

Publication 15-A

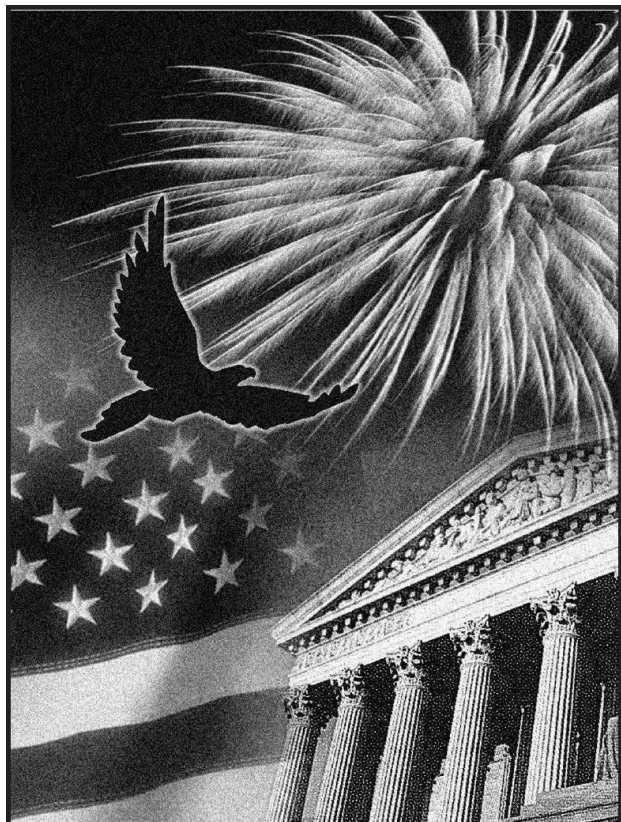
Employer's Supplemental Tax Guide

(Supplement to Pub. 15, Employer's Tax Guide)

For use in preparing

2026 Returns

Volume 2 of 2



Get forms and other information faster and easier at:

- [IRS.gov](https://www.irs.gov) (English)
- [IRS.gov/Korean](https://www.irs.gov/korean) (한국어)
- [IRS.gov/Spanish](https://www.irs.gov/spanish) (Español)
- [IRS.gov/Russian](https://www.irs.gov/russian) (Русский)
- [IRS.gov/Chinese](https://www.irs.gov/chinese) (中文)
- [IRS.gov/Vietnamese](https://www.irs.gov/vietnamese) (Tiếng Việt)



This page is intentionally left blank

Section 83(i) election to defer income on equity grants (qualified stock).

An arrangement under which an employee may receive qualified stock (as defined in section 83(i)(2)) isn't treated as an NQDC plan with respect to such employee solely because of such employee's election, or ability to make an election, to defer recognition of income under section 83(i).

Tax-Sheltered Annuities

Employer payments made by a public educational institution or a tax-exempt organization to purchase a tax-sheltered annuity for an employee (annual deferrals) are included in the employee's social security and Medicare wages if the payments are made because of a salary reduction agreement. However, they aren't included in box 1 of Form W-2 in the year the deferrals are made and aren't subject to federal income tax withholding.

See Regulations section 31.3121(a)(5)-2 for the definition of a salary reduction agreement.

Contributions to a Simplified Employee Pension (SEP)

An employer's SEP contributions to an employee's individual retirement arrangement (IRA) are excluded from the employee's gross income. These excluded amounts aren't subject to social security, Medicare, or FUTA tax, or federal income tax withholding. However, any SEP contributions paid under a salary reduction agreement (SARSEP) are included in wages for purposes of social security, Medicare, and FUTA taxes. See Pub. 560 for more information about SEPs.

Salary reduction simplified employee pensions (SARSEPs) repealed. You may not establish a SARSEP after 1996. However, SARSEPs established before January 1, 1997, may continue to receive contributions.

SIMPLE Retirement Plans

Employer and employee contributions to a savings incentive match plan for employees (SIMPLE) retirement account (subject to limitations) are excludable from the employee's income and are exempt from federal income tax withholding. An employer's nonelective (2%) or matching contributions are exempt from social security, Medicare, and FUTA taxes. However, an employee's salary reduction contributions to a SIMPLE retirement plan are subject to social security, Medicare, and FUTA taxes. For more information about SIMPLE retirement plans, see Pub. 560.

Employer Contributions to Trump Accounts

P.L. 119-21 allows for a new type of traditional individual retirement account to be established for a child who has not attained age 18 at the end of the year the account is

established, known as a Trump account. This account has an annual contribution limit of \$5,000 (other than exempt contributions), which will be indexed for inflation after tax year 2027. Beginning July 4, 2026, employers may contribute up to \$2,500 a year, which will be indexed for inflation after tax year 2027, toward the \$5,000 contribution limit.

The employer contribution must be made through a separate written plan of the employer for the exclusive benefit of its employees to provide contributions to the Trump accounts of such employees or dependents of such employees which meets requirements similar to the requirements of paragraphs (2), (3), (6), (7), and (8) of section 129(d) of the Internal Revenue Code.

Monitor IRS.gov for more information about employer contributions to Trump accounts.

6. Sick Pay Reporting

Special rules apply to the reporting of sick pay payments to employees. How these payments are reported depends on whether the payments are made by the employer or a third party, such as an insurance company.

Sick pay is usually subject to social security, Medicare, and FUTA taxes. For exceptions, see *Social Security, Medicare, and FUTA Taxes on Sick Pay*, later in this section. Sick pay may also be subject to either mandatory or voluntary federal income tax withholding, depending on who pays it.

Sick Pay

Sick pay generally means any amount paid under a plan because of an employee's temporary absence from work due to injury, sickness, or disability. It may be paid by either the employer or a third party, such as an insurance company. Sick pay includes both short- and long-term benefits.

It is often expressed as a percentage of the employee's regular wages.

Payments That Aren't Sick Pay

Sick pay doesn't include the following payments.

1. **Disability retirement payments.** Disability retirement payments aren't sick pay and aren't discussed in this section. Those payments are subject to the rules for federal income tax withholding from pensions and annuities. See section 8.
2. **Workers' compensation.** Payments because of a work-related injury or sickness that are made under a workers' compensation law aren't sick pay and aren't subject to employment taxes. But see *Payments in the nature of workers' compensation—public employees* next.

3. **Payments in the nature of workers' compensation—public employees.** State and local government employees, such as police officers and firefighters, sometimes receive payments due to an injury in the line of duty under a statute that isn't the general workers' compensation law of a state. If the statute limits benefits to work-related injuries or sickness and doesn't base payments on the employee's age, length of service, or prior contributions, the statute is "in the nature of" a workers' compensation law. Payments under a statute in the nature of a workers' compensation law aren't sick pay and aren't subject to employment taxes. For more information, see Regulations section 31.3121(a)(2)-1.

4. **Medical expense payments.**

Payments under a definite plan or system for medical and hospitalization expenses, or for insurance covering these expenses, aren't sick pay and aren't subject to employment taxes.

5. **Payments unrelated to absence from work.**

Accident or health insurance payments unrelated to absence from work aren't sick pay and aren't subject to employment taxes. These include payments for:

- a. Permanent loss of a member or function of the body,
- b. Permanent loss of the use of a member or function of the body, or
- c. Permanent disfigurement of the body.

