

IRM PROCEDURAL UPDATE

DATE: 01/30/2026

NUMBER: 26U0169

SUBJECT: Form 941 and Form 943 Aggregate Return Filer Box and Instructions on Cases With -Q Freeze that are Reviewed for Limitations of Section 70605(d) of OBBBA

AFFECTED IRM(s)/SUBSECTION(s): 21.7.2

CHANGE(s):

IRM 21.7.2.4.4 Added information about "Aggregate Return Filer Only" check box on Form 941 and Form 943.

(1) Requests for adjustments or claims for refund of previously reported employment taxes must be filed on the appropriate adjusted employer's federal tax return or claim for refund. These forms include:

- Form 941-X
- Form 943-X
- Form 944-X
- Form 945-X
- Form CT-1X

Note: These forms are collectively referred to as "Forms 94XX" throughout this IRM.

(2) Category codes for these forms are shown in the following table.

| Form Filed | Category Code |
|---------------------------------|---------------|
| 941-X, 941-X (SP) or 941-X (PR) | 941X |
| 943-X, 943-X (SP) or 943-X (PR) | 943X |
| 944-X or 944X (SP) | 944X |
| 945-X | 945X |
| CT-1 X | CT1X |

Note: These forms age 45 days from the IRS received date and are **not** subject to Policy Statement 21-3 (formerly P-6-12) criteria.

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(3) Employers are not permitted to use Form 843, *Claim for Refund and Request for Abatement*, to submit a claim for refund of employment taxes. Employers **may** still use Form 843 to request an abatement of penalties and/or interest.

Note: Employees who are unable to obtain reimbursement of over withheld social security and Medicare taxes from their employer may file Form 843 to obtain a refund. See IRM 21.7.2.4.4.2, *Excess Social Security and Medicare Tax Withheld — Employee Claims for Refund*, for additional information.

(4) Beginning in June of 2024, the following Forms 94XX can be filed using Modernized e-File (MeF):

| Form | CII Doc Type | Valid Tax Periods |
|-------------|--------------|-----------------------------------|
| Form 941-XF | F - 941X MEF | Tax periods 202403 and subsequent |
| Form 943-XF | F - 941X MEF | Tax periods 202312 and subsequent |
| Form 945-XF | F - 941X MEF | Tax periods 202312 and subsequent |

Note: The initial systemically generated CII case note provides information with regards to the MeF filed document record. The Form 94XX image is accessed through the Employee User Portal (EUP) using the "MeF Bus Tax Return & Ack PRD" application.

(5) Procedures and requirements for use of Forms 94XX were published in Treasury Decision (T.D.) 9405 which provided revised regulations. Employers may use either a claim process or an adjustment process to make corrections:

- The adjustment process **must** be used by the employer to report all corrections for underreported amounts.
- The adjustment process **may** be used by the employer to report corrections for overreported amounts **unless** the correction request is made within 90 days of the expiration of the period of limitations on credit or refund (meaning the Refund Statute Expiration Date or RSED).
- The claim process **may** be used to report corrections for overreported amounts if the employer is requesting a refund or abatement and **must** be used when a correction request for overreported amounts is made within 90 days of the RSED.

Note: To assist taxpayers in deciding which process they should use (adjustment or claim for refund), a flowchart was developed and is part of the Forms 94XX or instructions.

(6) If the employer selects the adjustment process by checking Box 1 in Part 1 of Form 94XX, the amount of any resulting overpayment will be applied as a credit to the tax period in which the adjustment form was filed.

Example: If an employer files a Form 941-X in February 2025 for an adjustment to their 202309 Form 941, the credit will be applied to their 202503 account.

Example: If an employer files a Form 943-X in February 2025 for an adjustment to their 202312 Form 943, the credit will be applied to their 202512 account.

Note: Overpayments arising from adjustments made under these procedures are subject to offset.

(7) If the employer selects the claim process by checking Box 2 in Part 1 of Form 94XX, the amount of any resulting overpayment will be refunded to the employer from the period being adjusted along with any allowable overpayment interest.

Example: If an employer files a Form 941-X in March 2025 claiming a refund for an overpayment on their 202409 Form 941, the overpayment will be refunded from the 202409 account.

Example: If an employer files a Form 943-X in March 2025 claiming a refund for an overpayment on their 202412 Form 943, the overpayment will be refunded from the 202412 account.

