

# **38th Annual Employment Issues Update**

December 13, 2018
The Country Club
Meadville, Pennsylvania

This annual seminar booklet and all included links can be accesses via the HBK website: http://hbkcpa.com/resources/accounting-tools/



# **AGENDA**

Welcoming Remarks	Travis Fox
	HBK CPAs & Consultants
Updates on:	
<ul> <li>Federal and Pennsylvania Payroll Tax Reports and</li> </ul>	
Rate Changes for 2019	Jennifer Bickford
Filing Forms W-2 & W-3 – Wage & Tax Statements	HBK CPAs & Consultants
Fringe Benefit Calculations for W-2 Reporting	Ty Sheehan
Meals and Entertainment Deduction Guidelines	and
- Filing Forms 1099 & 1096 - Information Returns	Casey Baker
	HBK CPAs & Consultants
State and Local Taxes - Staying Ahead of the Curve	Suzanne Leighton
	HBK CPAs & Consultants
Transformative Mediation as an Alternative to Litigation	Kyle Janes and
Transformative modulation de diffritative to English	Elizabeth Spadafore
	Shafer Law Firm
	<b>CCC</b>
Health Insurance - Looking at the "Known" and the	
"Unknown" in 2019!	Steve Fisher
	DJB Group Insurance
General and Closing Remarks	Chris Anderson
	HBK CPAs & Consultants

This booklet is provided for discussion purposes only.

It contains dated material and is subject to change.

HBK CPAs & Consultants assumes no responsibility for update.

It is advisable that you consult HBK before implementation of materials presented herein.



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### **Payroll Tax Returns and Rate Changes (Continued):** Correcting Employment Tax Returns ------ 45 Federal Unemployment Taxes (FUTA) (Form 940)------ 46-49 Sample 2018 Form 940 - Employer's Annual Federal Unemployment Tax Return and Schedule A (multi-state employer and credit reduction information)------ 50-52 Forms W-2 and W-3 Instructions ----- 53-55 Sample 2018 Form W-2 - Wage and Tax Statement -----56 Sample 2018 Form W-3 – Transmittal of Wage and Tax Statements------57 Reporting Employer Sponsored Health Coverage on Forms W-2 and W-3 ----- 58-60 Changes to Note for Completing Forms W-2 and W-3-----61 Pennsylvania Income Tax ------62 Pennsylvania Income Tax Deposit Requirements----- 63-67 Pennsylvania Income Tax Withholding Annual/Final Filing (new PA e-filing req.) 68 Pennsylvania Sales Tax (Filing/Payment Changes)-----69 Pennsylvania Unemployment Compensation------ 70-71 Form UC-1609P – Employer Information Form ———— 72 Local Earned Income Tax ----- 73-74 Local EIT Resources (residency form, collection districts, employer return) ----- 75-79 Local Services Tax (LST) (formerly known as EMS or OP Tax) ----- 80-81 Local Services Tax (LST) - Exemption Certificate----- 82-83 **Fringe Benefits:** Auto Fringe Benefits and Standard Mileage Rate -----84 W-2 Auto Benefits Worksheet -----85 Group-Term Life Insurance Coverage Benefit Reporting-----86 Fringe Benefit Taxability Grid -----87 Employee Benefit Limits-----88 Forms 1094C & 1095C - ACA Information Reporting (IRS extended due dates)-89 Forms 1099 & 1096 - Informational Returns: Forms 1099 and 1096 Filing Requirements and Changes to Note----- 90-96 IRS Guide to Information Returns (GEN-25 - GEN-27) and Types of Payments (GEN-28)------ 97-100 Sample Form W-9 (Rev. 10/2018) - Request for Taxpayer ID Number-----101 Sample 2018 Form 1096 – Annual Summary and Transmittal of U.S. Information Returns -----102 Sample 2018 Form 1099MISC and 1099INT - Information Returns-----103 Filing Corrected Paper Information Returns (GEN-11)-----104 Other: Unclaimed Property Reporting ------ 105 Important Addresses, Phone Numbers and Websites ----- 106 How Long Should I Keep Records? / Records Retention Guidelines----- 107-110



