

## SS-8 Determination—Determination for Public Inspection

Occupation

04MAN Managers/Supervisors

Determination:

☒ Employee

☐ Contractor

UILC

Third Party Communication:

☒ None

☐ Yes

I have read Notice 441 and am requesting:

☐ Additional redactions based on categories listed in section entitled "Deletions We May Have Made to Your Original Determination Letter"

☐ Delay based on an on-going transaction

☐ 90 day delay

**For IRS Use Only:**

### Facts of Case

Information provided indicated the firm owns rental properties for lease for primary residency. The worker had been retained by the firm as property manager in tax year 2017. The firm issued both a 1099-MISC and Form W-2. The firm responded to our request for information. They explained the \$2500 was an incentive payment given to the worker to entice her to leave her present job and go work for them. After the worker was hired, she was put on payroll with all applicable deductions and that income was reported on Form W-2.

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**Analysis**

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Supplemental wages are compensation paid to an employee in addition to regular wages and include, but are not limited to, bonuses, commissions, overtime pay, accumulated sick leave, incentive payments, severance payments, stipends, awards and prizes, back pay, retroactive wage increases, and payments for non-deductible moving expenses.

**Conclusion**

Based on the information provided and common law, we find the income reported on Form 1099-MISC represented a supplemental wage payment in the form of an incentive payment, to lure the worker to go to work for the firm. That income should have been included at year end on Form W-2 and was subject to all employment tax withholding.