Example. Donald was injured in a car accident and lost an eye. Under a policy paid for by Donald's employer, Delta Insurance Co. paid Donald \$20,000 as compensation for the loss of the eye. Because the payment was determined by the type of injury and was unrelated to Donald's absence from work, it isn't sick pay and isn't subject to federal employment taxes.

Sick Pay Plan

A sick pay plan is a plan or system established by an employer under which sick pay is available to employees generally or to a class or classes of employees. This doesn't include a situation in which benefits are provided on a discretionary or occasional basis with merely an intention to aid particular employees in time of need.

You have a sick pay plan or system if the plan is in writing or is otherwise made known to employees, such as by a bulletin board notice or your long and established practice.

Some indications that you have a sick pay plan or system include references to the plan or system in the contract of employment, employer contributions to a plan, or segregated accounts for the payment of benefits. Contributions to a sick pay plan through a cafeteria plan (by direct employer contributions or salary reduction) are employer contributions unless they are after-tax employee contributions (that is, included in taxable wages).

Definition of “employer.” The “employer” for whom the employee normally works, a term used in the following discussion, is either the employer for whom the employee was working at the time that the employee became sick or disabled or the last employer for whom the employee worked before becoming sick or disabled, if that employer made contributions to the sick pay plan on behalf of the sick or disabled employee.

Third-Party Payers of Sick Pay

Employer's agent. An employer's agent is a third party that bears no insurance risk and is reimbursed on a cost-plus-fee basis for payment of sick pay and similar amounts. A third party may be your agent even if the third party is responsible for determining which employees are eligible to receive payments. For example, if a third party provides administrative services only, the third party is your agent. If the third party is paid an insurance premium and isn't reimbursed on a cost-plus-fee basis, the third party isn't your agent. Whether an insurance company or other third party is your agent depends on the terms of their agreement with you.

A third party that makes payments of sick pay as your agent isn't considered the employer and generally has no responsibility for employment taxes. This responsibility remains with you.

However, under an exception to this rule, the parties may enter into an agreement that makes the third-party agent responsible for employment taxes. In this situation, the third-party agent should use its own name and employer identification number (EIN) (rather than your name and EIN) for the responsibilities that it has assumed.

Third party not employer's agent. A third party that makes payments of sick pay other than as an agent of the employer is liable for federal income tax withholding (if requested by the employee) and the employee part of the social security and Medicare taxes.

The third party is also liable for the **employer** part of the social security and Medicare taxes, and the FUTA tax, unless the third party transfers this liability to the employer for whom the employee normally works.

This liability is transferred if the third party takes the following steps.

1. Withholds the **employee** part of social security and Medicare taxes from the sick pay payments.
2. Makes timely deposits of the **employee** part of social security and Medicare taxes.
3. Notifies the employer for whom the employee normally works of the payments on which employee taxes were withheld and deposited. The third party must notify the employer within the time required for the third party's deposit of the **employee** part of the social security and Medicare taxes. For instance, if the third party is a monthly schedule depositor, it must notify the employer by the 15th day of the month following the month in which the sick pay payment is made because that is the day by which the deposit is

required to be made. The third party should notify the employer as soon as information on payments is available so that an employer can make electronic deposits timely. For multiemployer plans, see the special rule discussed next.

Multiemployer plan timing rule. A special rule applies to sick pay payments made to employees by a third-party insurer under an insurance contract with a multiemployer plan established under a collectively bargained agreement. If the third-party insurer making the payments complies with steps 1 and 2, earlier, and gives the plan (rather than the employer) the required timely notice described in step 3, earlier, then the plan (not the third-party insurer) must pay the **employer** part of the social security and Medicare taxes, and the FUTA tax. Similarly, if within 6 business days of the plan's receipt of notification, the plan gives notice to the

employer for whom the employee normally works, the employer (not the plan) must pay the **employer** part of the social security and Medicare taxes, and the FUTA tax.

Reliance on information supplied by the employer. A third party that pays sick pay should request information from the employer to determine amounts that aren't subject to employment taxes. Unless the third party has reason not to believe the information, it may rely on that information for the following items.

- The total wages paid to the employee during the calendar year.
- The last month in which the employee worked for the employer.
- The employee contributions to the sick pay plan made with after-tax dollars.

The third party shouldn't rely on statements regarding these items made by the employee.

Social Security, Medicare, and FUTA Taxes on Sick Pay

Employer. If you pay sick pay to your employee, you must generally withhold employee social security and Medicare taxes from the sick pay. You must timely deposit employee and employer social security and Medicare taxes, and FUTA tax. There are no special deposit rules for sick pay. See section 11 of Pub. 15 for more information on the deposit rules.

Amounts not subject to social security, Medicare, or FUTA tax. The following payments, whether made by the employer or a third party, aren't subject to social security, Medicare, or FUTA tax (different rules apply to federal income tax withholding).

- **Payments after an employee's death or disability retirement.** Social security, Medicare, and FUTA taxes don't apply to amounts paid under a definite plan or system, as defined under Sick Pay Plan,

earlier in this section, on or after the termination of the employment relationship because of death or disability retirement. However, even if there is a definite plan or system, amounts paid to a former employee are subject to social security, Medicare, and FUTA taxes if they would have been paid even if the employment relationship hadn't terminated because of death or disability retirement. For example, a payment to a disabled former employee for unused vacation time would have been made whether or not the employee retired on disability. Therefore, the payment is wages and is subject to social security, Medicare, and FUTA taxes.

- **Payments after calendar year of employee's death.** Sick pay paid to the employee's estate or survivor after the calendar year of the employee's death isn't subject to social security,

Medicare, or FUTA tax. Also, see *Amounts not subject to federal income tax withholding*, later in this section.

Example. Sandra became entitled to sick pay on November 17, 2025, and died on December 31, 2025. On January 2, 2026, Sandra's sick pay for the period from December 24 through December 31, 2025, was paid to Sandra's surviving spouse. The payment isn't subject to social security, Medicare, or FUTA tax.

- **Payments to an employee entitled to disability insurance benefits.** Payments to an employee when the employee is entitled to disability insurance benefits under section 223(a) of the Social Security Act aren't subject to social security and Medicare taxes. This rule applies only if the employee became entitled to the Social Security Act benefits before the calendar year in which the payments are made and the employee

performs no services for the employer during the period for which the payments are made. However, these payments are subject to FUTA tax.

- **Payments that exceed the applicable wage base limits.** Social security and FUTA taxes don't apply to payments of sick pay that, when combined with the regular wages and sick pay previously paid to the employee during the year, exceed the applicable wage base limits. Because there is no Medicare tax wage base limit, this exception doesn't apply to Medicare tax. For 2026, the social security tax wage base limit is \$184,500 and the FUTA tax wage base limit is \$7,000.

Example. If an employee receives \$177,500 in wages from an employer in 2026 and also receives \$10,000 of sick pay, only the first \$7,000 ($\$184,500 - \$177,500$) of the sick pay is subject to social security tax.

All of the sick pay is subject to Medicare tax. None of the sick pay is subject to FUTA tax. See *Example of Figuring and Reporting Sick Pay*, later in this section.

- **Payments after 6 months absence from work.** Social security, Medicare, and FUTA taxes don't apply to sick pay paid more than 6 calendar months after the last calendar month in which the employee worked.

Example 1. Ralph's last day of work before becoming entitled to receive sick pay was December 5, 2025. Ralph was paid sick pay for 9 months before returning to work on September 11, 2026. Sick pay paid to Ralph after June 30, 2026, isn't subject to social security, Medicare, or FUTA tax.