The ABC's of Starting Payroll - General Information							
Form Purpose of Form Where to Obtain Form Notes							
		Registration Forms					
SS-4	Obtain a federal employer identification number	www.irs.gov					
PA-100	Obtain Pennsylvania account numbers for employer withholding tax and unemployment Tax	www.pa100.pa.us	There are questions on this form regarding workers compensation coverage. If you do not already have a policy, discuss with your insurance agent.				
Contact your local municipality	Register for local withholding and LST tax	www.hab-inc.com	Berkheimer is now the local earned income tax collector for all counties in NW PA. Contact your local earned income tax receiver to obtain local registration information for LST tax.				
	Employee For	ms (must be completed by each o	employee hired)				
I-9	Form is used to verify citizenship	www.uscis.gov/i-9	Completed form is kept for your records				
W-4	Specify employee's federal withholding tax status	www.irs.gov	Completed form is kept for your records in most situations				
Residency Certification Form	Verify employee's municipality of residence	http://www.hab-inc.com/wp- content/uploads/17381.pdf	Completed form is kept for your records; used for set- up of local withholding taxes				
PA New Hire Form (or other state if applicable)	Required for all new hires	www.panewhires.com	Completed form must be mailed or faxed within 20 days of date of hire for new employees				
		Payroll Tax Form Filings					
Federal Form 941	Report federal withholding, Social Security and Medicare taxes	www.irs.gov	Quarterly filing, deposits may be required monthly or semi-weekly, depending on liability				
Federal Form 940	Federal unemployment tax reporting	www.irs.gov	Annual filing, deposits required quarterly if liability reaches \$500.				
PA Form UC-2	PA unemployment tax reporting	www.uctax.pa.gov	Quarterly filing; reports employee and employer contributions				
PA W-3	PA withholding tax reporting	Electronic filing only, via either E-Tides or Tele-File	Quarterly filing, deposits may be required monthly, semi-monthly or semi-weekly, depending on liability				
Local withholding form	Report local earned income tax withholding by mail or on-line	www.hab-inc.com	Quarterly filing				
LST Form	Report LST tax withholding by mail or on-line	www.hab-inc.com	Quarterly filing				
		x Rates (subject to change annua	ally)				
	2019 Employee	2019 Employer	2010 We Thereto				
Federal withholding	Tax Rate Use tables from IRS Publication 15 - Circular E	Tax Rate  None	2019 Wage Limits  No limit				
Social Security	6.20%	6.20%	\$132,900 wage limit				
	1.45% ** see note on						
Medicare	additional withholding below	1.45%	No limit				
Federal unemployment	None	0.6% *** see credit reduction state info below	\$7,000 wage limit				
PA unemployment	0.06%	Assigned by PA	\$10,000 wage limit for employer portion  NO limit for employee portion				
PA withholding tax	3.07%	None	No limit				
Local withholding tax	Varies by residence / workplace locality	None	No limit				
LST tax	Varies by workplace locality	None	Varies by locality				

<sup>\*\*</sup> Additional Medicare withholding - An additional 0.9% (total of 2.35%) is to be withheld on any employee's wages in excess of the following thresholds based on filing status: \$250,000 married filing jointly, \$125,000 married filing separately, or \$200,000 for other all others. The employer match remains at 1.45% on all wages subject to Medicare.

For 2018, ONLY VI is a credit reduction state. If you paid any wages subject to the unemployment compensation laws of any of these states, you are not allowed the credit reduction rate (i.e., .003 or .006) of the regular .054 credit for the credit reduction state. Use Schedule A (Form 940), to figure the tax. For more information, see the Multi-State Employer and Credit Reduction Information. Instructions for Schedule A (Form 940) or visit IRS.gov.

<sup>\*\*\*</sup> Credit reduction state. A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is a "credit reduction state." The US Department of Labor determines these states. If an employer pays wages subject to the unemployment tax laws of a credit reduction state, that employer must pay additional federal unemployment tax when filing its Form 940.



