



Instructions for Form 943

Employer's Annual Federal Tax Return for Agricultural Employees

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

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Future Developments

For the latest information about developments related to Form 943 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form943](https://www.irs.gov/Form943).

What's New

Social security and Medicare tax for 2021. The rate of social security tax on taxable wages, including qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Qualified sick leave wages and qualified family leave wages for leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). The social security wage base limit is \$142,800.

The Medicare tax rate is 1.45% (0.0145) each for the employee and employer, unchanged from 2020. There is no wage base limit for Medicare tax.

The COVID-19 related credit for qualified sick and family leave wages has been extended and amended. The Families First Coronavirus Response Act (FFCRA) was amended by legislation. The FFCRA requirement that employers provide paid sick and family leave for reasons related to COVID-19 (the employer mandate) expired on December 31, 2020; however, the COVID-related Tax Relief Act of 2020 extends the periods for which employers providing leave that otherwise meets the requirements of the FFCRA may continue to claim tax credits for qualified sick and family leave wages paid for leave taken before April 1, 2021. The American Rescue Plan Act of 2021 (the ARP) adds new sections 3131, 3132, and 3133 to the Internal Revenue Code to provide credits for qualified sick and family leave wages similar to the credits that were previously enacted under the FFCRA and amended and extended by the COVID-related Tax Relief Act of 2020. The credits under sections 3131 and 3132 are available for qualified leave wages paid for leave taken after March 31, 2021, and before October 1, 2021. Below are the major changes made under the ARP.

- The ARP keeps the daily wage thresholds that previously existed. The aggregate cap on qualified sick leave wages remains at 80 hours (10 days), but the limitation on the number of days resets with respect to leave taken by employees beginning on April 1, 2021. The aggregate cap on qualified family leave wages increases to \$12,000 from the previous cap of \$10,000, and the aggregate cap resets with respect to leave taken by employees beginning on April 1, 2021.
- The ARP also created a new category of leave under the Emergency Paid Sick Leave Act (EPSLA) and the Expanded Family and Medical Leave Act (Expanded FMLA) to include the time the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 (and the employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis), or the employee is obtaining or accompanying an individual who is obtaining immunizations related to COVID-19 or recovering from or caring for an individual recovering from an injury, disability, illness, or condition related to such immunization. Additionally, employers may provide employees with paid family leave if the employee is unable to work due to any of the conditions for which eligible employers may provide paid sick leave under the EPSLA.
- The credits are still increased by the qualified health plan expenses allocable to the qualified sick and family leave wages, but the credits are now also increased, subject to the qualified leave wage limitations, by certain amounts paid under collective bargaining agreements that

are properly allocable to the qualified leave wages. The collectively bargained contributions paid by an eligible employer that are eligible for the credit are collectively bargained defined benefit pension plan contributions and collectively bargained apprenticeship program contributions that are properly allocable to qualified leave wages.

- Under section 3133, the credits are increased by the amount of the employer share of social security tax and Medicare tax on the qualified sick and family leave wages.
- Governmental employers (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) may now claim the credits.
- Generally, the same wages can't be used as both qualified sick leave wages and qualified family leave wages. Additionally, you may not benefit from both the credit for qualified sick and family leave wages and the employee retention credit with respect to the same wages. The credit for qualified sick leave wages and qualified family leave wages doesn't apply to wages taken into account as payroll costs for a Small Business Interruption Loan under the Paycheck Protection Program (PPP) that is forgiven or in connection with shuttered operator grants and restaurant revitalization grants.
- The credit for qualified sick and family leave wages isn't allowed if the employer provides the leave in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure. See [Highly compensated employee](#), later, for the definition.

How you report qualified sick and family leave wages and the credit for qualified sick and family leave wages has changed. Taxable qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, are included on line 2 and taxed at 12.4% for social security tax purposes on line 3. However, if you're reporting any qualified sick and family leave wages for leave taken before April 1, 2021, these wages are reported on lines 2a and 2b, respectively, and taxed at 6.2% for social security tax purposes on lines 3a and 3b. For leave taken before April 1, 2021, the credit for qualified sick and family leave wages is reported on line 12b (nonrefundable portion) and, if applicable, line 14d (refundable portion). For leave taken after March 31, 2021, and before October 1, 2021, the credit for qualified sick and family leave wages is reported on line 12d (nonrefundable portion) and, if applicable, line 14f (refundable portion); and the nonrefundable portion of the credit is against the employer share of Medicare tax. For more information, see the instructions for [line 12b](#), [line 12d](#), [line 14d](#), and [line 14f](#), later.

Use [Worksheet 1](#) to figure the credit for leave taken before April 1, 2021. Use [Worksheet 3](#) to figure the credit for leave taken after March 31, 2021, and before October 1, 2021. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

The COVID-19 related employee retention credit has been extended and amended. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was amended by legislation. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 modifies the calculation of the employee retention credit and extends the date

through which the credit may be claimed to qualified wages paid before July 1, 2021.

The ARP adds new section 3134 to the Internal Revenue Code to provide an employee retention credit similar to the credit that was previously enacted under the CARES Act and amended and extended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020. Generally, the rules for the employee retention credit for qualified wages paid before July 1, 2021, and qualified wages paid after June 30, 2021, are substantially similar. However, the Infrastructure Investment and Jobs Act (Infrastructure Act) amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), later, for more information about a recovery startup business.

Qualified wages for the employee retention credit under section 3134 don't include wages taken into account for credits under sections 41, 45A, 45P, 45S, 51, 1396, 3131, and 3132. Additionally, qualified wages for the employee retention credit can't include amounts used as payroll costs for a Small Business Interruption Loan under the PPP that is forgiven or amounts used as payroll costs for shuttered operator grants and restaurant revitalization grants.

For wages paid before July 1, 2021, the nonrefundable portion of the employee retention credit is against the employer share of social security tax. However, for wages paid after June 30, 2021, the nonrefundable portion of the employee retention credit is against the employer share of Medicare tax. The nonrefundable portion of the credit is still claimed on line 12c and, if applicable, the refundable portion of the credit is still claimed on line 14e. For more information, see the instructions for [line 12c](#) and [line 14e](#), later. Use [Worksheet 2](#) to figure the credit for wages paid before July 1, 2021. Use [Worksheet 4](#) to figure the credit for wages paid after June 30, 2021, and before January 1, 2022.

See Notice 2021-23, 2021-16 I.R.B. 1113, available at [IRS.gov/irb/2021-16_IRB#NOT-2021-23](#), for guidance on the employee retention credit provided under section 2301 of the CARES Act, as amended by section 207 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, for qualified wages paid after December 31, 2020, and before July 1, 2021. See Notice 2021-49, 2021-34 I.R.B. 316, available at [IRS.gov/irb/2021-34_IRB#NOT-2021-49](#), for guidance on the employee retention credit provided under the ARP for wages paid after June 30, 2021, and before January 1, 2022. Notice 2021-49 also discusses miscellaneous issues that apply to all of 2021. See Notice 2021-65, 2021-51 I.R.B. 880, available at [IRS.gov/irb/2021-51_IRB#NOT-2021-65](#) for modifications to Notice 2021-49 under the Infrastructure Act. For more information about the employee retention credit, go to [IRS.gov/ERC](#).

New credit for COBRA premium assistance payments. Section 9501 of the ARP provides for COBRA premium assistance in the form of a full reduction in the premium otherwise payable by certain individuals and their families who elect COBRA continuation coverage due to a loss of coverage as the result of a reduction in hours or an involuntary termination of employment (assistance eligible individuals). This COBRA premium assistance is available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. Some multiemployer plans and insurers don't normally file an employment tax return but will need to file one if they want to claim the COBRA premium assistance credit.

Section 9501(b) of the ARP adds new section 6432 to the Internal Revenue Code that allows a credit (COBRA premium assistance credit) against the employer share of Medicare tax in an amount equal to the premiums not paid by assistance eligible individuals for COBRA continuation coverage by reason of section 9501(a)(1) of the ARP. The nonrefundable portion of the credit is reported on line 12e and, if applicable, the refundable portion of the credit is reported on line 14g. If you claim this credit, you must also report the number of individuals provided COBRA premium assistance on line 12f. Use [Worksheet 5](#) to figure the credit. For more information, see the instructions for [line 12e](#), [line 12f](#), and [line 14g](#), later. For more information on COBRA premium assistance payments and the credit, see Notice 2021-31, 2021-23 I.R.B. 1173, available at [IRS.gov/irb/2021-23_IRB#NOT-2021-31](#); and Notice 2021-46, 2021-33 I.R.B. 305, available at [IRS.gov/irb/2021-33_IRB#NOT-2021-46](#).

Advance payment of COVID-19 credits extended. Based on the extensions of the credit for qualified sick and family leave wages and the employee retention credit, and the new credit for COBRA premium assistance payments, discussed above, Form 7200, Advance Payment of Employer Credits Due to COVID-19, may be filed to request an advance payment. For more information, including information on which employers are eligible to request an advance payment, the deadlines for requesting an advance, and the amount that can be advanced, see the Instructions for Form 7200.

The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). See [Recovery startup business](#), later, for more information about a recovery startup business. Some employers that are no longer eligible to claim the employee retention credit for the fourth quarter of 2021 may have already submitted Form 7200 to request an advance payment of the employee retention credit for the fourth quarter of 2021. If the Form 7200 hasn't been processed, the IRS will use the employer's indication of whether it is a recovery startup business (Form 7200, Part 1, line H) as part of the determination regarding whether the Form 7200 claiming the employee retention credit in the fourth quarter of 2021 should be accepted or rejected. A refund or credit of any portion of the employee retention credit to

a taxpayer in excess of the amount to which the taxpayer is entitled is an erroneous refund that the employer must repay, regardless of whether the refund or credit is advanced. Accordingly, if an employer requested and received an advance payment of the employee retention credit for the fourth calendar quarter of 2021, and the employer isn't a recovery startup business, the employer isn't eligible for an employee retention credit and must repay the amount of the advance. Employers who need to repay excess advance payments of the employee retention credit must do so by January 31, 2022, by including the advance payment on their 2021 Form 943, Part 1, [line 14i](#), and paying any balance due by January 31, 2022.

Deferral of the employer share of social security tax expired. The CARES Act allowed employers to defer the deposit and payment of the employer share of social security tax. The deferred amount of the employer share of social security tax was only available for deposits due on or after March 27, 2020, and before January 1, 2021, as well as deposits and payments due after January 1, 2021, that are required for wages paid on or after March 27, 2020, and before January 1, 2021. Therefore, the line previously used for the employer deferral has been "Reserved for future use." One-half of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. Because both December 31, 2021, and December 31, 2022, are nonbusiness days, payments made on the next business day will be considered timely. Any payments or deposits you make before December 31, 2021, are first applied against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For more information about the deferral of employment tax deposits, go to [IRS.gov/ETD](#). See [Paying the deferred amount of the employer share of social security tax](#) and [How to pay the deferred amount of the employer and employee share of social security tax](#), later, for information about paying the deferred amount of the employer share of social security tax.

Deferral of the employee share of social security tax expired. The Presidential Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster, issued on August 8, 2020, directed the Secretary of the Treasury to defer the withholding, deposit, and payment of the employee share of social security tax on wages paid during the period from September 1, 2020, through December 31, 2020. The deferral of the withholding and payment of the employee share of social security tax was available for employees whose social security wages paid for a biweekly pay period were less than \$4,000, or the equivalent threshold amount for other pay periods. The line previously used for the employee deferral has been "Reserved for future use." The COVID-related Tax Relief Act of 2020 defers the due date for the withholding and payment of the employee share of social security tax until the period beginning on January 1, 2021, and ending on December 31, 2021. For more information about the deferral of employee social security tax, see Notice 2020-65, 2020-38 I.R.B. 567, available at [IRS.gov/irb/2020-38_IRB#NOT-2020-65](#); and Notice 2021-11, 2021-06 I.R.B. 827, available at [Notice](#)

[2021-11](#). Also see [Paying the deferred amount of the employee share of social security tax](#) and [How to pay the deferred amount of the employer and employee share of social security tax](#), later, for information about paying the deferred amount of the employee share of social security tax.

New payroll tax credit for certain tax-exempt organizations affected by qualified disasters. Section 303(d) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 allows for a new payroll tax credit for certain tax-exempt organizations affected by certain qualified disasters not related to COVID-19. This new credit will be claimed on new Form 5884-D (not on Form 943). Form 5884-D is filed after the Form 943 for the year for which the credit is being claimed has been filed. If you will claim this credit on Form 5884-D for 2021 and you're also claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, and/or the employee retention credit for wages paid before July 1, 2021, you must include any credit that will be claimed on Form 5884-D on [Worksheet 1](#) and/or [Worksheet 2](#), respectively. For more information about this credit, go to [IRS.gov/Form5884D](#).

