Instructions for Form 8952

(Rev. November 2026)

Use with the November 2024 revision of Form 8952

Application for Voluntary Classification Settlement Program (VCSP)

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

Future Developments

For the latest information about developments related to Form 8952 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form8952*.

General Instructions

Purpose of Form

Use Form 8952 to apply for the Voluntary Classification Settlement Program.

Caution: DON'T send payment with Form 8952. You will submit payment later with a signed closing agreement. If you submit payment with Form 8952, it may cause a processing delay.

Voluntary Classification Settlement Program (VCSP)

The VCSP provides an opportunity for taxpayers to voluntarily reclassify workers as employees for federal employment tax purposes. The VCSP allows eligible taxpayers to obtain relief similar to that available through the Classification Settlement Program (CSP) for taxpayers under examination.

The VCSP is an optional program for taxpayers who aren't under an employment tax examination. It provides an opportunity to voluntarily reclassify their workers as employees for future tax periods with limited federal employment tax liability for past nonemployee treatment. To participate in the program, the taxpayer must meet certain eligibility requirements, apply to participate in the VCSP, and enter into a closing agreement with the IRS.

For more information on the VCSP, see Announcement 2012-45 in Internal Revenue Bulletin 2012-51, available at *IRS.gov/irb/2012-51_IRB#ANN-2012-45*.

Eligibility Requirements

To participate in the VCSP, taxpayers must meet certain eligibility requirements and certify on Form 8952 that they meet these requirements.

Specifically, to be eligible for the VCSP, a taxpayer must:

1. Want to voluntarily reclassify certain workers as employees for federal income tax withholding, Federal Insurance Contributions Act (FICA) taxes, and Federal Unemployment Tax Act (FUTA) taxes (collectively, federal employment taxes) for future tax periods;
2. Be presently treating the workers as nonemployees;
3. Have filed all required Forms 1099 for each of the workers to be reclassified for the 3 preceding calendar years ending before the date Form 8952 is filed (a taxpayer will meet this requirement if it filed all required Forms 1099 for the workers being reclassified for the period of time that the workers worked for the taxpayer; for example, a taxpayer who has only been in business for 2 years meets this requirement if the taxpayer filed all required Forms 1099 for the workers being reclassified for those 2 years);
4. Have consistently treated the workers as nonemployees;
5. Have no current dispute with the IRS as to whether the class or classes of workers are nonemployees or employees for federal employment tax purposes;
6. Not be under employment tax examination by the IRS (if the taxpayer is a member of an affiliated group, this requirement is met only if no member of the affiliated group is under employment tax examination by the IRS);
7. Not be under examination by the Department of Labor or any state agency concerning the proper classification of the class or classes of workers; and
8. a. Not have been examined previously by the IRS or the Department of Labor concerning the proper classification of the class or classes of workers; or
   b. If the taxpayer has been examined previously by the IRS or the Department of Labor concerning the proper classification of the class or classes of workers, the taxpayer must have complied with the results of the prior examination and not be currently contesting the classification in court.

When To File

File Form 8952 at any time. However, Form 8952 should be filed at least 120 days before the date you want to begin treating the class or classes of workers as employees.

Where To File

Send Form 8952 to the following address.

Internal Revenue Service
Detroit Federal Building
985 Michigan Avenue
8th Floor CETO
Detroit, MI 48226

Private delivery services (PDSs). You can use certain PDSs designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns. Go to *IRS.gov/PDS* for the current list of designated services. The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using a PDS, go to *IRS.gov/PDSStreetAddresses*.

Caution: PDSs can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Who Must Sign

Form 8952 must be signed by the taxpayer under penalties of perjury. The taxpayer's representative may not sign for the taxpayer. By signing Form 8952, including all representations in Part V, you're representing that the taxpayer is eligible for this program and that all information presented is correct to the best of your knowledge.

For a sole proprietorship, the form must be signed and dated by the individual who owns the business.

