Instructions for Form 941-SS

Department of the Treasury
Internal Revenue Service

(Rev. March 2021)

Employer's QUARTERLY Federal Tax Return—American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands

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

Future Developments

For the latest information about developments related to Form 941-SS and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form941SS*.

At the time these instructions went to print, Congress was considering changes to coronavirus (COVID-19) tax relief. If new legislation impacts these instructions, updates will be posted to *IRS.gov/Form941SS*. You may also go to *IRS.gov/Coronavirus* for the latest information about COVID-19 tax relief.

What's New

Social security and Medicare tax for 2021. The rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages, is 6.2% each for the employer and employee or 12.4% for both. Qualified sick leave wages and qualified family leave wages aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2%. The social security wage base limit is $142,800.

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

Social security and Medicare taxes apply to the wages of household workers you pay $2,300 or more in cash wages in 2021. Social security and Medicare taxes apply to election workers who are paid $2,000 or more in cash or an equivalent form of compensation in 2021.

The COVID-19 related employee retention credit and the credit for qualified sick and family leave wages have been extended. The Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act were both amended by recent 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 wages paid for leave taken before April 1, 2021. For more information about the credit for qualified sick and family leave wages, and to see if future legislation extends the dates through which the credit may be claimed, go to *IRS.gov/PLC*.

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 through June 30, 2021. For more information about the employee retention credit, and to see if future legislation extends the dates through which the credit may be claimed, go to *IRS.gov/ERC*.

Advance payment of COVID-19 credits extended. Form 7200, Advance Payment of Employer Credits Due to COVID-19, may be filed to request an advance payment for the credit for qualified sick and family leave wages through April 30, 2021. Form 7200 may be filed to request an advance payment for the employee retention credit through August 2, 2021. Form(s) 7200 can't be filed for quarters beginning after March 31, 2021, unless the credit for qualified sick and family leave wages is extended to leave taken after March 31, 2021; or for quarters beginning after June 30, 2021, unless the employee retention credit is extended to wages paid after June 30, 2021. For more information, including information on which employers are eligible to request an advance payment and the amount that can be advanced, see the Instructions for Form 7200. To see if future legislation extends these credits, see *IRS.gov/PLC*, *IRS.gov/ERC*, *IRS.gov/Form941SS*, and *IRS.gov/Form7200*.

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 IRS.gov/irb/2021-06_IRB#NOT-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. For information about how to report the deferred amount of the employee share of social security tax on Forms W-2AS, W-2CM, W-2GU, and W-2VI, and Form W-2c for 2020, see IRS.gov/FormW2 and the 2021 General Instructions for Forms W-2 and W-3.

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 credit may still be available to certain tax-exempt organizations during the first and second quarters of 2021. This new credit will be claimed on new Form 5884-D (not on Form 941). Form 5884-D is filed after the Form 941 for the quarter for which the credit is being claimed has been filed. If you will claim this credit on Form 5884-D for a calendar quarter of 2021 and you're also claiming a credit for qualified sick and family leave wages and/or the employee retention credit in that quarter, you must include any credit that will be claimed on Form 5884-D on Worksheet 1 for the Form 941 for that quarter. For more information about this credit. go to IRS.gov/Form5884D.

CAUTION *Don't use an earlier revision of Form 941-SS to report taxes for 2021. Don't use the March 2021 revision of Form 941-SS to report taxes for any quarter ending before January 1, 2021. Prior revisions of Form 941-SS are available at IRS.gov/Form941SS (select the link for "All Form 941-SS Revisions" under "Other Items You May Find Useful").*

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 the third quarter of 2020 was $20,000 and you deposited $5,000 of the $20,000 during the third quarter of 2020 and you deferred $15,000 on Form 941-SS, line 13b, 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 the third quarter of 2020 was $20,000 and you deposited $15,000 of the $20,000 during the third quarter of 2020 and you deferred $5,000 on Form 941-SS, line 13b, 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. 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. 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 941-SS, the calendar quarter in 2020 to which the payment relates, and the option for payment due on an IRS notice. The IRS expects EFTPS to be updated on or around March 19, 2021, to provide a specific option to pay the deferred amount in lieu of selecting the option of making a payment due on an IRS notice.

To pay by credit or debit card, go to IRS.gov/PayByCard. If you pay by check or money order, include a 2020 Form 941-V(SS), Payment Voucher, for the quarter in which you originally deferred the deposit and payment. Darken the circle identifying the quarter for which the payment is being made. The 2020 Form 941-V(SS) is on page 5 of Form 941-SS and is available at IRS.gov/Form941SS (select the link for "All Form 941-SS Revisions" under "Other Items You May Find Useful"). Make the check or money order payable to “United States Treasury.” Enter your EIN, “Form 941-SS,” and the calendar quarter in which you originally deferred the deposit and payment (for example, “2nd Quarter 2020”).

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 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 quarter. The amount from Form 8974, line 12, is reported on Form 941-SS, line 11a. If you're claiming the research payroll tax credit on your Form 941-SS, you must attach Form 8974 to that Form 941-SS. 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*, and *IRS.gov/ResearchPayrollTC*. Also see *Adjusting tax liability for nonrefundable credits claimed on lines 11a, 11b, and 11c*, 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*.

CPEOs must generally file Form 941-SS and Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 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*.

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* 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.

Aggregate Form 941-SS filers. Approved section 3504 agents and CPEOs must complete and file Schedule R (Form 941) when filing an aggregate Form 941-SS. Aggregate Forms 941-SS 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*. Aggregate Forms 941-SS 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*. 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 941-SS and Schedule R (Form 941) 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*. The June 2020 revision of Schedule R won't be revised for 2021. If a line on Form 941-SS is "Reserved for future use," don't enter any amounts in the corresponding columns on Schedule R.

Other third-party payers that file aggregate Forms 941-SS, such as non-certified PEOs, must complete and file Schedule R (Form 941) 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, or the employee retention credit.

TIP *If both an employer and a section 3504 authorized agent (or a CPEO or other third-party payer) paid wages to an employee during a quarter, both the employer and the section 3504 authorized agent (or CPEO or other third-party payer, if applicable) should file Form 941-SS reporting the wages each entity paid to the employee during the applicable quarter 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 941-SS, claims the sick leave credit on behalf of the employer on the aggregate Form 941-SS, and separately reports the credit allocable to the employers on Schedule R (Form 941). See section 6 of Pub. 15-A, Employer's Supplemental Tax Guide, for more information about sick pay reporting.

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*.

Correcting a previously filed Form 941-SS. If you discover an error on a previously filed Form 941-SS, make the correction using Form 941-X. Form 941-X is filed separately from Form 941-SS. For more information, see the Instructions for Form 941-X, section 9 of Pub. 80, or go to *IRS.gov/CorrectingEmploymentTaxes*.

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 8 of Pub. 80. To get more information about EFTPS or to enroll in EFTPS, go to *EFTPS.gov*, or call one of the following numbers.

- 800-555-4477 (toll free; for use by U.S. Virgin Islands only).
- 800-733-4829 (TDD).
- 800-244-4829 (Spanish).
- 303-967-5916 (toll call).

Additional information about EFTPS is also available in Pub. 966.

CAUTION *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*.

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 8 of Pub. 80.