Reminders

Paying the deferred amount of the employer share of social security tax. One-half of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. Because both December 31, 2021, and December 31, 2022, are nonbusiness days, payments made on the next business day will be considered timely. Any payments or deposits you make before December 31, 2021, are first applied against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For example, if your employer share of social security tax for 2020 was \$20,000 and you deposited \$5,000 of the \$20,000 during 2020 and you deferred \$15,000 on Form 943, line 14b, then you must pay \$5,000 by December 31, 2021, and \$10,000 by December 31, 2022. However, if your employer share of social security tax for 2020 was \$20,000 and you deposited \$15,000 of the \$20,000 during 2020 and you deferred \$5,000 on Form 943, line 14b, then you don't need to pay any deferred amount by December 31, 2021, because 50% of the amount that could have been deferred (\$10,000) has already been paid and is first applied against your payment that would be due on December 31, 2021. Accordingly, you must pay the \$5,000 deferral by December 31, 2022. Payment of the deferral isn't reported on Form 943. For additional information, go to [IRS.gov/ETD](#).

Paying the deferred amount of the employee share of social security tax. The due date for the withholding and payment of the employee share of social security tax is postponed until the period beginning on January 1, 2021, and ending on December 31, 2021. The employer must withhold and pay the total deferred employee share of social security tax ratably from wages paid to the employee between January 1, 2021, and December 31, 2021. If necessary, the employer may make arrangements to otherwise collect the total deferred taxes from the

employee. The employer is liable to pay the deferred taxes to the IRS and must do so before January 1, 2022, to avoid interest, penalties, and additions to tax on those amounts. Because January 1, 2022, is a nonbusiness day, payments made on January 3, 2022, will be considered timely. Payment of the deferral isn't reported on Form 943. For more information about the deferral of the employee share of social security tax, see [Notice 2020-65](#), and [Notice 2021-11](#).

How to pay the deferred amount of the employer and employee share of social security tax. You may pay the amount you owe electronically using the Electronic Federal Tax Payment System (EFTPS), by credit or debit card, or by a check or money order. The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](#), or call 800-555-4477 or 800-733-4829 (TDD). To pay the deferred amount using EFTPS, select Form 943, calendar year 2020, and the option to pay the deferred amount.

To pay by credit or debit card, go to [IRS.gov/PayByCard](#). If you pay by check or money order, include a 2020 Form 943-V, Payment Voucher. The 2020 Form 943-V is on page 5 of Form 943 and is available at [IRS.gov/Form943](#) (select the link for "All Revisions for Form 943" under "Other Items You May Find Useful"). Make the check or money order payable to "United States Treasury." Enter your EIN, "Form 943," and "2020" on your check or money order.

Payments should be sent to:

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0030

or
Department of the Treasury
Internal Revenue Service
Kansas City, MO
64999-0030

Send your payment to the address above that is in the same state as the address to which you would mail returns filed without a payment, as shown under [Where Should You File](#), later. For more information about the deferral of social security tax, go to [IRS.gov/ETD](#) and see [Notice 2020-65](#) and [Notice 2021-11](#).

Qualified small business payroll tax credit for increasing research activities. For tax years beginning after 2015, a qualified small business may elect to claim up to \$250,000 of its credit for increasing research activities as a payroll tax credit against the employer share of social security tax. The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). The portion of the credit used against the employer share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business filed its income tax return. The first Form 943 that you could claim this credit on is Form 943 filed for calendar year 2017. The election and determination of the credit amount that will be used against the employer share of social security tax are made on Form 6765, Credit for Increasing Research Activities. The amount from Form 6765, line 44, must then be reported on Form 8974, Qualified Small Business Payroll Tax Credit for Increasing Research Activities. Form 8974 is used to determine the

amount of the credit that can be used in the current year. The amount from Form 8974, line 12, is reported on Form 943, line 12a. If you're claiming the research payroll tax credit on your Form 943, you must attach Form 8974 to Form 943. For more information about the payroll tax credit, see Notice 2017-23, 2017-16 I.R.B. 1100, available at [IRS.gov/irb/2017-16_IRB#NOT-2017-23](https://www.irs.gov/irb/2017-16_IRB#NOT-2017-23); and [IRS.gov/ResearchPayrollTC](https://www.irs.gov/ResearchPayrollTC). Also see [Adjusting tax liability for nonrefundable credits claimed on lines 12a, 12b, 12c, 12d, and 12e](#), later.

Certification program for professional employer organizations (PEOs). The Stephen Beck Jr., ABLE Act of 2014 required the IRS to establish a voluntary certification program for PEOs. PEOs handle various payroll administration and tax reporting responsibilities for their business clients and are typically paid a fee based on payroll costs. To become and remain certified under the certification program, certified professional employer organizations (CPEOs) must meet various requirements described in sections 3511 and 7705 and related published guidance. Certification as a CPEO may affect the employment tax liabilities of both the CPEO and its customers. A CPEO is generally treated for employment tax purposes as the employer of any individual who performs services for a customer of the CPEO and is covered by a contract described in section 7705(e)(2) between the CPEO and the customer (CPEO contract), but only for wages and other compensation paid to the individual by the CPEO. To become a CPEO, the organization must apply through the IRS Online Registration System. For more information or to apply to become a CPEO, go to [IRS.gov/CPEO](https://www.irs.gov/CPEO).

CPEOs must generally file Form 943 and Schedule R (Form 943), Allocation Schedule for Aggregate Form 943 Filers, electronically. For more information about a CPEO's requirement to file electronically, see Rev. Proc. 2017-14, 2017-3 I.R.B. 426, available at [IRS.gov/irb/2017-03_IRB#RP-2017-14](https://www.irs.gov/irb/2017-03_IRB#RP-2017-14).

Outsourcing payroll duties. Generally, as an employer, you're responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action. Before you choose to outsource any of your payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) to a third-party payer, such as a payroll service provider or reporting agent, go to [IRS.gov/OutsourcingPayrollDuties](https://www.irs.gov/OutsourcingPayrollDuties) for helpful information on this topic. If a CPEO pays wages and other compensation to an individual performing services for you, and the services are covered by a contract described in section 7705(e)(2) between you and the CPEO (CPEO contract), then the CPEO is generally treated for employment tax purposes as the employer, but only for wages and other compensation paid to the individual by the CPEO. However, with respect to certain employees covered by a CPEO contract, you may also be treated as an employer of the employees and, consequently, may also be liable for federal employment taxes imposed on wages and other compensation paid by the CPEO to such

employees. For more information on the different types of third-party payer arrangements, see section 16 of Pub. 15.

COVID-19 employment tax credits when return filed by a third-party payer. If you're the common-law employer of the individuals that are paid qualified sick or family leave wages, paid wages qualifying for the employee retention credit, and/or provided COBRA premium assistance, you're entitled to the credit for the qualified sick and family leave wages, the employee retention credit, and/or the COBRA premium assistance credit, regardless of whether you use a third-party payer (such as a PEO, CPEO, or section 3504 agent) to report and pay your federal employment taxes. The third-party payer isn't entitled to the credits with respect to the wages and taxes it remits on your behalf, or the COBRA premium assistance it remits on your behalf (regardless of whether the third party is considered an "employer" for other purposes). With respect to the COBRA premium assistance credit, the preceding sentences assume the common-law employer is the person to whom premiums are payable for purposes of the credit. If the insurer or multiemployer plan is the person to whom premiums are payable, the references to employer in this paragraph should be read to refer to the insurer or multiemployer plan, as applicable.

Under an exception to the rule that only the common-law employer is entitled to the COBRA premium assistance credit even if the common-law employer uses a third-party payer, a third-party payer is entitled to the credit if it is treated as the person to whom premiums are payable. A third-party payer is treated as the person to whom premiums are payable if it:

- Maintains the group health plan;
- Is considered the sponsor of the group health plan and is subject to the applicable Department of Labor (DOL) COBRA guidance, including providing the COBRA election notices to qualified beneficiaries; and
- Would have received the COBRA premium payments directly from the assistance eligible individuals were it not for the COBRA premium assistance.

If a third-party payer satisfies the above conditions, the third-party payer's clients aren't eligible for the COBRA premium assistance credit or an advance payment of the COBRA premium assistance credit. Third-party payers that are considered the person to whom premiums are payable may, in anticipation of receiving the COBRA premium assistance credit, reduce the deposits of federal employment taxes relating to their own employees (that is, those employees for whom they are filing as the common-law employer, rather than as a third-party payer) on the day they become eligible for the credit. If the anticipated credit exceeds the available reduction of these deposits, the third-party payer may file Form 7200 to request an advance after the payroll period in which the third-party payer becomes entitled to the credit.

Aggregate Form 943 filers. Approved section 3504 agents and CPEOs must complete and file Schedule R (Form 943) when filing an aggregate Form 943. Aggregate Forms 943 are filed by agents approved by the IRS under section 3504. To request approval to act as an agent for an employer, the agent files Form 2678 with the IRS unless you're a state or local government agency acting

as an agent under the special procedures provided in Rev. Proc. 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). Aggregate Forms 943 are also filed by CPEOs approved by the IRS under section 7705. To become a CPEO, the organization must apply through the IRS Online Registration System at [IRS.gov/CPEO](https://www.irs.gov/CPEO). CPEOs file Form 8973, Certified Professional Employer Organization/Customer Reporting Agreement, to notify the IRS that they started or ended a service contract with a customer. CPEOs must generally file Form 943 and Schedule R (Form 943) electronically. For more information about a CPEO's requirement to file electronically, see Rev. Proc. 2017-14, 2017-3 I.R.B. 426, available at [IRS.gov/irb/2017-03_IRB#RP-2017-14](https://www.irs.gov/irb/2017-03_IRB#RP-2017-14).

Other third-party payers that file aggregate Forms 943, such as non-certified PEOs, must complete and file Schedule R (Form 943) if they have clients that are claiming the qualified small business payroll tax credit for increasing research activities, the credit for qualified sick and family leave wages, the employee retention credit, and/or the COBRA premium assistance credit.



If both an employer and a section 3504 authorized agent (or CPEO or other third-party payer) paid wages to an employee during the year, both the employer and the section 3504 authorized agent (or CPEO or other third-party payer, if applicable) should file Form 943 reporting the wages each entity paid to the employee during the year and issue Forms W-2 reporting the wages each entity paid to the employee during the year.

If a third-party payer of sick pay is also paying qualified sick leave wages on behalf of an employer, the third party would be making the payments as an agent of the employer. The employer is required to do the reporting and payment of employment taxes with respect to the qualified sick leave wages and claim the credit for the qualified sick leave wages, unless the employer has an agency agreement with the third-party payer that requires the third-party payer to do the collecting, reporting, and/or paying or depositing employment taxes on the qualified sick leave wages. If the employer has an agency agreement with the third-party payer, the third-party payer includes the qualified sick leave wages on the third party's aggregate Form 943, claims the sick leave credit on behalf of the employer on the aggregate Form 943, and separately reports the credit allocable to the employers on Schedule R (Form 943). See section 6 of Pub. 15-A, Employer's Supplemental Tax Guide, for more information about sick pay reporting.

If a third-party payer is considered the person to whom COBRA premiums are payable, as discussed earlier under [COVID-19 employment tax credits when return filed by a third-party payer](#), the third party must include the applicable credit amount on Schedule R (Form 943), column n, line 8.

Work opportunity tax credit for qualified tax-exempt organizations hiring qualified veterans. Qualified tax-exempt organizations that hire eligible unemployed veterans may be able to claim the work opportunity tax credit against their payroll tax liability using Form 5884-C. For more information, go to [IRS.gov/WOTC](https://www.irs.gov/WOTC).

Correcting a previously filed Form 943. If you discover an error on a previously filed Form 943, or if you otherwise need to amend a previously filed Form 943, make the correction using Form 943-X. Form 943-X is filed separately from Form 943. For more information, see the Instructions for Form 943-X, section 9 of Pub. 51, or go to [IRS.gov/CorrectingEmploymentTaxes](https://www.irs.gov/CorrectingEmploymentTaxes).

If you change your business name, business address, or responsible party. Notify the IRS immediately if you change your business name, business address, or responsible party.

- Write to the IRS office where you file your returns (using the *Without a payment* address under [Where Should You File](#), later) to notify the IRS of any business name change. See Pub. 1635 to see if you need to apply for a new employer identification number (EIN).

- Complete and mail Form 8822-B to notify the IRS of a business address or responsible party change. Don't mail Form 8822-B with your Form 943. For a definition of "responsible party," see the Instructions for Form SS-4.

Federal tax deposits must be made by electronic funds transfer (EFT). You must use EFT to make all federal tax deposits. Generally, an EFT is made using EFTPS. If you don't want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make electronic deposits on your behalf. Also, you may arrange for your financial institution to initiate a same-day wire payment on your behalf. EFTPS is a free service provided by the Department of the Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

For more information on making federal tax deposits, see section 7 of Pub. 51. To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](https://www.eftps.gov), or call 800-555-4477 or 800-733-4829 (TDD). Additional information about EFTPS is also available in Pub. 966.



For an EFTPS deposit to be on time, you must submit the deposit by 8 p.m. Eastern time the day before the date the deposit is due.

Same-day wire payment option. If you fail to submit a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, you can still make your deposit on time by using the Federal Tax Collection Service (FTCS) to make a same-day wire payment. To use the same-day wire payment method, you will need to make arrangements with your financial institution ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution may charge you a fee for payments made this way. To learn more about the information you will need to give your financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).

Timeliness of federal tax deposits. If a deposit is required to be made on a day that isn't a business day, the deposit is considered timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday. The term "legal holiday" for deposit purposes includes only those legal holidays in the District of Columbia. Legal holidays in the District of Columbia are provided in section 7 of Pub. 51.

