

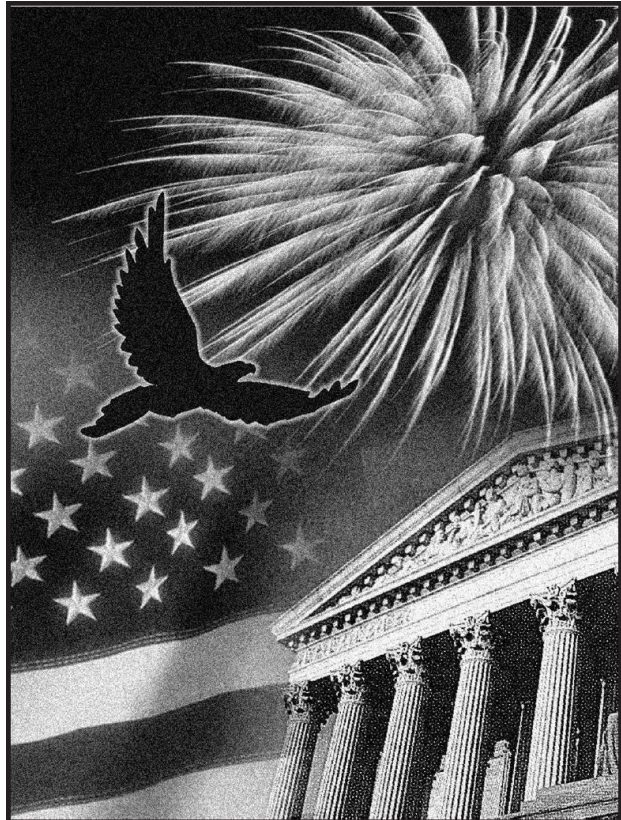
# Publication 15

## (Circular E), Employer's Tax Guide

For use in preparing

**2025** Returns

Volume 4 of 4



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## **13. Reporting Adjustments to Forms 941, Form 943, or Form 944**

### **Current Period Adjustments**

In certain cases, amounts reported as social security and Medicare taxes on Form 941, lines 5a–5d, column 2 (Form 943, lines 3, 5, and 7; or Form 944, lines 4a–4d, column 2), must be adjusted to arrive at your correct tax liability (for example, excluding amounts withheld by a third-party payer or amounts you weren't required to withhold). Current period adjustments are reported on Form 941, lines 7–9; Form 943, line 10; or Form 944, line 6, and include the following types of adjustments.

**Fractions-of-cents adjustment.** If there is a small difference between total taxes after adjustments and nonrefundable credits (Form 941, line 12; Form 943, line 13; or Form 944, line 9) and total deposits (Form 941, line 13;

Form 943, line 14; or Form 944, line 10), it may have been caused, all or in part, by rounding to the nearest cent each time you figured payroll. This rounding occurs when you figure the amount of social security and Medicare tax to be withheld and deposited from each employee's wages. The IRS refers to rounding differences relating to employee withholding of social security and Medicare taxes as "fractions-of-cents" adjustments. If you pay your taxes with Form 941 (or Form 943 or Form 944) instead of making deposits because your total taxes for the quarter (year for Form 943 or Form 944) are less than \$2,500, you may also report a fractions-of-cents adjustment.

To determine if you have a fractions-of-cents adjustment for 2025, multiply the total wages and tips for the quarter subject to:

- Social security tax reported on Form 941, Form 943, or Form 944 by 6.2% (0.062);

- Medicare tax reported on Form 941, Form 943, or Form 944 by 1.45% (0.0145); and
- Additional Medicare Tax reported on Form 941, Form 943, or Form 944 by 0.9% (0.009).

Compare these amounts (the employee share of social security and Medicare taxes) with the total social security and Medicare taxes actually withheld from employees and shown in your payroll records for the quarter (Form 941) or the year (Form 943 or Form 944). If there is a small difference, the amount, positive or negative, may be a fractions-of-cents adjustment. Fractions-of-cents adjustments are reported on Form 941, line 7; Form 943, line 10; or Form 944, line 6. If the actual amount withheld is less, report a negative adjustment using a minus sign (if possible; otherwise, use parentheses) in the entry space. If the actual amount is more, report a positive adjustment.

**Adjustment of tax on third-party sick**

**pay.** Report both the employer and employee share of social security and Medicare taxes for sick pay on Form 941, lines 5a and 5c (or Form 943, lines 2 and 4; or Form 944, lines 4a and 4c). If the aggregate wages paid for an employee by the employer and third-party payer exceed \$200,000 for the calendar year, report the Additional Medicare Tax on Form 941, line 5d (Form 943, line 7; or Form 944, line 4d). Show as a negative adjustment on Form 941, line 8 (or Form 943, line 10; or Form 944, line 6), the social security and Medicare taxes withheld on sick pay by a third-party payer. See section 6 of Pub. 15-A for more information.

**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's share of social security and Medicare taxes, you no longer have to collect

it. However, report the entire amount of these tips on Form 941, lines 5b and 5c (or Form 944, lines 4b and 4c). If the aggregate wages and tips paid for an employee exceed \$200,000 for the calendar year, report the Additional Medicare Tax on Form 941, line 5d (or Form 944, line 4d). Include as a negative adjustment on Form 941, line 9 (or Form 944, line 6), the total uncollected employee share of the social security and Medicare taxes.

**Adjustment of tax on group-term life insurance premiums paid for former employees.** The employee share of social security and Medicare taxes for premiums on group-term life insurance over \$50,000 for a former employee is paid by the former employee with their tax return and isn't collected by the employer. However, include all social security and Medicare taxes for such coverage on Form 941, lines 5a and 5c (or Form 944, lines 4a and 4c). For Form 943, include the social security wages and

Medicare wages on lines 2 and 4, respectively; and report the social security tax and Medicare tax on lines 3 and 5, respectively. If the amount paid for an employee for premiums on group-term life insurance combined with other wages exceeds \$200,000 for the calendar year, report the Additional Medicare Tax on Form 941, line 5d (or Form 944, line 4d). For Form 943, include the Additional Medicare Tax wages on line 6 and report the Additional Medicare Tax on line 7. Back out the amount of the employee share of these taxes as a negative adjustment on Form 941, line 9 (or Form 943, line 10; or Form 944, line 6). See Pub. 15-B for more information on group-term life insurance.



*For the above adjustments, prepare and retain a brief supporting statement explaining the nature and amount of each. Don't attach the statement to Form 941, Form 943, or Form 944. 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.*

**Example.** Cedar, Inc., filed Form 941 and was entitled to the following current period adjustments.

- **Fractions of cents.** Cedar, Inc., determined the amounts withheld and deposited for social security and Medicare taxes during the quarter were a net \$1.44 more than the employee share of the amount figured on Form 941, lines 5a–5d, column 2 (social security and Medicare taxes). This difference was caused by adding or dropping fractions of cents when figuring social security and Medicare taxes for each wage payment. Cedar, Inc., must report a positive \$1.44 fractions-of-cents adjustment on Form 941, line 7.

- **Third-party sick pay.** Cedar, Inc., included taxes of \$2,000 for sick pay on Form 941, lines 5a and 5c, column 2, for social security and Medicare taxes. However, the third-party payer of the sick pay withheld and paid the employee share (\$1,000) of these taxes. Cedar, Inc., is entitled to a \$1,000 sick pay adjustment (negative) on Form 941, line 8.
- **Life insurance premiums.** Cedar, Inc., paid group-term life insurance premiums for policies in excess of \$50,000 for former employees. The former employees must pay the employee share of the social security and Medicare taxes (\$200) on the policies. However, Cedar, Inc., must include the employee share of these taxes with the social security and Medicare taxes reported on Form 941, lines 5a and 5c, column 2. Therefore, Cedar, Inc., is entitled to a negative \$200 adjustment on Form 941, line 9.

**No change to record of federal tax liability.** Don't make any changes to your record of federal tax liability reported on Form 941, line 16, or Schedule B (Form 941) (for Form 943 filers, Form 943 line 17, or Form 943-A; or for Form 944 filers, Form 944, line 13, or Form 945-A) for current period adjustments. The amounts reported on the record reflect the actual amounts you withheld from employees' wages for social security and Medicare taxes. Because the current period adjustments make the amounts reported on Form 941, lines 5a–5d, column 2 (or Form 943, lines 3, 5, and 7; or Form 944, lines 4a–4d, column 2), equal the actual amounts you withheld (the amounts reported on the record), no additional changes to the record of federal tax liability are necessary for these adjustments.