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* for additional information. A fee may be charged to file electronically.
- For EFTPS, go to *EFTPS.gov*, or call one of the numbers provided under *Federal tax deposits must be made by electronic funds transfer (EFT)*, earlier.
- For electronic filing of Forms W-2AS, W-2CM, W-2GU, and W-2VI, go to *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.

CAUTION *If you're filing your tax return or paying your federal taxes electronically, a valid employer identification number (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* Employer identification number (EIN)*, later, for information about applying for an EIN.*

Electronic funds withdrawal (EFW). If you file Form 941-SS 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*.

Credit or debit card payments. You can pay the balance due shown on Form 941-SS 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*.

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 941-SS, the paid preparer must complete and sign the paid preparer's section of the form.

Where can you get telephone help? For answers to your questions about completing Form 941-SS or tax deposit rules, call the IRS at one of the numbers listed below.

- 800-829-4933 (toll free; for use by U.S. Virgin Islands only) 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.
- 267-941-1000 (toll call), Monday–Friday from 6:00 a.m. to 11:00 p.m. Eastern 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 941-SS

Use Form 941-SS to report social security and Medicare taxes for workers in American Samoa, Guam, the

Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

Pub. 80 explains the requirements for withholding, depositing, and paying social security and Medicare taxes. It explains the forms you must give your employees, those your employees must give you, and those you must send to the IRS. See Pub. 15-A for specialized employment tax information supplementing the basic information provided in Pub. 80.

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 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 and Medicare taxes. This share of social security and Medicare taxes isn't withheld from employees.

Who Must File Form 941-SS?

Generally, you must file a return for the first quarter in which you pay wages subject to social security and Medicare taxes, and for each quarter thereafter until you file a final return. Use Form 941-SS if your principal place of business is in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands, or if you have employees who are subject to income tax withholding for these jurisdictions.

Use Form 941-SS to report the following amounts.

- Wages you've paid.
- Tips your employees reported to you.
- Both the employer and the employee share of social security and Medicare taxes.
- Additional Medicare Tax withheld from employees.
- Current quarter's adjustments to social security and Medicare taxes for fractions of cents, sick pay, tips, and group-term life insurance.
- Qualified small business payroll tax credit for increasing research activities.
- Credit for qualified sick and family leave wages.
- Employee retention credit.
- Total advances received from filing Form(s) 7200 for the quarter.

Don't use Form 941-SS if you have both employees who are subject to U.S. income tax withholding and employees who aren't subject to U.S. income tax withholding. Instead, you must file only Form 941 (or Form 944) and include all of your employees' wages on that form.

Don't use Form 941-SS to report backup withholding or income tax withholding on nonpayroll payments such as pensions, annuities, and gambling winnings. Report these types of withholding on Form 945, Annual Return of Withheld Federal Income Tax. Also, don't use Form 941-SS to report unemployment taxes. Report unemployment taxes (U.S. Virgin Islands employers only) on Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.

After you file your first Form 941-SS, you must file a return each quarter, even if you have no taxes to report, unless you filed a final return or one of the exceptions listed next applies.

Exceptions

Special rules apply to some employers.

- If you received notification to file **Form 944**, you must file Form 944 annually; don't file Form 941-SS quarterly.
- **Seasonal employers** don't have to file a Form 941-SS for quarters in which they have no tax liability because they have paid no wages. To tell the IRS that you won't file a return for one or more quarters during the year, check the box on line 18 every quarter you file Form 941-SS. The IRS generally won't inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the box on line 18 on every quarterly return you file. Otherwise, the IRS will expect a return to be filed for each quarter.
- Employers of **household employees** don't usually file Form 941-SS. See Pub. 80, Pub. 926, and Schedule H (Form 1040) for more information.
- Employers of **farm employees** don't file Form 941-SS for wages paid for agricultural labor. See Form 943 and Pub. 51 for more information.

TIP *If none of these exceptions apply and you haven't filed a final return, you must file Form 941-SS each quarter even if you didn't pay wages during the quarter. Use IRS e-file, if possible.*

Requesting To File Forms 941-SS Instead of Form 944, or Requesting To File Form 944 Instead of Forms 941-SS

Requesting to file Forms 941-SS instead of Form 944. Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands that would otherwise be required to file Form 944, Employer's ANNUAL Federal Tax Return, may contact the IRS to request to file quarterly Forms 941-SS instead of annual Form 944. To request to file quarterly Forms 941-SS to report your social security and Medicare taxes for the 2021 calendar year, you must either call the IRS at 800-829-4933 toll free (U.S. Virgin Islands only) or 267-941-1000 (toll call) between January 1, 2021, and April 1, 2021, or send a written request postmarked between January 1, 2021, and March 15, 2021. After you contact the IRS, the IRS will send you a written notice that your filing requirement has been changed to Forms 941-SS. You must receive written notice from the IRS to file Forms 941-SS instead of Form 944 before you may file these forms. If you don't receive this notice, you must file Form 944 for calendar year 2021.

Requesting to file Form 944 instead of Forms 941-SS. If you're required to file Forms 941-SS but believe your employment taxes for 2021 will be $1,000 or less, you may request to file Form 944 instead of Forms 941-SS by calling the IRS at 800-829-4933 toll free (U.S. Virgin Islands only) or 267-941-1000 (toll call) between January 1, 2021, and April 1, 2021, or sending a written request postmarked between January 1, 2021, and March 15, 2021. After you contact the IRS, the IRS will send you a written notice that your filing requirement has been changed to Form 944. You must receive written notice from the IRS to file Form 944 instead of Forms 941-SS before you may file this form. If you don't receive this notice, you must file Forms 941-SS for calendar year 2021.

Where to send written requests. Written requests should be sent to:

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0038

For more information about these procedures, see Rev. Proc. 2009-51, 2009-45 I.R.B. 625, available at *IRS.gov/irb/2009-45_IRB#RP-2009-51*.

What if You Reorganize or Close Your Business?

If You Sell or Transfer Your Business . . .

If you sell or transfer your business during the quarter, you and the new owner must each file a Form 941-SS for the quarter in which the transfer occurred. Report only the wages you paid.

When two businesses merge, the continuing firm must file a return for the quarter in which the change took place and the other firm should file a final return.

Changing from one form of business to another—such as from a sole proprietorship to a partnership or corporation—is considered a transfer. If a transfer occurs, you may need a new EIN. See Pub. 1635 and section 1 of Pub. 80 for more information.

Attach a statement to your return with:

- The new owner's name (or the new name of the business);
- Whether the business is now a sole proprietorship, partnership, or corporation;
- The kind of change that occurred (a sale or transfer);
- The date of the change; and
- The name of the person keeping the payroll records and the address where those records will be kept.

If Your Business Has Closed . . .

If you permanently go out of business or stop paying wages to your employees, you must file a final return. To tell the IRS that Form 941-SS for a particular quarter is your final return, check the box on line 17 and enter the final date you paid wages. Also attach a statement to your return showing the name of the person keeping the payroll records and the address where those records will be kept.

See *Terminating a business* in the General Instructions for Forms W-2 and W-3 for information about earlier dates for the expedited furnishing and filing of the following Wage and Tax Statements when a final Form 941-SS is filed.

- W-2AS, American Samoa.
- W-2CM, Commonwealth of the Northern Mariana Islands.
- W-2GU, Guam.
- W-2VI, U.S. Virgin Islands.