Example 2. The facts are the same as in *Example 1*, except that Ralph worked 1 day during the 9-month period on February 6, 2026.

Because the 6-month period begins again in March, only the sick pay paid to Ralph after August 31, 2026, is exempt from social security, Medicare, and FUTA taxes.

- **Payments attributable to employee contributions.** Social security, Medicare, and FUTA taxes don't apply to payments, or parts of payments, attributable to employee contributions to a sick pay plan made with after-tax dollars.

Contributions to a sick pay plan made on behalf of employees with employees' pre-tax dollars under a cafeteria plan are **employer** contributions.

Group policy. If both the employer and the employee contributed to the sick pay plan under a group insurance policy, figure the taxable sick pay by multiplying total sick pay by the percentage of the policy's cost that was contributed by the employer for the 3 policy years before the calendar year in which the sick pay is paid.

If the policy has been in effect fewer than 3 years, use the cost for the policy years in effect or, if in effect less than 1 year, a reasonable estimate of the cost for the first policy year.

Example. Alan is employed by Edgewood Corporation. Because of an illness, Alan was absent from work for 3 months during 2026. Key Insurance Company paid Alan \$2,000 sick pay for each month of absence under a policy paid for by contributions from both Edgewood and its employees. All of the employees' contributions were paid with after-tax dollars. For the 3 policy years before 2026, Edgewood paid 70% of the policy's cost and its employees paid 30%. Because 70% of the sick pay paid under the policy is due to Edgewood's contributions, \$1,400 ($\$2,000 \times 70\%$) of each payment made to Alan is taxable sick pay.

The remaining \$600 of each payment that is due to employee contributions isn't taxable sick pay and isn't subject to employment taxes. Also, see *Example of Figuring and Reporting Sick Pay*, later in this section.

Income Tax Withholding on Sick Pay

The requirements for federal income tax withholding on sick pay and the methods for figuring it differ depending on whether the sick pay is paid by:

- The employer,
- An agent of the employer (defined earlier in this section), or
- A third party that isn't the employer's agent.

Employer or employer's agent. Sick pay paid by you or your agent is subject to mandatory federal income tax withholding. An employer or agent paying sick pay generally determines the federal income tax to be

withheld based on the employee's Form W-4. The employee can't choose how much federal income tax will be withheld by giving you or your agent a Form W-4S, Request for Federal Income Tax Withholding From Sick Pay. Sick pay paid by an agent is treated as supplemental wages. If the agent doesn't pay regular wages to the employee, the agent may choose to withhold federal income tax at a flat 22% rate, rather than at the wage withholding rate. See section 7 of Pub. 15 for guidance on withholding employment taxes from supplemental wages, including the rules for withholding federal income tax when wages to an individual exceed \$1 million during the year.

Third party not an agent. Sick pay paid by a third party that isn't your agent isn't subject to mandatory federal income tax withholding. However, an employee may elect to have federal income tax withheld by submitting Form W-4S to the third party.

If Form W-4S has been submitted, the third party should withhold federal income tax on all payments of sick pay made 8 or more days after receiving the form. The third party may, at its option, withhold federal income tax before 8 days have passed.

The employee may request on Form W-4S to have a specific whole dollar amount withheld. However, if the requested withholding would reduce any net payment below \$10, the third party shouldn't withhold any federal income tax from that payment. The minimum amount of withholding that the employee can specify is \$4 per day, \$20 per week, or \$88 per month based on the payroll period.

Withhold from all payments at the same rate whether full or partial payments. For example, if \$25 is withheld from a regular full payment of \$100, then \$20 (25%) should be withheld from a partial payment of \$80.

Amounts not subject to federal income tax withholding. The following amounts, whether paid by you or a third party, aren't wages and aren't subject to federal income tax withholding.

- **Payments after the employee's death.** Sick pay paid to the employee's estate or survivor at any time after the employee's death isn't subject to federal income tax withholding, regardless of who pays it.
- **Payments attributable to employee contributions.** Payments, or parts of payments, attributable to employee contributions made to a sick pay plan with after-tax dollars aren't subject to federal income tax withholding. For more information, see the corresponding discussion under *Amounts not subject to social security, Medicare, or FUTA tax,* earlier in this section.

Depositing and Reporting

This section discusses who is liable for depositing social security, Medicare, FUTA, and withheld federal income taxes on sick pay. These taxes must be deposited under the same rules that apply to deposits of taxes on regular wage payments. See Pub. 15 for information on the deposit rules.

This section also explains how sick pay should be reported on Forms W-2, W-3, 940, and 941 (or Form 944). **Sick Pay Paid by Employer or Agent**

If you or your agent (defined earlier in this section) makes sick pay payments, you deposit taxes and file Forms W-2, W-3, 940, and 941 (or Form 944) under the same rules that apply to regular wage payments.

However, any agreement between the parties may require your agent to carry out responsibilities that would have otherwise been borne by you.

In this situation, your agent should use its own name and EIN (rather than yours) for the responsibilities that it has assumed.

Reporting sick pay on Form W-2. You may either combine the sick pay with other wages and prepare a single Form W-2 for each employee, or you may prepare separate Forms W-2 for each employee, one reporting sick pay and the other reporting regular wages. A Form W-2 must be prepared even if all of the sick pay is nontaxable (see Box 12 below). All Forms W-2 must be given to the employees by January 31.

The Form W-2 filed for the sick pay must include the employer's name, address, and EIN; the employee's name, address, and social security number (SSN); and the following information.

Box 1—The amount of sick pay the employee must include in income.

Box 2—The amount of any federal income tax withheld from the sick pay.

Box 3—The amount of sick pay subject to employee social security tax.

Box 4—The amount of employee social security tax withheld from the sick pay.

Box 5—The amount of sick pay subject to employee Medicare tax.

Box 6—The amount of employee Medicare tax (including Additional Medicare Tax, if applicable) withheld from the sick pay.

Box 12 (code J)—Any sick pay that was paid by a third party and wasn't includible in income (and not shown in boxes 1, 3, and 5) because the employee contributed to the sick pay plan. Don't include nontaxable disability payments made directly to a state.

Box 13—Check the "Third-party sick pay" box **only** if the amounts were paid by a third party.

Sick Pay Paid by Third Party

The depositing and reporting rules for a third party that isn't your agent depend on whether liability has been transferred as discussed under *Third party not employer's agent*, earlier in this section.

To figure the due dates and amounts of its deposits of employment taxes, a third party should combine:

- The liability for the wages paid to its own employees, and
- The liability for payments it made to all employees of all its clients.
This doesn't include any liability transferred to the employer.

Liability not transferred to the employer.

If the third party doesn't satisfy the requirements for transferring liability for FUTA tax and the **employer** part of the social security and Medicare taxes,

the third party reports the sick pay on its own Form 940 and Form 941 (or Form 944). In this situation, the employer has no tax responsibilities for sick pay.

The third party must deposit social security, Medicare, FUTA, and withheld federal income taxes using its own name and EIN. The third party must give each employee to whom it paid sick pay a Form W-2 by January 31 of the following year. The Form W-2 must include the third party's name, address, and EIN instead of the employer information.

Liability transferred to the employer.

Generally, if a third party satisfies the requirements for transferring liability for the **employer** part of the social security and Medicare taxes and for the FUTA tax, the following rules apply.