Electronic filing and payment. Businesses can enjoy the benefits of filing tax returns and paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, the IRS offers you convenient programs to make filing and paying easier. Spend less time worrying about taxes and more time running your business. Use e-file and EFTPS to your benefit.

- For e-file, go to [IRS.gov/EmploymentEfile](https://www.irs.gov/employmentefile) for additional information. A fee may be charged to file electronically.
- For EFTPS, go to [EFTPS.gov](https://www.eftps.gov) or call EFTPS Customer Service at 800-555-4477 or 800-733-4829 (TDD) for additional information.
- For electronic filing of Forms W-2, Wage and Tax Statement, go to [SSA.gov/employer](https://www.ssa.gov/employer). You may be required to file Forms W-2 electronically. For details, see the General Instructions for Forms W-2 and W-3.



If you're filing your tax return or paying your federal taxes electronically, a valid EIN is required at the time the return is filed or the payment is made. If a valid EIN isn't provided, the return or payment won't be processed. This may result in penalties. See [How Should You Complete Form 943](#), later, for more information about applying for an EIN.



Always be sure the EIN on the form you file exactly matches the EIN the IRS assigned to your business. Don't use your SSN or ITIN on forms that ask for an EIN. If you used an EIN (including a prior owner's EIN) on Form 943 that is different from the EIN reported on Form W-3, see Box h—Other EIN used this year in the General Instructions for Forms W-2 and W-3. Filing a Form 943 with an incorrect EIN or using another business's EIN may result in penalties and delays in processing your return.

Electronic funds withdrawal (EFW). If you file Form 943 electronically, you can e-file and use EFW to pay the balance due in a single step using tax preparation software or through a tax professional. However, don't use EFW to make federal tax deposits. For more information on paying your taxes using EFW, go to [IRS.gov/EFW](https://www.irs.gov/efw).

Credit or debit card payments. You can pay the balance due shown on Form 943 by credit or debit card. Your payment will be processed by a payment processor who will charge a processing fee. Don't use a credit or debit card to make federal tax deposits. For more information on paying your taxes with a credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/paybycard).

Online payment agreement. You may be eligible to apply for an installment agreement online if you can't pay the full amount of tax you owe when you file your return. For more information, see [What if you can't pay in full](#), later.

Paid preparers. If you use a paid preparer to complete Form 943, the paid preparer must complete and sign the paid preparer's section of the form.

Disregarded entities and qualified subchapter S subsidiaries (QSubs). Eligible single-owner disregarded entities and QSubs are treated as separate entities for employment tax purposes. Eligible single-member entities

that haven't elected to be taxed as corporations must report and pay employment taxes on wages paid to their employees using the entities' own names and EINs. See Regulations sections 1.1361-4(a)(7) and 301.7701-2(c)(2)(iv).

Where can you get telephone help? For answers to your questions about completing Form 943 or tax deposit rules, you can call the IRS at 800-829-4933 or 800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability), Monday–Friday from 7:00 a.m. to 7:00 p.m. local time (Alaska and Hawaii follow Pacific time).

Photographs of Missing Children The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

General Instructions

Purpose of Form 943

These instructions give you some background information about Form 943. They tell you who must file Form 943, how to complete it line by line, and when and where to file it.

If you want more in-depth information about payroll tax topics relating to Form 943, see Pub. 51 or go to [IRS.gov/EmploymentTaxes](https://www.irs.gov/employmenttaxes). For tax information relevant to agricultural employers, go to [IRS.gov/AgricultureTaxCenter](https://www.irs.gov/agriculturetaxcenter).

Federal law requires you, as an employer, to withhold certain taxes from your employees' pay. Each time you pay wages, you must withhold—or take out of your employees' pay—certain amounts for federal income tax, social security tax, and Medicare tax. You must also withhold Additional Medicare Tax from wages you pay to an employee in excess of \$200,000 in a calendar year. Under the withholding system, taxes withheld from your employees are credited to your employees in payment of their tax liabilities.

Federal law also requires you to pay any liability for the employer share of social security tax and Medicare tax. This share of social security tax and Medicare tax isn't withheld from employees.

If you have **household employees** working in your private home on your farm operated for a profit, they aren't considered to be farm employees. To report social security tax, Medicare tax, Additional Medicare Tax, and federal income tax withholding on the wages of household employees, you may either:

- File Schedule H (Form 1040) with your Form 1040 or 1040-SR, or
- Include the wages with your farm employees' wages on Form 943.

If you paid wages to other nonfarm workers, don't report these on Form 943. Taxes on wages paid to

nonfarm workers are reported on Form 941 or 941-SS, Employer's QUARTERLY Federal Tax Return, or Form 944, Employer's ANNUAL Federal Tax Return. See Pub. 926 for more information about household employees.

Who Must File Form 943?

File Form 943 if you paid wages to one or more farmworkers and the wages were subject to federal income tax withholding or social security and Medicare taxes under the tests discussed next. For more information on farmworkers and wages, see Pub. 51.

After you file your first Form 943, you must file a return for each year, even if you have no taxes to report, until you file a final return. You're encouraged to file Form 943 electronically. Go to [IRS.gov/EmploymentEfile](https://www.irs.gov/EmploymentEfile) for more information on electronic filing.

The \$150 Test or the \$2,500 Test

All cash wages that you pay to farmworkers are subject to federal income tax withholding and social security and Medicare taxes for any calendar year for which you meet either of the tests listed next.

- You pay an employee cash wages of \$150 or more in a year for farmwork (count all wages paid on a time, piecework, or other basis). The \$150 test applies separately to each farmworker that you employ. If you employ a family of workers, each member is treated separately. Don't count wages paid by other employers.
- The total (cash and noncash) wages that you pay to all farmworkers is \$2,500 or more.

If the \$2,500-or-more test for the group isn't met, the \$150-or-more test for an individual still applies. Similarly, if the \$150-or-more test is not met for any individual, the \$2,500-or-more test for the group still applies.

Exceptions. Special rules apply to certain hand-harvest laborers who receive less than \$150 in annual cash wages. For more information, see section 4 of Pub. 51.

Final Return

If you stop paying wages during the year and don't expect to pay wages again, file a final return for 2021. Be sure to mark the box above line 1 on the form indicating that you don't have to file returns in the future. If you later restart paying wages, then resume filing Form 943.

Attach a statement to your final return showing the name of the person keeping the payroll records and the address where these records will be kept. If the business has been sold or transferred to another person, the statement should include the name and address of such person and the date on which the sale or transfer took place. If no sale or transfer occurred, or you don't know the name of the person to whom the business was sold or transferred, that fact should be included in the statement.

When Must You File?

For 2021, file Form 943 by January 31, 2022. However, if you made deposits on time in full payment of the taxes due for the year, you may file the return by February 10, 2022.

File Form 943 only once for each calendar year. If you filed Form 943 electronically, don't file a paper Form 943. For more information about filing Form 943 electronically, see [Electronic filing and payment](#), earlier.

If we receive Form 943 after the due date, we will treat Form 943 as filed on time if the envelope containing Form 943 is properly addressed, contains sufficient postage, and is postmarked by the U.S. Postal Service on or before the due date, or sent by an IRS-designated private delivery service (PDS) on or before the due date. If you don't follow these guidelines, we will generally consider Form 943 filed when it is actually received. For more information about PDSs, see [Where Should You File](#), later.

Forms W-2 and W-3

By January 31, 2022, give Form W-2 to each employee who was working for you at the end of 2021. If an employee stops working for you before the end of the year, give him or her Form W-2 any time after employment ends but no later than January 31, 2022. If the employee asks you for Form W-2, give him or her the completed form within 30 days of the request or the last wage payment, whichever is later.

File Copy A of all Forms W-2 with Form W-3, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA) by January 31, 2022. For electronic filing of Forms W-2, go to [SSA.gov/employer](https://www.ssa.gov/employer). You may be required to file Forms W-2 electronically. For details, see the General Instructions for Forms W-2 and W-3.

Compensation paid to H-2A visa holders. Report compensation of \$600 or more paid to foreign agricultural workers who entered the country on H-2A visas in box 1 of Form W-2. Compensation paid to H-2A workers for agricultural labor performed in connection with H-2A visas isn't subject to social security and Medicare taxes and therefore shouldn't be reported as wages subject to social security tax (lines 2, 2a, and 2b), Medicare tax (line 4), or Additional Medicare Tax withholding (line 6) on Form 943, and shouldn't be reported as social security wages (box 3) or Medicare wages (box 5) on Form W-2.

An employer isn't required to withhold federal income tax from compensation paid to an H-2A worker for agricultural labor performed in connection with this visa unless the worker asks for withholding and the employer agrees. In this case, the worker must give the employer a completed Form W-4. Federal income tax withheld is reported on Form 943, line 8, and in box 2 of Form W-2. These reporting rules apply when the H-2A worker provides his or her taxpayer identification number (TIN) to the employer. For the rules relating to backup withholding and reporting when the H-2A worker doesn't provide a TIN, see the Instructions for Forms 1099-MISC and 1099-NEC and the Instructions for Form 945. For more information on foreign agricultural workers on H-2A visas, go to [IRS.gov/H2A](https://www.irs.gov/H2A).

Forms 1099-MISC and 1099-NEC

Both paper and electronically filed Forms 1099-MISC, Miscellaneous Information, and 1099-NEC, Nonemployee Compensation, must be filed with the IRS by January 31,

2022. Form 1099-MISC is used to report rents paid in your farming business, and Form 1099-NEC is generally used to report payments to an individual who isn't your employee. Payments made to corporations for medical and health care payments, including payments made to veterinarians, must generally be reported on Form 1099-MISC. Compensation of \$600 or more paid in a calendar year to an H-2A visa agricultural worker who didn't give you a valid TIN is also reported on Form 1099-MISC; you must withhold federal income tax from these payments under the backup withholding rules. For more information about filing Forms 1099-MISC and 1099-NEC, see the Instructions for Forms 1099-MISC and 1099-NEC.

How Should You Complete Form 943?

Enter your EIN, name, and address in the spaces provided. Don't use your social security number (SSN) or individual taxpayer identification number (ITIN). Generally, enter the business (legal) name you used when you applied for your EIN. For example, if you're a sole proprietor, enter "Barbara Smith" on the "Name" line and "Barbara's Farm" on the "Trade name" line. Leave the "Trade name" line blank if it is the same as your "Name."

If you use a tax preparer to fill out Form 943, make sure the preparer shows your business name exactly as it appeared when you applied for your EIN.

If you don't have an EIN, you may apply for one online by visiting [IRS.gov/EIN](https://www.irs.gov/EIN). You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If the principal business was created or organized outside of the United States or U.S. territories, you may also apply for an EIN by calling 267-941-1099 (toll call). If you have applied for an EIN but don't have your EIN by the time a return is due, file a paper return and write "Applied For" and the date you applied in the space shown for the number.

Completing Form 943

Make entries on Form 943 as follows to enable accurate processing.

- Don't enter dollar signs and decimal points. Commas are optional. Enter dollars to the left of the preprinted line

Mailing Addresses for Form 943

If you're in . . .	Without a payment . . .	With a payment . . .
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0008	Internal Revenue Service P.O. Box 806533 Cincinnati, OH 45280-6533
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0008	Internal Revenue Service P.O. Box 932200 Louisville, KY 40293-2200
No legal residence or principal place of business in any state	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409	Internal Revenue Service P.O. Box 932200 Louisville, KY 40293-2200

and cents to the right of it. Don't round entries to whole dollars. Always show an amount for cents, even if it is zero.

- Enter negative amounts using a minus sign (if possible). Otherwise, use parentheses.
- Staple multiple sheets in the upper left corner when filing.

Complete all 3 pages. You must complete all three pages of Form 943 and sign on page 3. Failure to do so may delay processing of your return.

Reconciliation of Form 943 to Forms W-2 and W-3

Certain amounts reported on Form 943 for 2021 should agree with the Form W-2 totals reported on the 2021 Form W-3. The amounts from Form 943 that should agree with the related boxes on Form W-3 are: federal income tax withheld (line 8 and box 2), social security wages (lines 2, 2a, and 2b, and box 3), and Medicare wages (line 4 and box 5). If the amounts don't agree, you may be contacted by the IRS or the SSA. For more information, see section 11 of Pub. 51. Keep all records that show why the totals don't match.

Where Should You File?

You're encouraged to file Form 943 electronically. Go to [IRS.gov/efile](https://www.irs.gov/efile) for more information on electronic filing. If you file a paper return, where you file depends on whether you include a payment with Form 943. Mail your return to the address listed for your location in the table that follows.

PDSs can't deliver to P.O. boxes. You must use the U.S. Postal Service to mail an item to a P.O. box address. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of PDSs. For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSstreetAddresses](https://www.irs.gov/PDSstreetAddresses). Select the mailing address listed on the webpage that is in the same state as the address to which you would mail returns filed without a payment, as shown next.

Special filing address for exempt organizations; federal, state, and local governmental entities; and Indian tribal governmental entities, regardless of location

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0008

Internal Revenue Service
P.O. Box 932200
Louisville, KY 40293-2200



Your filing address may have changed from that used to file your employment tax return in prior years. Don't send Form 943 or any payments to the SSA.