If you participated in a statutory merger or consolidation, or qualify for predecessor-successor status due to an acquisition, you should generally file Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations. See the Instructions for Schedule D (Form 941) to determine whether you should file Schedule D (Form 941) and when you should file it.

When Must You File?

File your initial Form 941-SS for the quarter in which you first paid wages that are subject to social security and Medicare taxes. See the table below titled *When To File Form 941-SS*, later.

Then you must file for every quarter after that—every 3 months—even if you have no taxes to report, unless you're a seasonal employer or are filing your final return. See *Seasonal employers* and *If Your Business Has Closed*, earlier.

File Form 941-SS only once for each quarter. If you filed electronically, don't file a paper Form 941-SS. For more information about filing Form 941-SS electronically, see *Electronic filing and payment*, earlier.

When To File Form 941-SS

Your Form 941-SS is due by the last day of the month that follows the end of the quarter.

The Quarter Includes . . .	Quarter Ends	Form 941-SS Is Due
1. January, February, March	March 31	April 30
2. April, May, June	June 30	July 31
3. July, August, September	September 30	October 31
4. October, November, December	December 31	January 31

For example, you must generally report wages you pay during the 1st quarter—which is January through March—by April 30. If you made timely deposits in full payment of your taxes for the quarter, you may file by the 10th day of the 2nd month that follows the end of the quarter. For example, you may file Form 941-SS by May 10 if you made timely deposits in full payment of your taxes for the 1st quarter.

If we receive Form 941-SS after the due date, we will treat Form 941-SS as filed on time if the envelope containing Form 941-SS 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 941-SS filed when it is actually received. For more information about PDSs, see *Where Should You File*, later.

If any due date for filing falls on a Saturday, Sunday, or legal holiday, you may file your return on the next business day.

How Should You Complete Form 941-SS?

Type or print your EIN, name, and address in the spaces provided. Also enter your name and EIN on the top of pages 2 and 3. 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 "Haleigh Smith" on the "Name" line and "Haleigh's Cycles" 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 941-SS, make sure the preparer shows your business name exactly as it appeared when you applied for your EIN.

Employer identification number (EIN). To make sure that businesses comply with federal tax laws, the IRS monitors tax filings and payments by using a numerical system to identify taxpayers. A unique nine-digit EIN is assigned to all corporations, partnerships, and some sole proprietors.

Businesses needing an EIN must apply for a number and use it throughout the life of the business on all tax returns, payments, and reports.

Your business should have only one EIN. If you have more than one and aren't sure which one to use, write to the IRS office where you file your returns (using the *Without a payment* address under *Where Should You File*, later) or call the IRS at 800-829-4933 (toll free; for use by U.S. Virgin Islands only) or 267-941-1099 (toll call).

If you don't have an EIN, you may apply for one online by visiting *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 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 haven't received your EIN by the due date of Form 941-SS, write "Applied For" and the date you applied in this entry space.

CAUTION *If you're filing your tax return electronically, a valid EIN is required at the time the return is filed. If a valid EIN isn't provided, the return won't be accepted. This may result in penalties.*

TIP *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 941-SS that is different from the EIN reported on Form W-3SS, see* Box h—Other EIN used this year *in the General Instructions for Forms W-2 and W-3. Filing a Form 941-SS with an incorrect EIN or using another business's EIN may result in penalties and delays in processing your return.*

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 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 941-SS. For a definition of "responsible party," see the Instructions for Form SS-4.

Check the Box for the Quarter

Under "Report for this Quarter of 2021" at the top of Form 941-SS, check the appropriate box of the quarter for which you're filing. Make sure the quarter checked is the same as shown on any attached Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and, if applicable, Schedule R (Form 941).

Completing and Filing Form 941-SS

Make entries on Form 941-SS as follows to enable accurate scanning and processing.
- Use 10-point Courier font (if possible) for all entries if you're typing or using a computer to complete your form. Portable Document Format (PDF) forms on IRS.gov have fillable fields with acceptable font specifications.
- Don't enter dollar signs and decimal points. Commas are optional. Enter dollars to the left of the preprinted decimal point 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.
- Leave blank any data field (except lines 1 and 12) with a value of zero.
- Enter negative amounts using a minus sign (if possible). Otherwise, use parentheses.
- Enter your name and EIN on all pages and attachments.
- Enter your name, EIN, "Form 941-SS," and the tax year and quarter on all attachments.
- Staple multiple sheets in the upper left corner when filing.

Complete all three pages. You must complete all three pages of Form 941-SS and sign on page 3. Failure to do so may delay processing of your return.

Reconciling Forms 941-SS and W-3SS

The IRS matches amounts reported on your four quarterly Forms 941-SS with Form W-2AS, W-2CM, W-2GU, or W-2VI amounts totaled on your yearly Form W-3SS, Transmittal of Wage and Tax Statements. If the amounts don't agree, you may be contacted by the IRS or the Social Security Administration (SSA). The following amounts are reconciled.

- Social security wages.
- Social security tips.
- Medicare wages and tips.

Use Schedule D (Form 941) to explain certain wage, tax, and payment discrepancies between Forms 941-SS and Forms W-2AS, W-2CM, W-2GU, W-2VI, W-3SS, and W-2c, Corrected Wage and Tax Statement, that were caused by acquisitions, statutory mergers, or consolidations. For more information, see the Instructions for Schedule D (Form 941). Also see Rev. Proc. 2004-53 for more information. You can find Rev. Proc. 2004-53 on page 320 of I.R.B. 2004-34 at *IRS.gov/irb/2004-34_IRB#RP-2004-53*.

Where Should You File?

You're encouraged to file Form 941-SS electronically. Go to *IRS.gov/EmploymentEfile* for more information on electronic filing. If you file a paper return, where you file depends on whether you include a payment with Form 941-SS.

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* for the current list of PDSs. For the IRS mailing address to use if you're using a PDS, go to *IRS.gov/PDSstreetAddresses*. Select the address on the webpage that is given for the Ogden Submission Processing Center.

If you're in . . .	Without a payment . . .	With a payment . . .
American Samoa, Guam, Commonwealth of the Northern Mariana Islands, U.S. Virgin Islands	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409	Internal Revenue Service P.O. Box 932100 Louisville, KY 40293-2100
Special filing addresses 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 84201-0005	Internal Revenue Service P.O. Box 932100 Louisville, KY 40293-2100

CAUTION *Your filing address may have changed from that used to file your employment tax return in prior years. Don't send Form 941-SS or any payments to the SSA.*

Depositing Your Taxes

CAUTION *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 both the employer and employee social security taxes and Medicare taxes.

- **If your total taxes after adjustments and nonrefundable credits (line 12) are less than $2,500 for the current quarter or the prior quarter, and you didn't incur a $100,000 next-day deposit obligation during the current quarter.** 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 14, later. If you're not sure your total tax liability for the current quarter will be less than $2,500 (and your liability for the prior quarter wasn't less than $2,500), make deposits using the semiweekly or monthly rules so you won't be subject to failure-to-deposit (FTD) penalties.
- **If your total taxes after adjustments and nonrefundable credits (line 12) are $2,500 or more for the current quarter and the prior quarter.** You must make deposits according to your deposit schedule. See section 8 of Pub. 80 for information about payments made under the accuracy of deposits rule and for rules about federal tax deposits.

