

## **Caution: *DRAFT—NOT FOR FILING***

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Almost every form and publication also has its own easily accessible information page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/form1040](https://www.irs.gov/form1040); the Form W-2 page is at [IRS.gov/w2](https://www.irs.gov/w2); the Publication 17 page is at [IRS.gov/pub17](https://www.irs.gov/pub17); the Form W-4 page is at [IRS.gov/w4](https://www.irs.gov/w4); the Form 8863 page is at [IRS.gov/form8863](https://www.irs.gov/form8863); and the Schedule A (Form 1040) page is at [IRS.gov/schedulea](https://www.irs.gov/schedulea). If typing in the links above instead of clicking on them: type the link into the address bar of your browser, not in a Search box; the text after the slash must be lowercase; and your browser may require the link to begin with “www.”. Note that these are shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications on the [Comment on Tax Forms and Publications](#) page on IRS.gov. We cannot respond to all comments due to the high volume we receive, but we will carefully consider each one. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

**Part I - Identify Type of Bond or Rider**

This is a (check the one that applies)

Bond number

New bond     Strengthening bond     Superseding bond     Rider

**Part II - Bonding**

We, the Principal(s) named in Part IV and Surety named in Part V, are obligated to the United States of America as Oblige in the Penal Sum of:

\_\_\_\_\_ dollars (\$ \_\_\_\_\_).

Principal(s) and Surety are liable in an amount equal to the sum of any tax liabilities accrued by Principal(s) under subtitle C of the Internal Revenue Code (Code) during the term of this bond to the extent unpaid, up to the penal sum of this bond. Surety shall remain liable under this bond for the assessment and collection periods applicable to the Principal(s) under sections 6501 and 6502 of the Code, respectively, with respect to any taxable period that occurs during the term of the bond unless and until the bond is superseded. Principal(s) and Surety also jointly and severally obligate their heirs, executors, successors, and assigns for the payment of this amount. Surety agrees to pay a claim under this bond within thirty (30) calendar days of receiving written demand for payment of the claim from Oblige. The written demand for payment will provide the amount of tax liability that has not been paid by one or more Principal(s) and the date by which the Principal(s) should have paid this amount. Nothing in this bond or any amendments thereto shall affect the liability of Principal(s) for any unpaid employment taxes accrued by Principal(s) under subtitle C of the Code.

For purposes of certified professional employer organizations (CPEOs) that are members of a controlled group within the meaning of section 414(b) and (c) with other CPEOs, each CPEO member of such controlled group is a Principal of this bond.

If this is a new bond posted within 30 days of the CPEO's notice of certification, it shall be effective on the effective date of certification specified by the IRS Approving Official in the notice of certification issued to Principal (if there is more than one Principal, it shall be effective on the effective date specified in the notice of certification issued to the first Principal to receive notice of certification). If it is a new bond posted immediately following cancellation of an existing bond, the effective date shall be the date this bond is executed by Surety below (which shall be no later than the effective date of the cancellation of the existing bond). If this is a rider amending an existing bond to increase the penal sum, it shall apply to liabilities that arise on or after the effective date of the existing bond that the rider amends. If this is a strengthening or superseding bond to increase the penal sum, it shall apply to liabilities that arise on or after the effective date of the existing bond it strengthens or supersedes, as applicable.

This bond may be cancelled by Surety only after Surety gives written notice, sent by certified mail, to Principal(s) and Oblige of Surety's intent to cancel the bond at least 90 days in advance of the effective date of cancellation. Similarly, this bond may be cancelled by Principal(s) only after written notice is given by Principal(s), sent by certified mail, to Oblige of Principal(s)' intent to cancel the bond at least 90 days in advance of the effective date of cancellation. In either case, the written notice of cancellation must state the effective date of cancellation.

Notwithstanding the cancellation of this bond, unless a superseding bond is issued, Surety remains liable for any unpaid taxes of Principal(s) under subtitle C for which liability accrued on or after the effective date of this bond and prior to the effective date of cancellation.

Surety agrees to provide written notice, sent by certified mail, to Principal(s) and Oblige if Surety ceases to meet any requirements described under "Qualifying Surety" in the instructions to this Form immediately upon learning of such failure.

**Part III - Rider**

To be attached to and for a part of Bond Number \_\_\_\_\_ dated \_\_\_\_\_

given by the Principal(s) named in Part IV and Surety named in Part V, in favor of the United States of America as Oblige, in the original penal sum of:

\_\_\_\_\_ dollars (\$ \_\_\_\_\_).