Depositing Your Taxes



You must deposit all depository taxes electronically by EFT. For more information, see [Federal tax deposits must be made by electronic funds transfer \(EFT\)](#) under Reminders, earlier.

Must You Deposit Your Taxes?

You may have to deposit the federal income taxes you withheld and both the employer and employee social security taxes and Medicare taxes.

- **If your total taxes after adjustments and nonrefundable credits (line 13) are less than \$2,500 for the year, you can pay the tax due with your return if you file on time.** You don't have to make a deposit. To avoid a penalty, you must pay any amount due in full with a timely filed return or you must deposit any amount you owe by the due date of the return. For more information on paying with a timely filed return, see the instructions for [line 15](#), later.

- **If your total taxes after adjustments and nonrefundable credits (line 13) are \$2,500 or more for the year.** You must make deposits by EFT throughout the year in accordance with your deposit schedule. There are two deposit schedules—monthly or semiweekly—for determining when you must deposit. Before the beginning of each calendar year, you must determine which of the two deposit schedules you must use. See section 7 of Pub. 51 for information and rules concerning federal tax deposits and to determine your status as a monthly or semiweekly schedule depositor.

Note. If you're a monthly schedule depositor and accumulate a \$100,000 tax liability on any day during the deposit period, you become a semiweekly schedule depositor on the next day and remain so for at least the rest of the calendar year and for the following calendar year. If you become a semiweekly schedule depositor under this rule solely as a result of the relief provided in Notice 2021-65 regarding the early termination of the employee retention credit for the fourth quarter of 2021, you may be converted back to a monthly schedule depositor by contacting the IRS. You may continue to deposit in accordance with your status as a monthly schedule depositor, but you may receive a system-generated failure-to-deposit (FTD) penalty notice after you file your Form 943 for 2022. Contact the IRS at the toll-free number on your FTD penalty notice to request abatement of the FTD penalty and to be converted back to a monthly schedule depositor. Aside from this exception, ordinary rules for determining deposit frequency will continue to apply. The \$100,000 tax liability threshold requiring a next-day deposit is determined before you consider any reduction of your liability for nonrefundable

credits. For more information, including an example, see frequently asked question 17 at [IRS.gov/ETD](#).

Reducing your deposits for COVID-19 credits.

Employers eligible to claim the credit for qualified sick and family leave wages, the employee retention credit, and/or the COBRA premium assistance credit can reduce their deposits by the amount of their anticipated credits. You may reduce your deposits of federal employment taxes in anticipation of the COBRA premium assistance credit with regard to a period of coverage as of the date you are entitled to the credit. Employers won't be subject to an FTD penalty for reducing their deposits if certain conditions are met. See the instructions for [line 12b](#), [line 12c](#), [line 12d](#), and [line 12e](#), later, for more information on these credits. For more information on reducing deposits, see Notice 2020-22, 2020-17 I.R.B. 664, available at [IRS.gov/irb/2020-17_IRB#NOT-2020-22](#); and Notice 2021-24, 2021-18 I.R.B. 1122, available at [IRS.gov/irb/2021-18_IRB#NOT-2021-24](#). See the instructions for [line 17](#), later, for information on adjusting tax liabilities reported on line 17 or Form 943-A for nonrefundable credits.

Due to the termination of the employee retention credit for the fourth quarter of 2021 for employers that aren't recovery startup businesses, the IRS will no longer waive FTD penalties for employers that reduce deposits in anticipation of the employee retention credit after December 20, 2021, unless the employer is a recovery startup business. Some employers that are no longer eligible to claim the employee retention credit for the fourth quarter of 2021 may have already reduced their employment tax deposits in anticipation of claiming the employee retention credit for the fourth quarter of 2021. For deposits due on or before December 20, 2021, with respect to wages paid on or after October 1, 2021, an employer that isn't a recovery startup business won't be subject to an FTD penalty for the fourth quarter of 2021 if the employer:

- Reduced its deposits in anticipation of the employee retention credit, consistent with the rules provided by section 3.b. of [Notice 2021-24](#);
- Deposits the amounts initially retained in anticipation of the employee retention credit on or before the due date of the deposit for wages paid on December 31, 2021 (regardless of whether wages are actually paid on that date); and
- Reports the tax liability associated with the termination of the employer's employee retention credit on their 2021 Form 943, line 17, or, if a semiweekly schedule depositor, on Form 943-A for the applicable day or days in December.

Example. Reducing deposits for COBRA premium assistance. Maple Co. has a semimonthly payroll period. Sophie Rose elected COBRA premium assistance on May 17, 2021. Maple Co. became entitled to a COBRA premium assistance credit as of May 17, 2021, for the premiums not paid by Sophie (an assistance eligible individual) for the periods of coverage of April 1, 2021,

through April 30, 2021, and May 1, 2021, through May 31, 2021. Maple Co. could reduce its federal employment tax deposits as of May 17, 2021, in anticipation of the credit to which Maple Co. has become entitled.

What About Penalties and Interest?

Avoiding Penalties and Interest

You can avoid paying penalties and interest if you do all of the following.

- Deposit or pay your taxes when they are due, unless you meet the requirements discussed in [Notice 2020-22](#) and [Notice 2021-24](#). See [Notice 2021-65](#) for modifications to Notice 2021-24 under the Infrastructure Act.
- File your fully completed Form 943 on time.
- Report your tax liability accurately.
- Submit valid checks for tax payments.
- Furnish accurate Forms W-2 to employees.
- File Form W-3 and Copy A of Forms W-2 with the SSA on time and accurately. Go to [SSA.gov/employer](https://www.ssa.gov/employer) for information on how to file Forms W-2 electronically.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See sections 7 and 8 of Pub. 51 for details.

Use Form 843 to request abatement of assessed penalties or interest. Don't request abatement of assessed penalties or interest on Form 943 or Form 943-X.

If you receive a notice about a penalty after you file your return, reply to the notice with an explanation and we will determine if you meet reasonable-cause criteria. Don't attach an explanation when you file your return.



If federal income, social security, and Medicare taxes that must be withheld (that is, trust fund taxes) aren't withheld or aren't deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is 100% of the unpaid trust fund tax. If these unpaid taxes can't be immediately collected from the employer or business, the trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so. For more information, see section 7 of Pub. 51. The trust fund recovery penalty won't apply to any amount of trust fund taxes an employer holds back in anticipation of any credits they are entitled to. It also won't apply to applicable taxes deferred under section 2302 of the CARES Act or applicable taxes deferred under [Notice 2020-65](#) and [Notice 2021-11](#) if paid by the due date.

Specific Instructions

Line 1. Number of Agricultural Employees

Enter the number of agricultural employees on your payroll during the pay period that included March 12, 2021. Don't include household employees, persons who received no pay during the pay period, pensioners, or members of the Armed Forces.



For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages" that are reported on line 2a for leave taken before April 1, 2021, or reported on line 2 for leave taken after March 31, 2021, and before October 1, 2021.

Line 2. Wages Subject to Social Security Tax

Enter the total cash wages, including qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021; qualified wages (other than qualified health plan expenses) for the employee retention credit; sick pay; and taxable fringe benefits subject to social security tax that you paid to your employees for farmwork during the calendar year. Don't include the qualified sick leave wages reported on line 2a or the qualified family leave wages reported on line 2b for leave taken before April 1, 2021. For this purpose, sick pay includes payments made by an insurance company to your employees for which you received timely notice from the insurance company.

Enter the amount before payroll deductions. Cash wages include checks, money orders, etc. Don't include the value of noncash items, such as food or lodging, or pay for services other than farmwork. See section 3 of Pub. 51 for information on cash and noncash wages. See [Purpose of Form 943](#), earlier, for household employee information.

For 2021, the rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages for leave taken before April 1, 2021, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Stop paying social security tax on and entering an employee's wages on line 2 when the employee's taxable wages, including qualified sick leave wages reported on line 2a and qualified family leave wages reported on line 2b, reach \$142,800 for the year. However, continue to withhold income and Medicare taxes for the whole year on all wages, including qualified sick leave wages and qualified family leave wages, even when the social security wage base of \$142,800 has been reached. If you, as a qualifying employer, receive an approved Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits, from one or more of your employees, enter "Form 4029" on the dotted line next to the entry space.

For purposes of the credit for qualified sick and family leave wages, qualified sick leave and family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)-(22), that an employer pays that otherwise meet the requirements of the [EPSLA](#) or the [Expanded FMLA](#), as enacted under the FFCRA and amended for purposes of the ARP. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified sick and family leave wages on lines 2, 2a, 2b, 4, and, if applicable, 6. See the instructions for [line 12d](#) for information about the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.

EPSLA. Employers with fewer than 500 employees and, for leave taken after March 31, 2021, and before October 1, 2021, certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA. Under the EPSLA, as amended for purposes of the ARP, wages are qualified sick leave wages if paid to employees that are unable to work before October 1, 2021, because the employee:

1. Is subject to a federal, state, or local quarantine or isolation order related to COVID-19;
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. Is experiencing symptoms of COVID-19 and seeking a medical diagnosis; or, for leave taken after March 31, 2021, and before October 1, 2021, is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 (and the employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis), or the employee is obtaining immunizations related to COVID-19 or recovering from an injury, disability, illness, or condition related to such immunization;
4. Is caring for an individual subject to an order described in (1) or who has been advised as described in (2);
5. Is caring for a son or daughter because the school or place of care for that child has been closed, or the childcare provider for that child is unavailable, due to COVID-19 precautions; or
6. Is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services, which for leave taken after March 31, 2021, and before October 1, 2021, includes to accompany an individual to obtain immunization related to COVID-19, or to care for an individual who is recovering from any injury, disability, illness, or condition related to the immunization.

Son or daughter. A son or daughter must generally have been under 18 years of age or incapable of self-care because of a mental or physical disability. A son or daughter includes a biological child, adopted child, stepchild, foster child, legal ward, or child for whom the employee assumes parental status and carries out the obligations of a parent.

Limits on qualified sick leave wages. The EPSLA, as amended for purposes of the ARP, provides different limitations for different circumstances under which qualified sick leave wages are paid. For paid sick leave qualifying under (1), (2), or (3) earlier, the amount of qualified sick leave wages is determined at the employee's regular rate of pay, but the wages may not exceed \$511 for any day (or portion of a day) for which the individual is paid sick leave. For paid sick leave qualifying under (4), (5), or (6) earlier, the amount of qualified sick leave wages is determined at two-thirds the employee's regular rate of pay, but the wages may not exceed \$200 for any day (or portion of a day) for which the individual is paid sick leave. The EPSLA also limits each individual to a

maximum of up to 80 hours of paid sick leave in total for leave taken after March 31, 2020, and before April 1, 2021. The ARP resets this limit at 80 hours of paid sick leave for leave taken after March 31, 2021, and before October 1, 2021. Therefore, for leave taken after March 31, 2020, and before April 1, 2021, the maximum amount of paid sick leave wages can't exceed \$5,110 for an employee for leave under (1), (2), or (3), and it can't exceed \$2,000 for an employee for leave under (4), (5), or (6). These maximum amounts also reset and apply to leave taken after March 31, 2021, and before October 1, 2021.

For more information about qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Expanded FMLA. Employers with fewer than 500 employees and, for leave taken after March 31, 2021, and before October 1, 2021, certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit under the FFCRA, as amended for purposes of the ARP, if they provide paid family leave to employees that otherwise meets the requirements of the Expanded FMLA. For leave taken before April 1, 2021, wages are qualified family leave wages if paid to an employee who has been employed for at least 30 calendar days when an employee is unable to work due to the need to care for a son or daughter under 18 years of age or incapable of self-care because of a mental or physical disability because the school or place of care for that child has been closed, or the childcare provider for that child is unavailable, due to a public health emergency. See [Son or daughter](#), earlier, for more information. For leave taken after March 31, 2021, and before October 1, 2021, the leave can be granted for any other reason provided by the EPSLA, as amended for purposes of the ARP.

For leave taken before April 1, 2021, the first 10 days for which an employee takes leave may be unpaid. During this period, employees may use other forms of paid leave, such as qualified sick leave, accrued sick leave, annual leave, or other paid time off. After an employee takes leave for 10 days, the employer must provide the employee paid leave (that is, qualified family leave wages) for up to 10 weeks. For leave taken after March 31, 2021, and before October 1, 2021, the 10-day rule discussed above doesn't apply and the paid leave can be provided for up to 12 weeks.

Rate of pay and limit on wages. The rate of pay must be at least two-thirds of the employee's regular rate of pay (as determined under the Fair Labor Standards Act of 1938), multiplied by the number of hours the employee would have otherwise been scheduled to work. For leave taken after March 31, 2020, and before April 1, 2021, the qualified family leave wages can't exceed \$200 per day or \$10,000 in the aggregate per employee. For leave taken after March 31, 2021, and before October 1, 2021, the limit resets and the total qualified leave wages can't exceed \$200 per day or \$12,000 in the aggregate per employee.