# When is a "Worker" an EMPLOYEE Versus an INDEPENDENT CONTRACTOR?

If you're an employer, mistaking an employee for an independent contractor can be very costly! Because employers avoid paying a myriad of fringe benefits and payroll taxes when a worker is classified as an independent contractor rather than an employee, the IRS closely scrutinizes these situations. The penalties for improperly classifying a worker as an independent contractor and not depositing taxes in a timely manner can easily exceed 100% of the tax, so proper classification is extremely important.

Although there is no one test that will allow you to determine whether a worker should be classified as an employee or an independent contractor, there are several important factors to consider.

Generally, the relationship of employer and employee exists when the person or persons for whom the services are performed have the right to control and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished. That is, an employee is subject to the will and control of the employer not only as to what shall be done but also as to how it shall be done. In this connection, it is not necessary that the employer actually direct or control the manner in which the services are performed; it is sufficient if the employer has the right to do so.

Conversely, individuals (such as physicians, lawyers, dentists, contractors and subcontractors) who follow an independent trade, business or profession, in which they offer their services to the public, generally are not employees.

Finally, if the relationship of employer and employee exists, the designation or description of the relationship by the parties as anything other than that of employer and employee is immaterial. Therefore, if such a relationship exists, it is of no consequence that the employee is designated as partner, coadventurer, agent, independent contractor, or the like.

The common-law rules that should be considered in determining whether an individual is an employee or an independent contractor are summarized on the following pages.



## **Common-Law Rules**

An employer must generally withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. An employer does not generally have to withhold or pay any taxes on payments to independent contractors.

To determine whether an individual is an employee or an independent contractor under the common law, the relationship of the worker and the business must be examined. In any employee-independent contractor determination, all information that provides evidence of the degree of control and the degree of independence must be considered.

Facts that provide evidence of the degree of control and independence fall into three categories: behavioral control, financial control, and the type of relationship of the parties as shown below.

**Behavioral control.** Facts that show whether the business has a right to direct and control how the worker does the task for which the worker is hired include the type and degree of:

*Instructions the business gives the worker.* An employee is generally subject to the business' instructions about when, where, and how to work. All of the following are examples of types of instructions about how to do work:

- When and where to do the work
- What tools or equipment to use
- What workers to hire or to assist with the work
- Where to purchase supplies and services
- What work must be performed by a specified individual
- What order or sequence to follow

The amount of instruction needed varies among different jobs. Even if no instructions are given, sufficient behavioral control may exist if the employer has the right to control how the work results are achieved. A business may lack the knowledge to instruct some highly specialized professionals; in other cases, the task may require little or no instruction. The key consideration is whether the business has retained the right to control the details of a worker's performance or instead has given up that right.

**Training the business gives the worker.** An employee may be trained to perform services in a particular manner. Independent contractors ordinarily use their own methods.

**Financial control.** Facts that show whether the business has a right to control the business aspects of the worker's job include:



The extent to which the worker has unreimbursed business expenses. Independent contractors are more likely to have unreimbursed expenses than are employees. Fixed ongoing costs that are incurred regardless of whether the work is currently being performed are especially important. However, employees may also incur unreimbursed expenses in connection with the services they perform for their employer.

The extent of the worker's investment. An independent contractor often has a significant investment in the facilities he or she uses in performing services for someone else. However, a significant investment is not necessary for independent contractor status.

The extent to which the worker makes services available to the relevant market. An independent contractor is generally free to seek out business opportunities. Independent contractors often advertise, maintain a visible business location, and are available to work in the relevant market.

How the business pays the worker. An employee is generally guaranteed a regular wage amount for an hourly, weekly, or other period of time. This usually indicates that a worker is an employee, even when a commission supplements the wage or salary. An independent contractor is usually paid a flat fee or on a time and materials basis for the job. However, it is common in some professions, such as law, to pay independent contractors hourly.