Reducing your deposits for COVID-19 credits. Employers eligible to claim the credit for qualified sick and family leave wages and/or the employee retention credit can reduce their deposits by the amount of their anticipated credits. Employers won't be subject to an FTD penalty for reducing their deposits if certain conditions are met. See the instructions for line 11b and line 11c 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*. Also see *IRS.gov/ERC* and *IRS.gov/PLC* for more information, including examples, about reducing deposits. See the instructions for line 16, later, for information on adjusting tax liabilities reported on line 16 or Schedule B (Form 941) for nonrefundable credits.

When Must You Deposit Your Taxes?

Determine if You're a Monthly or Semiweekly Schedule Depositor for the Quarter

The IRS uses two different sets of deposit rules to determine when businesses must deposit their social security and Medicare taxes. These schedules tell you when a deposit is due after you have a payday.

Your deposit schedule isn't determined by how often you pay your employees. Your deposit schedule depends on the total tax liability you reported on Form 941-SS during the previous 4-quarter lookback period (July 1 of the second preceding calendar year through June 30 of the preceding calendar year). See section 8 of Pub. 80 for details. If you filed Form 944 in either 2019 or 2020, your lookback period is the 2019 calendar year.

Before the beginning of each calendar year, determine which type of deposit schedule you must use.

- If you reported $50,000 or less in taxes during the lookback period, you're a **monthly schedule depositor**.
- If you reported more than $50,000 of taxes during the lookback period, you're a **semiweekly schedule depositor**.

CAUTION *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. See* $100,000 Next-Day Deposit Rule *in section 8 of Pub. 80 for more information. 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.*

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* or *IRS.gov/ETD*, or you have chosen to use the relief provided in *Notice 2020-65* and *Notice 2021-11*.
- File your fully completed Form 941-SS on time.
- Report your tax liability accurately.
- Submit valid checks for tax payments.
- Furnish accurate Forms W-2AS, W-2CM, W-2GU, or W-2VI to employees.
- File Form W-3SS and Copy A of Forms W-2AS, W-2CM, W-2GU, or W-2VI with the SSA on time and accurately.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See section 8 of Pub. 80 for details.

Use Form 843 to request abatement of assessed penalties or interest. Don't request abatement of assessed penalties or interest on Form 941-SS or Form 941-X.

If you receive a notice about a penalty after you file this 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.

CAUTION *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 8 of Pub. 80. 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 Notice 2020-65 and Notice 2021-11 before January 1, 2022.*

Adjustment of Tax on Tips

If, by the 10th of the month after the month you received an employee's report on tips, you don't have enough employee funds available to withhold the employee share of social security and Medicare taxes, you no longer have to collect it. Report the entire amount of these tips on line 5b (Taxable social security tips), line 5c (Taxable Medicare wages and tips), and, if the withholding threshold is met, line 5d (Taxable wages and tips subject to Additional Medicare Tax withholding). Include as a negative adjustment on line 9 the total uncollected employee share of the social security and Medicare taxes.

Where Can You Obtain Forms?

See Pub. 80 for information on ordering IRS forms. You may also be able to get some IRS forms at the addresses listed next.

American Samoa	Tax Office Executive Office Building, First Floor Pago Pago, AS 96799
Commonwealth of the Northern Mariana Islands	CNMI Division of Revenue and Taxation Joeten Dandan Commercial Center Saipan, MP 96950
Guam	Department of Revenue and Taxation Government of Guam 1240 Army Drive Barrigada, GU 96913
U.S. Virgin Islands	Bureau of Internal Revenue 6115 Estate Smith Bay St. Thomas, VI 00802

Specific Instructions:

Part 1: Answer These Questions for This Quarter

1. Number of Employees Who Received Wages, Tips, or Other Compensation

Enter the number of employees on your payroll for the pay period including March 12, June 12, September 12, or December 12, for the quarter indicated at the top of the Form 941-SS. Don't include:

- Household employees,
- Employees in nonpay status for the pay period,
- Farm employees,
- Pensioners, or
- Active members of the Armed Forces.

4. If No Wages, Tips, and Other Compensation Are Subject to Social Security or Medicare Tax . . .

If no wages, tips, and compensation are subject to social security or Medicare tax, check the box on line 4. If this question doesn't apply to you, leave the box blank. For more information about exempt wages, see section 12 of Pub. 80. For religious exemptions, see section 4 of Pub. 15-A.

CAUTION *If you're a government employer, wages you pay aren't automatically exempt from social security and Medicare taxes. Your employees may be covered by law or by a voluntary Section 218 Agreement with the SSA. For more information, see Pub. 963, Federal-State Reference Guide.*

TIP *For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages" that are reported on line 5a(i).*

5a–5e. Taxable Social Security and Medicare Wages and Tips

5a. Taxable social security wages. Enter the total wages, including qualified wages (other than qualified health plan expenses) for the employee retention credit; sick pay; and taxable fringe benefits subject to social security taxes you paid to your employees during the quarter. Don't include the qualified sick leave wages reported on line 5a(i) or qualified family leave wages reported on line 5a(ii). 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. See section 6 of Pub. 15-A for more information about sick pay reporting. See the instructions for line 8 for an adjustment that you may need to make on Form 941-SS for sick pay.

Enter the amount before payroll deductions. Don't include tips on this line. For information on types of wages subject to social security taxes, see section 4 of Pub. 80.

For 2021, the rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages, 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 5a when the employee's taxable wages, including qualified sick leave wages, qualified family leave wages, and tips, reach $142,800 for the year. However, continue to withhold Medicare taxes for the whole year on all wages, including qualified sick leave wages, qualified family leave wages, and tips, even when the social security wage base of $142,800 has been reached.

line 5a (column 1)
x 0.124
line 5a (column 2)

5a(i). Qualified sick leave wages. Enter the qualified taxable sick leave wages you paid to your employees during the quarter. Qualified sick leave wages 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 5a(i) when the employee's taxable wages, including wages reported on line 5a, qualified sick leave wages, qualified family leave wages, and tips, reach $142,800 for the year. See the instructions for line 5c 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 section 3121(b), that an employer pays that otherwise meet the requirements of the Emergency Paid Sick Leave Act (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 5a(i), 5c, and, if applicable, 5d. See the instructions for line 11b for information about the credit for qualified sick and family leave wages.

	line 5a(i)	(column 1)
x	0.062	
	line 5a(i)	(column 2)

EPSLA. For 2021, certain employers with fewer than 500 employees are entitled to credits under the FFCRA, as amended by the COVID-related Tax Relief Act of 2020, if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA. Under the EPSLA, wages are qualified sick leave wages if paid to employees that are unable to work or telework after March 31, 2020, and before April 1, 2021, because the employee:

1. Is subject to a federal, state (including U.S. territories), 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;
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.

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 a child for whom the employee assumes parental status and carries out the obligations of a parent. For more information about who is a son or daughter under the FFCRA, see *DOL.gov/agencies/whd/pandemic*.

TIP *Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified sick leave wages paid to employees.*

Limits on qualified sick leave wages. The EPSLA provides different limitations for different circumstances under which qualified sick leave wages are paid. For paid sick leave qualifying under (1), (2), or (3) above, 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) above, 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. Therefore, the maximum amount of paid sick leave wages paid to one employee 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). For more information from the Department of Labor on these requirements and limits, see *DOL.gov/agencies/whd/pandemic*.

For more information about qualified sick leave wages, go to *IRS.gov/PLC*.

