 40), Page 2, Form 3413 (also, **Line 16, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 01 and 14
  - c. If Invalid on another MFT, delete Field 40P.
- 18. Field 40Q Total Backup Withholding - Adjustment (Form 945)**
- a. This information is found under **Item Q** (Section 40), Page 2, Form 3413 (also, **Line 17, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 16.
  - c. If Invalid on another MFT, delete Field 40Q.
- 19. Field 40R Gross Income Paid (Form 1042)**
- a. This information is found under **Item R** (Section 40), Page 2, Form 3413 (also, **Line 18, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 12
  - c. If Invalid on another MFT, delete Field 40R.
- 20. Field 40S RR Retirement Tax Adj. (Form CT-1)**
- a. This information is found under **Item S** (Section 40), Page 2, Form 3413 (also, **Line 19, Form 3552 (Page 1)**).
  - b. This field is valid for MFT 09.
  - c. This field must be blank for all other MFTs. If Invalid on another MFT, delete Field 40S.