Principal(s) and Surety agree to amend the attached bond as follows (check all that apply)

Change in penal sum

The penal sum of the attached bond or any modification of said penal sum is changed from

\_\_\_\_\_ dollars (\$ \_\_\_\_\_) to

\_\_\_\_\_ dollars (\$ \_\_\_\_\_) for

any tax liabilities accrued by Principal(s) under subtitle C of the Internal Revenue Code (Code) on or after the effective date of the attached bond identified above, to the extent unpaid.

Change in Contact Information of Principal(s)

Number of Principals \_\_\_\_\_

The address, and/or telephone number of Principal(s), as given on the attached bond, or any previously executed rider are changed

From

Name		Telephone number	
Address (street address)	City	State	Zip code

To

Name		Telephone number	
Address (street address)	City	State	Zip code

Addition or Removal of Principal(s) (To be used by CPEOs that are members of a controlled group within the meaning of section 414(b) and (c) with other CPEOs)

Number of Principals \_\_\_\_\_

The organization below is added/removed as a Principal to the bond

Added       Removed

Principal (name of CPEO)		Federal EIN	
Address (street address)	City	State	Zip code
Telephone number			

(This organization must be added to or removed from Part IV)

Change in Contact Information of Surety

The address, and/or telephone number of Surety, as given on the attached bond, or any previously executed rider are changed

From

Name		Telephone number	
Address (street address)	City	State	Zip code

To

Name		Telephone number	
Address (street address)	City	State	Zip code

Provided, however, that the attached bond shall be subject to all its agreements, limitations, and conditions except as herein expressly modified, and further that the aggregate liability under the attached bond, all riders attached thereto, including this rider, and all strengthening bonds shall in no event exceed the largest penal sum in force when a claim under this bond is made.

**Part IV – Principal(s)**

Under penalties of perjury, I declare that I have examined this form and any accompanying statements, and to the best of my knowledge and belief, they are true, correct, and complete. The Principal(s) will file all returns and statements as required by law or regulations; and the Principal(s) will pay all taxes including any penalty and interest charges.

Number of Principals \_\_\_\_\_

Principal ( <i>name of CPEO</i> )		Federal EIN	
Address ( <i>street address</i> )		City	State Zip code
Telephone number	Signature of Principal	Title ( <i>if applicable</i> )	Date

**Certificate of Corporate Principal** (*corporations only*): I certify that the person above, who signed on behalf of the Principal, is an authorized representative of the corporation.

Signature of Secretary of the Corporation	Name ( <i>print or type</i> )	Date
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**Part V - Surety**

Under penalties of perjury, I declare that I have examined this form and any accompanying statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Name of Surety		Telephone number	
Address ( <i>street address</i> )		City	State Zip code
Signature of Surety	Title	NAIC identifying number	Date

**Part VI - Approval by IRS**

Bond approved

Date bond approved	Internal Revenue Service Approving Official	Name ( <i>print or type</i> )
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**Paperwork Reduction Act Notice**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . 55 min

Learning about the law or the form . . . 20 min

Preparing, copying, assembling, and sending the form to the IRS . . . 45 min

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## Instructions for Form 14751, Certified Professional Employer Organization Surety Bond

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Section references are to the Internal Revenue Code.

### Purpose of Form

Section 206 of the Achieving a Better Life Experience (ABLE) Act of 2014 provides that a person certified by the Internal Revenue Service (IRS) as a certified professional employer organization (CPEO) will be treated as the employer for purposes of remuneration paid by the CPEO to employees providing services covered by a contract described in section 7705(e)(2) for any of its customers. In order to be certified under this program, the IRS requires a CPEO to post a bond in accordance with section 7705(c). Use Form 14751 to post the bond required by the IRS under section 7705(c), to amend an existing bond by rider, or to post a strengthening or superseding bond in accordance with that section.

This bond, any riders thereto, and any strengthening bonds are considered one continuous obligation of the Surety for unpaid tax liabilities accrued by Principal(s) under subtitle C from the effective date of the bond until the bond is cancelled or superseded (the term of the bond).

### General Instructions

In **Part I**, identify whether you are submitting a bond or a rider, and if applicable, the type of bond you are submitting (new bond, strengthening bond, or superseding bond). Also provide the bond number for the bond, if applicable. If you are using Form 14751 to post a new, strengthening, or superseding bond, complete all remaining parts of the Form other than Part III. If you are using Form 14751 to amend an existing bond by rider, skip Part II and complete all remaining parts of the Form.