## Prior Period Adjustments

**Forms for prior period adjustments.** Use Form 941-X, Form 943-X, or Form 944-X to make a correction after you discover an error on a previously filed Form 941, Form 943, or Form 944. There are also Form 945-X and Form CT-1 X to report corrections on the corresponding returns. Use Form 843 when requesting a refund or abatement of assessed interest or penalties.



*See Revenue Ruling 2009-39, 2009-52 I.R.B. 951, for examples of how the interest-free adjustment and claim for refund rules apply in 10 different situations. You can find Revenue Ruling 2009-39 at [IRS.gov/irb/2009-52\\_IRB#RR-2009-39](https://www.irs.gov/irb/2009-52_IRB#RR-2009-39).*

**Background.** Treasury Decision 9405 changed the process for making interest-free adjustments to employment taxes reported on Form 941, Form 943, and Form 944 and for filing a claim for refund of employment

taxes. Treasury Decision 9405, 2008-32 I.R.B. 293, is available at [IRS.gov/irb/2008-32\\_IRB#TD-9405](https://www.irs.gov/irb/2008-32_IRB#TD-9405). You'll use the adjustment process if you underreported employment taxes and are making a payment, or if you overreported employment taxes and will be applying the credit to the Form 941, Form 943, or Form 944 period during which you file Form 941-X, Form 943-X, or Form 944-X. You'll use the claim process if you overreported employment taxes and are requesting a refund or abatement of the overreported amount. We use the terms "correct" and "corrections" to include interest-free adjustments under sections 6205 and 6413, and claims for refund and abatement under sections 6402, 6414, and 6404.

**Correcting employment taxes.** When you discover an error on a previously filed Form 941, Form 943, or Form 944, you must: • Correct that error using Form 941-X, Form 943-X, or Form 944-X;

- File a separate Form 941-X, Form 943-X, or Form 944-X for each Form 941, Form 943, or Form 944 you're correcting; and
- File Form 941-X, Form 943-X, or Form 944-X separately. Don't file with Form 941, Form 943, or Form 944.

Report current quarter adjustments for fractions of cents, third-party sick pay, tips, and group-term life insurance on Form 941 using lines 7–9, on Form 943 using line 10, and on Form 944 using line 6. See *Current Period Adjustments*, earlier in this section.

Report the correction of underreported and overreported amounts for the same tax period on a single Form 941-X, Form 943-X, or Form 944-X unless you're requesting a refund. If you're requesting a refund and are correcting both underreported and overreported amounts, file one Form 941-X, Form 943-X, or Form 944-X correcting the underreported amounts only and a second

Form 941-X, Form 943-X, or Form 944-X correcting the overreported amounts.

See the chart on the last page of Form 941-X, Form 943-X, or Form 944-X for help in choosing whether to use the adjustment process or the claim process. See the Instructions for Form 941-X, the Instructions for Form 943-X, or the Instructions for Form 944-X for details on how to make the adjustment or claim for refund or abatement.

***E-file.*** The IRS *e-file* program allows a taxpayer to electronically file Form 941-X, Form 943-X, and Form 945-X. For more information, go to [IRS.gov/EmploymentEfile](https://www.irs.gov/employmentefile), or call 866-255-0654.

**Income tax withholding adjustments.** In a current calendar year, correct prior quarter income tax withholding errors by making the correction on Form 941-X when you discover the error.

You may make an adjustment only to correct income tax withholding errors discovered during the same calendar year in which you paid the wages. This is because the employee uses the amount shown on Form W-2 or, if applicable, Form W-2c, as a credit when filing their income tax return (Form 1040, etc.).

You can't adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an administrative error or section 3509 applies. An administrative error occurs if the amount you entered on Form 941, Form 943, or Form 944 isn't the amount you actually withheld. For example, if the total income tax actually withheld was incorrectly reported on Form 941, Form 943, or Form 944 due to a mathematical or transposition error, this would be an administrative error. The administrative error adjustment corrects the amount reported on Form 941, Form 943, or Form 944 to agree with the amount



actually withheld from employees and reported on their Forms W-2.

**Additional Medicare Tax withholding adjustments.** Generally, the rules discussed earlier in this section under *Income tax withholding adjustments* apply to Additional Medicare Tax withholding adjustments. That is, you may make an adjustment to correct Additional Medicare Tax withholding errors discovered during the same calendar year in which you paid wages. You can't adjust amounts reported in a prior calendar year unless it is to correct an administrative error or section 3509 applies. If you have overpaid Additional Medicare Tax, you can't file a claim for refund for the amount of the overpayment unless the amount wasn't actually withheld from the employee's wages (which would be an administrative error).

If a prior year error was a nonadministrative error, you may correct only the **wages and tips** subject to Additional Medicare Tax withholding.

**Collecting underwithheld taxes from employees.** If you withheld no income, social security, or Medicare taxes, or less than the correct amount from an employee's wages, you can make it up from later pay to that employee. But you're the one who owes the underpayment. Reimbursement is a matter for settlement between you and the employee. Underwithheld income tax and Additional Medicare Tax must be recovered from the employee on or before the last day of the calendar year. There are special rules for tax on tips (see section 6) and fringe benefits (see section 5).

**Refunding amounts incorrectly withheld from employees.** If you withheld more than the correct amount of income, social security, or Medicare taxes from wages paid, repay or

reimburse the employee the excess. Any excess income tax or Additional Medicare Tax withholding must be repaid or reimbursed to the employee before the end of the calendar year in which it was withheld. Keep in your records the employee's written receipt showing the date and amount of the repayment or record of reimbursement. If you didn't repay or reimburse the employee, you must report and pay each excess amount when you file Form 941 for the quarter (or Form 943 or Form 944 for the year) in which you withheld too much tax.

### **Correcting filed Forms W-2 and W-3.**

When adjustments are made to correct wages and social security and Medicare taxes because of a change in the wage totals reported for a previous year, you also need to file Form W-2c and Form W-3c with the SSA. Up to 25 Forms W-2c per Form W-3c may be filed per session online, with no limit on the number of sessions. For more information, go

to the SSA's Employer W-2 Filing Instructions & Information webpage at [SSA.gov/employer](https://ssa.gov/employer).

**Exceptions to interest-free corrections of employment taxes.** A correction won't be eligible for interest-free treatment if:

- The failure to report relates to an issue raised in an IRS examination of a prior return, or
- The employer knowingly underreported its employment tax liability.

A correction won't be eligible for interest-free treatment after the earlier of the following.

- Receipt of an IRS notice and demand for payment after assessment.
- Receipt of an IRS notice of determination under section 7436.

## **Wage Repayments**

If an employee repays you for wages received in error, don't offset the repayments against current year wages unless the repayments are for amounts received in error in the current year.

**Repayment of current year wages.** If you receive repayments for wages paid during a prior quarter in the current year, report adjustments on Form 941-X to recover income tax withholding and social security and Medicare taxes for the repaid wages.

**Repayment of prior year wages.** If you receive repayments for wages paid during a prior year, report an adjustment on Form 941-X, Form 943-X, or Form 944-X to recover the social security and Medicare taxes. You can't make an adjustment for income tax withholding because the wages were income to the employee for the prior year. You can't make an adjustment for Additional Medicare

Tax withholding because the employee determines liability for Additional Medicare Tax on the employee's income tax return for the prior year.

You must also file Forms W-2c and W-3c with the SSA to correct social security and Medicare wages and taxes. Don't correct wages (box 1) on Form W-2c for the amount paid in error. Give a copy of Form W-2c to the employee.

***Employee reporting of repayment.*** The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee isn't entitled to file an amended return (Form 1040-X) to recover the income tax on these wages. Instead, the employee may be entitled to a deduction or credit for the repaid wages on their income tax return for the year of repayment. However, the employee should file an amended return

(Form 1040-X) to recover any Additional Medicare Tax paid on the wages paid in error in the prior year. If an employee asks about reporting their wage repayment, you may tell the employee to see *Repayments* in Pub. 525, *Taxable and Nontaxable Income*, for more information.

## **14. Federal Unemployment (FUTA) Tax**



*FUTA tax doesn't apply to employers in American Samoa, Guam, and the CNMI, but it does apply to employers in the USVI and Puerto Rico.*

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a federal and a state unemployment tax. For a list of state unemployment agencies, go to the U.S. Department of Labor's website at

[oui.doleta.gov/unemploy/agencies.asp](http://oui.doleta.gov/unemploy/agencies.asp). Only the employer pays FUTA tax; it isn't withheld from the employee's wages. For more information, see the Instructions for Form 940.