The extent to which the worker can realize a profit or loss. An independent contractor can make a profit or loss.

**Type of relationship.** Facts that show the parties' type of relationship include:

Written contracts describing the relationship the parties intended to create.

Whether the business provides the worker with employee-type benefits, such as insurance, a pension plan, vacation pay, or sick pay.

**The permanency of the relationship.** If you engage a worker with the expectation that the relationship will continue indefinitely, rather than for a specific project or period, this is generally considered evidence that your intent was to create an employer-employee relationship.



The extent to which services performed by the worker are a key aspect of the regular business of the company. If a worker provides services that are a key aspect of your regular business activity, it is more likely that you will have the right to direct and control his or her activities. For example, if a law firm hires an attorney, it is likely that it will present the attorney's work as its own and would have the right to control or direct that work. This would indicate an employer-employee relationship.

**IRS help.** If you want the IRS to determine whether a worker is an employee, file **Form SS-8**, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, with the IRS. <a href="https://www.irs.gov/pub/irs-pdf/fss8.pdf">www.irs.gov/pub/irs-pdf/fss8.pdf</a>

The "Common-Law Rules" reviewed above are excerpts pulled from IRS Publication 15-A. For the entire Publication 15-A, go to <a href="https://www.irs.gov/pub/irs-pdf/p15a.pdf">www.irs.gov/pub/irs-pdf/p15a.pdf</a> (update to 2019 pending)



## Federal "Safe Harbor" Rules

The IRS has special independent contractor rules which "exempt" certain workers from the common law rules if the following three statements are true:

### 1. Consistent Treatment Since 1977

Since December 31, 1977, you (the hiring firm) or your predecessor have consistently treated individuals doing similar work as independent contractors.

### 2. Filed Required 1099's since 1978

You or your predecessor never treated your current "independent contractor" as an employee; and since December 31, 1978, you have filed all the required federal information returns (Form 1099-MISC) for independent contractors.

### 3. Reasonable Basis

There was a reasonable basis for treating the worker as an independent contractor. Reasonable basis means:

- You relied on similar judicial rulings, IRS rulings, or IRS technical advice (the written response you get when you submit an SS-8); or
- ➤ In a past IRS audit, you were not charged fines for treating workers doing a similar type of work as independent contractors; or
- ➤ It is a recognized practice for a large segment of your industry to treat certain types of workers as independent contractors.

### WARNING: These safe harbor rules do not apply to:

- Technical service specialists performing services for their hiring firm's clients (engineers, designers, drafters, system analysts, computer programmers, and other similarly skilled personnel).
- > State taxes, workers' compensation, or legal liability.

Without safe harbor protection, hiring firms must show that their independent contractors comply with the common law factors.



# Who is a Household Employee?

A household worker is your employee if you can control not only what work is done, but how it is done. Household work is work done in or around your home by babysitters, nannies, housekeepers, cleaning people, health aides, private nurses, maids, caretakers, yard workers, and similar domestic workers. If the worker is your employee, it does not matter whether the work is full time or part time, or that you hired the worker through an agency or from a list provided by an agency or association. It also does not matter whether you pay the worker on an hourly, daily or weekly basis, or by the job. For additional information and withholding tables regarding household employees, see IRS Pub 926 at <a href="https://www.irs.gov/pub/irs-pdf/p926.pdf">www.irs.gov/pub/irs-pdf/p926.pdf</a>.

Table 1. Do You Need To Pay Employment Taxes?