For more information about qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Line 2a. Qualified Sick Leave Wages

Enter the qualified taxable (subject to social security tax) sick leave wages you paid to your employees during the year for leave taken before April 1, 2021. Qualified sick leave wages for leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 2a when the employee's taxable wages, including wages reported on line 2, qualified sick leave wages reported on line 2a, and qualified family leave wages reported on line 2b, reach \$142,800 for the year. See the instructions for [line 4](#) and [line 5](#) for reporting Medicare tax on qualified sick leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified sick leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA, as enacted under the FFCRA and amended by the COVID-related Tax Relief Act of 2020. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified sick leave wages on lines 2a, 4, and, if applicable, 6. See the instructions for [line 12b](#) for information about the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

Line 2b. Qualified Family Leave Wages

Enter the qualified taxable (subject to social security tax) family leave wages you paid to your employees during the year for leave taken before April 1, 2021. Qualified family leave wages for leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 2b when the employee's taxable wages, including wages reported on line 2, qualified sick leave wages reported on line 2a, and qualified family leave wages reported on line 2b, reach \$142,800 for the year. See the instructions for [line 4](#) and [line 5](#) for reporting Medicare tax on qualified family leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the Expanded FMLA, as enacted under the FFCRA and amended by the COVID-related Tax Relief Act of 2020. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified family leave wages on lines 2b, 4, and, if applicable, 6. See the instructions for [line 12b](#) for information about the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

Line 3. Social Security Tax

Multiply line 2 by 12.4% (0.124) and enter the result on line 3.

Line 3a. Social Security Tax on Qualified Sick Leave Wages

Multiply line 2a by 6.2% (0.062) and enter the result on line 3a.

Line 3b. Social Security Tax on Qualified Family Leave Wages

Multiply line 2b by 6.2% (0.062) and enter the result on line 3b.

Line 4. Wages Subject to Medicare Tax

Enter the total cash wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit; sick pay; and taxable fringe benefits that are subject to Medicare tax that you paid to your employees for farmwork during the calendar year. Enter the amount before deductions. Don't include the value of noncash items, such as food or lodging, or pay for services other than farmwork. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax. If you, as a qualifying employer, receive an approved Form 4029 from one or more of your employees, enter "Form 4029" on the dotted line next to the entry space.

Line 5. Medicare Tax

Multiply line 4 by 2.9% (0.029) and enter the result on line 5.

Line 6. Wages Subject to Additional Medicare Tax Withholding

Enter all wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit; sick pay; and taxable fringe benefits that are subject to Additional Medicare Tax withholding. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on what wages are subject to Medicare tax, see the chart, *Special Rules for Various Types of Services and Payments*, in section 15 of Pub. 15. For more information on Additional Medicare Tax, go to [IRS.gov/ADMT](https://www.irs.gov/ADMT).

Line 7. Additional Medicare Tax Withholding

Multiply line 6 by 0.9% (0.009) and enter the result on line 7.

Line 8. Federal Income Tax Withheld

Enter the federal income tax that you withheld from your employees on this year's wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit. Generally, you must withhold federal income tax from employees from whom you withhold social security and Medicare taxes. See section 5 of Pub. 51 for more information on withholding rules.

Line 9. Total Taxes Before Adjustments

Add the total social security tax (lines 3, 3a, and 3b), Medicare tax (line 5), Additional Medicare Tax withholding (line 7), and federal income tax withheld (line 8). Enter the result on line 9.

Line 10. Current Year's Adjustments

Use line 10 to:

- Adjust for rounding of fractions of cents, or
- Adjust for the uncollected employee share of social security and Medicare taxes on third-party sick pay or group-term life insurance premiums paid for former employees. See section 9 of Pub. 51.

Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 9. Otherwise, use parentheses.

Adjustment for fractions of cents. If there is a small difference between total taxes after adjustments and nonrefundable credits (line 13) and total deposits (line 14a), it may be caused by rounding to the nearest cent each time you figured payroll. This rounding occurs when you figure the amount of social security and Medicare taxes to be withheld from each employee's wages. If the fractions of cents adjustment is the only entry on line 10, enter "Fractions Only" on the dotted line to the left of the entry space for line 10. This adjustment may be a positive or a negative adjustment.

Adjustment for sick pay. If your third-party payer of sick pay that isn't your agent (for example, an insurance company) transfers the liability for the employer share of the social security and Medicare taxes to you, enter a negative adjustment on line 10 for the employee share of social security and Medicare taxes that were withheld and deposited by your third-party sick pay payer on the sick pay. If you're the third-party sick pay payer and you transferred the liability for the employer share of the social security and Medicare taxes to the employer, enter a negative adjustment on line 10 for any employer share of these taxes required to be paid by the employer. The sick pay should be included on line 2, line 4, and, if the withholding threshold is met, line 6.

No adjustment is reported on line 10 for sick pay that is paid through a third party as an employer's agent. An employer's agent bears no insurance risk and is

reimbursed on a cost-plus-fee basis for payment of sick pay and similar amounts. If an employer uses an agent to pay sick pay, the employer reports the wages on line 2, line 4, and, if the withholding threshold is met, line 6, unless the employer has an agency agreement with the third-party payer that requires the third-party payer to do the collecting, reporting, and/or paying or depositing employment taxes on the sick pay. See section 6 of Pub. 15-A for more information about sick pay reporting.

Line 11. Total Taxes After Adjustments

Combine lines 9 and 10; enter the result on line 11.

Line 12a. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Enter the amount of the credit from Form 8974, line 12.



If you enter an amount on line 12a, you must attach Form 8974. The December 2017 revision of Form 8974 instructs you to enter the amount from Form 8974, line 12, on Form 943, line 12. For 2021, the amount from Form 8974, line 12, should be entered on Form 943, line 12a.



Form 943 and these instructions use the terms "nonrefundable" and "refundable" when discussing credits. The term "nonrefundable" means the portion of the credit which is limited by law to the amount of certain taxes. The term "refundable" means the portion of the credit which is in excess of those taxes.

Line 12b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken Before April 1, 2021

Certain private employers with fewer than 500 employees that provide paid sick leave under the [EPSLA](#) and/or provide paid family leave under the [Expanded FMLA](#) are eligible to claim the credit for qualified sick and family leave wages for leave taken before April 1, 2021. For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under section 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2j. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the [qualified health plan expenses](#) allocable to those wages, and the employer share of Medicare tax allocable to those wages. The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 943, line 3, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, any credit to be claimed on Form 5884-C for the work

opportunity credit for qualified tax-exempt organizations hiring qualified veterans, and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 943, line 14d. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Qualified health plan expenses allocable to qualified sick and family leave wages. The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, qualified health plan expenses don't include amounts that the employee paid for with after-tax contributions. For more information, go to [IRS.gov/PLC](https://www.irs.gov/PLC).



You must include the full amount (both the nonrefundable and refundable portions) of the credit for qualified sick and family leave wages in your gross income for the tax year that includes the last day of any calendar quarter in which a credit is allowed. You can't use the same wages for the employee retention credit and the credits for paid sick and family leave.

Line 12c. Nonrefundable Portion of Employee Retention Credit



Certain government entities are entitled to the credit for 2021, including (1) federal instrumentalities described in section 501(c)(1) and exempt from tax under section 501(a); and (2) any government, agency, or instrumentality that is a college or university or the principal purpose or function of the entity is providing medical or hospital care.

Instructions for Qualified Wages Paid After December 31, 2020, and Before July 1, 2021

Enter the nonrefundable portion of the employee retention credit from [Worksheet 2](#), Step 2, line 2h. The employee retention credit is 70% of the qualified wages you paid to your employees after December 31, 2020, and before July 1, 2021. Qualified wages include [qualified health plan expenses for the employee retention credit](#). The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 943, line 3, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, any credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans, any credit to be claimed on Form

5884-D for the disaster credit for qualified tax-exempt organizations, and/or any credit claimed for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 943, line 14e. For more information on the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021, see [Notice 2021-23](#).

Qualified wages for the employee retention credit paid after December 31, 2020, and before July 1, 2021. The tax credit is equal to 70% of qualified wages paid to employees after December 31, 2020, and before July 1, 2021. Qualified wages, including qualified health plan expenses, are limited to a maximum of \$10,000 for each employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total). Qualified wages are wages for social security and Medicare tax purposes (for government entities, determined without regard to section 3121(b)(5), (6), (7), (10), or (13), except for services performed by an inmate at a penal institution) paid to certain employees during any period in a quarter in which your operations are fully or partially suspended due to a governmental order or during a quarter in which your gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019.

The wages and qualified health plan expenses considered in calculating your credit depend on the size of your workforce. Eligible employers that had an average number of 500 or fewer full-time employees during 2019 count wages paid to all their employees and the qualified health plan expenses paid or incurred for all employees during any period in the first and second quarters of 2021, in which business operations are fully or partially suspended due to a governmental order or during a quarter in which gross receipts are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019. Eligible employers that had an average number of more than 500 full-time employees in 2019 may count only wages paid to employees for time that the employees weren't providing services, and qualified health plan expenses paid or incurred by the employer allocable to the time those employees weren't providing services, due to the suspension or decline in gross receipts.

Qualified wages don't include wages for which the employer receives a credit for qualified sick and family leave wages and any wages taken into account in determining the employee retention credit can't be taken into account as wages for purposes of the credits under sections 41, 45A, 45P, 45S, 51, and 1396. Employers can receive both a Small Business Interruption Loan under the PPP and the employee retention credit; however, employers can't receive both loan forgiveness and a credit for the same wages.

Qualified health plan expenses for the employee retention credit. Qualified wages for the employee retention credit include qualified health plan expenses. Qualified health plan expenses are amounts paid or

incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses taken into account in determining the amount of qualified wages generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, the qualified health plan expenses shouldn't include amounts that the employee paid for with after-tax contributions. Generally, qualified health plan expenses are those which are allocable to an employee (and to a period) in which your business operations are fully or partially suspended due to a governmental order or experience a decline in gross receipts. The allocation will be treated as proper if made on the basis of being pro rata among periods of coverage.



TIP *If you complete Worksheet 2 because you paid qualified wages for the employee retention credit after December 31, 2020, and before July 1, 2021, and you also complete Worksheet 4 because you paid qualified wages for the employee retention credit after June 30, 2021, and before January 1, 2022, you must add the amounts from Worksheet 2, Step 2, line 2h, and Worksheet 4, Step 2, line 2h, together and report the total on Form 943, line 12c.*

Instructions for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022



CAUTION *The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), later, for more information about a recovery startup business.*

Enter the nonrefundable portion of the employee retention credit from [Worksheet 4](#), Step 2, line 2h. The employee retention credit is 70% of the qualified wages you paid to your employees after June 30, 2021, and before January 1, 2022. Qualified wages include [qualified health plan expenses for the employee retention credit](#). The nonrefundable portion of the credit is limited to the employer share of Medicare tax reported on Form 943, line 5, after that share is first reduced by any credit claimed for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021. Any credit in excess of the remaining amount of the employer share of Medicare tax is refundable and reported on Form 943, line 14f. For more information about the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#).

Qualified wages for the employee retention credit paid after June 30, 2021, and before January 1, 2022.

The tax credit is equal to 70% of qualified wages paid to employees after June 30, 2021, and before January 1,

2022. Qualified wages, including qualified health plan expenses, are limited to a maximum of \$10,000 for each employee in each of the third quarter and the fourth quarter of 2021 (\$20,000 in total). Qualified wages are wages for social security and Medicare tax purposes (for government entities, determined without regard to section 3121(b)(5), (6), (7), (10), or (13), except for services performed by an inmate at a penal institution) paid to certain employees during any period in the third and fourth quarters of 2021 in which your business operations are fully or partially suspended due to a governmental order or during a quarter in which your gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019; or wages paid by a recovery startup business. See [Recovery startup business](#), later, for more information about a recovery startup business. A recovery startup business must enter the total of any amounts included in lines 12c and 14e on lines 28 and 29, as applicable, for wages paid after June 30, 2021, and before January 1, 2022. The recovery startup business is limited to a \$50,000 employee retention credit in each of the third quarter and the fourth quarter of 2021 (\$100,000 in total for the year). For more information, see the instructions for [line 28](#) and [line 29](#), later.

Unless you're a severely financially distressed employer, the wages and qualified health plan expenses considered in calculating your credit depend on the size of your workforce. Eligible employers that had an average number of 500 or fewer full-time employees during 2019 count wages paid to all their employees and the qualified health plan expenses paid or incurred for all employees during any period in the third and fourth quarters of 2021 in which business operations are fully or partially suspended due to a governmental order or during a quarter in which gross receipts are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019. Eligible employers that had an average number of more than 500 full-time employees in 2019 may count only wages paid to employees for time that the employees weren't providing services, and qualified health plan expenses paid or incurred by the employer allocable to the time those employees weren't providing services, due to the suspension or decline in gross receipts.

Qualified wages under section 3134 for the employee retention credit don't include wages taken into account for credits under sections 41, 45A, 45P, 45S, 51, 1396, 3131 (qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021), and 3132 (qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021). Qualified wages also don't include wages that were used as payroll costs in connection with a Shuttered Venue Operator Grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; or a restaurant revitalization grant under section 5003 of the ARP. Employers can receive both a Small Business Interruption Loan under the PPP and the employee retention credit; however, employers can't receive both loan forgiveness and a credit for the same wages.

Severely financially distressed employer. Severely financially distressed employers are eligible employers during the third quarter of 2021 whose gross receipts are less than 10% of the gross receipts for the same calendar quarter in calendar year 2019.