Deposits. The third party must make deposits of withheld employee social security and Medicare taxes and withheld federal income tax using its own name and EIN.

You must make deposits of the **employer** part of the social security and Medicare taxes and the FUTA tax using your name and EIN. In applying the deposit rules, your liability for these taxes begins when you receive the third party's notice of sick pay payments.

Form 941 or Form 944. The third party and you must each file Form 941 or Form 944. The discussion that follows only explains how to report sick pay on Form 941. If you file Form 944, use the lines on that form that correspond to the lines on Form 941 that are discussed here.

Form 941, line 8, must contain a special adjusting entry for social security and Medicare taxes. These entries are required because the total tax liability for social security and Medicare taxes (employee and employer parts) is split between you and the third party.

- ***Employer.*** You must include third-party sick pay on Form 941, lines 2, 5a, 5c, and

5d (if applicable). There should be no sick pay entry on line 3 because the third party withheld federal income tax, if any. After completing line 6, subtract on line 8 the **employee** part of social security and Medicare taxes withheld and deposited by the third party.

- ***Third party.*** The third party must include on Form 941 the **employee** part of the social security and Medicare taxes (and federal income tax, if any) it withheld. The third party doesn't include on line 2 any sick pay paid as a third party but does include on line 3 any federal income tax withheld. In column 1 of line 5a, the third party enters the total amount it paid subject to social security taxes. This amount includes both wages paid to its own employees and sick pay paid as a third party. The third party completes column 1 of lines 5c and 5d (if applicable) in a similar manner.

On line 8, the third party subtracts the **employer** part of the social security and Medicare taxes that you must pay.

Form 940. You, not the third party, must prepare Form 940 for sick pay.

Form 8922, Third-Party Sick Pay Recap.

The third party (or in certain cases, the employer) must file Form 8922 to report sick pay paid by a third party for or on behalf of employers for whom services are normally performed. Form 8922 doesn't show the names of individuals who received the third-party sick pay but the total amounts paid in the calendar year to all employees whose sick pay wages are required to be reported on Form 8922.

Third-party sick pay is reported on Form 8922 if the liability for the **employer** part of social security tax and Medicare tax has been shifted by the third party or insurer paying the sick pay to the employer for whom services are normally rendered.

Whether the third party or employer reports the sick pay on Form 8922 depends on which entity is filing Forms W-2 reporting the sick pay paid to individual employees receiving the sick pay. The third party reports the sick pay on Form 8922 if the employer is filing Forms W-2 reporting the third-party sick pay under the name and EIN of the employer. However, if the third party is filing Forms W-2 with respect to the sick pay under the name and EIN of the third party, the employer files Form 8922 reporting the sick pay.

If the third party is paying all employment taxes, including the **employer** part of social security tax and Medicare tax, with respect to the sick pay, the third party files Forms W-2 using its name and EIN as employer with respect to the sick pay for each employee receiving sick pay and reports social security and Medicare taxes and federal income tax withholding on its Form 941.

Neither the third party nor the employer reports the sick pay on Form 8922.

Third parties that are agents with respect to the payment of sick pay (because they have no insurance risk) are required to report sick pay on Form 8922 only if the agency agreement between the employer and the agent imposes the following requirements.

The agreement must require the agent to:

- Withhold and pay the **employee** part of social security tax and Medicare tax and income tax withholding on the sick pay, and
- Report the withheld amounts on Form 941 using the agent's name and EIN.

The agreement must require the employer to:

- Pay and report the **employer** part of social security tax and Medicare tax on a Form 941 using the employer's name and EIN and report the sick pay on Form W-2.

Optional rule for Form W-2. You and the third party may choose to enter into a legally binding agreement designating the third party to be your agent for purposes of preparing Forms W-2 reporting sick pay. The agreement must specify what part, if any, of the payments under the sick pay plan is excludable from the employees' gross incomes because it is attributable to their contributions to the plan. If you enter into an agreement, the third party prepares the actual Forms W-2, not Form 8922 as discussed above, for each employee who receives sick pay from the third party. If the optional rule is used:

- The third party doesn't provide you with the sick pay statement described next, and
- You (not the third party) file Form 8922. Form 8922 is needed to reconcile the sick pay shown on your Forms 941 or Form 944.

Sick pay statement. The third party must furnish you with a sick pay statement by January 15 of the year following the year in which the sick pay was paid. The statement must show the following information about each employee who was paid sick pay.

- The employee's name.
- The employee's SSN (if social security, Medicare, or income tax was withheld).
- The sick pay paid to the employee.
- Any federal income tax withheld.
- Any **employee** part of social security tax withheld.
- Any **employee** part of Medicare tax withheld.

Example of Figuring and Reporting Sick Pay

Note: The following example is for wages paid in 2025.

Dave, an employee of Edgewood Corporation, was seriously injured in a car accident on January 1, 2025. Dave's last day of work was December 31, 2024. The accident wasn't job related.

Key, an insurance company that wasn't an agent of the employer, paid Dave \$2,000 sick pay each month for 10 months, beginning in January 2025. Dave submitted a Form W-4S to Key, requesting \$210 be withheld from each payment for federal income tax. Dave received no payments from Edgewood from January 2025 through October 2025. Dave returned to work on November 1, 2025.

For the policy year in which the car accident occurred, Dave paid a part of the premiums for coverage, and Edgewood paid the remaining part. The plan was, therefore, a "contributory plan." During the 3 policy years before the calendar year of the accident,

Edgewood paid 70% of the total of the net premiums for its employees' insurance coverage, and its employees paid 30%.

Social security and Medicare taxes.

For social security and Medicare tax purposes, taxable sick pay was \$8,400 (\$2,000 per month \times 70% (0.70) = \$1,400 taxable portion per payment; \$1,400 \times 6 months = \$8,400 total taxable sick pay). Only the six \$2,000 checks received by Dave from January through June are included in the calculation. The check received by Dave in July (the seventh check) was received more than 6 months after the month in which Dave last worked.

Of each \$2,000 payment Dave received, 30% (\$600) isn't subject to social security and Medicare taxes because the plan is contributory and Dave's after-tax contribution is considered to be 30% of the premiums during the 3 policy years before the calendar year of the accident.

FUTA tax. Of the \$8,400 taxable sick pay (figured the same as for social security and Medicare taxes), only \$7,000 is subject to the FUTA tax because the FUTA tax contribution base limit is \$7,000.

Federal income tax withholding. Of each \$2,000 payment, \$1,400 ($\$2,000 \times 70\%$ (0.70)) is subject to voluntary federal income tax withholding. In accordance with Dave's Form W-4S, \$210 was withheld from each payment.

Liability transferred. For the first 6 months following the last month in which Dave worked, Key was liable for social security, Medicare, and FUTA taxes on any payments that constituted taxable wages. However, Key could have shifted the liability for the **employer** part of the social security and Medicare taxes (and for the FUTA tax) during the first 6 months by withholding Dave's part of the social security and Medicare taxes,

timely depositing the taxes, and notifying Edgewood of the payments.

If Key shifted liability for the **employer** part of the social security and Medicare taxes to Edgewood and provided Edgewood with a sick pay statement, Key wouldn't prepare a Form W-2 for Dave. However, Key would file Form 8922. Key and Edgewood must each prepare Forms 941. Edgewood must also report the sick pay and withholding for Dave on Forms W-2, W-3, and 940.