Pay cash wages of \$2,100 or more in 2018 to any one household employee.	Withhold and pay social security and Medicare taxes.				
1 ,	Withhold and pay social security and Medicare taxes.  • The taxes are 15.3%¹ of cash wages.  • Your employee's share is 7.65%¹. (You can choose to				
<ul> <li>Your spouse,</li> <li>Your child under the age of 21,</li> <li>Your parent (see Wages not counted, later, for an exception), or</li> <li>Any employee under the age of 18 at any time in 2018 (see Wages not counted, later, for an exception).</li> </ul>	yourself and not withhold it.)  • Your share is 7.65%.				
Pay total cash wages of \$1,000 or more in any calendar quarter of 2017 or 2018 to household employees.	Pay federal unemployment tax.  • The tax is 6% of cash wages.				
Don't count wages you pay to—  Your spouse, Your child under the age of 21, or Your parent.	<ul> <li>Wages over \$7,000 a year per employee aren't taxed.</li> <li>You also may owe state unemployment tax.</li> </ul>				
F	<ul> <li>Your spouse,</li> <li>Your child under the age of 21,</li> <li>Your parent (see Wages not counted, later, for an exception), or</li> <li>Any employee under the age of 18 at any time in 2018 (see Wages not counted, later, for an exception).</li> <li>Pay total cash wages of \$1,000 or more in any calendar quarter of 2017 or 2018 to household employees.</li> <li>Don't count wages you pay to—</li> <li>Your spouse,</li> <li>Your child under the age of 21, or</li> </ul>				

Note. If neither A nor B above applies, you don't need to pay any federal employment taxes. But you may still need to pay state employment

### Table 2. Household Employer's Checklist

You may need to do the following things when you have a household employee.

When you hire a household employee:	☐ Find out if the person can legally work in the United States. ☐ Find out if you need to withhold and pay federal taxes. ☐ Find out if you need to withhold and pay state taxes.
When you pay your household employee:	<ul> <li>☐ Withhold social security and Medicare taxes.</li> <li>☐ Withhold federal income tax.</li> <li>☐ Decide how you will make tax payments.</li> <li>☐ Keep records.</li> </ul>
By January 31, 2019:	☐ Get an employer identification number (EIN). ☐ Give your employee Copies B, C, and 2 of Form W-2, Wage and Tax Statement. ☐ Send Copy A of Form W-2 with Form W-3 to the Social Security Administration (SSA). Don't send Form W-2 to the SSA if you didn't withhold federal income tax and the social security and Medicare wages were below \$2,100 for 2018.
By April 15, 2019 (April 17, 2019, if you live in Maine or Massachusetts):	☐ File Schedule H (Form 1040), Household Employment Taxes, with your 2018 federal income tax return (Form 1040, 1040NR, 1040-SS, or 1041).  If you don't have to file a return, file Schedule H by itself.

Pages 4 and 5

Publication 926 (2018)

<sup>\*</sup> State employment taxes – You should contact your state employment tax agency to find out whether you need to pay state employment tax or carry workers' compensation insurance for your household employee.



# **New Hire Reporting**

A nationwide new hire-reporting program has been implemented by the U. S. Department of Health and Human Services. This became a requirement for <u>all</u> states October 1, 1997. The program has been implemented to enforce child support orders and to prevent unlawful or erroneous receipt of public assistance payments.

Upon hiring or rehiring an individual, (see PA new-hire conditions list below – note that other states' conditions differ) you are required to report employee information to your state. You may do this by fax, by mail, via the internet or if available, by e-mail. The information required includes the employee name, address, Social Security number, and date of hire; the employer's name, address and federal identification number. The W-4 form may be used or a form compatible. This information has to be reported within 20 days of the date of hire.

### Information on Reporting Requirement

#### **Employer Requirements**

Employers doing business in the Commonwealth of Pennsylvania must report the following employees:

- New Employees: Employers must report all employees who reside or work in the Commonwealth of Pennsylvania. Employees should be
  reported even if they work only one day and are terminated or leave employment prior to the employer fulfilling the new hire reporting
  requirement. However, if the employee never earned wages he/she does not need to be reported.
- Re-hires or Re-called employees: Employers must report rehires, or employees who return to work after not receiving wages for more than 30 calendar days. This includes being laid off, furloughed, separated, or terminated from employment for any reason. Examples of such employees include teachers, substitutes, seasonal workers, etc.
- Temporary employees: Temporary agencies are responsible for reporting any employee who they hire to report for an assignment.
   Employees need to be reported only once; they do not need to be re-reported each time they report to a new assignment. They do need to be reported as a rehire if the worker has a break in service or gap in wages from the temporary agency.

https://www.cwds.pa.gov/cwdsonline/NewHire/NewHireProgramInformation/ProgramDetails.aspx

Pennsylvania, Ohio and New York employers are <u>all</u> required to report new hires. Visit the State specific websites shown below for more complete details on each.