*Services rendered to a federally recognized Indian tribal government (or any subdivision, subsidiary, or business wholly owned by such an Indian tribe) are exempt from FUTA tax, subject to the tribe's compliance with state law. For more information, see section 3309(d) and Pub. 4268.*

**Who must pay?** Use the following three tests to determine whether you must pay FUTA tax. Each test applies to a different category of employee, and each is independent of the others. If a test describes your situation, you're subject to FUTA tax on the wages you pay to employees in that category during the current calendar year.



1. **General test.**

You're subject to FUTA tax in 2025 on the wages you pay employees who aren't farmworkers or household workers if:

- a. You paid wages of \$1,500 or more in any calendar quarter in 2024 or 2025, or
- b. You had one or more employees for at least some part of a day in any 20 or more different weeks in 2024 or 20 or more different weeks in 2025.

2. **Household employees test.**

You're subject to FUTA tax in 2025 if you paid total cash wages of \$1,000 or more to household employees in any calendar quarter in 2024 or 2025. A household employee is an employee who performs household work in a private home, local college club, or local fraternity or sorority chapter.

### 3. **Farmworkers test.**

You're subject to FUTA tax in 2025 on the wages you pay to farmworkers if:

- a. You paid cash wages of \$20,000 or more to farm-workers during any calendar quarter in 2024 or 2025, or
- b. You employed 10 or more farmworkers during at least some part of a day (whether or not at the same time) during any 20 or more different weeks in 2024 or 20 or more different weeks in 2025.

To determine whether you meet either test above for farmworkers, you must count wages paid to aliens admitted on a temporary basis to the United States to perform farmwork, also known as H-2A visa workers. However, wages paid to H-2A visa workers aren't subject to the FUTA tax.

Generally, farmworkers supplied by crew leaders, as defined earlier in section 2, are considered employees of the farm operator for purposes of the FUTA tax unless (a) the crew leader is registered under the Migrant and Seasonal Agricultural Worker Protection Act; or (b) substantially all of the workers supplied by the crew leader operate or maintain tractors, harvesting or crop-dusting machines, or other machines provided by the crew leader. Therefore, if (a) or (b) applies, the farmworkers are generally employees of the crew leader.

**Figuring FUTA tax.** For 2025, the FUTA tax rate is 6.0%. The tax applies to the first \$7,000 you pay to each employee as wages during the year. The \$7,000 is the federal wage base. Your state wage base may be different.

Generally, you can take a credit against your FUTA tax for amounts you paid into state unemployment funds. The credit may be as

much as 5.4% of FUTA taxable wages. If you're entitled to the maximum 5.4% credit, the FUTA tax rate after credit is 0.6%. You're entitled to the maximum credit if you paid your state unemployment taxes in full, on time, and on all the same wages as are subject to FUTA tax, and as long as the state isn't determined to be a credit reduction state. See the Instructions for Form 940 to determine the credit.

In some states, the wages subject to state unemployment tax are the same as the wages subject to FUTA tax. However, certain states exclude some types of wages from state unemployment tax, even though they're subject to FUTA tax (for example, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits). In such a case, you may be required to deposit more than 0.6% FUTA tax on those wages. See the Instructions for Form 940 for further guidance.



*In years when there are credit reduction states, you must include liabilities owed for credit reduction with your fourth quarter deposit. You may deposit the anticipated extra liability throughout the year, but it isn't due until the due date for the deposit for the fourth quarter, and the associated liability should be recorded as being incurred in the fourth quarter. See the Instructions for Form 940 for more information.*

**Successor employer.** If you acquired a business from an employer who was liable for FUTA tax, you may be able to count the wages that employer paid to the employees who continue to work for you when you figure the \$7,000 FUTA tax wage base. See the Instructions for Form 940.

**Depositing FUTA tax.** For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax liability by multiplying the amount of taxable wages paid during the quarter by

0.6%. This amount may need to be adjusted, however, depending on your entitlement to the credit for state unemployment contributions. See the Instructions for Form 940. Stop depositing FUTA tax on an employee's wages when taxable wages reach \$7,000 for the calendar year.

If your FUTA tax liability for any calendar quarter is \$500 or less, you don't have to deposit the tax. Instead, you may carry it forward and add it to the liability figured in the next quarter to see if you must make a deposit. If your FUTA tax liability for any calendar quarter is over \$500 (including any FUTA tax carried forward from an earlier quarter), you must deposit the tax by EFT. See section 11 for more information on EFTs.

***Household employees.*** You're not required to deposit FUTA taxes for household employees unless you report their wages on Forms 941, Form 943, or Form 944. See Pub. 926 for more information.

***When to deposit.*** Deposit the FUTA tax by the last day of the first month that follows the end of the quarter. If the due date for making your deposit falls on a Saturday, Sunday, or legal holiday, you may make your deposit on the next business day. See *Legal holiday*, in section 11, for a list of legal holidays occurring in 2025.

If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over \$500, deposit the entire amount by the due date of Form 940 (January 31). If it is \$500 or less, you can make a deposit, pay the tax with a credit or debit card, or pay the tax with your Form 940 by January 31. If you file Form 940 electronically, you can *e-file* and use EFW to pay the balance due. For more information on paying your taxes with a credit or debit card or using EFW, go to [IRS.gov/Payments](https://www.irs.gov/payments).

Table 4. **When To Deposit FUTA Taxes**

| <b>Quarter</b>  | <b>Ending</b> | <b>Due Date</b> |
|-----------------|---------------|-----------------|
| Jan.–Feb.–Mar.  | Mar. 31       | Apr. 30         |
| Apr.–May–June   | June 30       | July 31         |
| July–Aug.–Sept. | Sept. 30      | Oct. 31         |
| Oct.–Nov.–Dec.  | Dec. 31       | Jan. 31         |

**Reporting FUTA tax.** Use Form 940 to report FUTA tax. File your 2024 Form 940 by January 31, 2025. However, if you deposited all FUTA tax when due, you may file on or before February 10, 2025.

***Form 940 e-file.*** The Form 940 *e-file* program allows a taxpayer to electronically file an original Form 940 and an amended Form 940. For more information, go to [IRS.gov/EmploymentEfile](https://www.irs.gov/employmentefile), or call 866-255-0654.



***Household employees.*** If you didn't report employment taxes for household employees on Forms 941, Form 943, or Form 944, report FUTA tax for these employees on Schedule H (Form 1040). See Pub. 926 for more information. You must have an EIN to file Schedule H (Form 1040).

***Electronic filing by reporting agents.***

Reporting agents filing Forms 940 for groups of taxpayers can file them electronically. See *Electronic filing by reporting agents* in section 12.

***Electronic filing by CPEOs.*** CPEOs are required to electronically file Form 940 with Schedule R (Form 940). Under certain circumstances, the IRS may waive the electronic filing requirement. To request a waiver, the CPEO must file a written request using the IRS Online Registration System for Professional Employer Organizations at least 45 days before the due date of the return for which the CPEO is unable to electronically file. For more information on filing a waiver request electronically, go to [IRS.gov/CPEO](https://irs.gov/CPEO). Also see [Revenue Procedure 2023-18](#).

