



**Note:** *The draft you are looking for begins on the next page.*

## **Caution: DRAFT—NOT FOR FILING**

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

# Instructions for Schedule R (Form 943)



(Rev. December 2025)

## Allocation Schedule for Aggregate Form 943 Filers

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Schedule R and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form943](https://www.irs.gov/Form943).

### What's New

The calendar year field on Schedule R is no longer prepopulated. Enter the calendar year of the Form 943 or 943-X to which you attached Schedule R.

### Reminders

**Claiming the credit for qualified sick and family leave wages.** If you're eligible to claim the credit for qualified sick and family leave wages because you paid the wages after December 31, 2023, for an earlier applicable leave period, file Form 943-X, Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund, after filing Form 943, Employer's Annual Federal Tax Return for Agricultural Employees, to claim the credit for qualified sick and family leave wages paid after December 31, 2023. Filing a Form 943-X before filing a Form 943 for the year may result in errors or delays in processing your Form 943-X. For more information, see the Instructions for Form 943 and the Instructions for Form 943-X. The Schedule R columns for reporting amounts related to the credit for qualified sick and family leave wages from Form 943 have been repurposed with the lines related to the credit for qualified sick and family leave wages from Form 943-X. Columns e, f, k, l, n, and p through y are now used only when Schedule R is attached to Form 943-X. Don't file an earlier revision of Schedule R with Form 943 for any year beginning after 2024.

Under some rare circumstances, it may be possible for a premium payee to become entitled to the COBRA premium assistance credit after the first quarter of 2022. However, in those cases, the credit must be claimed on a Form 943-X. We have repurposed column n on the Schedule R to report the lines related to the COBRA premium assistance credit on Form 943-X. For more information, see the Instructions for Form 943 and the Instructions for Form 943-X. If you're filing Form 943-X to claim the COBRA premium assistance credit on behalf of any clients, you must file the 2024 or 2025 revision of Schedule R with Form 943-X. Prior revisions of Schedule R are available at [IRS.gov/Form943](https://www.irs.gov/Form943) (select the link for "All revisions for Form 943" under "Other items you may find useful").

**Electronically filing an amended Form 943.** The IRS now offers filing an amended Form 943 and Schedule R as part of Modernized e-File (MeF). For more information on electronic filing, go to [IRS.gov/EmploymentEfile](https://www.irs.gov/EmploymentEfile).

## General Instructions

### Purpose of Schedule R

Use Schedule R to allocate certain aggregate information reported on Form 943 or 943-X to each client. For purposes of Schedule R, the term "client" means (a) an "employer or payer" identified on the Form 2678, Employer/Payer Appointment of Agent; (b) a customer who enters into a contract that meets the requirements under section 7705(e)(2); (c) a client who enters into a service agreement described under Regulations section 31.3504-2(b)(2) with a certified professional employer organization (CPEO); (d) a client who enters into a service agreement described under Regulations section 31.3504-2(b)(2) with a non-certified professional employer organization (PEO); or (e) a third party paying qualified sick leave wages as an agent for the employer under Regulations section 32.1(e)(3). If you have more than five clients, complete as many Continuation Sheets as necessary. Attach Schedule R, including any Continuation Sheets, to your aggregate Form 943.

### Who Must File?

Agents approved by the IRS under section 3504 and CPEOs must complete Schedule R each time they file an aggregate Form 943. To request approval to act as an agent for an employer under section 3504, the agent must file Form 2678 with the IRS. Form 2678 must be previously filed and approved by the IRS before filing Schedule R. To become a CPEO, the organization must apply through the IRS Online Registration System. Go to [IRS.gov/CPEO](https://www.irs.gov/CPEO) for more information. Other third-party payers that file aggregate Forms 943, such as non-certified PEOs, must complete and file Schedule R if they have clients that are claiming the qualified small business payroll tax credit for increasing research activities. Third-party payers other than agents approved by the IRS under section 3504 and CPEOs need to include client-by-client amounts only for those clients claiming the qualified small business payroll tax credit for increasing research activities. Amounts for clients not claiming the qualified small business payroll tax credit for increasing research activities are included on Schedule R, page 1, line 8. Schedule R must also be completed if any clients are claiming credits on Form 943-X.

## When Must You File?

If you're an aggregate Form 943 filer, file Schedule R with your aggregate Form 943 every year. Agents and non-certified PEOs may file Form 943 and Schedule R electronically or by paper submission. CPEOs must generally file Form 943 and Schedule R electronically. For more information about a CPEO's requirement to file electronically, see Rev. Proc. 2023-18, 2023-13 I.R.B. 605, available at [IRS.gov/irb/2023-13\\_IRB#REV-PROC-2023-18](https://www.irs.gov/irb/2023-13_IRB#REV-PROC-2023-18).

## Specific Instructions

### Completing Schedule R

#### Enter Your Business Information

Carefully enter your employer identification number (EIN) and the name of your business at the top of the schedule. Make sure they exactly match the EIN and name shown on the attached Form 943 or 943-X. Check one of the "Type of filer" boxes to tell us if you're a section 3504 agent, a CPEO, or any other type of third party (for example, a non-certified PEO).

#### Calendar Year

Enter the calendar year of the Form 943 or 943-X to which you attached Schedule R.

#### Form Checkbox

Under *Report for calendar year* at the top of Schedule R, check a box to tell us if Schedule R is attached to Form 943 or 943-X.

#### Client and Employee Information

On Schedule R, including any Continuation Sheets, you must report the following for each client.