For a corporation (including a limited liability company (LLC) treated as a corporation), the form must be signed and dated by:

- The president, vice president, treasurer, assistant treasurer, or chief accounting officer; or
- Any other corporate officer (such as tax officer) authorized to sign.

For a partnership, the form must be signed and dated by a partner. For an LLC classified as a partnership, the form must be signed by a member who would be authorized to sign the partnership's Form 1065, U.S. Return of Partnership Income. For more information on who can sign for a partnership, see the Instructions for Form 1065.

For an estate or trust, the form must be signed and dated by the fiduciary or an authorized representative. If there are joint fiduciaries or representatives, only one is required to sign the form. If the form is filed on behalf of the taxpayer by a receiver, trustee, or assignee, the fiduciary must sign the form.

Assembling the Application

To help us process your application accurately and on time, attach all documents in the following order.

1. Form 8952 and attached statement (see *Line 15*, later).
2. Form 2848, Power of Attorney and Declaration of Representative, if applicable. See *Part II*, later.

Complete every applicable entry space on Form 8952. Don't enter "See Attached" instead of completing the entry spaces. If more space is needed, attach separate sheets using the same size and format as the printed forms. If there are supporting statements and attachments, arrange them in the same order as the lines they support and attach them last. Show the total dollar figure in Form 8952, Part IV. Enter the taxpayer's name and employer identification number (EIN) at the top of each supporting statement or attachment.

Specific Instructions

Line 2. Employer Identification Number (EIN)

Enter the taxpayer's EIN. If the taxpayer doesn't have an EIN, the taxpayer must apply for one. The taxpayer can apply for an EIN in one of the following ways.

- Go to *IRS.gov/EIN*. The EIN is issued immediately once the application information is validated.
- Fax or mail Form SS-4, Application for Employer Identification Number.

The taxpayer must have received an EIN by the time Form 8952 is filed for the form to be processed. For more information about EINs, see Pub. 1635.

Line 10

Check the box that applies. If you aren't a member of an affiliated group, you can skip lines 11–14.

An affiliated group is one or more chains of includible corporations (section 1504(a)) connected through stock ownership with a common parent corporation. The common parent must be an includible corporation and the following requirements must be met.

- The common parent must directly own stock that represents at least 80% of the total voting power and at least 80% of the total value of the stock of at least one of the other includible corporations.
- Stock that represents at least 80% of the total voting power and at least 80% of the total value of the stock of each of the other corporations (except for the common parent) must be directly owned by one or more of the other includible corporations.

For this purpose, the term "stock" generally doesn't include any stock that (a) is nonvoting, (b) is nonconvertible, (c) is limited and preferred as to dividends and doesn't participate significantly in corporate growth, and (d) has redemption and liquidation rights that don't exceed the issue price of the stock (except for a reasonable redemption or liquidation premium). See section 1504(a)(4).

Part II. Contact Person

The contact person is who the IRS may contact if there is an issue with the application. If the contact person doesn't have legal authority to bind the taxpayer, the taxpayer must attach to Form 8952 a properly executed Form 2848.

Special instructions for Form 2848. On Form 2848, line 3, enter "Voluntary Classification Settlement Program" as the "Description of Matter." Leave the entry spaces for "Tax Form Number" and for "Year(s) or Period(s)" blank. Check the box on Form 2848, line 4.

Line 15

For the workers from all classes to be reclassified (shown on line 15), attach a statement listing their names and corresponding social security numbers (SSNs).

Tip: Failure to attach a list of names and SSNs will delay processing of the application and require additional correspondence.

Line 16

Enter a description of the class or classes of workers to be reclassified. If more space is needed, attach separate sheets. Enter the taxpayer's name and EIN at the top of each sheet.

Line 17

Enter the beginning date of the employment tax period (calendar year or quarter) for which you want to begin treating the class or classes of workers as employees. To allow the IRS time to process your application, this date should be at least 120 days after the date you file Form 8952.

Tip: The IRS will make every effort to process Form 8952 with sufficient time to allow for the voluntary reclassification on the requested date.