5a(ii). Qualified family leave wages. Enter the qualified taxable family leave wages you paid to your employees during the quarter. Qualified family leave wages 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 5a(ii) when the employee's taxable wages, including wages reported on line 5a, qualified sick leave wages, qualified family leave wages, and tips, reach $142,800 for the year. See the instructions for line 5c 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 section 3121(b), that an employer pays that otherwise meet the requirements of the Emergency Family and Medical Leave Expansion Act (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 5a(ii), 5c, and, if applicable, 5d. See the instructions for line 11b for information about the credit for qualified sick and family leave wages.

	line 5a(ii)	(column 1)
x	0.062	
	line 5a(ii)	(column 2)

Expanded FMLA. For 2021, certain employers with fewer than 500 employees are entitled to credits under the FFCRA, as amended by the COVID-related Tax Relief Act of 2020, if they provide paid family leave to employees that otherwise meets the requirements of the Expanded FMLA. Under the Expanded FMLA, 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 or telework 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.

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 more information from the Department of Labor on these requirements, possible exceptions, and the limitations discussed below, see *DOL.gov/agencies/whd/pandemic*.

TIP *Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified family leave wages paid to employees.*

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 otherwise would have been scheduled to work. The qualified family leave wages can't exceed $200 per day or $10,000 in the aggregate per employee for the year.

For more information about qualified family leave wages, go to *IRS.gov/PLC*.

5b. Taxable social security tips. Enter all tips your employees reported to you during the quarter until the total of the tips and taxable wages, including qualified sick leave wages and qualified family leave wages, for an employee reach $142,800 for the year. Include all tips your employee reported to you even if you were unable to withhold the employee tax of 6.2%. You will reduce your total taxes by the amount of any uncollected employee share of social security and Medicare taxes on tips later on line 9; see *Current quarter's adjustments for tips and group-term life insurance*, later. Don't include service charges on line 5b. For details about the difference between tips and service charges, see Rev. Rul. 2012-18, 2012-26 I.R.B. 1032, available at *IRS.gov/irb/2012-26_IRB#RR-2012-18*.

Your employee must report cash tips to you by the 10th day of the month after the month the tips are received. Cash tips include tips paid by cash, check, debit card, and credit card. The report should include charged tips (for example, credit and debit card charges) you paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. Both directly and indirectly tipped employees must report tips to you. No report is required for months when tips are less than $20. Employees may use Form 4070 (available only in Pub. 1244) or submit a written statement or electronic tip record.

Don't include allocated tips on this line. Instead, report them on Form 8027. Allocated tips aren't reportable on Form 941-SS and aren't subject to withholding of social security or Medicare taxes.

	line 5b	(column 1)
x	0.124	
	line 5b	(column 2)

5c. Taxable Medicare wages and tips. 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; tips; sick pay; and taxable fringe benefits that are subject to Medicare tax. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax.

The rate of Medicare tax is 1.45% (0.0145) each for the employer and employee or 2.9% (0.029) for both. Include all tips your employees reported during the quarter, even if you were unable to withhold the employee tax of 1.45%.

	line 5c	(column 1)
x	0.029	
	line 5c	(column 2)

For more information on tips, see section 5 of Pub. 80. See the instructions for line 8 for an adjustment that you may need to make on Form 941-SS for sick pay.

5d. Taxable wages & tips 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; tips; 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 Employment and Payments*, in section 12 of Pub. 80. For more information on Additional Medicare Tax, go to *IRS.gov/ADMT*. See the instructions for line 8 for an adjustment that you may need to make on Form 941-SS for sick pay.

Once wages and tips exceed the $200,000 withholding threshold, include all tips your employees reported during the quarter, even if you were unable to withhold the employee tax of 0.9%.

	line 5d	(column 1)
x	0.009	
	line 5d	(column 2)

5e. Total social security and Medicare taxes. Add the column 2 amounts on lines 5a–5d. Enter the result on line 5e.

5f. Section 3121(q) Notice and Demand—Tax Due on Unreported Tips

Enter the tax due from your Section 3121(q) Notice and Demand on line 5f. The IRS issues a Section 3121(q) Notice and Demand to advise an employer of the amount of tips received by employees who failed to report or underreported tips to the employer. An employer isn't liable for the employer share of the social security and Medicare taxes on unreported tips until notice and demand for the taxes is made to the employer by the IRS in a Section 3121(q) Notice and Demand. The tax due may have been determined from tips reported to the IRS on employees' Forms 4137, Social Security and Medicare Tax on Unreported Tip Income, or other tips that weren't reported to their employer as determined by the IRS during an examination. For additional information, see Rev. Rul. 2012-18, 2012-26 I.R.B. 1032, available at *IRS.gov/irb/2012-26_IRB#RR-2012-18*.

Deposit the tax within the time period required under your deposit schedule to avoid any possible deposit penalty. The tax is treated as accumulated by the employer on the "Date of Notice and Demand" as printed on the Section 3121(q) Notice and Demand. The employer must include this amount on the appropriate line of the record of federal tax liability (Part 2 of Form 941-SS for a monthly schedule depositor or Schedule B (Form 941) for a semiweekly schedule depositor).

6. Total Taxes Before Adjustments

Add the total social security and Medicare taxes before adjustments (line 5e) and any tax due under a Section 3121(q) Notice and Demand (line 5f). Enter the result on line 6.

7–9. Tax Adjustments

Enter tax amounts on lines 7–9 that result from current quarter adjustments. Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 6 instead of parentheses. Doing so enhances the accuracy of our scanning software. For example, enter “-10.59” instead of “(10.59).” However, if your software only allows for parentheses in entering negative amounts, you may use them.

Current quarter's adjustments. In certain cases, you must adjust the amounts you entered as social security and Medicare taxes in column 2 of lines 5a–5d to figure your correct tax liability for this quarter's Form 941-SS. See section 9 of Pub. 80.

7. Current quarter's adjustment for fractions of cents. Enter adjustments for fractions of cents (due to rounding) relating to the employee share of social security and Medicare taxes withheld. The employee share of amounts shown in column 2 of lines 5a–5d may differ slightly from amounts actually withheld from employees' pay due to the rounding of social security and Medicare taxes based on statutory rates. This adjustment may be a positive or negative adjustment.

8. Current quarter's 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 8 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 8 for any employer share of these taxes required to be paid by the employer. The sick pay should be included on line 5a, line 5c, and, if the withholding threshold is met, line 5d.

No adjustment is reported on line 8 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 5a, line 5c, and, if the withholding threshold is met, line 5d, 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.

9. Current quarter's adjustments for tips and group-term life insurance. Enter a negative adjustment for:

- Any uncollected employee share of social security and Medicare taxes on tips, and
- The uncollected employee share of social security and Medicare taxes on group-term life insurance premiums paid for former employees.

See the General Instructions for Forms W-2 and W-3 for information on how to report the uncollected employee share of social security and Medicare taxes on tips and group-term life insurance on Form W-2.

Prior quarter's adjustments. If you need to correct any adjustment reported on a previously filed Form 941-SS, complete and file Form 941-X. Form 941-X is an adjusted return or claim for refund and is filed separately from Form 941-SS. See section 9 of Pub. 80.

10. Total Taxes After Adjustments

Combine the amounts shown on lines 6–9 and enter the result on line 10.