**Note.** When entering amounts over 999.99 on Schedule R, don't enter commas.

**Column a.** The client's EIN.

**Column b (CPEO Use Only).** Enter a code to report the type of wages and other compensation paid to the individual(s) performing services for the client. If you paid more than one type of wages or other compensation, you must use more than one line to report for that client and enter the applicable code for each line. The following four codes are the only entries that can be made in column b.

- A: Wages and other compensation paid under section 3511(a).
- B: Wages and other compensation paid under section 3511(c).
- C: Wages and other compensation not reported under code A or code B paid as a payor under a service agreement described in Regulations section 31.3504-2(b)(2).
- D: Wages and other compensation paid as an agent under Regulations section 31.3504-1.

**Column c.** Number of agricultural employees employed in the pay period that includes March 12 for the listed client EIN from Form 943, line 1 (no Form 943-X equivalent line).

**Column d.** Wages subject to social security tax allocated to the listed client EIN from Form 943, line 2 (Form 943-X, line 6, column 1).

**Column e.** Qualified sick leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2020, and before April 1, 2021, allocated to the listed client EIN from Form 943-X, line 7, column 1.

**Column f.** Qualified family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2020, and before April 1, 2021, allocated to the listed client EIN from Form 943-X, line 8, column 1.

**Column g.** Wages subject to Medicare tax allocated to the listed client EIN from Form 943, line 4 (Form 943-X, line 9, column 1).

**Column h.** Wages subject to Additional Medicare Tax withholding allocated to the listed client EIN from Form 943, line 6 (Form 943-X, line 10, column 1).

**Column i.** Federal income tax withheld allocated to the listed client EIN from Form 943, line 8 (Form 943-X, line 11, column 1).

**Column j.** Qualified small business payroll tax credit for increasing research activities allocated to the listed client EIN from Form 943, line 12 (Form 943-X, line 13, column 1). You must attach a separate Form 8974 for each client claiming this credit.

**Column k.** Nonrefundable portion of credit for qualified sick and family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2020, and before April 1, 2021, allocated to the listed client EIN from Form 943-X, line 14, column 1.

**Column l.** Nonrefundable portion of credit for qualified sick and family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 15b, column 1.

**Column m.** Total taxes after adjustments and nonrefundable credits allocated to the listed client EIN from Form 943, line 13 (no Form 943-X equivalent line).

**Column n.** Total COBRA premium assistance credit, nonrefundable and refundable portions paid during the calendar year listed on Schedule R, allocated to the listed client EIN from Form 943-X, lines 15c and 24c, column 1.

**Column o.** Total deposits for the year, including overpayment applied from a prior year and overpayments applied from Form 943-X or Form 943-X (sp) filed in the current year, allocated to the listed client EIN from Form 943, line 14. Include any payment made with the return allocated to the listed client EIN (no Form 943-X equivalent line).

**Column p.** Refundable portion of credit for qualified sick and family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2020, and before April 1, 2021, allocated to the listed client EIN from Form 943-X, line 23, column 1.

**Column q.** Refundable portion of credit for qualified sick and family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021,

and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 24b, column 1.

**Column r.** Qualified health plan expenses allocable to qualified sick leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2020, and before April 1, 2021, allocated to the listed client EIN from Form 943-X, line 26, column 1.

**Column s.** Qualified health plan expenses allocable to qualified family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2020, and before April 1, 2021, allocated to the listed client EIN from Form 943-X, line 27, column 1.

**Column t.** Qualified sick leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 31, column 1.

**Column u.** Qualified health plan expenses allocable to qualified sick leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 32, column 1.

**Column v.** Amounts under certain collectively bargained agreements allocable to qualified sick leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 33, column 1.

**Column w.** Qualified family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 34, column 1.

**Column x.** Qualified health plan expenses allocable to qualified family leave wages paid during the calendar year

listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 35, column 1.

**Column y.** Amounts under certain collectively bargained agreements allocable to qualified family leave wages paid during the calendar year listed on Schedule R for leave taken after March 31, 2021, and before October 1, 2021, allocated to the listed client EIN from Form 943-X, line 36, column 1.

**Line 6.** Enter the subtotals for clients for column c through column y.

**Line 7.** Enter the combined subtotal from line 9 of all Continuation Sheets for Schedule R for column c through column y.

**Line 8.** Enter Form 943 amounts for your employees for column c through column y. Non-certified PEOs and third-party payers of sick pay as agents for the employer must consolidate and include on line 8 any amounts for clients that aren't reported individually on Schedule R.

**Line 9.** Enter the totals of lines 6, 7, and 8 for column c through column y. The totals on line 9 must match the totals on the aggregate Form 943. If the totals don't match, there is an error that must be corrected before filing Form 943 and Schedule R.

**Continuation Sheet for Schedule R (Form 943)**

**Columns a through y.** See the instructions under [Completing Schedule R](#), earlier.

**Line 9.** Enter the subtotals for clients from lines 1 through 8 for column c through column y.

---



---

**Paperwork Reduction Act Notice**

We ask for the information on Schedule R to carry out the Internal Revenue laws of the United States. You're required to give us this information. We need it to ensure that you're complying with these laws and to allow us to figure and collect the right amount of tax.

You're 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 Code section 6103.

The time needed to complete and file Schedule R will vary depending on individual circumstances. The estimated burden for filers filing Schedule R is approved under OMB control number 1545-0029 and is included in the estimates shown in the Instructions for Form 943.

---

DRAFT

DRAFT