Pennsylvania and Ohio have forms that may be used for reporting, but are not required. Find the forms at:

PA - https://www.cwds.pa.gov/cwdsonline/newhire/documents/cwopa\_new\_hire\_reporting\_form\_2012.pdf

OH - https://newhire-reporting.com/downloads/OHForm.pdf

New York does not provide a specific reporting form. Filing instructions can be found at <a href="https://www.tax.ny.gov/bus/wt/newhire.htm">https://www.tax.ny.gov/bus/wt/newhire.htm</a>

Ohio employers are required to report new hires defined both as employees as well as certain independent contractors. See specific new hire and independent contractor instructions at:

https://newhire-reporting.com/OH-Newhire/faq.aspx or https://newhire-reporting.com/OH-Newhire/instruct.aspx



Following is additional contact information to assist you with your Pennsylvania, Ohio and New York new hire reporting.

### **PENNSYLVANIA**

Mail To: Commonwealth of Pennsylvania

New Hire Reporting Program

P.O. Box 69400

Harrisburg, PA 17106-9400

**Phone:** (888) 724-4737(PAHIRES)

**Fax To:** (866) 748-4473(HIRE) or (717) 657-4473(HIRE)

Website: https://www.cwdstr.pa.gov/cwdsonline/NewHire/NewHireProgramInformation/NewHireInformation.aspx

**E-Mail:** Go to link above and select "Contact Us"

### <u>OHIO</u>

Mail To: Ohio New Hire Reporting Center

P.O. Box 15309

Columbus, OH 43215-0309

**Phone:** (888) 872-1490 or (614) 221-5330

**Fax To:** (888) 872-1611

Website: <a href="https://newhire-reporting.com/OH-Newhire/default.aspx">https://newhire-reporting.com/OH-Newhire/default.aspx</a>

E-Mail: Go to link above and select "Contact Us"

### **NEW YORK**

Mail To: NYS Department of Taxation and Finance

New Hire Notification P.O. Box 15119

Albany, NY 12212-5119

**Fax To:** (518) 320-1080

Website: <a href="https://www.nynewhire.com">https://www.nynewhire.com</a>
<a href="https://www.nynewhire.com">https://www.nynewhire.com</a>
<a href="https://www.nynewhire.com">None provided on website</a>



# State of Pennsylvania New Hire Reporting Instructions

- Print using black or blue ink, or type to complete the form.
- Complete the employer information including FEIN, Employer Name and Address, as well as Contact Name and Phone Number
- The Contact Name and Phone Number will be used if there is a problem with the information submitted. It should be the name and phone number of someone who can answer questions about the New Hire Report. If a payroll firm is being used to submit the New Hire Reports, a contact at the payroll firm may be used.
- Please note that the employer's address should be either a legal or mailing address for the employer. If a payroll firm is submitting the New Hire Report for the employer, the address should be the employer's, not the payroll firm's.
- The newly-hired employee may complete the employee information but please ensure that the information submitted is accurate.
- Employee's Social Security Number should be verified by reviewing the employee's Social Security Card. (Or, with the Social Security Number Verification Service SSNVS.)

**NOTE:** For more detailed instructions on registering and/or using SSNVS, get a copy of the SSNVS Handbook at: www.ssa.gov/employer/ssnvs\_handbk.htm.

- Employee's Name should be the legal name for the employee that corresponds to the Social Security Number.
- Employee's Address is the employee's permanent address.
- Date of Hire is defined as: the first day services are performed for wages by an individual.
- Remember: New Hire Reports are due within 20 days of hiring an employee.