11a. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

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

CAUTION *If you enter an amount on line 11a, 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 941-SS, line 11. Instead, the amount from Form 8974, line 12, should be entered on Form 941-SS, line 11a.*

11b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages From Worksheet 1

TIP *Form 941-SS 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 the employer share of social security tax. The term “refundable” means the portion of the credit which is in excess of the employer share of social security tax.*

Businesses and tax-exempt organizations 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 the period after March 31, 2020, and 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), 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 941-SS, lines 5a and 5b, 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.

CAUTION *If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the credit for qualified sick and family leave wages for amounts paid to your own employees, the amount of the employer share of social security tax reported on line 5a must be reduced by any adjustment you make on line 8 for the employer share of social security tax transferred to your client. If you received a Section 3121(q) Notice and Demand for tax due on unreported tips (Letter 3263 or Letter 4520) during the quarter, you report the amount for the employer share of social security tax and Medicare tax on Form 941-SS, line 5f. Letter 3263 or Letter 4520 includes an attachment that shows the employer share of social security tax. This amount of the employer share of social security tax can also be reduced by the nonrefundable portion of the credit. See Worksheet 1 to figure your credit.*

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 941-SS, line 13c. 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*.

TIP *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.*

11c. Nonrefundable Portion of Employee Retention Credit From Worksheet 1

TIP *Certain government entities are entitled to the credit for calendar quarters in 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.*

Enter the nonrefundable portion of the employee retention credit from Worksheet 1, Step 3, line 3h. The employee retention credit is 70% of the qualified wages you paid to your employees in the quarter. 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 941-SS, lines 5a and 5b, 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.

CAUTION *If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the employee retention credit for amounts paid to your own employees, the amount of the employer share of social security tax reported on line 5a must be reduced by any adjustment you make on line 8 for the employer share of social security tax transferred to your client. If you received a Section 3121(q) Notice and Demand for tax due on unreported tips (Letter 3263 or Letter 4520) during the quarter, you report the amount for the employer share of social security tax and Medicare tax on Form 941-SS, line 5f. Letter 3263 or Letter 4520 includes an attachment that shows the employer share of social security tax. This amount of the employer share of social security tax can also be reduced by the nonrefundable portion of the credit. See Worksheet 1 to figure your credit.*

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 941-SS, line 13d. For more information on the employee retention credit, go to *IRS.gov/ERC*.

Qualified wages for the employee retention credit. 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 for the quarter. Qualified wages are wages for social security and Medicare tax purposes paid to certain employees during any period in a quarter in which your business operations are fully or partially suspended due to a government 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 quarter in which business operations are fully or partially suspended due to a government 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 sick or family leave under the FFCRA. Employers can receive both a Small Business Interruption Loan under the Paycheck Protection Program

(PPP) and the employee retention credit; however, employers can't receive both loan forgiveness and a credit for the same wages. 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. For more information about the employee retention credit, including rules for new employers, an optional election to determine the gross receipts test based on a prior quarter, and rules that allow certain governmental employers to claim the credit for 2021, go to *IRS.gov/ERC*.

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 government 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, see the frequently asked questions for qualified health plan expenses at *IRS.gov/ERC*.

11d. Total Nonrefundable Credits

Add lines 11a, 11b, and 11c. Enter the total on line 11d.

12. Total Taxes After Adjustments and Nonrefundable Credits

Subtract line 11d from line 10 and enter the result on line 12.

- **If line 12 is less than $2,500 or line 12 on the prior quarterly return was less than $2,500, and you didn't incur a $100,000 next-day deposit obligation during the current quarter.** You may pay the amount with Form 941-SS or you may deposit the amount. To avoid a penalty, you must pay any amount you owe in full with a timely filed return or you must deposit any amount you owe before the due date of the return. For more information on paying with a timely filed return, see the instructions for line 14, later.
- **If line 12 is $2,500 or more and line 12 on the prior quarterly return was $2,500 or more, or if you incurred a $100,000 next-day deposit obligation during the current quarter.** You must make required deposits according to your deposit schedule. See *Notice 2020-22* for information about the reduction of certain deposits. The amount shown on line 12 must equal the “Total liability for quarter” shown on line 16 or the “Total liability for the quarter” shown on Schedule B (Form 941). For more information, see the line 16 instructions, later.

For more information and rules about federal tax deposits, see *Depositing Your Taxes*, earlier, and section 8 of Pub. 80.

CAUTION *If you're a semiweekly schedule depositor, you must complete Schedule B (Form 941). If you fail to complete and submit Schedule B (Form 941), the IRS may assert deposit penalties based on available information.*

13a. Total Deposits for This Quarter

Enter your deposits for this quarter, including any overpayment from a prior quarter that you applied to this return. Also include in the amount shown any overpayment that you applied from filing Form 941-X, 944-X, or 944-X (SP) in the current quarter. Don't include any amount that you didn't deposit because you reduced your deposits in anticipation of the credit for qualified sick and family leave wages and/or the employee retention credit, as discussed in *Notice 2020-22*.

13c. Refundable Portion of Credit for Qualified Sick and Family Leave Wages From Worksheet 1

Businesses and tax-exempt organizations 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.

13d. Refundable Portion of Employee Retention Credit From Worksheet 1

Enter the refundable portion of the employee retention credit from Worksheet 1, Step 3, line 3i. The employee retention credit is 70% of the qualified wages you paid to your employees in the quarter. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits.

13e. Total Deposits and Refundable Credits

Add lines 13a, 13c, and 13d. Enter the total on line 13e.

13f. Total Advances Received From Filing Form(s) 7200 for the Quarter

Enter the total advances received from filing Form(s) 7200 for the quarter. If you filed a Form 7200 for the quarter but you haven't received the advance before filing Form 941-SS, don't include on line 13f the amount of the advance requested. Employers were eligible to file Form 7200 for the quarter if they paid qualified sick leave wages, qualified family leave wages, and/or qualified wages for the employee retention credit and the amount of employment tax deposits they retained wasn't sufficient to cover the cost of qualified sick and family leave wages and the employee retention credit.

TIP *Form 7200 may be filed for a quarter up to the earlier of the end of the month after the end of each quarter or filing of Form 941-SS for the quarter. However, if you file Form 7200 after the end of the quarter, it's possible that it may not be processed prior to the processing of the* *filed Form 941-SS. Advance payment requests on Form 7200 for a quarter won't be paid after your Form 941-SS is processed for that quarter. When the IRS processes Form 941-SS, we will correct the amount reported on line 13f to match the amount of advance payments issued or contact you to reconcile the difference before we finish processing Form 941-SS.*

13g. Total Deposits and Refundable Credits Less Advances

Subtract line 13f from line 13e. Enter the result on line 13g.

14. Balance Due

If line 12 is more than line 13g, enter the difference on line 14. Otherwise, see *Overpayment*, later.

Never make an entry on both lines 14 and 15.

You don't have to pay if line 14 is under $1. Generally, you should have a balance due only if your total taxes after adjustments and nonrefundable credits (line 12) for the current quarter or prior quarter are less than $2,500, and you didn't incur a $100,000 next-day deposit obligation during the current quarter. However, see section 8 of Pub. 80 for information about payments made under the accuracy of deposits rule.