# 15. Special Rules for Various Types of Services and Payments

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

| Special Classes of Employment and Special Types of Payments  | Treatment Under Employment Taxes   |  |   |
|--|--|--|---|
|  | Federal Income Tax Withholding   | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)  | FUTA  |
| <b>Agricultural labor:</b><br><div><div>1. Service on farm in connection with cultivating soil; raising or harvesting any agricultural or horticultural commodity; the care of livestock, poultry, bees, furbearing animals, or wildlife.</div><div>2. Service in employ of owner or operator of farm if major part of the services are performed on farm; in management or maintenance, etc., of farm, tools, or equipment; or in salvaging timber; or clearing brush and other debris left by hurricane.</div><div>3. In connection with the production and harvesting of turpentine and other oleoresinous products.</div><div>4. Cotton ginning.</div><div>5. In connection with hatching of poultry.</div><div>6. In operation or maintenance of ditches, canals, reservoirs, or waterways used only for supplying or storing water for farming purposes and not owned or operated for profit.</div><div>7. In processing, packaging, delivering, etc., any agricultural or horticultural commodity in its unmanufactured state:<div><div>a. In employ of farm operator.</div><div>b. In employ of unincorporated group of farm operators (never more than 20).</div><div>c. In employ of other groups of farm operators (including cooperative organizations and commercial handlers).</div></div></div><div>8. Handling or processing commodities after delivery to terminal market for commercial canning or freezing.</div></div> | <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> <div>Taxable if wages subject to social security tax and Medicare tax.</div> | <div>Taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met.</div> <div>Taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met.</div> <div>Taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met.</div> <div>Taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met.<sup>1</sup></div> <div>Taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met (not farmwork if performed off farm).</div> <div>Taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met.</div> <div>If operator produced over half of commodity processed, taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met; otherwise taxable (not farmwork).<sup>1</sup></div> <div>If group produced all commodity processed, taxable if \$150 test or \$2,500 test in <a href="#">section 9</a> is met; otherwise taxable (not farmwork).<sup>1</sup></div> <div>Taxable (not farmwork).<sup>1</sup></div> <div>Taxable (not farmwork).<sup>1</sup></div> | <div>Taxable if either test in <a href="#">section 14</a> is met.</div> <div>Taxable if either test in <a href="#">section 14</a> is met.</div> <div>Taxable if either test in <a href="#">section 14</a> is met.</div> <div>Taxable if either test in <a href="#">section 14</a> is met.</div> <div>Taxable if either test in <a href="#">section 14</a> is met.</div> <div>Taxable if either test in <a href="#">section 14</a> is met.</div> <div>If employer produced over half of commodity processed, taxable if either test in <a href="#">section 14</a> is met; otherwise taxable (not farmwork).</div> <div>If employer produced over half of commodity processed, taxable if either test in <a href="#">section 14</a> is met; otherwise taxable (not farmwork).</div> <div>If employer produced over half of commodity processed, taxable if either test in <a href="#">section 14</a> is met; otherwise taxable (not farmwork).</div> <div>Taxable (not farmwork).</div> |
| <b>Aliens:</b><br><div>1. Resident:<div><div>a. Service performed in the United States.<sup>2</sup></div></div></div>  | <div>Same as U.S. citizen.</div>   | <div>Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside the United States).</div>  | <div>Same as U.S. citizen.</div>  |
| <div><sup>1</sup> Wages for services not considered farmwork are reported on Forms 941 or Form 944. Other exemptions may apply. See <a href="#">section 5</a> and <a href="#">section 13</a>.</div> <div><sup>2</sup> Benefits provided under cafeteria plans may qualify for exclusion from wages for social security, Medicare, and FUTA taxes.</div>  |  |  |   |

| Special Classes of Employment and Special Types of Payments  | Treatment Under Employment Taxes   |   |   |
|--|--|---|---|
|  | Federal Income Tax Withholding   | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)   | FUTA  |
| <b>Aliens (continued):</b>   |  |   |   |
| b. Service performed outside the United States. <sup>2</sup>   | Withhold.  | Taxable if (1) working for an American employer, or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates or subsidiary of an American employer.            | Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in United States, or alien is employed on such vessel or aircraft when it touches U.S. port. |
| <b>2. Nonresidents working in the United States.<sup>3</sup></b>   |  |   |   |
| a. Workers lawfully admitted under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act on a temporary basis to perform agricultural labor ("H-2A" workers).        | See Pub. 515 and Pub. 519.   | Exempt.   | Exempt.   |
| b. Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q).  | See Pub. 515 and Pub. 519.   | Exempt if service is performed for purposes specified in section 101(a)(15)(F), (J), (M), or (Q) of the Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien. |   |
| c. Philippine resident not admitted to Guam or CNMI under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act.  | See Pub. 515 and Pub. 519.   | Exempt if service is performed for purposes specified in section 101(a)(15)(H)(ii) of the Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien.               |   |
| d. Philippine resident not admitted to CNMI under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act for services performed in the CNMI on or after January 1, 2015. | See Pub. 515 and Pub. 519.   | Taxable.  | Exempt.   |
| e. Korean resident admitted to Guam under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act.  | See Pub. 515 and Pub. 519.   | Exempt if service is performed for purposes specified in section 101(a)(15)(H)(ii) of the Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien.               | Exempt.   |
| f. Korean resident admitted to CNMI under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act.  | See Pub. 515 and Pub. 519.   | Taxable.  | Exempt.   |
| g. All other nonresidents working in United States. <sup>3</sup>   | See Pub. 515 and Pub. 519.   | Same as U.S. citizen; exempt if any part of service as crew member of foreign vessel or aircraft is performed outside United States and employer isn't an American employer.                                      | Same as U.S. citizen.   |
| <b>3. Nonresident working on American vessel or aircraft outside United States.<sup>3</sup></b>  | See Pub. 515 and Pub. 519.   | Taxable if under contract made in the United States or worker is employed on vessel or aircraft when it touches U.S. port.  |   |
| <b>Cafeteria plan benefits under section 125.</b>  | If employee chooses cash or other taxable benefit, subject to all employment taxes. If employee chooses a nontaxable benefit, the treatment is the same as if the benefit was provided outside the plan. See Pub. 15-B for more information. |   |   |
| <b>Deceased worker:</b>  |  |   |   |
| 1. Wages paid to beneficiary or estate in same calendar year as worker's death. See the General Instructions for Forms W-2 and W-3 for details.                                    | Exempt.  | Taxable.  | Taxable.  |
| 2. Wages paid to beneficiary or estate after calendar year of worker's death.  | Exempt.  | Exempt.   | Exempt.   |
| <b>Dependent care assistance programs.</b>   | Exempt to the extent it is reasonable to believe amounts are excludable from gross income under section 129.   |   |   |

<sup>2</sup> Benefits provided under cafeteria plans may qualify for exclusion from wages for social security, Medicare, and FUTA taxes.  
<sup>3</sup> The United States includes American Samoa, Guam, the CNMI, the USVI, and Puerto Rico.



| Special Classes of Employment and Special Types of Payments   | Treatment Under Employment Taxes   |  |  |
|---|--|--|--|
|   | Federal Income Tax Withholding   | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)  | FUTA   |
| <b>Disabled worker's wages</b> paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.  | Withhold.  | Exempt if worker didn't perform any service for employer during the period for which payment is made.  | Taxable.   |
| <b>Employee business expense reimbursement:</b><br>1. Accountable plan.<br>a. Amounts not exceeding specified government rate for per diem or standard mileage.<br>b. Amounts in excess of specified government rate for per diem or standard mileage.<br>2. Nonaccountable plan. See <a href="#">section 5</a> for details.  | Exempt.<br><br>Withhold.<br><br>Withhold.  | Exempt.<br><br>Taxable.<br><br>Taxable.  | Exempt.<br><br>Taxable.<br><br>Taxable.  |
| <b>Family employees:</b><br>1. Child employed by parent (or partnership in which each partner is a parent of the child).<br>2. Parent employed by child.<br>3. Spouse employed by spouse.<br>See <a href="#">section 3</a> for more information.  | Withhold.<br><br>Withhold.<br><br>Withhold.  | Exempt until age 18; age 21 for domestic service.<br><br>Taxable if in course of the child's business. For domestic services, see <a href="#">section 3</a> .<br><br>Taxable if in course of spouse's business.  | Exempt until age 21.<br><br>Exempt.<br><br>Exempt.   |
| <b>Fishing and related activities; employment in connection with catching, harvesting, farming, etc.:</b><br>1. Salmon or halibut.<br>2. All other aquatic forms of animal and vegetable life.<br>3. An arrangement with the owner or operator of the boat by which the individual receives a share of the boat's catch (or proceeds from the sale of the catch), the share depending on the boat's catch, and operating crew of the boat is normally fewer than 10 individuals. <sup>4</sup> | Taxable unless (3) applies.<br>Taxable unless (3) applies.<br><br>Exempt.  | Taxable unless (3) applies.<br>Taxable unless (3) applies.<br><br>Exempt if any cash remuneration is:<br>(a) \$100 or less,<br>(b) Contingent on minimum catch, and<br>(c) Paid solely for additional duties (such as mate, engineer, or cook for which cash remuneration is traditional). | Taxable unless (3) applies.<br><br>Exempt unless on vessel of more than 10 net tons and (3) doesn't apply.   |
| <b>Foreign governments and international organizations.</b>   | Exempt.  | Exempt.  | Exempt.  |
| <b>Foreign service by U.S. citizens:</b><br>1. As U.S. Government employees.<br>2. For foreign affiliates of American employers and other private employers.  | Withhold.<br><br>Exempt if at time of payment (1) it is reasonable to believe employee is entitled to exclusion from income under section 911, or (2) the employer is required by law of the foreign country to withhold income tax on such payment. | Same as within the United States.<br><br>Exempt unless (1) an American employer by agreement covers U.S. citizens employed by its foreign affiliates, or (2) U.S. citizen works for American employer.   | Exempt.<br><br>Exempt unless (1) on American vessel or aircraft and work is performed under contract made in the United States or worker is employed on vessel when it touches U.S. port, or (2) U.S. citizen works for American employer (except in a contiguous country with which the United States has an agreement for unemployment compensation) or in the USVI. |
| <sup>4</sup> Income derived by Native Americans exercising fishing rights is generally exempt from employment taxes.  |  |  |  |