Recovery startup business. A recovery startup business is an employer that:

- Began carrying on a trade or business after February 15, 2020;
- Had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the calendar quarter in which the employee retention credit is claimed; and
- Only for credit claimed in the third quarter of 2021, isn't otherwise eligible for the employee retention credit because business operations weren't fully or partially suspended due to a governmental order or because gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) weren't less than 80% of the gross receipts for the same calendar quarter in calendar year 2019.

Line 12d. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the [EPSLA](#), as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the [Expanded FMLA](#), as amended for purposes of the ARP, for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA, as enacted under the FFCRA and amended for purposes of the ARP. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from [Worksheet 3](#), Step 2, line 2r.

The credit for qualified sick and family leave wages consists of the:

- Qualified sick leave wages and/or qualified family leave wages;
- [Qualified health plan expenses allocable to qualified sick leave and family leave wages](#);
- [Collectively bargained defined benefit pension plan contributions](#), subject to the qualified leave wage limitations, allocable to the qualified sick and family leave wages;
- [Collectively bargained apprenticeship program contributions](#), subject to the qualified leave wage

limitations, allocable to the qualified sick and family leave wages; and

- Employer share of social security and Medicare tax allocable to the qualified sick and family leave wages.

The nonrefundable portion of the credit is limited to the employer share of Medicare tax reported on Form 943, line 5. You can't claim the credit if you provide the leave in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure when making qualified sick and/or family leave available to employees. See [Highly compensated employee](#), later, for the definition.

For qualified sick and family leave wages paid before July 1, 2021, for leave taken after March 31, 2021, and before July 1, 2021, the credit for qualified sick and family leave wages is reduced by the amount of the credit allowed under section 2301 of the CARES Act (for the employee retention credit) or under section 41 (for the credit for increasing research activities) with respect to wages taken into account for determining both the credit under section 2301 of the CARES Act or section 41 and the credit for qualified sick and family leave wages; and any wages taken into account in determining the credit for qualified sick and family leave wages can't be taken into account as wages for purposes of the credits under sections 45A, 45P, 45S, and 51. For leave taken after June 30, 2021, the credit for qualified sick and family leave wages is reduced by the amount of the credit allowed under section 41 (for the credit for increasing research activities) with respect to wages taken into account for determining the credit for qualified sick and family leave wages; and any wages taken into account in determining the credit for qualified sick and family leave wages can't be taken into account as wages for purposes of the credits under sections 45A, 45P, 45S, 51, and 3134. For leave taken after March 31, 2021, and before October 1, 2021, qualified wages also don't include wages that were used as payroll costs in connection with a Shuttered Venue Operator Grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; or a restaurant revitalization grant under section 5003 of the ARP. Employers can receive both a Small Business Interruption Loan under the PPP and the credit for qualified sick and family leave wages; however, employers can't receive both loan forgiveness and a credit for the same wages. The same wages can't be treated as both qualified sick leave wages and qualified family leave wages.

Any credit in excess of the remaining amount of the employer share of Medicare tax is refundable and reported on Form 943, line 14f. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

Qualified health plan expenses allocable to qualified sick leave and family leave wages. The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but

only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, qualified health plan expenses don't include amounts that the employee paid for with after-tax contributions. For more information, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Collectively bargained defined benefit pension plan contributions. For purposes of qualified sick and family leave wages, collectively bargained defined benefit pension plan contributions are contributions during the quarter for which you're claiming the credit that are:

- Paid or incurred by an employer on behalf of its employees to a defined benefit plan, as defined in section 414(j), which meets the requirements of section 401(a);
- Made based on a pension contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the period for which you're claiming the credit.

Pension contribution rate. The pension contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement to a defined benefit plan, as the rate is applied to contribution base units, as defined by section 4001(a)(11) of the Employee Retirement Income Security Act of 1974 (ERISA).

Allocation rules. The amount of collectively bargained defined benefit pension plan contributions allocated to qualified sick leave wages and/or qualified family leave wages during the quarter for which you're claiming the credit is the pension contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter for which you're claiming the credit.

Collectively bargained apprenticeship program contributions. For purposes of qualified sick and family leave wages, collectively bargained apprenticeship program contributions are contributions during the quarter for which you're claiming the credit that are:

- Paid or incurred by an employer on behalf of its employees to a registered apprenticeship program, which is an apprenticeship registered under the National Apprenticeship Act of August 16, 1937, and meets the standards of Federal Regulations under subpart A of Part 29 and Part 30 of title 29;
- Made based on an apprenticeship program contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter for which you're claiming the credit.

Apprenticeship program contribution rate. The apprenticeship program contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement for benefits under a registered apprenticeship program, as the rate is applied to contribution base units, as defined by section 4001(a)(11) of ERISA.

Allocation rules. The amount of collectively bargained apprenticeship program contributions allocated to qualified sick leave wages and/or qualified family leave wages during the quarter for which you're claiming the credit is the apprenticeship program contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter for which you're claiming the credit.

Highly compensated employee. A highly compensated employee is an employee who meets either of the following tests.

1. The employee was a 5% owner at any time during the year or the preceding year.
2. The employee received more than \$130,000 in pay for the preceding year.

You can choose to ignore test (2) if the employee wasn't also in the top 20% of employees when ranked by pay for the preceding year.

Line 12e. Nonrefundable Portion of COBRA Premium Assistance Credit

Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. You can claim the credit for a period of coverage once the individual elects COBRA continuation coverage, and for any period of coverage beginning after the election, as of the beginning of such period of coverage for which the individual doesn't pay the premiums for the coverage. Don't include any amount that was included as qualified wages for the employee retention credit or included as qualified health plan expenses allocable to qualified sick leave and family leave wages. Enter the nonrefundable portion of the COBRA premium assistance credit from [Worksheet 5](#), Step 2, line 2g. See [COBRA background](#) next for more information about COBRA.

COBRA background. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. COBRA generally covers multiemployer health plans and health plans maintained by private-sector employers (other than churches) with 20 or more full- and part-time employees. Parallel requirements apply to these plans under ERISA. Under the Public Health Service Act, COBRA requirements also apply to health plans covering state or local government employees. Similar requirements apply under some state laws.

Line 12f. Number of Individuals Provided COBRA Premium Assistance

Enter the number of individuals provided COBRA premium assistance for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. Count each

assistance eligible individual that received assistance as one individual, whether or not the COBRA coverage was for insurance that covered more than one assistance eligible individual. For example, if the coverage was for a former employee, spouse, and two children, you would include one individual on line 12f. Further, each individual is reported only once per year. For example, an assistance eligible individual that received assistance monthly is only reported as one individual.

Line 12g. Total Nonrefundable Credits

Add lines 12a, 12b, 12c, 12d, and 12e. Enter the total on line 12g.

Line 13. Total Taxes After Adjustments and Nonrefundable Credits

Subtract line 12g from line 11 and enter the result on line 13. The amount entered on line 13 can't be less than zero.

Line 14a. Total Deposits

Enter your deposits for this year, including any overpayment that you applied from filing Form 943-X, in the current year. Also include in the amount shown any overpayment from a previous period that you applied to this return. Don't include any amount you didn't deposit because you reduced your deposits in anticipation of the credit for qualified sick and family leave wages, the employee retention credit, and/or the COBRA premium assistance credit, as discussed in [Notice 2020-22](#) and [Notice 2021-24](#).

Line 14d. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken Before April 1, 2021

Certain private employers with fewer than 500 employees that provide paid sick leave under the [EPSLA](#) and/or provide paid family leave under the [Expanded FMLA](#) are eligible to claim the credit for qualified sick and family leave wages. Enter the refundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2k. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the [qualified health plan expenses](#) allocable to those wages, and the employer share of Medicare tax allocable to those wages. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits that are applied against the employer share of social security tax.

Line 14e. Refundable Portion of Employee Retention Credit



If you complete Worksheet 2 because you paid qualified wages for the employee retention credit after December 31, 2020, and before July 1, 2021, and you also complete Worksheet 4 because you paid qualified wages for the employee retention credit

after June 30, 2021, and before January 1, 2022, you must add the amounts from Worksheet 2, Step 2, line 2i, and Worksheet 4, Step 2, line 2i, together and report the total on Form 943, line 14e.

Credit for qualified wages paid after December 31, 2020, and before July 1, 2021. Enter the refundable portion of the employee retention credit from [Worksheet 2](#), Step 2, line 2i. The employee retention credit is 70% of the [Qualified wages for the employee retention credit paid after December 31, 2020, and before July 1, 2021](#). The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits that are applied against the employer share of social security tax.



The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), earlier, for more information about a recovery startup business.

Credit for qualified wages paid after June 30, 2021, and before January 1, 2022. Enter the refundable portion of the employee retention credit from [Worksheet 4](#), Step 2, line 2i. The employee retention credit is 70% of the [qualified wages for the employee retention credit paid after June 30, 2021, and before January 1, 2022](#). The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

Line 14f. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the [EPSLA](#), as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the [Expanded FMLA](#), as amended for purposes of the ARP, for leave taken after March 31, 2021, and before October 1, 2021. Enter the refundable portion of the credit for qualified sick and family leave wages from [Worksheet 3](#), Step 2, line 2s. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

Line 14g. Refundable Portion of COBRA Premium Assistance Credit

Enter the refundable portion of the COBRA premium assistance credit from [Worksheet 5](#), Step 2, line 2h. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

Line 14h. Total Deposits and Refundable Credits

Add lines 14a, 14d, 14e, 14f, and 14g. Enter the total on line 14h.

Line 14i. Total Advances Received From Filing Form(s) 7200 for the Year

Enter the total advances received from filing Form(s) 7200 for the year. If you filed a Form 7200 but you haven't received the advance before filing Form 943, don't include that amount. Employers were eligible to file Form 7200 if they paid qualified sick leave wages, qualified family leave wages, or qualified wages for the employee retention credit, and/or provided COBRA premium assistance and the amount of employment tax deposits they retained wasn't sufficient to cover their anticipated credits. Include on line 14i any advance payment of the employee retention credit that you received for the fourth quarter of 2021 even if you're no longer eligible for the employee retention credit because you're not a recovery startup business. See [Advance payment of COVID-19 credits extended](#), earlier, for more information.



Form 7200 may be filed up to the earlier of January 31, 2022, or the filing of Form 943 for the year. However, if you file Form 7200 after the end of the year, it's possible that it may not be processed prior to the processing of the filed Form 943. Advance payment requests on Form 7200 won't be paid after your Form 943 is processed. When the IRS processes Form 943, we will correct the amount reported on line 14i to match the amount of advance payments issued or contact you to reconcile the difference before we finish processing Form 943.

Line 14j. Total Deposits and Refundable Credits Less Advances

Subtract line 14i from line 14h. Enter the result on line 14j.

Line 15. Balance Due

If line 13 is more than line 14j, enter the difference on line 15. Otherwise, see [Line 16. Overpayment](#), later. **Never make an entry on both lines 15 and 16.**

You don't have to pay if line 15 is under \$1. Generally, you should have a balance due only if your total taxes after adjustments and nonrefundable credits (line 13) are less than \$2,500. However, see section 7 of Pub. 51 regarding payments made under the accuracy of deposits rule.

If you were required to make federal tax deposits, pay the amount shown on line 15 by EFT. If you weren't

required to make federal tax deposits or you're a monthly schedule depositor making a payment under the accuracy of deposits rule (see section 7 of Pub. 51), you may pay the amount shown on line 15 by EFT, credit card, debit card, check, money order, or EFW. For more information on electronic payment options, go to [IRS.gov/Payments](https://www.irs.gov/Payments).

If you pay by EFT, credit card, or debit card, file your return using the *Without a payment* address under [Where Should You File](#), earlier. Don't file Form 943-V, Payment Voucher.

If you pay by check or money order, make it payable to "United States Treasury." Enter your EIN, "Form 943," and the tax period on your check or money order. Complete Form 943-V and enclose it with Form 943.



If you're required to make deposits and instead pay the taxes with Form 943, you may be subject to a penalty.

What if you can't pay in full? If you can't pay the full amount of tax you owe, you can apply for an installment agreement online. You can apply for an installment agreement online if:

- You can't pay the full amount shown on line 15,
- The total amount you owe is \$25,000 or less, and
- You can pay the liability in full in 24 months.

To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://www.irs.gov/OPA).

Under an installment agreement, you can pay what you owe in monthly installments. There are certain conditions you must meet to enter into and maintain an installment agreement, such as paying the liability within 24 months, and making all required deposits and timely filing tax returns during the length of the agreement.

If your installment agreement is accepted, you will be charged a fee and you will be subject to penalties and interest on the amount of tax not paid by the due date of the return.

Line 16. Overpayment

If line 14j is more than line 13, enter the difference on line 16. **Never make an entry on both lines 15 and 16.**

If you deposited more than the correct amount for the year, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check only one box on line 16. If you don't check either box or if you check both boxes, we will generally apply the overpayment to your next return. Regardless of any box you check or don't check on line 16, we may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 16 is less than \$1, we will send you a refund or apply it to your next return only if you ask us in writing to do so.

Line 17. Monthly Summary of Federal Tax Liability

This is a summary of your monthly tax liability, not a summary of deposits made. If line 13 is less than \$2,500, don't complete line 17 or Form 943-A.