Note: Overpayments arising from adjustments made under these procedures are subject to offset.

(8) Per the regulations, employers who are making a correction for overreported amounts within 90 days of the expiration of the period of limitations on credit or refund (RSED) on the period being corrected, **must** submit a claim instead of an adjustment request. See IRM 21.7.2.4.4.5, *90 Day — Claim*, for more information on when to convert adjustment requests to claims and the form specific procedures found later in this IRM for handling instructions.

Example: If wages were paid on June 6, 2021, and an original employment tax return reporting those wages was filed on or by July 31, 2021, and the reported taxes were timely paid, then the period of limitations for assessment or for credit or refund would expire April 15, 2025. An adjusted return reporting an overpayment must be filed by January 17, 2025, the date which is 90 days before the expiration of the period of limitations on credit or refund. In this example, if the Form 94XX requesting correction via the adjustment process was filed after January 17, 2025, we would convert the adjustment request to a claim and inform the employer of that action.

(9) Employers who need to make corrections for both underreported and overreported amounts on the same tax period have two filing options:

- *Use the adjustment process and report both the underreported and overreported amounts on one Form 94XX.* If this option is selected, the employer may net the corrections and either pay the net balance due with the Form 94XX or have the net overpayment applied to the tax period in which the correction was filed.

- *Use the adjustment process to report the correction for underreported amounts and use the claim process to report the correction for overreported amounts.* In this situation, the employer must file separate Forms 94XX to report the underreported amounts and the overreported amounts. The entire underreported amount must be paid by the time they file the Form 94XX. It cannot be netted with the overreported amount reported on the separate Form 94XX. See IRM 21.7.2.4.4.9, *One Form 94XX Filed but Two Forms 94XX were Required*, and IRM 21.7.2.4.4.10, *Processing Multiple Forms 94XX Filed for the Same Tax Period*, for more information.

Note: Employers making corrections for both underreported and overreported amounts on the same tax period within 90 days of the RSED **must** file separate Forms 94XX as discussed in the second bulleted item above. They do not have the option of filing one Form 94XX # [REDACTED]

(10) # [REDACTED]

[REDACTED]

(11) A set of certifications is included on Forms 94XX:

- Employers are required to certify that they have filed, or will file, Forms W-2, or Form W-2 c, as required.
- Employers must complete all certifications that apply to the type of return they are filing and the corrections being made.

(12) Treasury regulations require the employer to explain in detail the grounds and facts relied upon to support each correction. The taxpayer is instructed to describe the events that caused the underreported or overreported wages, administrative errors or payroll errors.

Note: # [REDACTED]

[REDACTED]

(13) A TC 971 AC 010 systemically generates when any Form 94XX is scanned into the Correspondence Imaging Inventory (CII) system. The generation of this transaction code sets either a -A or an E- freeze on the tax module which **must** be addressed:

- **-A freeze:** Released with a 29X (or 30X) adjustment. See IRM 21.5.6.4.2, *-A Freeze*, and the appropriate Form 94XX processing instructions found later in this IRM for more information.

- **E- freeze:** Released by posting of TC 150 or TC 971 transaction. See IRM 21.5.6.4.9, *E- Freeze*, and IRM 21.7.2.4.4.6, *Adjusted Employer's Tax Return or Claim for Refund Return Filed — No TC 150 Posted*, for more information.

Reminder: If a TC 971 AC 010 was not systemically posted **and** there is a TC 150 posted to the module, manually input a TC 971 AC 010 to set the -A freeze and post delay adjustment actions to ensure the resulting freeze is properly released.

Note: Also see the fourth paragraph of IRM 21.5.3.4.2, *Tax Decrease or Credit Increase Processing*, when rejecting a Form 94XX.

(14) Blocking series "20" **must** be used when adjusting an account as a result of a Form 941-X, 943-X, 944-X, 945-X or CT-1X being filed.

Note: Blocking series 20 **must** also be used when adjusting accounts per instructions in IRM 21.7.2.4.4.7, *Exception Processing — Incorrect Filing, Including Forms Routed to AM from SP*.

Exception: Blocking series 98 (or blocking series 99 if the original return is attached) must be used when a Form 94XX is being fully disallowed, blocking series 18 (or blocking series 00 if the original return is attached) must be used when a Form 94XX is being partially disallowed, and blocking series 15 (or blocking series 00 if the original return is attached) must be used when a Form 94XX is being "no considered". See IRM 21.5.3.4.6, *No Consideration and Disallowance of Claims and Amended Returns*, for additional information.