| Special Classes of Employment and Special Types of Payments   | Treatment Under Employment Taxes   |   |  |
|---|--|---|--|
|   | Federal Income Tax Withholding   | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)   | FUTA   |
| <b>Fringe benefits.</b>   | Taxable on excess of fair market value of the benefit over the sum of an amount paid for it by the employee and any amount excludable by law. However, special valuation rules may apply. Benefits provided under cafeteria plans may qualify for exclusion from wages for social security, Medicare, and FUTA taxes. See Pub. 15-B for details. |   |  |
| <b>Government employment:</b><br>1. State/local governments and political subdivisions, employees of: <ul style="list-style-type: none"> <li>a. Salaries and wages (includes payments to most elected and appointed officials). See chapter 3 of Pub. 963.</li> <li>b. Election workers. Election individuals are workers who are employed to perform services for state or local governments at election booths in connection with national, state, or local elections.<br/><b>Note.</b> File Form W-2 for payments of \$600 or more even if no social security or Medicare taxes were withheld.</li> <li>c. Emergency workers. Emergency workers who were hired on a temporary basis in response to a specific unforeseen emergency and aren't intended to become permanent employees.</li> </ul> 2. U.S. federal government employees. | <p>Withhold.</p> <p>Exempt.</p> <p>Withhold.</p> <p>Withhold.</p>  | <p>Generally, taxable for (1) services performed by employees who are either (a) covered under a section 218 agreement, or (b) not covered under a section 218 agreement and not a member of a public retirement system (mandatory social security and Medicare coverage); and (2) (for Medicare tax only) for services performed by employees hired or rehired after March 31, 1986, who aren't covered under a section 218 agreement or the mandatory social security provisions, unless specifically excluded by law. See Pub. 963.</p> <p>Taxable if paid \$2,400 or more in 2025 (lesser amount if specified by a section 218 social security agreement). See Revenue Ruling 2000-6.</p> <p>Exempt if serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency.</p> <p>Taxable for Medicare. Taxable for social security unless hired before 1984. See section 3121(b)(5).</p> | <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt unless worker is a seaman performing services on or in connection with American vessel owned by or chartered to the United States and operated by general agent of Secretary of Commerce.</p> |
| <b>Homeworkers (industrial, cottage industry):</b><br>1. Common law employees.<br>2. Statutory employees. See <a href="#">section 2</a> for details.  | <p>Withhold.</p> <p>Exempt.</p>  | <p>Taxable.</p> <p>Taxable if paid \$100 or more in cash in a year.</p>   | <p>Taxable.</p> <p>Exempt.</p>   |
| <b>Hospital employees:</b><br>1. Interns.<br>2. Patients.   | <p>Withhold.</p> <p>Withhold.</p>  | <p>Taxable.</p> <p>Taxable (Exempt for state or local government hospitals.)</p>  | <p>Exempt.</p> <p>Exempt.</p>  |

| Special Classes of Employment and Special Types of Payments  | Treatment Under Employment Taxes   |  |  |
|--|--|--|--|
|  | Federal Income Tax Withholding   | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)  | FUTA   |
| <b>Household employees:</b><br><br>1. Domestic service in private homes.<br><br><br><br><br><br><br><br><br><br><br>2. Domestic service in college clubs, fraternities, and sororities.  | Exempt (withhold if both employer and employee voluntarily agree).<br><br><br><br><br><br><br><br><br><br><br>Exempt (withhold if both employer and employee voluntarily agree).   | Taxable if paid \$2,800 or more in cash in 2025. Exempt if performed by an individual under age 18 during any portion of the calendar year and isn't the principal occupation of the employee.<br><br><br><br><br><br><br><br><br><br><br>Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer. | Taxable if employer paid total cash wages of \$1,000 or more in any quarter in the current or preceding calendar year.<br><br><br><br><br><br><br><br><br><br><br>Taxable if employer paid total cash wages of \$1,000 or more in any quarter in the current or preceding calendar year. |
| <b>Insurance for employees:</b><br><br>1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents.<br><br>2. Group-term life insurance costs. See Pub. 15-B for details.                              | Exempt (except 2% shareholder-employees of S corporations).<br><br><br><br><br><br><br><br><br><br><br>Exempt.   | Exempt.<br><br><br><br><br><br><br><br><br><br><br>Exempt, except for the cost of group-term life insurance includible in the employee's gross income. Special rules apply for former employees.   | Exempt.<br><br><br><br><br><br><br><br><br><br><br>Exempt.   |
| <b>Insurance agents or solicitors:</b><br><br>1. Full-time life insurance salesperson.<br><br><br><br><br><br><br><br><br><br><br>2. Other salesperson of life, casualty, etc., insurance.   | Withhold only if employee under common law. See <a href="#">section 2</a> .<br><br><br><br><br><br><br><br><br><br><br>Withhold only if employee under common law.   | Taxable.<br><br><br><br><br><br><br><br><br><br><br>Taxable only if employee under common law.   | Taxable if (1) employee under common law, and (2) not paid solely by commissions.<br><br><br><br><br><br><br><br><br><br><br>Taxable if (1) employee under common law, and (2) not paid solely by commissions.   |
| <b>Interest on loans with below-market interest rates</b> (foregone interest and deemed original issue discount).  | See Pub. 15-A.   |  |  |
| <b>Leave-sharing plans:</b> Amounts paid to an employee under a leave-sharing plan.  | Withhold.  | Taxable.   | Taxable.   |
| <b>Newspaper carriers and vendors:</b> Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers. See Pub. 15-A for information on statutory nonemployee status.   | Exempt (withhold if both employer and employee voluntarily agree).   | Exempt.  | Exempt.  |
| <b>Noncash payments:</b><br><br>1. For household work, agricultural labor, and service not in the course of the employer's trade or business.<br><br>2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.   | Exempt (withhold if both employer and employee voluntarily agree).<br><br><br><br><br><br><br><br><br><br><br>Optional with employer, except to the extent employee's supplemental wages during the year exceed \$1 million. | Exempt.<br><br><br><br><br><br><br><br><br><br><br>Taxable.  | Exempt.<br><br><br><br><br><br><br><br><br><br><br>Taxable.  |
| <b>Nonprofit organizations.</b>  | See Pub. 15-A.   |  |  |
| <b>Officers or shareholders of an S corporation:</b> Distributions and other payments by an S corporation to a corporate officer or shareholder must be treated as wages to the extent the amounts are reasonable compensation for services to the corporation by an employee. See the Instructions for Form 1120-S. | Withhold.  | Taxable.   | Taxable.   |