As an alternative, the parties could have followed the optional rule described under Optional rule for Form W-2, earlier in this section. Under this rule, Key would prepare Form W-2 even though liability for the **employer** part of the social security and Medicare taxes had been shifted to Edgewood. Also, Key wouldn't prepare a sick pay statement, and Edgewood, not Key, would file Form 8922 reflecting the sick pay shown on Edgewood's Forms 941.

THIRD-PARTY SICK PAY—NOT AS AN AGENT AND LIABILITY TRANSFERRED TO EMPLOYER		
	Employer responsibilities	Third-party responsibilities
Withhold employee taxes Income Social security Medicare	No No No	Yes, if Form W-4S is submitted Yes Yes
Deposit employee taxes Income Social security Medicare	No No No	Yes—using third party EIN Yes—using third party EIN Yes—using third party EIN
Deposit employer taxes Social security Medicare FUTA	Yes—using employer EIN Yes—using employer EIN Yes—using employer EIN	No No No
Report employee wages and taxes on Form 941 Income Social security Medicare	Report taxable wages Report taxable wages* Report taxable wages* <small>* Adjustment on line 8 for employee taxes deposited by third party.</small>	Report tax withheld Report taxable wages* Report taxable wages* <small>* Adjustment on line 8 for employer taxes deposited by employer.</small>
Report employee wages and taxes on Form W-2¹ Income Social security Medicare	Yes Yes Yes	No—file Form 8922 No—file Form 8922 No—file Form 8922
¹ See the instructions earlier if operating under the optional rule for form W-2 .		

This page intentionally left blank

Liability not transferred. If Key didn't shift liability for the **employer** part of the social security and Medicare taxes to Edgewood, Key would prepare Forms W-2 and W-3 as well as Forms 941 and 940. In this situation, Edgewood wouldn't report the sick pay.

Payments received after 6 months. The payments received by Dave in July through October aren't subject to social security, Medicare, or FUTA tax because they were received more than 6 months after the last month in which

7. Special Rules for Paying Taxes

Common Paymaster

If two or more related corporations employ the same individual at the same time and pay this individual through a common paymaster that is one of the corporations,

the corporations are considered to be a single employer. They have to pay, in total, no more in social security tax than a single employer would pay.

Each corporation must pay its own part of the employment taxes and may deduct only its own part of the wages. The deductions won't be allowed unless the corporation reimburses the common paymaster for the wage and tax payments. See Regulations section 31.3121(s)-1 for more information. The common paymaster is responsible for filing information and tax returns and issuing Forms W-2 with respect to wages it is considered to have paid as a common paymaster.

Agent With an Approved Form 2678

Employers and payers must use Form 2678 to request approval for an agent to file returns and make deposits or payments of their employment or other withholding taxes.

See Revenue Procedure 2013-39, 2013-52 I.R.B. 830, available at [IRS.gov/irb/2013-52 IRB#RP-2013-39](https://www.irs.gov/irb/2013-52_IRB#RP-2013-39);

Revenue Procedure 84-33, 1984-1 C.B. 502; and the General Instructions for Forms W-2 and W-3 for procedures and reporting requirements. Form 2678 doesn't apply to FUTA tax reportable on Form 940 unless the employer is a home care service recipient receiving home care services through a program administered by a federal, state, or local government agency.

Agents filing an aggregate Form 940 must file Schedule R (Form 940). Agents filing an aggregate Form 941 must file Schedule R (Form 941).

Reporting Agents

Electronic filing of Forms 940, 941, and 944. Reporting agents may file Forms 940, 941, and 944 electronically.

For details, see Pub. 3112, *IRS e-file Application & Participation*. For information on electronic filing of Forms 940, 941, and 944, see Revenue Procedure 2007-40, 2007-26 I.R.B. 1488, available at [IRS.gov/irb/ 2007-26 IRB#RP-2007-40](http://IRS.gov/irb/2007-26_IRB#RP-2007-40). For more information on electronic filing, go to IRS.gov/EmploymentEfile or call 866-255-0654.

For more information on third-party payer arrangements, including agents with an approved Form 2678, reporting agents, and certified professional employer organizations, see section 16 of Pub. 15.

Employee's Portion of Taxes Paid by Employer

Caution: The information provided in this section doesn't take into account an employer that chooses to pay the Additional Medicare Tax on behalf of the employee.

If you pay your employee's social security and Medicare taxes without deducting them from the employee's pay, you must include the amount of the payments in the employee's wages for federal income tax withholding and social security, Medicare, and FUTA taxes. This increase in the employee's wages for your payment of the employee's social security and Medicare taxes is also subject to employee social security and Medicare taxes. This again increases the amount of the additional taxes you must pay.

To figure the employee's increased wages in this situation, divide the stated pay (the amount that you pay without taking into account your payment of employee social security and Medicare taxes) by a factor for that year. This factor is determined by subtracting from 1.0 the combined employee social security and Medicare tax rate for the year that the wages are paid. For 2026, the factor is 0.9235 ($1.0 - 0.0765$).

If the stated pay is more than \$170,385.75 (2026 social security wage base limit $\$184,500 \times 0.9235$), follow the procedure described under *Stated pay of more than \$170,385.75 in 2026*, later.

Stated pay of \$170,385.75 or less in 2026. For an employee with stated pay of \$170,385.75 or less in 2026, figure the correct wages (wages plus employer-paid employee taxes) to report by dividing the stated pay by 0.9235. This will give you the wages to report in box 1 and the social security and Medicare wages to report in boxes 3 and 5 of Form W-2.

On Form W-2, to figure the correct social security tax to enter in box 4, multiply the amount in box 3 by the social security withholding rate of 6.2% and enter the result in box 4. To figure the correct Medicare tax to enter in box 6, multiply the amount in box 5 by the Medicare withholding rate of 1.45% and enter the result in box 6.

Example. Donald Devon hires Lydia Lone for only 1 week during 2026. Donald pays Lydia \$500 for that week. Donald agrees to pay Lydia's part of the social security and Medicare taxes.

To figure Lydia's reportable wages, Donald divides \$500 by 0.9235. The result, \$541.42, is the amount that is reported as wages in boxes 1, 3, and 5 of Form W-2. To figure the amount to report as social security tax, Donald multiplies \$541.42 by the social security tax rate of 6.2% (0.062). The result, \$33.57, is entered in box 4 of Form W-2. To figure the amount to report as Medicare tax, Donald multiplies \$541.42 by the Medicare tax rate of 1.45% (0.0145). The result, \$7.85, is entered in box 6 of Form W-2. Although Donald didn't actually withhold the amounts from Lydia, Donald will report these amounts as taxes withheld on Form 941 or Form 944 and is responsible for the employer share of these taxes.

For FUTA tax and federal income tax withholding, Lydia's weekly wages are \$541.42.

Stated pay of more than \$170,385.75 in 2026. For an employee with stated pay of more than \$170,385.75 in 2026, the portion of stated wages subject to social security tax is \$170,385.75 (the first \$184,500 of wages $\times 0.9235$). The stated pay in excess of \$170,385.75 isn't subject to social security tax because the tax only applies to the first \$184,500 of wages (stated pay plus employer-paid employee taxes). Enter \$184,500 in box 3 of Form W-2. The social security tax to enter in box 4 is \$11,439.00 ($\$184,500 \times 0.062$).