Complete line 17 only if you were a **monthly schedule depositor** for the entire year and line 13 is \$2,500 or more. The amount entered on line 17M must equal the amount reported on line 13. If it doesn't, your tax deposits and payments may not be counted as timely. Don't reduce your total liability reported on line 17 by the refundable portion of the credit for qualified sick and family leave wages, the refundable portion of the employee retention credit, or the refundable portion of the COBRA premium assistance credit. Don't change your current year tax liability reported on line 13 by adjustments reported on any Forms 943-X. See section 7 of Pub. 51 for details on the deposit rules. You're a monthly schedule depositor for the calendar year if the amount of your "Total taxes after adjustments and credits" reported for the lookback period isn't more than \$50,000. The lookback period is the second calendar year preceding the current calendar year. For example, the lookback period for 2022 is 2020.



If you were a semiweekly schedule depositor during any part of the year, don't complete line 17. Instead, complete Form 943-A.

Reporting adjustments from line 10 on line 17. If your net adjustment during a month is negative and it exceeds your total liability for the month, don't enter a negative amount for the month. Instead, enter "-0-" for the month and carry over the unused portion of the adjustment to the next month.

Adjusting tax liability for nonrefundable credits claimed on lines 12a, 12b, 12c, 12d, and 12e. Monthly schedule depositors and semiweekly schedule depositors must account for nonrefundable credits claimed on lines 12a, 12b, 12c, 12d, and 12e when reporting their tax liabilities on line 17 or Form 943-A. The total tax liability for the year must equal the amount reported on line 13. Failure to account for nonrefundable credits on line 17 or Form 943-A may cause line 17 or Form 943-A to report more than the total tax liability reported on line 13. Don't reduce your monthly tax liability reported on lines 17a through 17l or your daily tax liability reported on Form 943-A below zero.

Qualified small business payroll tax credit for increasing research activities (line 12a). The qualified small business payroll tax credit for increasing research activities is limited to the employer share of social security tax on wages paid during the quarter that begins after the income tax return electing the credit has been filed. In completing line 17 or Form 943-A, you take into account the payroll tax credit against your liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages to your employees subject to social security tax. The credit may be taken to the extent of the employer share of social security tax on wages associated with the first payroll payment, and then to the extent of the employer share of social security tax associated with succeeding payroll payments in the quarter until the credit is used. Consistent with the entries on line 17 or Form 943-A, the payroll tax credit should be taken into account in making deposits of employment tax. If any payroll tax credit is remaining at the end of the quarter that hasn't been used completely because it exceeds the employer share of

social security tax for the quarter, the excess credit may be carried forward to the succeeding quarter and allowed as a payroll tax credit for the succeeding quarter. The payroll tax credit may not be taken as a credit against income tax withholding, Medicare tax, or the employee share of social security tax.

Also, the remaining payroll tax credit may not be carried back and taken as a credit against wages paid from preceding quarters that are reported on the same Form 943 or on Forms 943 for preceding years. If an amount of payroll tax credit is unused at the end of the calendar year because it is in excess of the employer share of social security tax on wages paid during the applicable quarters in the calendar year, the remaining payroll tax credit may be carried forward to the first quarter of the succeeding calendar year as a payroll tax credit against the employer share of social security tax on wages paid in that quarter.

Example. Rose Co. is an employer with a calendar tax year that filed its timely income tax return on April 15, 2021. Rose Co. elected to take the qualified small business payroll tax credit for increasing research activities on Form 6765. The third quarter of 2021 is the first quarter that begins after Rose Co. filed the income tax return making the payroll tax credit election. Therefore, the payroll tax credit applies against Rose Co.'s share of social security tax on wages paid to employees in the third quarter of 2021. Rose Co. is a semiweekly schedule depositor. Rose Co. completes Form 943-A by reducing the amount of liability entered for the first payroll payment in the third quarter of 2021 that includes wages subject to social security tax by the lesser of (1) its share of social security tax on the wages, or (2) the available payroll tax credit. If the payroll tax credit elected is more than Rose Co.'s share of social security tax on the first payroll payment of the quarter, the excess payroll tax credit would be carried forward to succeeding payroll payments in the third quarter until it is used. If the amount of the payroll tax credit exceeds Rose Co.'s share of social security tax on wages paid to its employees in the third quarter, the excess credit would be treated as a payroll tax credit against its share of social security tax on wages paid in the fourth quarter. If the amount of the payroll tax credit remaining exceeded Rose Co.'s share of social security tax on wages paid in the fourth quarter, it could be carried forward and treated as a payroll tax credit for the first quarter of 2022.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 (line 12b). The nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021, is limited to the employer share of social security tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 943, line 12a, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the credit for qualified sick

and family leave wages against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages for leave taken before April 1, 2021, that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on line 14d as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

Example. Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2021, Maple Co. had pay dates every Friday of 2021 starting January 1, 2021. Maple Co. paid qualified sick and family leave wages on March 12 and March 19. The nonrefundable portion of the credit for qualified sick and family leave wages for the year is \$1,000. On line 17, Maple Co. will use the \$1,000 to reduce the liability for the January 1 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 8 pay date, then the January 15 pay date, and so forth until the entire \$1,000 is used.

Nonrefundable portion of employee retention credit for wages paid after December 31, 2020, and before July 1, 2021 (line 12c). The nonrefundable portion of the employee retention credit is limited to the employer share of social security tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 943, line 12a, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations; and/or any credit claimed on Form 943, line 12b, for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the employee retention credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any employee retention credit that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on Form 943, line 14e, as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

Example. Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2021, Maple Co. had pay dates every Friday of 2021 starting January 1, 2021. Maple Co. paid qualified wages for the employee retention credit on May 7 and May 14. The nonrefundable portion of the employee retention credit for the year is \$1,000. On line 17, Maple Co. will use the \$1,000 to reduce the liability for the January 1 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 8 pay date, then the January 15 pay date, and so forth until the entire \$1,000 is used.



The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), earlier, for more information about a recovery startup business.

If you're no longer eligible to claim the employee retention credit for the fourth quarter of 2021, but you already reduced your employment tax deposits in anticipation of claiming the employee retention credit for the fourth quarter of 2021, you must deposit the amounts initially retained in anticipation of the employee retention credit on or before the due date of the deposit for wages paid on December 31, 2021 (regardless of whether wages are actually paid on that date), based on how you choose to report the tax liability resulting from the termination of the employee retention credit on Form 943-A or, if a monthly depositor, of Form 943, line 17. In order to obtain the relief under Notice 2021-65 and avoid an FTD penalty, employers must deposit the amounts in accordance with the due date or dates of the applicable day or days the tax liabilities resulting from the termination of the employee retention credit are reported on Form 943-A or Form 943, line 17, as applicable. However, this relief doesn't apply to deposit payments that were untimely due to any circumstance other than the change in eligibility for the employee retention credit or to employers who reduced deposits after December 20, 2021. See [Notice 2021-65](#) for more information.

Nonrefundable portion of employee retention credit for wages paid after June 30, 2021, and before January 1, 2022 (line 12c). The nonrefundable portion of the employee retention credit is limited to the employer share of Medicare tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 943, line 12d, for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the employee retention credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any employee retention credit that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 14e as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (line 12d). The nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, is limited to the employer share of Medicare tax on wages paid during the year. In completing line 17 or Form 943-A, you take into account

the nonrefundable portion of the credit for qualified sick and family leave wages against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 14f as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

Nonrefundable portion of COBRA premium assistance credit (line 12e). The nonrefundable portion of the COBRA premium assistance credit is limited to the employer share of Medicare tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 943, line 12d, for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021; and/or any credit claimed on Form 943, line 12c, for the nonrefundable portion of the employee retention credit for wages paid after June 30, 2021, and before January 1, 2022. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the COBRA premium assistance credit against the liability for the first payroll payment but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any COBRA premium assistance credit that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 14g as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.



You may reduce your deposits by the amount of the nonrefundable and refundable portions of the credit for qualified sick and family leave wages, the nonrefundable and refundable portions of the employee retention credit, and the nonrefundable and refundable portions of the COBRA premium assistance credit, as discussed earlier under [Reducing your deposit for COVID-19 credits](#).

Lines 18 Through 29



*The amounts entered on lines 18 through 27 are amounts that you use on the worksheets at the end of these instructions to figure certain credits. If you're claiming these credits, you must enter the applicable amounts. Lines 28 and 29 apply only if you're eligible for the employee retention credit in the third or fourth quarter of 2021 **solely** because your business is a recovery startup business.*

Line 18. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken Before April 1, 2021

Enter the [qualified health plan expenses](#) allocable to qualified sick leave wages for leave taken before April 1, 2021. This amount is also entered on [Worksheet 1](#), Step 2, line 2b.

Line 19. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken Before April 1, 2021

Enter the [qualified health plan expenses](#) allocable to qualified family leave wages for leave taken before April 1, 2021. This amount is also entered on [Worksheet 1](#), Step 2, line 2f.



The total amount reported on lines 20 and 21, discussed next, can't exceed \$10,000 per employee, each quarter.

Line 20. Qualified Wages for the Employee Retention Credit

Enter the qualified wages for the employee retention credit (excluding the amount of any qualified health plan expenses). For qualified wages paid after December 31, 2020, and before July 1, 2021, the applicable qualified wages from the total entered on line 20 are entered on [Worksheet 2](#), Step 2, line 2a. For qualified wages paid after June 30, 2021, and before January 1, 2022, the applicable qualified wages from the total on line 20 are entered on [Worksheet 4](#), Step 2, line 2a.

Line 21. Qualified Health Plan Expenses for the Employee Retention Credit

Enter the [qualified health plan expenses for the employee retention credit](#). These expenses are generally those which are allocable to an employee (and to a period) in which your business operations are fully or partially suspended due to a governmental order or experience a decline in gross receipts. The allocation will be treated as proper if made on the basis of being pro rata among periods of coverage. For more information, go to [IRS.gov/ERC](#). For qualified health plan expenses allocable to qualified wages paid after December 31, 2020, and before July 1, 2021, the applicable qualified expenses from the total entered on line 21 are entered on [Worksheet 2](#), Step 2, line 2b. For qualified health plan expenses allocable to qualified wages paid after June 30, 2021, and before January 1, 2022, the applicable qualified expenses from the total entered on line 21 are entered on [Worksheet 4](#), Step 2, line 2b.

Line 22. Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Enter the qualified sick leave wages you paid to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified sick leave wages that were above the social security wage base and any qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for [line 12d](#), earlier, for more information about qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2a.

Line 23. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages Reported on Line 22

Enter the [qualified health plan expenses](#) allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2b.

Line 24. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Wages Reported on Line 22

Enter the [collectively bargained defined benefit pension plan contributions](#) and [collectively bargained apprenticeship program contributions](#) allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2c.

Line 25. Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Enter the qualified family leave wages you paid to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified family leave wages that were above the social security wage base and any qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for [line 12d](#), earlier, for more information about qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2g.

Line 26. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages Reported on Line 25

Enter the [qualified health plan expenses](#) allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2h.

Line 27. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Wages Reported on Line 25

Enter the [collectively bargained defined benefit pension plan contributions](#) and [collectively bargained apprenticeship program contributions](#) allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2i.

Line 28. If You're Eligible for the Employee Retention Credit in the Third Quarter Solely Because Your Business Is a Recovery Startup Business . . .

If you're eligible for the employee retention credit in the third quarter of 2021 **solely** because your business is a [recovery startup business](#), enter the total of any amounts included on lines 12c and 14e that are attributable to qualified wages paid after June 30, 2021, and before October 1, 2021. Leave line 28 blank if you're a third-party

payer filing an aggregate Form 943 with an attached Schedule R (Form 943).

Line 29. If You're Eligible for the Employee Retention Credit in the Fourth Quarter Solely Because Your Business Is a Recovery Startup Business . . .

Under the Infrastructure Act, you must be a recovery startup business to claim the employee retention credit for qualified wages paid after September 30, 2021, and before January 1, 2022 (fourth quarter 2021). If you're eligible for the employee retention credit in the fourth quarter of 2021 **solely** because your business is a [recovery startup business](#), enter the total of any amounts included on lines 12c and 14e that are attributable to qualified wages paid after September 30, 2021, and before January 1, 2022. Leave line 29 blank if you're a third-party payer filing an aggregate Form 943 with an attached Schedule R (Form 943).

Third-Party Designee

If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 943 with the IRS, check the "Yes" box in the *Third-Party Designee* section. Enter the name, phone number, and five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm who prepared your tax return. The designee may choose any five numbers as his or her PIN.

By checking "Yes," you authorize the IRS to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to do all of the following.

- Give us any information that is missing from your return.
- Call us for information about processing your return.
- Respond to certain IRS notices that you have shared with your designee about math errors and return preparation. The IRS won't send notices to your designee.

You're not authorizing your designee to bind you to anything (including additional tax liability) or to otherwise represent you before the IRS. If you want to expand your designee's authorization, see Pub. 947.

The authorization will automatically expire 1 year from the due date (without regard to extensions) for filing your Form 943. If you or your designee wants to terminate the authorization, write to the IRS office for your location using the *Without a payment* address under [Where Should You File](#), earlier.