A rider is an amendment to an existing bond used to increase the penal sum or make changes to contact information previously provided on an existing bond. When used to increase the penal sum, the rider must apply to liabilities that arise on or after the effective date of the bond that the rider amends. The surety remains liable under the existing bond, as amended by the rider, for the assessment and collection periods applicable to the CPEO under sections 6501 and 6502 of the Code, respectively, with respect to any taxable period that occurs during the term of the bond unless and until the bond is superseded.

A strengthening bond is an additional bond used to increase the penal sum of the bond. It is posted in the incremental amount of the increase so that the strengthening bond together with the existing bond equal the total required bond amount. The strengthening bond must apply to liabilities that arise on or after the effective date of the bond it strengthens. Both the strengthening bond and the bond it strengthens must remain in effect, and the surety remains liable under both bonds for the assessment and collection periods applicable to the CPEO under sections 6501 and 6502 of the Code, respectively, with respect to any taxable period that occurs during the term of the bonds, unless and until the bonds are superseded.

A superseding bond is a bond used to increase the penal sum of the bond or otherwise wholly replace an existing bond. When used to increase the penal sum, the superseding bond must be posted for the total required bond amount, not just the incremental increase. Upon execution of the superseding bond, the superseded bond is no longer in effect, and the surety that provided the superseded bond is no longer liable under the superseded bond. The superseding bond must apply to liabilities that arise on or after the effective date of the superseded bond.

A new bond is a bond posted for the total required bond amount and may only be posted upon the CPEO's initial certification or immediately following cancellation of an existing bond. In the case of a new bond posted upon the CPEO's initial certification, the bond must be effective as of the effective date of certification and Form 14751 must be submitted within 30 days from the date that the IRS issues the notice of certification to the CPEO. In the case of a cancellation of an existing bond, the effective date of the new bond must be no later than the effective date of the cancellation of the existing bond, and the surety providing the existing (now cancelled) bond remains liable for liabilities that accrued during the term of the cancelled bond for the assessment and collection periods applicable to the CPEO under sections 6501 and 6502 of the Code, respectively, with respect to any taxable period that occurred during the term of that bond.

In **Part II**, indicate the Penal Sum of the bond.

In **Part III**, indicate what changes you are making to an existing bond by rider. If you are submitting a rider to increase the penal sum, see the section entitled "Increasing the Penal Sum" in these instructions for additional information. If you are submitting a rider to add or remove a Principal, the addition or removal must also be reflected in Part IV (see the section entitled "Controlled Groups" for more information).

**Part IV** must be signed by individuals authorized to sign on behalf of Principal(s). For purposes of CPEOs that are members of a controlled group within the meaning of section 414(b) and (c) with other CPEOs, each CPEO member of such controlled group is a Principal of the bond and must provide its name, address, phone number, signature of authorized individual, and, if the CPEO is a corporation, a certification of the Principal's signature by the Secretary of the corporation. If the bond has more than one Principal, indicate the number of Principals in the box provided (the correct number of information boxes will generate based on the number provided in this box).

**Part V** must be signed by an individual authorized to sign on behalf of Surety.

Leave **Part VI** blank for IRS approval.

## Controlled Groups

CPEOs that are members of a controlled group within the meaning of section 414(b) and (c) with other CPEOs are treated as a single CPEO for purposes of the bond requirements of section 7705(c), including for purposes of determining the required penal sum. All CPEO members of such controlled group are Principals of the bond and must be listed on and sign the bond form. If a CPEO is certified after the initial bond for the controlled group is posted, the newly-certified CPEO (or other member of the controlled group) will be required to submit a rider amending the existing bond to add the new CPEO member as a Principal. Similarly, if the certification of a CPEO member of the controlled group is revoked or voluntarily terminated, or if the CPEO is otherwise removed from the CPEO controlled group, a member of the controlled group must submit a rider amending the existing bond to remove that CPEO as a Principal of the bond. The addition or removal of a controlled group member as a Principal of the bond may also be accomplished using a superseding bond, where Part IV reflects the addition or removal of the member. If the addition or removal of a CPEO as a Principal of the bond results in a change in the penal sum of the bond, the CPEO must either amend the bond form with a rider reflecting the new penal sum amount or adjust the penal sum amount using a strengthening or superseding bond.

## Penal Sum

For each period beginning April 1st of the calendar year and ending on March 31 of the following calendar year (or, in the case of a newly certified CPEO, beginning with the effective date of certification and ending on the subsequent March 31) (the bond period), the penal sum of this bond, together with any riders thereto and any strengthening bond issued to Principal(s), must be an amount that is at least equal to the greater of 5% of the Principal(s)' liability under section 3511 during the preceding calendar year (up to \$1,000,000) or \$50,000. If a CPEO does not have any liability under section 3511 of the Code for all or a portion of a preceding calendar year because the CPEO was not certified as a CPEO for all or a portion of that preceding calendar year, the required penal sum must be determined under the provisions of Treas. Reg. §301.7705-2T(g)(2)(ii). See Rev. Proc. 2017-14 for a special transition rule applicable to CPEOs with an effective date of certification of January 1, 2017.