(15) The AM clerical function (or other campus designated function or employees) should review any Form 94XX received during the last month of a tax period to identify those that are requesting overpayments be applied to the current tax period. Processing of these Forms 94XX should be expedited to prevent the issuance of an incorrect balance due notice to the taxpayer as a result of the original return posting for the current period before the credit arising from the Form 94XX can be applied.

Note: The Instructions for the "X" forms encourage employers requesting an overpayment to be credited to a current tax period using the adjustment process to file their Form 94XX prior to the last month of the current tax period.

(16) For claims involving IRC 6020(b), see IRM 21.7.9.4.1.6, *Duplicate Filing Conditions Involving Returns Prepared Under IRC 6020(b)*.

(17) See IRM 21.7.2.4.4.11, *Signature Requirements for Form 94XX Amended/Adjusted Employment Tax Returns*, for who may sign Forms 94XX (and Form 5884-C/Form 5884-D) and handling guidance for missing signatures.

(18) For handling guidance on address changes reported on Forms 94XX, see IRM 21.7.2.4.4.12, *Address Changes Reported on Form 94XX Amended/Adjusted Employment Tax Returns*.

(19) For guidance on identifying and handling Forms 94XX with RICS/RIVO/IDT involvement, see IRM 21.7.2.4.4.13, *Forms 94XX with Return Integrity and Compliance Services (RICS), Return Integrity Verification Operations (RIVO), or Identity Theft (IDT) Involvement*.

(20) Beginning in processing year 2026, certain employment tax returns have the new Aggregate Return Filers Only section to identify whether they are filing an aggregate return as a section 3504 agent, certified professional employer organization (CPEO), or other third party. The 2025 Form 943 and the 2026 Form 941 have been updated. # [REDACTED]

IRM 21.7.2.4.5 Added information about "Aggregate Return Filer Only" check box on Form 941.

(1) Employers who are required to withhold income tax on wages, social security tax, Medicare tax, or Additional Medicare Tax (for tax periods ending after December 31, 2012) must file Form 941 quarterly to report both the employer share and employee share of such taxes.

Exception: Certain eligible taxpayers report employment taxes annually on Form 944, *Employer's ANNUAL Federal Tax Return*, instead of quarterly on Form 941. See IRM 21.7.2.4.7, *Form 944, Employer's ANNUAL Federal Tax Return*, for more information.

(2) The taxable period and due dates for Form 941 are always the same. (See below.)

| Quarter Covered | Quarter Ending | Due Date |
|-----------------------------|----------------|------------|
| January, February, March | March 31 | April 30 |
| April, May, June | June 30 | July 31 |
| July, August, September | September 30 | October 31 |
| October, November, December | December 31 | January 31 |

Note: The return due date for Form 941 is extended 10 days if timely deposits are made which full pay the amount of tax reported.

(3) Form 941 has the tax year in the title. Taxpayers must be encouraged to use the correct form to ensure proper processing.

(4) Beginning in processing year 2026, certain employment tax returns have the new Aggregate Return Filers Only section to identify whether they are filing an aggregate return as a section 3504 agent, certified professional employer organization (CPEO), or other third

party. The 2026 Form 941 have been updated. #

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IRM 21.7.2.4.6 Added information about "Aggregate Return Filer Only" check box on Form 943.

1) Form 943, *Employer's Annual Federal Tax Return for Agricultural Employees*, must be filed to report income tax withheld and employer and employee FICA taxes (including Additional Medicare Tax for tax periods beginning after December 31, 2012) on farm workers.

(2) Agricultural employers with household employees who work in a private home on a farm operated for profit can either:

- a. File Schedule H with their Form 1040 series return and report the household employees' portion of wages and taxes, or
- b. Include the wages and taxes with farm employees on Form 943.

(3) Form 943 is an annual return due on or before January 31 following the close of the calendar year.

Exception: The return due date for Form 943 is extended 10 days if timely deposits are made which full pay the amount of tax reported.

(4) The Form 943 threshold for making deposits is \$2,500. Taxpayers follow either semi-weekly or monthly deposit schedules determined by the Form 943 lookback period. See IRM 20.1.4.8.2, *Lookback Periods for Employment Tax*.

(5) Forms 943 are recorded on MFT 11 and the tax class is 1.