Who Must Sign (Approved Roles)

The following persons are authorized to sign the return for each type of business entity.

- **Sole proprietorship**—The individual who owns the business.
- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized partner, member, or officer having knowledge of its affairs.

- **Single-member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary.

Form 943 may also be signed by a duly authorized agent of the taxpayer if a valid power of attorney has been filed.

Alternative signature method. Corporate officers or duly authorized agents may sign Form 943 by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/2005-28_IRB#RP-2005-39](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

Paid Preparer Use Only

A paid preparer must sign Form 943 and provide the information in the *Paid Preparer Use Only* section if the preparer was paid to prepare Form 943 and isn't an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give you a copy of the return in addition to the copy to be filed with the IRS.

If you're a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, enter the firm's name and the EIN of the firm. You can apply for a PTIN online or by filing Form W-12. For more information about applying for a PTIN online, go to [IRS.gov/PTIN](https://www.irs.gov/PTIN). You can't use your PTIN in place of the EIN of the tax preparation firm.

Generally, don't complete this section if you're filing the return as a reporting agent and have a valid Form 8655 on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its workers are employees or independent contractors for federal tax purposes.

How To Get Forms, Instructions, and Publications



You can view, download, or print most of the forms, instructions, and publications you may need at [IRS.gov/Forms](https://www.irs.gov/Forms). Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have forms mailed to you.

Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on Forms 943, 943-A, and 943-V to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages and provides for income tax withholding. These forms are used to report the amount of taxes that you owe. Section 6011 requires you to provide the requested information if the tax applies to you. Section 6109 requires you to provide your identification number. If you fail to provide this information in a timely manner, or provide false or fraudulent information, you may be subject to penalties.

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 section 6103. However, section 6103 allows or requires us to disclose this information to others as described in the Code. We may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions to administer their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average time for **Form 943** is: Recordkeeping, 14 hr., 49 min.; Learning about the law or the form, 40 min.; Preparing and sending the form to the IRS, 2 hr., 7 min. The estimated average time for **Form 943-V** is 14 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 943 to this address. Instead, see [Where Should You File](#), earlier.

Worksheet 1. Credit for Qualified Sick and Family Leave Wages for Leave Taken Before April 1, 2021

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified sick leave wages and/or qualified family leave wages for leave taken before April 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 3 to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.

Step 1. Determine the employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D			
1a	Enter the amount of social security tax from Form 943, line 3	1a	_____
1b	Employer share of social security tax. Multiply line 1a by 50% (0.50)		1b _____
1c	Enter the amount from Form 943, line 12a (credit from Form 8974)	1c	_____
1d	Enter the amount to be claimed on Form 5884-C, line 11, for this year	1d	_____
1e	Enter the amount to be claimed on Form 5884-D, line 12, for this year	1e	_____
1f	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1c, 1d, and 1e		1f _____
1g	Employer share of social security tax remaining. Subtract line 1f from line 1b		1g _____
Step 2. Figure the sick and family leave credit			
2a	Qualified sick leave wages reported on Form 943, line 2a	2a	_____
2a(i)	Qualified sick leave wages included on Form 943, line 4, but not included on Form 943, line 2a, because the wages reported on that line were limited by the social security wage base	2a(i)	_____
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i)	2a(ii)	_____
2a(iii)	Qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22)	2a(iii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 943, line 18)	2b	_____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c	_____
2d	Credit for qualified sick leave wages. Add lines 2a(ii), 2a(iii), 2b, and 2c		2d _____
2e	Qualified family leave wages reported on Form 943, line 2b	2e	_____
2e(i)	Qualified family leave wages included on Form 943, line 4, but not included on Form 943, line 2b, because the wages reported on that line were limited by the social security wage base	2e(i)	_____
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i)	2e(ii)	_____
2e(iii)	Qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22)	2e(iii)	_____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 943, line 19)	2f	_____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g	_____
2h	Credit for qualified sick and family leave wages. Add lines 2e(ii), 2e(iii), 2f, and 2g		2h _____
2i	Credit for qualified sick and family leave wages. Add lines 2d and 2h		2i _____
2j	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021. Enter the smaller of line 1g or line 2i. Enter this amount on Form 943, line 12b		2j _____
2k	Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021. Subtract line 2j from line 2i and enter this amount on Form 943, line 14d		2k _____

**Worksheet 2. Employee Retention Credit for Qualified Wages Paid
After December 31, 2020, and Before July 1, 2021**

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified wages after December 31, 2020, and before July 1, 2021, for purposes of the employee retention credit, complete Step 1 and Step 2. If you're claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, complete Worksheet 1 before starting this worksheet. **Caution:** Use Worksheet 4 to figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022.

Step 1.	Determine the employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D		
1a	If you completed Worksheet 1 to claim a credit for qualified sick and family leave wages for leave taken before April 1, 2021, enter the amount from Worksheet 1, Step 1, line 1g, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, continue by completing lines 1b–1h below and then go to Step 2		1a _____
1b	Enter the amount of social security tax from Form 943, line 3	1b _____	
1c	Employer share of social security tax. Multiply line 1b by 50% (0.50)		1c _____
1d	Enter the amount from Form 943, line 12a (credit from Form 8974)	1d _____	
1e	Enter the amount to be claimed on Form 5884-C, line 11, for this year	1e _____	
1f	Enter the amount to be claimed on Form 5884-D, line 12, for this year	1f _____	
1g	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1d, 1e, and 1f		1g _____
1h	Employer share of social security tax remaining. Subtract line 1g from line 1c		1h _____
Step 2.	Figure the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021 Caution: The total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total for purposes of this worksheet).		
2a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021 (these qualified wages are included in the total reported on Form 943, line 20)	2a _____	
2b	Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021 (these qualified wages are included in the total reported on Form 943, line 21)	2b _____	
2c	Add lines 2a and 2b	2c _____	
2d	Retention credit. Multiply line 2c by 70% (0.70)		2d _____
2e	Enter the amount of the employer share of social security tax from Step 1, line 1a, or, if applicable, Step 1, line 1h	2e _____	
2f	Enter the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021, from Worksheet 1, Step 2, line 2j	2f _____	
2g	Subtract line 2f from line 2e	2g _____	
2h	Nonrefundable portion of employee retention credit. Enter the smaller of line 2d or line 2g. Enter this amount on Form 943, line 12c		2h _____
2i	Refundable portion of employee retention credit. Subtract line 2h from line 2d and enter this amount on Form 943, line 14e		2i _____

Worksheet 3. Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified sick leave wages and/or qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 1 to figure the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

Step 1. Determine the employer share of Medicare tax		
1a	Enter the amount of Medicare tax from Form 943, line 5	1a _____
1b	Employer share of Medicare tax. Multiply line 1a by 50% (0.50)	1b _____
Step 2. Figure the sick and family leave credit		
2a	Qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 22)	2a _____
2a(i)	Qualified sick leave wages included on Form 943, line 22, that were not included as wages reported on Form 943, lines 2 and 4, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2a(i) _____
2a(ii)	Subtract line 2a(i) from line 2a	2a(ii) _____
2a(iii)	Qualified sick leave wages included on Form 943, line 22, that were not included as wages reported on Form 943, line 2, because the qualified sick leave wages were limited by the social security wage base	2a(iii) _____
2a(iv)	Subtract line 2a(iii) from line 2a(ii)	2a(iv) _____
2b	Qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 23)	2b _____
2c	Amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 24)	2c _____
2d	Employer share of social security tax on qualified sick leave wages. Multiply line 2a(iv) by 6.2% (0.062)	2d _____
2e	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2e _____
2f	Credit for qualified sick leave wages. Add lines 2a, 2b, 2c, 2d, and 2e	2f _____
2g	Qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 25)	2g _____
2g(i)	Qualified family leave wages included on Form 943, line 25, that were not included as wages reported on Form 943, lines 2 and 4, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2g(i) _____
2g(ii)	Subtract line 2g(i) from line 2g	2g(ii) _____
2g(iii)	Qualified family leave wages included on Form 943, line 25, that were not included as wages reported on Form 943, line 2, because the qualified family leave wages were limited by the social security wage base	2g(iii) _____
2g(iv)	Subtract line 2g(iii) from line 2g(ii)	2g(iv) _____
2h	Qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 26)	2h _____
2i	Amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 27)	2i _____
2j	Employer share of social security tax on qualified family leave wages. Multiply line 2g(iv) by 6.2% (0.062)	2j _____
2k	Employer share of Medicare tax on qualified family leave wages. Multiply line 2g(ii) by 1.45% (0.0145)	2k _____
2l	Credit for qualified family leave wages. Add lines 2g, 2h, 2i, 2j, and 2k	2l _____
2m	Credit for qualified sick and family leave wages. Add lines 2f and 2l	2m _____
2n	Enter any employee retention credit claimed under section 2301 of the CARES Act (from Worksheet 2, line 2d) with respect to qualified wages paid after March 31, 2021, and before July 1, 2021, that were also taken into account for the credit for qualified sick and family leave wages	2n _____
2o	Enter any credit claimed under section 41 for increasing research activities with respect to any wages taken into account for the credit for qualified sick and family leave wages	2o _____
2p	Add lines 2n and 2o	2p _____
2q	Credit for qualified sick and family leave wages after adjusting for other credits. Subtract line 2p from line 2m	2q _____
2r	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Enter the smaller of line 1b or line 2q. Enter this amount on Form 943, line 12d	2r _____
2s	Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Subtract line 2r from line 2q and enter this amount on Form 943, line 14f	2s _____

**Worksheet 4. Employee Retention Credit for Qualified Wages Paid
After June 30, 2021, and before January 1, 2022**

Keep for Your Records 

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified wages after June 30, 2021, and before January 1, 2022, for purposes of the employee retention credit, complete Step 1 and Step 2. If you're claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2021, complete Worksheet 3 before starting this worksheet. **Caution:** Use Worksheet 2 to figure the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021.

Step 1. Determine the employer share of Medicare tax		
1a	If you completed Worksheet 3 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2021, enter the amount from Worksheet 3, Step 1, line 1b, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2021, continue by completing lines 1b and 1c below and then go to Step 2	1a _____
1b	Enter the amount of Medicare tax from Form 943, line 5	1b _____
1c	Employer share of Medicare tax. Multiply line 1b by 50% (0.50).	1c _____
Step 2. Figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022		
Caution: Under the Infrastructure Act, you must be a recovery startup business to claim the employee retention credit for qualified wages paid after September 30, 2021, and before January 1, 2022 (fourth quarter 2021). The total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the third quarter and the fourth quarter of 2021 (\$20,000 in total for purposes of this worksheet).		
2a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified wages are included in the total reported on Form 943, line 20)	2a _____
2b	Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified health plan expenses are included in the total reported on Form 943, line 21)	2b _____
2c	Add lines 2a and 2b	2c _____
2d	Retention credit. Multiply line 2c by 70% (0.70). If you qualify for the employee retention credit solely because your business is a recovery startup business, don't enter more than \$50,000 for each of the third quarter and the fourth quarter of 2021 (\$100,000 in total for the year)	2d _____
2e	Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1c	2e _____
2f	Enter any amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, from Worksheet 3, Step 2, line 2r	2f _____
2g	Subtract line 2f from line 2e	2g _____
2h	Nonrefundable portion of employee retention credit. Enter the smaller of line 2d or line 2g. Enter this amount on Form 943, line 12c	2h _____
2i	Refundable portion of employee retention credit. Subtract line 2h from line 2d and enter this amount on Form 943, line 14e	2i _____

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis. If you're a third-party payer that is treated as the person to whom premiums are payable, you must complete this worksheet for yourself as well.)

If you provided COBRA premium assistance, complete Step 1 and Step 2. If you're claiming the credit for qualified sick and family leave wages for leave taken after March 31, 2021, complete Worksheet 3 before starting this worksheet. If you're also claiming an employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, complete Worksheet 4 before starting this worksheet.

Step 1. Determine the employer share of Medicare tax

- 1a If you completed Worksheet 3 or Worksheet 4, enter the amount listed on Worksheet 3, line 1b, or Worksheet 4, line 1a or 1c (as applicable). If you're not claiming either of these credits this year, continue by completing lines 1b and 1c below and then go to Step 2 1a _____
- 1b Enter the amount of Medicare tax from Form 943, [line 5](#) 1b _____
- 1c **Employer share of Medicare tax.** Multiply line 1b by 50% (0.50) 1c _____

Step 2. Figure the COBRA premium assistance credit

- 2a Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021 2a _____
- 2b Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1c 2b _____
- 2c Enter any amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, from Worksheet 3, Step 2, line 2r 2c _____
- 2d Enter any amount of the nonrefundable portion of the employee retention credit from Worksheet 4, Step 2, line 2h 2d _____
- 2e **Other nonrefundable credits used against the employer share of Medicare tax.** Add lines 2c and 2d 2e _____
- 2f Subtract line 2e from line 2b 2f _____
- 2g **Nonrefundable portion of the COBRA premium assistance credit.** Enter the smaller of line 2a or line 2f. Enter this amount on Form 943, line 12e 2g _____
- 2h **Refundable portion of the COBRA premium assistance credit.** Subtract line 2g from line 2a and enter this amount on Form 943, line 14g 2h _____