| Special Classes of Employment and Special Types of Payments   | Treatment Under Employment Taxes   |  |  |
|---|--|--|--|
|   | Federal Income Tax Withholding   | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)  | FUTA   |
| <b>Partners:</b> Payments to general or limited partners of a partnership. See Pub. 541 for partner reporting rules.  | Exempt.  | Exempt.  | Exempt.  |
| <b>Railroads:</b> Payments subject to the Railroad Retirement Act. See Pub. 915 and the Instructions for Form CT-1 for more details.  | Withhold.  | Exempt.  | Exempt.  |
| <b>Religious exemptions.</b>  | See Pub. 15-A and Pub. 517.  |  |  |
| <b>Retirement and pension plans:</b><br>1. Employer contributions to a qualified plan.<br>2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (401(k)).<br>3. Employer contributions to individual retirement accounts under simplified employee pension (SEP) plan.<br>4. Employer contributions to section 403(b) annuities including salary reduction contributions.<br>5. Employee salary reduction contributions to a SIMPLE retirement account.<br>6. Distributions from qualified retirement and pension plans and section 403(b) annuities. See Pub. 15-A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.<br>7. Employer contributions to a section 457(b) plan.<br>8. Employee salary reduction contributions to a section 457(b) plan. | Exempt.<br><br>Generally exempt, but see section 402(g) for limitation.<br><br>Generally exempt, but see section 402(g) for salary reduction SEP limitation.<br><br>Generally exempt, but see section 402(g) for limitation.<br><br>Exempt.<br><br>Withhold, but recipient may elect exemption on Form W-4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that isn't a direct rollover; exempt for direct rollover. See Pub. 15-A.<br><br>Generally exempt, but see section 402(g) limitation.<br><br>Generally exempt, but see section 402(g) salary reduction limitation. | Exempt.<br><br>Taxable.<br><br>Exempt, except amounts contributed through a salary reduction agreement are taxable.<br><br>Exempt, except amounts contributed through a salary reduction agreement are taxable.<br><br>Taxable.<br><br>Exempt.<br><br>Taxable.<br><br>Taxable. | Exempt.<br><br>Taxable.<br><br><br><br>Taxable.<br><br>Exempt.<br><br>Taxable.<br><br>Taxable.   |
| <b>Salespersons:</b><br>1. Common law employees.<br>2. Statutory employees.<br>3. Statutory nonemployees (qualified real estate agents, direct sellers, and certain companion sitters). See Pub. 15-A for details.  | Withhold.<br>Exempt.<br><br>Exempt.  | Taxable.<br>Taxable.<br><br>Exempt.  | Taxable.<br>Taxable, except for full-time life insurance sales agents.<br>Exempt.  |
| <b>Scholarships and fellowship grants (includible in income under section 117(c)).</b>  | Withhold.  | Taxability depends on the nature of the employment and the status of the organization. See <i>Students, scholars, trainees, teachers, etc.</i> , below.  |  |
| <b>Severance or dismissal pay.</b>  | Withhold.  | Taxable.   | Taxable.   |
| <b>Service not in the course of the employer's trade or business (other than on a farm operated for profit or for household employment in private homes).</b>   | Withhold only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.  | Taxable if employee receives \$100 or more in cash in a calendar year.   | Taxable only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter. |
| <b>Sick pay.</b> See Pub. 15-A for more information.  | Withhold.  | Exempt after end of 6 calendar months after the calendar month employee last worked for employer.  |  |
| <b>Students, scholars, trainees, teachers, etc.:</b><br>1. Student enrolled and regularly attending classes, performing services for the following.<br>a. Private school, college, or university.   | Withhold.  | Exempt.  | Exempt.  |



| Special Classes of Employment and Special Types of Payments  | Treatment Under Employment Taxes  |   |   |
|--|---|---|---|
|  | Federal Income Tax Withholding  | Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)   | FUTA  |
| <b>Students, scholars, trainees, teachers, etc. (continued):</b> <ol style="list-style-type: none"> <li>Auxiliary nonprofit organization operated for and controlled by school, college, or university.</li> <li>Public school, college, or university.</li> </ol> <ol style="list-style-type: none"> <li>Full-time student performing service for academic credit, combining instruction with work experience as an integral part of the program.</li> <li>Student nurse performing part-time services for nominal earnings at hospital as incidental part of training.</li> <li>Student employed by organized camps.</li> <li>Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act (that is, aliens holding F-1, J-1, M-1, or Q-1 visas).</li> </ol> | <p>Withhold.</p> <p>Withhold.</p> <p>Withhold.</p> <p>Withhold.</p> <p>Withhold unless excepted by regulations.</p>                         | <p>Exempt unless services are covered by a section 218 (Social Security Act) agreement.</p> <p>Exempt unless services are covered by a section 218 (Social Security Act) agreement.</p> <p>Taxable.</p> <p>Exempt.</p> <p>Taxable.</p> <p>Exempt if service is performed for purpose specified in section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien. See the special residency tests for exempt individuals in chapter 1 of Pub. 519.</p> | <p>Exempt.</p> <p>Exempt.</p> <p>Exempt unless program was established for or on behalf of an employer or group of employers.</p> <p>Exempt.</p> <p>Exempt.</p> |
| <b>Supplemental unemployment compensation plan benefits.</b>   | Withhold.   | Exempt under certain conditions. See Pub. 15-A.   |   |
| <b>Territory government employees</b> (other than federal): <ol style="list-style-type: none"> <li>USVI.</li> <li>American Samoa and political subdivisions.</li> <li>Guam.</li> <li>The CNMI and political subdivisions.</li> </ol>   | <p>(See section 3121(b)(7)) or go to <a href="https://ssa.gov">SSA.gov</a>.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p> | <p>Taxable if covered by section 218 agreement with SSA.</p> <p>Taxable, unless employee covered by a retirement system.</p> <p>Exempt, except for certain temporary and intermittent employees.</p> <p>Taxable (beginning in the fourth calendar quarter of 2012).</p>   | <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p>   |
| <b>Tips:</b> <ol style="list-style-type: none"> <li>If \$20 or more in a month.</li> <li>If less than \$20 in a month. See <a href="#">section 6</a> for more information.</li> </ol>  | <p>Withhold.</p> <p>Exempt.</p>   | <p>Taxable.</p> <p>Exempt.</p>  | <p>Taxable for all tips reported in writing to employer.</p> <p>Exempt.</p>   |
| <b>Workers' compensation.</b>  | Exempt.   | Exempt.   | Exempt.   |

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## **16. Third-Party Payer Arrangements**

An employer may outsource some or all of its federal employment tax withholding, reporting, and payment obligations. An employer who outsources payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) to a third-party payer will generally remain responsible for those duties, including liability for the taxes. However, see *Certified professional employer organization (CPEO)*, later in this section, for an exception.

If an employer outsources some or all of its payroll responsibilities, the employer should consider the following information.

- The employer remains responsible for federal tax deposits and other federal tax payments even though the employer may forward the tax amounts to the third-party payer to make the deposits and

payments. If the third party fails to make the deposits and payments, the IRS may assess penalties and interest on the employer's account. As the employer, you may be liable for all taxes, penalties, and interest due. The employer may also be held personally liable for certain unpaid federal taxes.

- If the employer's account has any issues, the IRS will send correspondence to the employer at the address of record. We strongly recommend that the employer maintain its address as the address of record with the IRS. Having correspondence sent to the address of the third-party payer may significantly limit the employer's ability to be informed about tax matters involving the employer's business. Use Form 8822-B to update your business address.

- When a third party enrolls an employer in EFTPS for federal tax deposits, the employer will receive an Inquiry PIN. The employer should activate and use this Inquiry PIN to monitor its account and ensure the third party is making the required tax deposits.

The following are common third-party payers who an employer may contract with to perform payroll and related tax duties.

- Payroll service provider (PSP).
- Reporting agent.
- Agent with approved Form 2678.
- Payer designated under section 3504.
- Certified professional employer organization (CPEO).

**Payroll service provider (PSP).** A PSP helps administer payroll and payroll-related tax duties on behalf of the employer. A PSP may prepare paychecks for employees,

prepare and file employment tax returns, prepare Forms W-2, and make federal tax deposits and other federal tax payments. A PSP performs these functions using the EIN of the employer. A PSP isn't liable as either an employer or an agent of the employer for the employer's employment taxes. If an employer is using a PSP to perform its tax duties, the employer remains liable for its employment tax obligations, including liability for employment taxes.

An employer who uses a PSP should ensure the PSP is using EFTPS to make federal tax deposits on behalf of the employer so the employer can confirm that the payments are being made on its behalf.

**Reporting agent.** A reporting agent is a type of PSP. A reporting agent helps administer payroll and payroll-related tax duties on behalf of the employer, including authorization to electronically sign and file forms set forth on Form 8655. An employer

uses Form 8655 to authorize a reporting agent to perform functions on behalf of the employer. A reporting agent performs these functions using the EIN of the employer. A reporting agent isn't liable as either an employer or an agent of the employer for the employer's employment taxes. If an employer is using a reporting agent to perform its tax duties, the employer remains liable for its employment obligations, including liability for employment taxes.

A reporting agent must use EFTPS to make federal tax deposits on behalf of an employer. The employer has access to EFTPS to confirm federal tax deposits were made on its behalf.

For more information on reporting agents, see Revenue Procedure 2012-32, 2012-34 I.R.B. 267, available at [IRS.gov/irb/2012-34\\_IRB#RP-2012-32](https://www.irs.gov/irb/2012-34_IRB#RP-2012-32); and Pub. 1474, Technical Specifications Guide for Reporting Agent Authorization and Federal Tax Depositors.