All Pennsylvania employers are required to report all newly-hired employees. You can find all information on complying with this Federal and State mandate at the New Hire Program website:

https://www.cwdstr.pa.gov/cwdsonline/NewHire/NewHireProgramInformation/NewHireInformation.aspx



Pennsylvania New Hire Reporting Program Center for Workforce Information & Analysis REQUIRED EMPLOYER INFORMATION:

### **New Hire Reporting Form**

COMMONWEALTH OF PENNSYLVANIA Department of Labor & Industry

(Last)

( rease type of print <u>FESTEE</u> in blue of bluettink <u>STEE</u> )
Employer FEIN:
Employer Name:
Employer Address (Street, City, State, Zip): PO Box's are not acceptable
Employer Contact Name:
Employer Contact Phone Number:
Employer Contact Fax Number:
Employer Contact Email:

Please fax this form to: 866-PAHIRES (866-748-4473) (TOLL FREE) Or 717-657-HIRE (717-657-4473) (Local)

Or mail this form to:

Commonwealth of Pennsylvania New Hire Reporting Program P.O. Box 69400 Harrisburg, PA 17106-9400

Questions?

Contact New Hire Customer Service at 888-PAHIRES (888-724-4737) Or by email at: RA-LI-CWDS-NewHire@pa.gov

> This form may be duplicated as needed Save time and postage costs.

Online reporting is fast, free and paperless. For more information about how to get started, please visit

### www.pacareerlink.state.pa.us

Or contact our customer service at 888-PAHIRES (888-724-4737)

CWIA-25 06-12 (Page 2)

REQUIRED EMPLO	YEE INFORMATION	N: (Please type or print <u>LEGIBLY</u> in blue or black ink <u>ONLY</u> )
		ONE EMPLOYEE PER BOX
Employee Social Secur	rity Number	
Legal Name (First)	(Middle)	(Last)
Street Address (Post C	Office Box is not acce	ptable) Apartment Number (if available)
Zip Code	City	State
Date of Hire (MM/DD/ (Must be within 3 yea		Date of Birth (MM/DD/YYYY)
		ONE EMPLOYEE PER BOX

Employee Social Security Number

(Middle)

Legal Name (First)

Zip Code	City	State
Date of Hire (MM/DD (Must be within 3 year		Date of Birth (MM/DD/YYYY)
		ONE EMPLOYEE PER BOX
Employee Social Secu	rity Number	
Legal Name (First)	(Middle)	(Last)
Street Address (Post	Office Box is not accep	otable) Apartment Number (if available)
Zip Code	City	State
Date of Hire (MM/DD (Must be within 3 yea		Date of Birth (MM/DD/YYYY)

Street Address (Post Office Box is not acceptable) Apartment Number (if available)

New Hire Reporting: Lending a Hand to Pennsylvania's Children

### PRINT THE FORMS:

https://www.cwds.pa.gov/cwdsonline/newhire/documents/cwopa\_new\_hire\_reporting\_form\_2012.pdf

OR COMPLETE ONLINE AT www.pacareerlink.state.pa.us

https://www.cwds.pa.gov/cwdsonline/NewHire/NewHireProgramInformation/NewHireInformation.aspx



# State of Ohio New Hire Reporting Instructions

All Ohio employers are required to report certain information about employees who have been newly hired, rehired, or have returned to work.

The Ohio New Hire Reporting Center offers many options to help make new hire reporting simple and easy for employers. The options available are listed below.

### **Electronic Reporting**

• *Electronic Reports* -This feature provides printable confirmation of reports received and is conveniently available 24 hours a day, 7 days a week.

### Non-Electronic Reporting

- Printed List: If your software is unable to export your new hire information in our electronic format, you
  might be able to have your software create a printed list containing your new hire data. The printed list
  should contain all of the required information on the New Hire Reporting Form, be created using at
  least a 10-point font size, and have the employer's name, Federal Employer Identification Number, and
  address clearly displayed at the top of the report.
- New Hire Reporting Form: (click <a href="https://newhire-reporting.com/downloads/OHForm.pdf">https://newhire-reporting.com/downloads/OHForm.pdf</a> to download). You may download, print, fill out, and fax or mail us a New Hire Reporting Form.
- W-4 Form: If you choose to submit a W-4 form as a new hire report, please ensure that each W-4 is easily readable and has the employer's name, Federal Employer Identification Number, and address written at the top of each form.