To figure the correct Medicare wages to enter in box 5 of Form W-2, subtract \$170,385.75 from the stated pay. Divide the result by 0.9855 ($1.0 - 0.0145$) and add \$184,500.

For example, if stated pay is \$180,000, the correct Medicare wages are figured as follows.

$$\$180,000 - \$170,385.75 = \$9,614.25$$

$$\$9,614.25 \div 0.9855 = \$9,755.71$$

$$\$9,755.71 + \$184,500 = \$194,255.71$$

The Medicare wages are \$194,255.71. Enter this amount in box 5 of Form W-2. The Medicare tax to enter in box 6 is \$2,816.71 ($\$194,255.71 \times 0.0145$).

Although these employment tax amounts aren't actually withheld from the employee's pay, report them as withheld on Forms 941, and pay this amount as the employer's share of the social security and Medicare taxes. If the wages for federal income tax withholding purposes in the preceding example are the same as for social security and Medicare tax purposes, the correct wage amount for federal income tax withholding is

\$194,255.71 (\$180,000 + \$11,439.00 + \$2,816.71), which is included in box 1 of Form W-2.

Household and agricultural employees.

The discussion above doesn't apply to household and agricultural employers. If you pay a household or agricultural employee's social security and Medicare taxes, these payments must be included in the employee's wages. However, this wage increase due to the tax payments made for the employee isn't subject to social security or Medicare tax as discussed in this section.

Tax deposits and Form 941 or Form 944.

If you pay your employee's portion of their social security and Medicare taxes rather than deducting them from their pay, you're liable for timely depositing or paying the increased taxes associated with the wage increase.

Also, report the increased wages on the appropriate lines of Form 941 for the quarter

during which the wages were paid or on Form 944 for the year during which the wages were paid.

International Social Security Agreements

The United States has social security agreements, also known as totalization agreements, with many countries that eliminate dual social security coverage and taxation. Under these agreements, employees must generally pay social security taxes only to the country where they work. Employees and employers who are subject to foreign social security taxes under these agreements are potentially exempt from U.S. social security taxes, including the Medicare portion. For more information, go to [SSA.gov/international](https://ssa.gov/international) or see Pub. 519, U.S. Tax Guide for Aliens.

8. Federal Income Tax

Withholding on Retirement

Payments and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension plans, profit-sharing plans, stock bonus plans, annuity plans, certain deferred compensation plans, IRAs, and commercial annuities. Don't withhold income taxes from amounts totally exempt from tax. If part of a distribution is taxable and part is nontaxable, withhold income taxes only on the part subject to tax when known. The method and rate of withholding depends on (a) the kind of payment; (b) whether the payments are to be delivered outside the United States and its territories; and (c) whether the payee is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate.

Qualified distributions from Roth IRAs and Roth 401(k) plans are nontaxable and, therefore, not subject to withholding. See *Payments Outside the United States and Payments to Foreign Persons*, later in this section, for special withholding rules that apply to payments outside the United States and payments to foreign persons.

Federal income tax must be withheld from eligible rollover distributions. See *Eligible Rollover Distribution—20% Default Withholding Rate*, later in this section.

Periodic Payments

Periodic payments are those made in installments at regular intervals over a period of more than 1 year. They may be paid annually, quarterly, monthly, etc. Withholding from periodic payments of a pension or annuity is generally figured in the same manner as withholding from wages.

Form W-4P is used to request withholding on periodic payments. See Pub. 15-T for more information on how to withhold on periodic payments.

Tip: Consider advising payees to use the IRS Tax Withholding Estimator, available at [IRS.gov/W4App](https://irs.gov/W4App), when completing Form W-4P if they have social security, dividend, capital gain, or business income; are subject to Additional Medicare Tax or Net Investment Income Tax; or receive these payments or pension and annuity payments for only part of the year.

There are some kinds of periodic payments for which the payee can't use Form W-4P because they are already defined as wages subject to federal income tax withholding. These include retirement pay for service in the U.S. Armed Forces and payments from certain NQDC plans and deferred compensation plans of exempt organizations described in section 457.

The payee's Form W-4P stays in effect until they change or revoke it. You must notify payees each year of their right to choose not to have federal income tax withheld or to change their previous choice.

Nonperiodic Payments—10% Default Withholding Rate

Form W-4R is used to request withholding on nonperiodic payments. Distributions from an IRA that are payable on demand are treated as nonperiodic payments.

Withholding on nonperiodic payments using a 2021 or earlier Form W-4P. You must withhold at a flat 10% rate from nonperiodic payments (but see Eligible Rollover Distribution—20% Default Withholding Rate, later) unless the payee chose not to have income tax withheld (if permitted). A payee could've chosen not to have income tax withheld from a nonperiodic payment by submitting a 2021 or earlier Form W-4P (containing their correct SSN) and

checking the box on line 1. Generally, the choice not to have federal income tax withheld applies to any later payment from the same plan. A payee couldn't use line 2 for nonperiodic payments; they may have used line 3 to specify an additional amount that they wanted withheld.

If a payee submitted a Form W-4P that didn't contain their correct SSN, you can't honor their request not to have income tax withheld and you must withhold 10% of the payment for federal income tax

Withholding on nonperiodic payments using a 2022 or later Form W-4R. The default withholding rate is 10%, but Form W-4R allows a payee to choose a different rate of withholding by entering a rate between 0% and 100% on Form W-4R, line 2. However, the payee can't choose a rate of less than 10% for payments to be delivered outside the United States and its territories.

If a payee submits a Form W-4R that doesn't contain their correct SSN, you can't honor their request to have income tax withheld at a rate of less than 10% and you must withhold 10% of the payment for federal income tax.

Eligible Rollover Distribution—20% Default Withholding Rate

Form W-4R is used to request withholding on eligible rollover distributions. Eligible rollover distributions include distributions from eligible retirement plans (other than IRAs), such as qualified plans, section 401(k) plans, section 457(b) plans maintained by a governmental employer, section 403(a) annuity plans, or section 403(b) tax-sheltered annuities that are eligible to be rolled over tax free to an IRA or another eligible retirement plan.

Withholding on eligible rollover distributions using a 2021 or earlier Form W-4P. Eligible rollover distributions are subject to a flat 20% withholding rate.

The 20% withholding rate is required and a payee can't choose to have less federal income tax withheld from eligible rollover distributions. A payee that wanted an additional amount withheld would've requested the additional amount on line 3 of a 2021 or earlier Form W-4P.

Withholding on eligible rollover distributions using a

2022 or later Form W-4R. The default withholding rate is 20%, but Form W-4R allows a payee to choose a rate of withholding that is greater than 20% on Form W-4R, line 2. However, the payee can't choose a rate of less than 20%.

Exceptions. Distributions that are (a) qualifying "hardship" distributions; and (b) distributions required by federal law, such as required minimum distributions, aren't subject to the mandatory 20% federal income tax withholding. See Pub. 505 for details.

Also, see *Nonperiodic Payments—10% Default Withholding Rate*, earlier. You shouldn't withhold federal income tax if the entire distribution is transferred in a direct rollover to a traditional IRA or another eligible retirement plan.

Payments Outside the United States and Payments to Foreign Persons

Generally, if a payee is a U.S. citizen or a resident alien, the payee can't choose not to have federal income tax withheld on periodic payments (or choose a rate of less than 10% for nonperiodic payments) to be delivered outside the United States and its territories.