(6) See (2) of IRM 21.7.2.4.6.3, *Form 943-X, Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund (including Form 943-X (PR))*, for valid IRNs and CRNs used to adjust Form 943 accounts. Also see the table in (1) of IRM 21.7.2.4.1.1, *TC 29X / Item Reference Number (IRN) Valid Adjustment Formulas — Employment Taxes*, for valid Form 943 adjustment formulas.

Caution: See IRM 21.7.2.7.6, *COVID-19 Related Employment Tax Relief and Forms 94XX*, for information on IRN/CRN usage on tax accounts for 2020 and subsequent tax periods.

(7) Beginning in processing year 2026, certain employment tax returns have the new Aggregate Return Filers Only section to identify whether they are filing an aggregate return as a section 3504 agent, certified professional employer organization (CPEO), or other third party. The 2025 Form 943 have been updated. #

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IRM 21.7.2.7.12(4) Added clarification to table 4 row 4.

(4) Follow the steps below to determine the timeliness of ERC claims based on 70605(d) of OBBBA:

| Step | Action |
|--|---|
| 1) Is the IRS received date on or before January 31, 2024? | Yes: Claim is timely filed, proceed to paragraph 5 below. No: Proceed to step 2. |
| 2) Is the claim timely filed based on IRM 21.5.1.4.2.5, <i>Received Date - Grace Periods</i> ? | Yes: Claim is timely filed, proceed to paragraph 5 below. No: Proceed to step 3. |
| 3) Is the postmark date on or before January 31, 2024? | Yes: Claim is timely filed, proceed to paragraph 5 below. No: Proceed to step 4. Caution: If yes, see paragraph 6 row 1 below for IRS received date and amended claims date exception. |
| 4) Was there another timely # [REDACTED] # [REDACTED] # [REDACTED] | # [REDACTED] # [REDACTED] # [REDACTED] |

Example: # [REDACTED] # [REDACTED]

Example: If a claim has a received date of February 9, 2024, but the postmark date is January 30, 2024, the case is considered timely filed based on the postmark date. Update the received date in CII to January 30, 2024.

Example: # [REDACTED] # [REDACTED]

IRM 21.7.2.7.12(7) and (8) Added instructions to resolve cases with -Q freeze that are reviewed for limitations of Section 70605(d) of OBBBA.

(7) There may be various freeze codes on these cases. See the table below to address action needed on Section 70605(d) of OBBBA cases with freeze codes.

| Freeze Code | Action needed |
|-----------------------------------|---|
| P- Freeze | <p>NOREFs were input on some pending refunds when OBBBA legislation was passed. See IRM 21.5.6.4.31.1 , <i>P- Freeze with No Return Integrity Verification Operations (RIVO) Involvement</i>.</p> <ol style="list-style-type: none"> 1. Determine if the claim was timely filed. 2. If the claim was timely filed, release the refund. 3. If the claim was not timely filed reverse the adjustment and follow procedures in row 3 of paragraph 5 above <p>Caution: Verify the prior case was worked correctly prior to releasing the refund.</p> <p>Note: See IRM 25.6.1.9.5.10, <i>COVID-19 Related Employment Tax Credits</i>, for statute guidance.</p> |
| -Q Freeze - for OBBBA cases only. | See Paragraph 8 below. |
| Other Freeze codes | See IRM 21.5.6, Freeze Codes |

(8) Certain Form 94X-X claiming ERC had the refunds manually or systemically stopped for review. A TC 810 was input generating a -Q freeze. Use the table below to resolve the -Q freeze and determine timeliness.

| If | Then |
|---|--|
| 1) Claim is determined to be timely per paragraph 4 above | <ol style="list-style-type: none"> 1. Ensure the ERC claim was worked correctly. 2. Release the -Q Freeze. Follow paragraph 1 and 3 only in, IRM 25.25.1.3.3.5, # [REDACTED] # . # [REDACTED] # In the remarks field enter "NSD TS AM" . |

| | |
|---|--|
| 2) Claim is determined to not be timely per paragraph 4 above | <ol style="list-style-type: none"> 1. Reverse the prior ERC adjustment that created the credit. 2. Disallow per paragraph 5 row 3, above. <p>Note: See, IRM 25.6.1.9.5.10, <i>COVID-19 Related Employment Tax Credits</i>,. for information on the extended ASER for assessments.</p> |
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