Example. If you want to begin treating a class or classes of workers as employees for the first quarter of 2028, you will enter January 1, 2028. In this case, you should file Form 8952 at least 120 days before January 1, 2028.

If you want to begin treating a class or classes of workers as employees for the fourth quarter of 2027, you will enter October 1, 2027. In this case, you should file Form 8952 at least 120 days before October 1, 2027.

Part IV. Payment Calculation Using Section 3509(a) Rates

Line 18

Enter the total compensation paid in the most recently completed calendar year to all workers to be reclassified. See exceptions below.

- An individual (not a business) submits Form 8952 for a household worker. Enter the total payment of the most recent full year's compensation paid to the worker. If the current year is the first year the worker performed services, the total payment would be the amount paid to the worker from the beginning of the year or from the beginning date of work up to the signing of the Form 8952.
- U.S. territory (including Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands). U.S. territories have no Form(s) 1099 filing requirements. Enter the total payment of the most recent full year's compensation paid to the worker. If the current year is the first year the worker performed services, the total payment would be the amount paid to the worker from the beginning of the year or from the beginning date of work up to the signing of the Form 8952.
- Taxpayer did not pay independent contractors in the tax year prior to filing Form 8952. Applicant has no prior Form 1099 filing requirement. If the current year is the first year the worker performed services, the total payment would be the amount paid to the worker from the beginning of the year or from the beginning date of work up to the signing of the Form 8952.

Note: Nonemployee compensation of $2,000 or more can generally be found reported in box 1a of the Form 1099-NEC, Nonemployee Compensation, filed for the worker for the most recently completed calendar year. See the instructions for box 1a of Form 1099-NEC for details.

Line 20

The social security wage base limit is applied on an employee-by-employee basis. The social security wage base limit for calendar year 2025 was $176,100. The social security wage base limit for calendar year 2026 is $184,500. The social security wage base limit for calendar year 2027 will be $192,300.

Example. A taxpayer filing Form 8952 in December of 2026 with one worker would look to compensation paid to the worker in 2025 because 2025 is the most recently completed calendar year. If the worker received $181,400 in compensation in 2025, the taxpayer would subtract $176,100 from $181,400 and enter $5,300 on line 20.

Line 24

Multiply the amount on line 23 by 10% (0.10). This is the amount required to be paid upon IRS acceptance of your application and execution of your VCSP closing agreement. **DON'T** send payment with Form 8952. You will submit payment later with a signed closing agreement. If you submit payment with Form 8952, it may cause a processing delay.

Paid Preparer Use Only

A paid preparer must sign Form 8952 and provide the information in the Paid Preparer Use Only section at the end of the form if the preparer was paid to prepare the form and isn't an employee of the filing entity. The preparer must give you a copy of the form in addition to the copy to be filed with the IRS.

If you are a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided. If you work for a tax preparation firm, you must also enter the firm's name, address, and EIN. However, you can't use the EIN of the tax preparation firm in place of your PTIN.

You can apply for a PTIN online or by filing Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal. For more information about applying for a PTIN online, go to *IRS.gov/PTIN*.

Generally, don't complete this section if you are filing the form as a reporting agent and have a valid Form 8655, Reporting Agent Authorization, 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.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on Form 8952 to carry out the Internal Revenue laws of the United States. We need this information to determine your eligibility to participate in this program and to calculate the appropriate payment under the VCSP. Our authority to ask for the information on Form 8952 is Subtitle C, Employment Taxes, of the Internal Revenue Code. Section 6109 requires you to provide your identifying number. You aren't required to

apply for the VCSP; however, if you apply, you must provide the information requested.

Failure to provide all the requested information may prevent the processing of your application; providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice for civil or criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering 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, and to intelligence agencies to combat terrorism.

You aren't required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 8952 will vary depending on individual circumstances. The estimated burden for employers filing Form 8952 is approved under OMB control number 1545-0029 and is included in the estimates shown in their employment tax return instructions.