**Agent with an approved Form 2678.** An agent with an approved Form 2678 helps administer payroll and related tax duties on behalf of the employer. An agent authorized under section 3504 may pay wages or compensation to some or all of the employees of an employer, prepare and file employment tax returns as set forth on Form 2678, prepare Forms W-2, and make federal tax deposits and other federal tax payments. An employer uses Form 2678 to request authorization to appoint an agent to perform functions on behalf of the employer. An agent with an approved Form 2678 is authorized to perform these functions using its own EIN. The agent files a Schedule R (Form 941) or, if applicable, Schedule R (Form 943) to allocate wages, taxes, and credits claimed to the employers it represents as an agent.

If an employer is using an agent with an approved Form 2678 to perform its tax duties, the agent and the employer are jointly



liable for the employment taxes and related tax duties for which the agent is authorized to perform.

Form 2678 doesn't apply to FUTA taxes reportable on Form 940 unless the employer is a home care service recipient receiving home care services through a program administered by a federal, state, or local government agency.

For more information on an agent with an approved Form 2678, see Revenue Procedure 2013-39, 2013-52 I.R.B. 830, available at [IRS.gov/irb/2013-52\\_IRB#RP-2013-39](https://www.irs.gov/irb/2013-52_IRB#RP-2013-39).

**Payer designated under section 3504.** In certain circumstances, the IRS may designate a third-party payer to perform the acts of an employer. The IRS will designate a third-party payer on behalf of an employer if the third party has a service agreement with the employer. A service agreement is an agreement between the third-party payer and an employer in which the third-party payer

(1) asserts it is the employer of individuals performing services for the employer; (2) pays wages to the individuals that perform services for the employer; and (3) assumes responsibility to withhold, report, and pay federal employment taxes for the wages it pays to the individuals who perform services for the employer.

A payer designated under section 3504 performs tax duties under the service agreement using its own EIN. If the IRS designates a third-party payer under section 3504, the designated payer and the employer are jointly liable for the employment taxes and related tax duties for which the third-party payer is designated.

For more information on a payer designated under section 3504, see Regulations section 31.3504-2.

**Certified professional employer organization (CPEO).** The Stephen Beck, Jr., ABLE Act of 2014 required the IRS to

establish a voluntary certification program for professional employer organizations (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, 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. 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.

CPEOs must complete Schedule R (Form 940), Schedule R (Form 941), or Schedule R (Form 943) when filing an aggregate Form 940, Form 941, or Form 943, respectively. CPEOs file Form 8973 to notify the IRS that they started or ended a service contract with a customer. To become a CPEO, the organization must apply through the IRS Online Registration System. For more information or to apply to become a CPEO, go to [IRS.gov/CPEO](https://www.irs.gov/CPEO). Also see [\*Revenue Procedure 2023-18\*](#).



*If both an employer and a section 3504 authorized agent (or 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 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.*

## **17. Federal Agency Certifying Requirements of Federal Income Taxes Withheld From U.S. Government Employees Working in, or Federal Pension Recipients Residing in, American Samoa, the CNMI, and Guam**

### **Special Certifying Requirements for Federal Agencies**

This section sets forth the legal authorities requiring federal agencies to certify to the IRS the amount of federal income taxes withheld from amounts paid to U.S. Government employees working in, as well as federal civilian and military pensioners residing in,

American Samoa, the CNMI, and Guam. As noted below, these special certifying requirements don't apply to federal agencies who have employees working in Puerto Rico or the USVI.

## **American Samoa**

Code sections 931(a), 931(d), and 7654 provide that the U.S. Government is required to transfer (“cover over”) to the Treasury of American Samoa the federal income taxes withheld on amounts paid to military and civilian employees and pensioners who are residents of American Samoa. The effect of these provisions is that the federal government transfers on at least an annual basis the federal income taxes withheld or collected from its employees and pensioners who are residents of American Samoa to the American Samoa Treasury. In order for the federal government to cover over these income taxes as required by law, federal agencies must certify the amount of federal

income taxes withheld or collected from its employees and pensioners by following the procedures discussed under Certification Procedures, later in this section.

## **Commonwealth of the Northern Mariana Islands**

Code section 7654 and 48 U.S.C. section 1681 (P.L. 94-241, section 703(b)) provide that the U.S. Government is required to cover over to the Treasury of the CNMI the federal income taxes withheld on amounts paid to military and civilian employees and pensioners who are residents of the CNMI. The effect of these provisions is that the federal government transfers on at least an annual basis the federal income taxes withheld or collected from its employees and pensioners who are residents of the CNMI to the CNMI Treasury. In order for the federal government to cover over these federal income taxes as required by law, federal agencies must certify the amount of federal

income taxes withheld or collected from its employees and pensioners by following the procedures discussed under Certification Procedures, later in this section. As discussed in the *Caution* next, federal agencies aren't required to certify the amount of local CNMI taxes that are withheld or collected.

*The U.S. Treasury Department and the CNMI Division of Revenue and Taxation entered into an agreement under 5 U.S.C. section 5517 in December 2006. Under this agreement, all federal employers (including the Department of Defense) are required to withhold CNMI income taxes (rather than federal income taxes) and deposit the CNMI taxes with the CNMI Treasury for employees whose regular place of federal employment is in the CNMI. Federal employers are also required to file quarterly and annual reports with the CNMI Division of Revenue and Taxation. The 5517 agreement isn't applicable to payments made to pensioners and compensation paid to*



*members of the U.S. Armed Forces who are stationed in the CNMI but have a state of legal residence outside the CNMI. For more information, including details on completing Form W-2, go to [IRS.gov/5517Agreements](https://www.irs.gov/5517Agreements).*

## **Guam**

Code section 7654 and 48 U.S.C. section 1421(h) provide that the U.S. Government is required to cover over to the Treasury of Guam the federal income taxes withheld on amounts paid to military and civilian employees and pensioners who are residents of Guam. The effect of these provisions is that the federal government transfers on at least an annual basis the federal income taxes withheld or collected from its employees and pensioners who are residents of Guam to the Guam Treasury. In order for the federal government to cover over these federal income taxes as required by law, federal agencies must certify the amount of federal income taxes withheld or collected from its

employees by following the procedures discussed under Certification Procedures, later in this section.

## **Puerto Rico**

These special certifying requirements don't apply to federal agencies who have employees working in Puerto Rico.



*The U.S. Treasury Department and Puerto Rico entered into an agreement under 5 U.S.C. section 5517 in November 1988. Under this agreement, all federal employers (including the Department of Defense) are required to withhold Puerto Rico income taxes (rather than federal income taxes) and deposit the Puerto Rico taxes with the Puerto Rico Treasury for employees whose regular place of federal employment is in Puerto Rico. Federal employers are also required to file quarterly and annual reports with the Puerto Rico tax department. The 5517 agreement isn't applicable to payments*

*made to pensioners and compensation paid to members of the U.S. Armed Forces who are stationed in Puerto Rico but have a state of legal residence outside Puerto Rico. For more information, including details on completing Form W-2, go to [IRS.gov/5517Agreements](https://www.irs.gov/5517Agreements).*

## **U.S. Virgin Islands**

These special certifying requirements don't apply to federal agencies who have employees working in the USVI.

## **“Federal Income Taxes” From American Samoa, the CNMI, or Guam**

This section describes what “federal income taxes” are subject to these certification procedures.

For purposes of these cover over certification requirements, the term “federal income taxes” includes federal income taxes that have been withheld from compensation and

other amounts paid to and deposited into the U.S. Treasury on any of the following.

- a. Federal government civilian employees who are residents of American Samoa, the CNMI, or Guam.
- b. Recipients (including survivors) of federal pensions (civilian or military) who are residents of American Samoa, the CNMI, or Guam.
- c. Military personnel stationed in American Samoa, the CNMI, or Guam.
- d. Military personnel not stationed in American Samoa, the CNMI, or Guam but who have a state of legal residence in any of these territories.
- e. Employees of a service or social organization associated with a military or civilian agency in American Samoa, the CNMI, or Guam.

## **Certification Procedures**

This section contains the procedures federal agencies must follow to certify to the IRS the amount of “federal income taxes” paid to and deposited into the U.S. Treasury. All departments and agencies of the federal government (as well as service and social organizations associated with a military or civilian federal entity) that withhold federal income taxes on amounts paid to employees and pensioners of the United States (or any agency thereof) as provided herein must certify to the IRS each calendar quarter the total amount of federal income taxes withheld that have been deposited into the U.S. Treasury. Federal agencies must submit a separate certification for federal income taxes creditable to American Samoa, the CNMI, and Guam, as applicable.