If you were required to make federal tax deposits, pay the amount shown on line 14 by EFT. If you weren't required to make federal tax deposits (see *Must You Deposit Your Taxes*, earlier) or you're a monthly schedule depositor making a payment under the accuracy of deposits rule, you may pay the amount shown on line 14 by EFT, credit card, debit card, check, money order, or EFW. For more information on electronic payment options, go to *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, and don't file Form 941-V(SS), Payment Voucher.

If you pay by check or money order, make it payable to "United States Treasury." Enter your EIN, "Form 941-SS," and the tax period ("1st Quarter 2021," "2nd Quarter 2021," "3rd Quarter 2021," or "4th Quarter 2021") on your check or money order. Complete Form 941-V(SS) and enclose it with Form 941-SS.

If line 12 is $2,500 or more on both your prior and current quarter Form 941-SS, and you've deposited all taxes when due, the balance due on line 14 should be zero.

CAUTION *If you're required to make deposits and instead pay the taxes with Form 941-SS, you may be subject to a penalty. See* Must You Deposit Your Taxes*, earlier.*

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 14,
- 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*.

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.

15. Overpayment

If line 13g is more than line 12, enter the difference on line 15.

Never make an entry on both lines 14 and 15.

If you deposited more than the correct amount for the quarter, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check only one box on line 15. 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 boxes you check or don't check on line 15, we may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 15 is under $1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

Part 2: Tell Us About Your Deposit Schedule and Tax Liability for This Quarter

16. Tax Liability for the Quarter

Check one of the boxes on line 16. Follow the instructions for each box to determine if you need to enter your monthly tax liability on Form 941-SS or your daily tax liability on Schedule B (Form 941).

De minimis exception. If line 12 is less than $2,500 or line 12 on the prior quarterly return was less than $2,500, and you didn't incur a $100,000 next-day deposit obligation during the current quarter, check the first box on line 16 and go to Part 3.

CAUTION *If you meet the de minimis exception based on the prior quarter and line 12 for the current quarter is $100,000 or more, you must provide a record of your federal tax liability. If you're a monthly schedule depositor, complete the deposit schedule on line 16. If you're a semiweekly schedule depositor, attach Schedule B (Form 941).*

Monthly schedule depositor. If you reported $50,000 or less in taxes during the lookback period, you're a monthly schedule depositor unless the $100,000 Next-Day Deposit Rule discussed in section 8 of Pub. 80 applies. Check the second box on line 16 and enter your tax liability for each month in the quarter. Enter your tax liabilities in the month that corresponds to the dates you paid wages to your employees, not the date payroll liabilities were accrued or deposits were made. Add the amounts for each month. Enter the result in the "Total liability for quarter" box.

Note that your total tax liability for the quarter must equal your total taxes shown on line 12. If it doesn't, your tax deposits and payments may not be counted as timely. Don't reduce your total liability reported on line 16 by the refundable portion of the credit for qualified sick and family leave wages or the refundable portion of the employee retention credit. Don't change your tax liability on line 16 by adjustments reported on any Forms 941-X.

You're a monthly schedule depositor for the calendar year if the amount of your Form 941-SS taxes reported for the lookback period is $50,000 or less. The lookback period is the 4 consecutive quarters ending on June 30 of the prior year. For 2021, the lookback period begins July 1, 2019, and ends June 30, 2020. For details on the deposit rules, see section 8 of Pub. 80. If you filed Form 944 in either 2019 or 2020, your lookback period is the 2019 calendar year.

CAUTION *The amounts entered on line 16 are a summary of your monthly tax liability, not a summary of deposits you made. If you don't properly report your liabilities when required or if you're a semiweekly schedule depositor and enter your liabilities on line 16 instead of on Schedule B (Form 941), you may be assessed an "averaged" FTD penalty. See* Deposit Penalties *in section 8 of Pub. 80 for more information.*

Reporting adjustments from lines 7–9 on line 16. If your net adjustment during a month is negative and it exceeds your total tax 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.

Semiweekly schedule depositor. If you reported more than $50,000 of taxes for the lookback period, you're a semiweekly schedule depositor. Check the third box on line 16.

You must complete Schedule B (Form 941) and submit it with your Form 941-SS. Don't file Schedule B (Form 941) with your Form 941-SS if you're a monthly schedule depositor.

Don't change your tax liability on Schedule B (Form 941) by adjustments reported on any Forms 941-X.

Adjusting tax liability for nonrefundable credits claimed on lines 11a, 11b, and 11c. Monthly schedule depositors and semiweekly schedule depositors must account for nonrefundable credits claimed on lines 11a, 11b, and 11c when reporting their tax liabilities on line 16 or Schedule B (Form 941). The total tax liability for the quarter must equal the amount reported on line 12. Failure to account for the nonrefundable credits on line 16 or Schedule B (Form 941) may cause line 16 or Schedule B (Form 941) to report more than the total tax liability reported on line 12. Don't reduce your monthly tax liability reported on line 16 or your daily tax liability reported on Schedule B (Form 941) below zero.

Qualified small business payroll tax credit for increasing research activities (line 11a). The qualified small business payroll tax credit for increasing research activities is limited to the employer share of social security tax on wages paid in the quarter that begins after the income tax return electing the credit has been filed. In completing line 16 or Schedule B (Form 941), you take into account the payroll tax credit against the liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages subject to social security tax to your employees. 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 16 or Schedule B (Form 941), 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.

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 Schedule B (Form 941) 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 (line 11b). The nonrefundable portion of the credit for qualified sick and family leave wages is limited to the employer share of social security tax on wages paid in the quarter that is remaining after that share is first reduced by any credit claimed on Form 941-SS, line 11a, 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 16 or Schedule B (Form 941), you take into account the entire quarter's nonrefundable portion of the credit for sick and family leave wages (including the qualified health plan expenses and employer share of Medicare tax allocable to those wages) against the liability for the first payroll payment of the quarter, but not below zero. Then reduce the liability for each successive payroll payment in the quarter until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages that is remaining at the end of the quarter because it exceeds the employer share of social security tax for the quarter is claimed on line 13c as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 16 or Schedule B (Form 941).

Example. Maple Co. is a semiweekly schedule depositor that pays employees every other Friday. In the first quarter of 2021, Maple Co. had pay dates of January 8, January 22, February 5, February 19, March 5, and March 19. Maple Co. paid qualified sick and family leave wages on February 5 and February 19. The nonrefundable portion of the credit for qualified sick and family leave wages for the quarter is $10,000. On Schedule B (Form 941), Maple Co. will use the $10,000 to reduce the liability for the January 8 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 22 pay date, then the February 5 pay date, and so forth until the entire $10,000 is used.

Nonrefundable portion of employee retention credit (line 11c). The nonrefundable portion of the employee retention credit is limited to the employer share of social security tax on wages paid in the quarter that is remaining after that share is first reduced by any credit claimed on Form 941-SS, line 11a, 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 941-SS, line 11b, for the nonrefundable portion of the credit for qualified sick and family leave wages. In completing line 16 or Schedule B (Form 941), you take into account the entire quarter's nonrefundable portion of the employee retention credit against the liability for the first payroll payment of the quarter, but not below zero. Then reduce the liability for each successive payroll payment in the quarter until the nonrefundable portion of the credit is used. Any employee retention credit that is remaining at the end of the quarter because it exceeds the employer share of social security tax for the quarter is claimed on line 13d as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 16 or Schedule B (Form 941).