Don't use Form W-4P or Form W-4R for payments to nonresident aliens, nonresident alien beneficiaries, or foreign estates. In the absence of a treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates are generally subject to a 30% withholding tax under section 1441 on the taxable portion of a periodic or

nonperiodic pension or annuity payment that is from U.S. sources. However, many tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See Pub. 515 and Pub. 519. A foreign person should submit Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), to you before receiving any payments. The Form W-8BEN must contain the foreign person's taxpayer identification number (TIN) to support a withholding exemption. A TIN for this purpose means a U.S. TIN (SSN or individual taxpayer identification number (ITIN)). However, for a claim based on a tax treaty, a foreign TIN may be substituted for a U.S. TIN.

Special rules may apply to nonresident aliens who relinquished U.S. citizenship or ceased to be long-term residents of the United States after June 16, 2008. For more information, see section 5 of Notice 2009-85, 2009-45 I.R.B. 598, available at [IRS.gov/irb/2009-45_IRB#NOT-2009-85](https://www.irs.gov/irb/2009-45_IRB#NOT-2009-85). Also, see Form W-8CE, Notice of Expatriation and Waiver of Treaty Benefits.

Statement of Income Tax Withheld

By January 31 of the next year, you must furnish a statement on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., showing the total amount of the payee's pension or annuity payments and the total federal income tax you withheld during the prior year. Report income tax withheld on Form 945, Annual Return of Withheld Federal Income Tax, not on Forms 941 or Form 944.

If the payee is a foreign person who has provided you with Form W-8BEN, you must instead furnish a statement to the payee on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, by March 15 for the prior year. Report federal income tax withheld on Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

Substitute Submissions of Form W-4R

General requirements for any system set up to electronically receive a Form W-4R are discussed earlier under *Electronic submission of Forms W-4R, W-4S, and W-4V*. This section provides specific requirements for substitute submissions of Form W-4R. For payers using electronic or paper substitutes for Form W-4R, substitute forms for the 2026 Form W-4R incorporating all changes made to the 2026 Form W-4R and complying with the guidelines provided here must be in use by the later of

January 1, 2026, or 30 days after the IRS releases the final version of the 2026 Form W-4R.

Electronic Substitute to Form W-4R

There are several specific requirements for electronic systems set up as a substitute to paper Forms W-4R that are in addition to those described earlier under *Electronic submission of Forms W-4R, W-4S, and W-4V.*

Electronic systems must exactly replicate the text from the face of the paper Form W-4R between lines 1 and 2, with the exception that electronic systems that are being used exclusively for nonperiodic payments may omit the second bullet, and systems that are being used exclusively for eligible rollover distributions may omit the first bullet.

Electronic systems must also exactly replicate the text on line 2 and the 2026 Marginal Rate Tables (inclusive of all related text above and within the tables) as they appear after the paper Form W-4R.

An electronic substitute to Form W-4R can provide a link to a web page with the 2026 Marginal Rate Tables, inclusive of all related text on the first page of the W-4R starting with the text “2026 Marginal Rate Tables,” as well as the applicable Specific Instructions, starting with “Suggestion for determining withholding,” rather than providing the tables (and related first page text) themselves, but the link must be immediately below line 2 on the electronic substitute form and be preceded by the following text: “The link below will take you to the 2026 Marginal Rate Tables. You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Instructions on how to best use them are included.”

No pop-ups or hoverboxes are permitted, and if the electronic system has toggles for those steps that limit the amount of text that is viewable, the toggles must be off as the default.

If the electronic system places steps on different pages, users must be required to go to each page before they may electronically sign the form. The electronic system must also include a hyperlink to Form W-4R on IRS.gov or include the general and specific instructions in their entirety in the electronic system interface itself (that is, inclusion of only some of this information requires a link to the form). Specific references on Form W-4R to “page 2” of Form W-4R should be linked to where the information is located.

Requiring an SSN and other personal information already stored in payer’s electronic system. If you electronically store payee personal information, including name, address, and SSN, and accept withholding elections through an account specifically tied to the payee, you need not require the payee to submit this personal information again when completing an electronic substitute,

as long as the account where the election is being made is directly or indirectly linked to the electronically stored personal information.

Telephonic submissions of Form W-4R.

Payers may provide for telephonic submissions of Form W-4R. Use one of the following three scripts below depending on the situation of the payee.

Nonperiodic distributions to be made to payees within the United States and its territories.

"The default withholding rate is 10%. You can choose to have a different rate—including any rate from zero to 100%. You can also go to Form W-4R, found online at [IRS.gov/ FormW4R](https://www.irs.gov/FormW4R), for further instructions and a rate table that helps you choose a rate that is appropriate for your tax situation."

Nonperiodic distributions to be made to payees outside the United States and its territories.

"The default withholding rate is 10%. You can choose to have a different rate, but you generally can't choose a rate of less

than 10% for payments to be delivered outside the United States and its territories. You can also go to Form W-4R, found online at [IRS.gov/FormW4R](https://www.irs.gov/FormW4R), for further instructions and a rate table that helps you choose a rate that is appropriate for your tax situation."

Eligible rollover distributions. "The default withholding rate is 20%. You can choose a rate greater than 20%, but you may not choose a lower rate. You can also go to Form W-4R, found online at [IRS.gov/FormW4R](https://www.irs.gov/FormW4R), for further instructions and a rate table that helps you choose a rate that is appropriate for your tax situation."

Paper Substitute to Form W-4R

When providing paper substitute forms for Form W-4R, you should generally follow the same guidelines that apply to electronic substitutes to Form W-4R, except where those guidelines apply only in the context of electronic substitutes (for example, instructions concerning pop-ups and

hoverboxes). Paper substitute forms must include the instructions for Form W-4R and the 2026 Marginal Rate Tables rather than providing a web address to the instructions on IRS.gov.

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to IRS.gov to find resources that can help you right away.

Tax reform. Tax reform legislation impacting federal taxes, credits, and deductions was enacted in P.L. 119-21. Go to [IRS.gov/OBBB](https://www.irs.gov/OBBB) for more information and updates on how this legislation affects your taxes.

Preparing and filing your tax return. Go to [IRS.gov/ EmploymentEfile](https://www.irs.gov/employmentefile) for more information on filing your employment tax returns electronically.

Getting answers to your tax questions.

On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- [IRS.gov/Help](https://www.irs.gov/help): A variety of tools to help you get answers to some of the most common tax questions.
- [IRS.gov/Forms](https://www.irs.gov/forms): Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.
- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don't have professional credentials.

If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).

Caution: Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to [Tips for Choosing a Tax Preparer](#) on IRS.gov.

Employers can register to use Business Services Online. The SSA offers online service at [SSA.gov/employer](https://ssa.gov/employer) for fast, free, and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement; and Form W-2c, Corrected Wage and Tax Statement.

Business tax account. If you are a sole proprietor, a partnership, an S corporation, a C corporation, or a single-member limited liability company (LLC), you can view your tax information on record with the IRS and do more with a business tax account. Go to [IRS.gov/BusinessAccount](https://irs.gov/BusinessAccount) for more information.

IRS social media. Go to [IRS.gov/SocialMedia](https://irs.gov/SocialMedia) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services.

At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your identification number (EIN or SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos.](https://www.youtube.com/irsvideos)
- [Youtube.com/irsvideomultilingua.](https://www.youtube.com/irsvideomultilingua)
- [Youtube.com/irsvideosASL.](https://www.youtube.com/irsvideosASL)

Online tax information in other languages. You can find information on [IRS.gov/MyLanguage](https://www.irs.gov/MyLanguage) if English isn't your native language.