## Increasing the Penal Sum

By March 1 in any calendar year, Principal(s) must determine if an increase in bond amount for the new bond period beginning on April 1 of that calendar year is necessary and, if so, increase the amount of the bond covering the new bond period. That is, if 5% of the Principal(s)' employment tax liability for the preceding calendar year exceeds the penal sum of this bond, Principal(s) must increase the penal sum of this bond by submitting a properly completed and executed Form 14751 by March 1 of the calendar year in which the new bond period begins and identifying on the Form 14751 whether the submission is a rider to an existing bond or a strengthening, superseding, or new bond. Principal(s) must also increase the amount of its bond if, at a later point in the bond period, Principal(s) or the IRS determines that the applicable federal employment tax liability for the preceding calendar year was higher than the amount reported and paid and on which the bond amount for the bond period was based and makes an adjustment or assessment reflecting such determination. To increase the amount of its bond due to such an adjustment or assessment, Principal(s) must submit a properly completed and executed Form 14751 within 30 days of the adjustment or assessment and identify on the Form 14751 whether the submission is a rider to an existing bond or a strengthening, superseding, or new bond.

The penal sum of this bond, together with any riders or strengthening bonds issued consecutively by Surety, shall be determined at the time the bond was issued, or if applicable, the time the last consecutively issued rider or strengthening bond was received and approved by the IRS.

Failure of Principal(s) to provide the IRS with a bond that reflects the correct penal sum may be grounds for the IRS to suspend or revoke the CPEO's certification.

## Cancellation

If notice of cancellation of the bond is provided by Surety to Principal(s) or notice of intent to cancel the bond is provided by Principal(s) to the IRS, Principal(s) must post a new or superseding bond for the required penal sum using Form 14751, unless the bond is being cancelled because the certification of the Principal(s) is being voluntarily terminated or revoked. Principal(s) must submit the Form 14751 to the IRS no later than 30 days prior to the effective date of the cancellation. If a new bond is provided, it must be effective no later than the effective date of cancellation of the previous bond. If a superseding bond is provided, it must be effective as of the effective date of the previous bond. Failure to provide the IRS with a new or superseding bond in these circumstances may be grounds for suspension or revocation of a CPEO's certification as set forth in section 7705(d), Treas. Reg. 301.7705-2(n), and Rev. Proc. 2017-14. Notwithstanding the cancellation of the prior bond, unless a superseding bond is issued, Surety remains liable for any unpaid taxes of Principal(s) under subtitle C for which liability accrued during the term of the prior (now cancelled) bond for the assessment and collection periods applicable to Principal(s) under sections 6501 and 6502 of the Code, respectively, with respect to any taxable period that occurred during the term of that bond.

## No Collateral

This bond must be issued without Principal(s) posting any collateral that could reduce Surety's risk and the value of Surety's financial underwriting.

**Qualifying Sureties**

The company acting as Surety must hold a Certificate of Authority from the Department of the Treasury, Financial Management Service. These companies are listed in Treasury Circular 570. You may get a copy of this circular by writing to the Department of the Treasury, Financial Management Service, Surety bond Branch, 3700 East West Hwy., Hyattsville, MD 20782; by calling (202) 874-6850 (not a toll-free number); or online at [https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/surety\\_home.htm](https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/surety_home.htm). The company acting as Surety must not have any financial interest, direct or indirect, in Principal(s), nor may Principal(s) have any financial interest, direct or indirect, in the company acting as Surety.

Principal(s) must post a new or superseding bond for the required penal sum using Form 14751 no later than 30 days after notification that Surety no longer meets the requirements discussed above. Failure to provide the IRS with a new or superseding bond in this circumstance may be grounds for suspension or revocation of a CPEO's certification as set forth in section 7705(d) and Treas. Reg. §301.7705-2T(n).

**Where to Submit**

Form 14751 and any notice of cancellation must be submitted to the IRS through the Online Registration System for PEO certification, located at the following address: <https://services.irs.gov/registration/>. The completed Form 14751, signed by both the Surety and Principal(s) must be scanned and uploaded according to the instructions provided by the Online Registration System. Do not mail the Form 14751.

**DO NOT FILE**