Example. Maple Co. is a semiweekly schedule depositor that pays employees every other Friday. In the first quarter of 2021, Maple Co. had pay dates of January 8, January 22, February 5, February 19, March 5, and March 19. Maple Co. paid qualified wages for the employee retention credit on February 5 and February 19. The nonrefundable portion of the employee retention credit for the quarter is $10,000. On Schedule B (Form 941), Maple Co. will use the $10,000 to reduce the liability for the January 8 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 22 pay date, then the February 5 pay date, and so forth until the entire $10,000 is used.

TIP *You may reduce your deposits by the amount of the nonrefundable and refundable portions of the credit for qualified sick and family leave wages, and the nonrefundable and refundable portions of the employee retention credit, as discussed earlier under Reducing your deposits for COVID-19 credits.*

Part 3: Tell Us About Your Business

In Part 3, answer only those questions that apply to your business. If the questions don't apply, leave them blank and go to Part 4.

17. If Your Business Has Closed . . .

If you go out of business or stop paying wages, you must file a final return. To tell the IRS that a particular Form 941-SS is your final return, check the box on line 17 and enter the final date you paid wages in the space provided. For additional filing requirements, including information about attaching a statement to your final return, see *If Your Business Has Closed*, earlier.

18. If You're a Seasonal Employer . . .

If you hire employees seasonally—such as for summer or winter only—check the box on line 18. Checking the box tells the IRS not to expect four Forms 941-SS from you throughout the year because you haven't paid wages regularly.

Generally, we won't ask about unfiled returns if at least one taxable return is filed each year. However, you must check the box on line 18 on every Form 941-SS you file. Otherwise, the IRS will expect a return to be filed for each quarter.

Also, when you complete Form 941-SS, be sure to check the box on the top of the form that corresponds to the quarter reported.

CAUTION *The amounts entered on lines 19 through 23 are amounts that you use on Worksheet 1 to figure the credit for qualified sick and family leave wages and the employee retention credit. If you're claiming these credits, you must enter the applicable amounts.*

19. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages

Enter the qualified health plan expenses allocable to qualified sick leave wages. This amount is also entered on Worksheet 1, Step 2, line 2b.

20. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages

Enter the qualified health plan expenses allocable to qualified family leave wages. This amount is also entered on Worksheet 1, Step 2, line 2f.

21. 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). This amount is also entered on Worksheet 1, Step 3, line 3a.

22. Qualified Health Plan Expenses Allocable to Wages Reported on Line 21

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 government 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*. The amount from line 22 is also entered on Worksheet 1, Step 3, line 3b.

23. Credit From Form 5884-C, Line 11, for This Quarter

If applicable, enter the credit to be claimed on line 11 of Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans for this quarter. Entering an amount here doesn't change your requirement to file Form 5884-C separately from Form 941-SS. You're entering the amount here to notify us that you will file Form 5884-C for the quarter and therefore reduce the amount of the employer share of social security tax that is available to be reduced by the nonrefundable portion of the credit for qualified sick and family leave wages and the nonrefundable portion of the employee retention credit.

Part 4: May We Speak With Your Third-Party Designee?

If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 941-SS with the IRS, check the "Yes" box in Part 4. Enter the name, phone number, and the five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm that 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've 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 941-SS. 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.

Part 5: Sign Here (Approved Roles)

Complete all information and sign Form 941-SS. 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 941-SS may 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 941-SS 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*.

Paid Preparer Use Only

A paid preparer must sign Form 941-SS and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 941-SS 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*. 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 From the IRS

You can view, download, or print most of the forms, instructions, and publications you may need at *IRS.gov/Forms*. Otherwise, you can go to *IRS.gov/OrderForms* to place an order and have them mailed to you. The IRS will process your order for forms and publications as soon as possible. Don't resubmit requests you've already sent us. You can get forms and publications faster online.

Worksheet 1. Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit

Keep for Your Records

Determine how you will complete this worksheet

If you paid both qualified sick and family leave wages and qualified wages for purposes of the employee retention credit this quarter, complete Step 1, Step 2, and Step 3. If you paid qualified sick and family leave wages this quarter but you didn't pay any qualified wages for purposes of the employee retention credit this quarter, complete Step 1 and Step 2. If you paid qualified wages for purposes of the employee retention credit this quarter but you didn't pay any qualified sick and family leave wages this quarter, complete Step 1 and Step 3.

Step 1.		**Determine the employer share of social security tax this quarter 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 941-SS, Part 1, line 5a, column 2	1a			
	1b	Enter the amount of social security tax from Form 941-SS, Part 1, line 5b, column 2	1b			
	1c	Add lines 1a and 1b	1c			
	1d	Multiply line 1c by 50% (0.50)	1d			
	1e	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 941-SS, Part 1, line 8 (enter as a positive number)	1e			
	1f	Subtract line 1e from line 1d	1f			
	1g	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of social security tax from the notice	1g			
	1h	**Employer share of social security tax.** Add lines 1f and 1g			1h	
	1i	Enter the amount from Form 941-SS, Part 1, line 11a (credit from Form 8974)	1i			
	1j	Enter the amount to be claimed on Form 5884-C, line 11, for this quarter	1j			
	1j(i)	Enter the amount to be claimed on Form 5884-D, line 12, for this quarter	1j(i)			
	1k	**Total nonrefundable credits already used against the employer share of social security tax.** Add lines 1i, 1j, and 1j(i)			1k	
	1l	**Employer share of social security tax remaining.** Subtract line 1k from line 1h			1l	
Step 2.		**Figure the sick and family leave credit**				
	2a	Qualified sick leave wages reported on Form 941-SS, Part 1, line 5a(i), column 1	2a			
	2a(i)	Qualified sick leave wages included on Form 941-SS, Part 1, line 5c, but not included on Form 941-SS, Part 1, line 5a(i), column 1, 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 section 3121(b)	2a(iii)			
	2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 941-SS, Part 3, line 19)	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 941-SS, Part 1, line 5a(ii), column 1	2e			
	2e(i)	Qualified family leave wages included on Form 941-SS, Part 1, line 5c, but not included on Form 941-SS, Part 1, line 5a(ii), column 1, 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 section 3121(b)	2e(iii)			
	2f	Qualified health plan expenses allocable to qualified family leave wages (Form 941-SS, Part 3, line 20)	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 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.** Enter the smaller of line 1l or line 2i. Enter this amount on Form 941-SS, Part 1, line 11b			2j	
	2k	**Refundable portion of credit for qualified sick and family leave wages.** Subtract line 2j from line 2i and enter this amount on Form 941-SS, Part 1, line 13c			2k	
Step 3.		**Figure the employee retention credit**				
	3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941-SS, Part 3, line 21)	3a			
	3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941-SS, Part 3, line 22)	3b			
	3c	Add lines 3a and 3b	3c			
	3d	**Retention credit.** Multiply line 3c by 70% (0.70)			3d	
	3e	Enter the amount of the employer share of social security tax from Step 1, line 1l	3e			
	3f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j	3f			
	3g	Subtract line 3f from line 3e	3g			
	3h	**Nonrefundable portion of employee retention credit.** Enter the smaller of line 3d or line 3g. Enter this amount on Form 941-SS, Part 1, line 11c			3h	
	3i	**Refundable portion of employee retention credit.** Subtract line 3h from line 3d and enter this amount on Form 941-SS, Part 1, line 13d			3i	