Over-the-Phone Interpreter (OPI) Service. The IRS offers the OPI Service to taxpayers needing language interpretation.

The OPI Service is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) tax return site. This service is available in Spanish, Mandarin, Cantonese, Korean, Vietnamese, Russian, and Haitian Creole.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille-ready, large print, audio, etc.). The Accessibility Helpline doesn't have access to your IRS account. For help with tax law, refunds, or account-related issues, go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp).

Disasters. Go to [IRS.gov/DisasterRelief](https://www.irs.gov/DisasterRelief) to review the available disaster tax relief.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print most of the forms, instructions, and publications you may need. Or you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Pub. 15-A) on mobile devices as eBooks at [IRS.gov/eBooks](https://www.irs.gov/eBooks).

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Get a transcript of your return. You can now access Form 940, Form 941, Form 943, Form 944, and Form 945 return transcripts for tax years 2023 and later using your IRS

business tax account. For more information, go to [IRS.gov/BusinessTranscript](https://www.irs.gov/BusinessTranscript). To access your IRS business tax account, go to [IRS.gov/BusinessAccount](https://www.irs.gov/BusinessAccount).

Using direct deposit. The safest and easiest way to receive a tax refund is to *e-file* and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. If you don't have a bank account, go to [IRS.gov/DirectDeposit](https://www.irs.gov/DirectDeposit) for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud.

Your taxes can be affected if your EIN is used to file a fraudulent return or to claim a refund or credit.

- The IRS doesn't initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to [IRS.gov/IdentityTheft](https://www.irs.gov/identitytheft), the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your EIN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.

Making a tax payment. The IRS recommends paying electronically whenever possible. Options to pay electronically are included in the list below. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. [Digital assets](#) are **not** accepted. Go to [IRS.gov/Pay](#) for information on how to make a payment using any of the following options.

- [IRS Direct Pay](#): Pay taxes from your bank account. It's free and secure, and no sign-in is required. You can change or cancel within 2 days of scheduled payment.
- [Debit Card, Credit Card, or Digital Wallet](#): Choose an approved payment processor to pay online or by phone.
- [Electronic Funds Withdrawal](#): Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.

- [Electronic Federal Tax Payment System](#): This is the best option for businesses. Enrollment is required.
- [Check or Money Order](#): Mail your payment to the address listed on the notice or instructions.
- [Cash](#): You may be able to pay your taxes with cash at a participating retail store.
- [Same-Day Wire](#): You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note: The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick and easy.

What if I can't pay now? Go to [IRS.gov/Pay](https://www.irs.gov/Pay) for more information about your options.

- Apply for an [online payment agreement](https://www.irs.gov/OPA) ([IRS.gov/ OPA](https://www.irs.gov/OPA)) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](https://www.irs.gov/OIC).

Understanding an IRS notice or letter you've received. Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

IRS Document Upload Tool. You may be able to use the Document Upload Tool to respond digitally to eligible IRS notices and letters by securely uploading required documents online through IRS.gov. For more information, go to [IRS.gov/DUT](https://www.irs.gov/DUT).

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TAC](https://www.irs.gov/TAC) to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Below is a message to you from the Taxpayer Advocate Service, an independent organization established by Congress.

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is the Taxpayer Advocate Service?

The Taxpayer Advocate Service (TAS) is an ***independent*** organization within the Internal Revenue Service (IRS). TAS helps taxpayers resolve problems with the IRS, makes administrative and legislative recommendations to prevent or correct the problems, and protects taxpayer rights. We work to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights. We are Your Voice at the IRS.

How Can TAS Help Me?

TAS can help you resolve problems that you haven't been able to resolve with the IRS on

your own. Always try to resolve your problem with the IRS first, but if you can't, then come to TAS. ***Our services are free.***

- TAS helps all taxpayers (and their representatives), including individuals, businesses, and exempt organizations. You may be eligible for TAS help if your IRS problem is causing financial difficulty, if you've tried and been unable to resolve your issue with the IRS, or if you believe an IRS system, process, or procedure just isn't working as it should.
- To get help any time with general tax topics, visit www.TaxpayerAdvocate.IRS.gov. The site can help you with common tax issues and situations, such as what to do if you make a mistake on your return or if you get a notice from the IRS.
- TAS works to resolve large-scale (systemic) problems that affect many taxpayers.

You can report systemic issues at www.IRS.gov/SAMS. (Be sure not to include any personal identifiable information.)

How Do I Contact TAS?

TAS has offices in every state, the District of Columbia, and Puerto Rico. To find your local advocate's number:

- Go to www.TaxpayerAdvocate.IRS.gov/Contact-Us,
- Check your local directory, or
- Call TAS toll free at 877-777-4778.

What Are My Rights as a Taxpayer?

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. Go to www.TaxpayerAdvocate.IRS.gov/Taxpayer-Rights for more information about the rights, what they mean to you, and how they apply

to specific situations you may encounter with the IRS. TAS strives to protect taxpayer rights and ensure the IRS is administering the tax law in a fair and equitable way.

Index

To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us

A

Additional Medicare Tax 18

Agents, reporting 21

Agricultural workers 5

Annuity payments 23

Assistance (See Tax help)

Awards, employee achievement 11

B

Back pay 12

Below-market rate loans 13

C

Common paymaster 21

Common-law employees 4

Common-law rules 6

Corporate officers 5

D

**Deferred compensation plans,
nonqualified 14**

Direct sellers 5

Director of corporation 5

E

Electronic Form W-2 3

Electronic Forms W-4 and W-4P 3

**Electronic Forms W-4R, W-4S,
and W-4V 3**

Eligible rollover distributions 23

Employee achievement awards 11

Employee or contractor:

Attorney 9 Automobile industry 8

Building industry 7 Computer industry 8

Salesperson 9

Taxicab driver 9

Trucking industry 8

Employee's taxes paid by employer 22

Employees:

Common-law rules 6

Industry examples 7

Statutory 5

Employees defined 4

Employees misclassification 6

Excessive termination payments (golden parachute) 13

Exempt organizations 9

F

Fellowship payments 12

Form 8922 19

Form W-2, electronic filing 3

Form W-4P 2, 23

Form W-4R 2, 23

G

Golden parachute 13

I

Idle time 12

Independent contractors 4

Interest-free loans 13

**International social security
agreements 22**

L

Leave sharing plans 13

**Loans, interest-free or below-market
rate 13**

M

Ministers 10

Misclassification of employees 6

Moving expense reimbursement 1

N

Nonperiodic payments 23

Nonqualified plans 14

O

Officer of corporation 5

Outplacement services 12

P

Pension payments 23

Periodic payments 23

Publications (See Tax help)

R

Real estate agents 6

Religious exemptions 10

Reporting agents 21

S

Scholarship payments 12

Sick pay 15

SIMPLE retirement plans 15

Simplified employee pension 14

Statutory employees 5

Statutory nonemployees 5

Substitute Form W-4R 24

T

Tax help 25

Tax-exempt organizations 9

Tax-sheltered annuities 14

Technical service specialists 6

Third-party sick pay 19

Third-party sick pay recap 19

Trump accounts 2, 15

W

Withholding:

Idle time payments 12

Sick pay 17