Except as provided below, these certifications should be in the form of a letter and should include:

1. A citation to Pub. 15 as the authority for the certification,
2. The name of the federal certifying agency or department,
3. The certifying agency's EIN,
4. The calendar quarter and fiscal year covered by the certification,
5. The total number of individuals covered by the certification, and
6. The aggregate dollar amount of federal income taxes withheld on all individuals covered by the certification.

A federal government department or agency that submits a certification on behalf of another department or agency must include the name and EIN of each subordinate or designated federal department or agency

included, along with the required data for each subordinate or designated department or agency. In this instance, the certifying agency must send the certification at least on an annual basis, no later than February 14.

In addition, federal government agencies certifying for compensation paid to military personnel not stationed in American Samoa, the CNMI, or Guam but who have a state of legal residence in one of these territories must provide each servicemember's name, SSN, amount of annual salary paid, and total amount of annual federal income tax withheld.

The amounts shown in the certification must agree with the amounts of federal income tax withheld and reported on the quarterly federal tax return(s) of the agency (Form 941).

Federal agencies must submit these certifications on a quarterly basis no later than 45 days after the close of each calendar quarter as follows.

| <b>Quarter</b>                         | <b>Due</b> |
|--|------------|
| First quarter (ending March 31) . .    | May 15     |
| Second quarter (ending June 30) .      | Aug. 14    |
| Third quarter<br>(ending September 30) | Nov. 14    |
| Fourth quarter<br>(ending December 31) | Feb. 14    |



Federal agencies should mail this certification to the following address.

Internal Revenue Service  
Revenue Systems and Analysis  
Attn: OS:CFO:FM:RA:S (77K St)  
1111 Constitution Ave NW  
CFO/FM Mail Stop 6167  
Washington, DC 20224  
Fax: 202-803-9691

## **How To Get Tax Help**

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) to find resources that can help you right away.

**Preparing and filing your tax return.** Go to [IRS.gov/ EmploymentEfile](https://www.irs.gov/efile) for more information on filing your employment tax returns electronically.



**Getting answers to your tax questions.** On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- [IRS.gov/Help](https://www.irs.gov/help): A variety of tools to help you get answers to some of the most common tax questions.
- [IRS.gov/Forms](https://www.irs.gov/forms): Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.
- You may also be able to access tax information in your e-filing software.

**Need someone to prepare your tax return?** There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don't have professional credentials. If you choose to have someone

prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).



*Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to [Tips for Choosing a Tax Preparer](#) on IRS.gov.*

**Employers can register to use Business Services Online.** The SSA offers online service at [SSA.gov/employer](https://ssa.gov/employer) for fast, free,

and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2 and Form W-2c.

**Business tax account.** If you are a sole proprietor, a partnership, or an S corporation, you can view your tax information on record with the IRS and do more with a business tax account. Go to [IRS.gov/BusinessAccount](https://www.irs.gov/BusinessAccount) for more information.

**IRS social media.** Go to [IRS.gov/SocialMedia](https://www.irs.gov/SocialMedia) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your social security number (SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos](https://www.youtube.com/irsvideos).
- [Youtube.com/irsvideomultilingua](https://www.youtube.com/irsvideomultilingua).
- [Youtube.com/irsvideosASL](https://www.youtube.com/irsvideosASL).

**Online tax information in other languages.** You can find information on [IRS.gov/MyLanguage](https://www.irs.gov/MyLanguage) if English isn't your native language.

**Free Over-the-Phone Interpreter (OPI) Service.** The IRS is committed to serving taxpayers with limited-English proficiency (LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) tax return site. The OPI Service is accessible in more than 350 languages.

**Accessibility Helpline available for taxpayers with disabilities.** Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline doesn't have access to your IRS account. For help with tax law, refunds, or account-related issues, go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp).

**Disasters.** Go to [IRS.gov/DisasterRelief](https://www.irs.gov/DisasterRelief) to review the available disaster tax relief.

**Getting tax forms and publications.** Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print most of the forms, instructions, and publications you may need. Or, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

**Getting tax publications and instructions in eBook format.** Download and view most tax publications and instructions (including Pub. 15) on mobile devices as eBooks at [IRS.gov/eBooks](https://www.irs.gov/eBooks).

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

**Get a transcript of your return.** You can get a copy of your tax transcript or a copy of your return by calling 800-829-4933 or by mailing Form 4506-T (transcript request) or Form 4506 (copy of return) to the IRS.

**Reporting and resolving your tax-related identity theft issues.**

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your EIN is used to file a

fraudulent return or to claim a refund or credit.

- The IRS doesn't initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to [IRS.gov/IdentityTheft](https://www.irs.gov/identitytheft), the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your EIN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.



**Making a tax payment.** Payments of U.S. tax must be remitted to the IRS in U.S. dollars. [Digital assets](#) are **not** accepted. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for information on how to make a payment using any of the following options.

- [Debit Card, Credit Card, or Digital Wallet](#): Choose an approved payment processor to pay online or by phone.
- [Electronic Funds Withdrawal](#): Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- [Electronic Federal Tax Payment System](#): This is the best option for businesses. Enrollment is required.
- [Check or Money Order](#): Mail your payment to the address listed on the notice or instructions.
- [Cash](#): You may be able to pay your taxes with cash at a participating retail store.

- [Same-Day Wire](#): You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

**Note.** The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

**What if I can't pay now?** Go to [IRS.gov/Payments](#) for more information about your options.

- Apply for an [online payment agreement](#) ([IRS.gov/ OPA](#)) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.

- Use the [Offer in Compromise Pre-Qualifier](#) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](#).

**Understanding an IRS notice or letter you've received.** Go to [IRS.gov/Notices](#) to find additional information about responding to an IRS notice or letter.

**IRS Document Upload Tool.** You may be able use the Document Upload Tool to respond digitally to eligible IRS notices and letters by securely uploading required documents online through IRS.gov. For more information, go to [IRS.gov/DUT](#).

**Contacting your local TAC.** Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to [IRS.gov/LetUsHelp](#) for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now

provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Below is a message to you from the Taxpayer Advocate Service, an independent organization established by Congress.

## **The Taxpayer Advocate Service (TAS) Is Here To Help You**

### **What Is the Taxpayer Advocate Service?**

The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS). TAS helps taxpayers resolve problems with the IRS, makes administrative and legislative recommendations to prevent or correct the

problems, and protects taxpayer rights. We work to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights. We are Your Voice at the IRS.

## **How Can TAS Help Me?**

TAS can help you resolve problems that you haven't been able to resolve with the IRS on your own. Always try to resolve your problem with the IRS first, but if you can't, then come to TAS. Our services are free.

- TAS helps all taxpayers (and their representatives), including individuals, businesses, and exempt organizations. You may be eligible for TAS help if your IRS problem is causing financial difficulty, if you've tried and been unable to resolve your issue with the IRS, or if you believe an IRS system, process, or procedure just isn't working as it should.

- To get help any time with general tax topics, visit [www.TaxpayerAdvocate.IRS.gov](http://www.TaxpayerAdvocate.IRS.gov). The site can help you with common tax issues and situations, such as what to do if you make a mistake on your return or if you get a notice from the IRS.
- TAS works to resolve large-scale (systemic) problems that affect many taxpayers. You can report systemic issues at [www.IRS.gov/SAMS](http://www.IRS.gov/SAMS). (Be sure not to include any personal identifiable information.)

## **How Do I Contact TAS?**

TAS has offices in every state, the District of Columbia, and Puerto Rico. To find your local advocate's number:

- Go to [www.TaxpayerAdvocate.IRS.gov/Contact-Us](http://www.TaxpayerAdvocate.IRS.gov/Contact-Us),
- Check your local directory, or

- Call TAS toll free at 877-777-4778.

## **What Are My Rights as a Taxpayer?**

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. Go to [www.TaxpayerAdvocate.IRS.gov/Taxpayer-Rights](http://www.TaxpayerAdvocate.IRS.gov/Taxpayer-Rights) for more information about the rights, what they mean to you, and how they apply to specific situations you may encounter with the IRS. TAS strives to protect taxpayer rights and ensure the IRS is administering the tax law in a fair and equitable way.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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**Zero wage return 4**