### Other Reporting Methods

-OR-

- Payroll Service: If you use a payroll or accounting service, consider asking the service to report your
  new hires for you. Leading payroll services are already electronically reporting new hires for thousands
  of employers.
- This information must be submitted within 20 days of the hire date, rehire date, or return to work.
- You may mail or fax information on paper, mail information on disk or you may submit the information electronically via the internet. Call 888-872-1490 to obtain information on submitting new hires, or visit the website.



Ohio New Hire Reporting Center Home Page <a href="https://newhire-reporting.com/OH-Newhire/default.aspx">https://newhire-reporting.com/OH-Newhire/default.aspx</a>

This information will be used to help locate parents who owe and enforce child support obligations, to make adjustments to public assistance benefits and to uncover those who are fraudulently receiving benefits. This information is also available to Ohio Unemployment and Worker's compensation.



### Ohio Department of Job and Family Services

### OHIO NEW HIRE REPORTING

Ohio Revised Code section 3121.89 to 3121.8910 requires all Ohio employers, both public and private, to report all contractors and newly hired employees to the state of Ohio within 20 days of the contract or hire date. Information about new hire reporting and online reporting is available on our website: www.oh-newhire.com

Send completed forms to: Ohio New Hire Reporting Center	capita	sure the	and a	void co	ontact	with	the e			
PO Box 15309 Columbus, OH 43215-0309	I ne to	A	B	c c	an ex	ampi	e: 1	2	3	1
Fax: (614) 221-7088 or toll-free fax (888) 872-1611					J		<u> </u>	_	_	
EMPLOYER INFORMATION										
Federal Employer ID Number (FEIN) (Please use the same FEIN as the listed employee's quarterly wages will be reported under):										
Employer Name:										
			Т			Т	Т			
Employer Address (Please indicate the address where the	Income V	Vith hold	ing Oı	ders s	hould	be s	ent).			
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Employer Phone (optional): Extension	on:	Em	nploye	Fax	(optic	nal):				
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First Name:			sing F	EIN fo	or the	Con	tract		Middle	e Initial:
First Name:			sing F	EIN fo	ire:	Con				
First Name:  Last Name:  Address:			sing F	EIN fo	ire:	Con				
First Name:  Last Name:  Address:		ls this	State	State	e:	Con				
First Name:  Address:  City:		ere if us	State	State	e:	Con				
First Name:  Address:  City:	Check he	ls this	a Cor	State	er the		Zip	M Code	e (5 d	igit):

REPORTS WILL NOT BE PROCESSED IF REQUIRED INFORMATION IS MISSING
JFS 07048 (Rev. 12/2013) Questions? Call us at (614) 221-5330 or toll-free (888) 872-1490

https://newhire-reporting.com/downloads/OHForm.pdf



# New York State New Hire Reporting Instructions

### **New Hire Reporting**

All employers must report certain identifying information about each newly hired or rehired employee working in New York State. A newly hired or rehired employee means an employee

- previously not employed by the employer, or
- previously employed by the employer but separated from such prior employment for 60 or more consecutive days.

### Who must report new hires?

- You must report new hires to us if you meet the definition of an employer under federal income tax withholding.
- This includes:
  - o employers of domestic help,
  - o labor organizations (including hiring halls), and
  - o governmental entities (except for federal agencies, which report directly to the National Directory of New Hires).

For rules about reporting employees who are temporary, hired from a placement agency, and teachers and professional athletes, see the <u>rules for specific employment types</u>.

### Information you must report

You must provide the following information:

- employee name (first, middle initial, last),
- employee address (street, city, state, and ZIP code),
- employee social security number,
- employee hire date,
- employer name,
- employer address (street, city, state, and ZIP code),
- employer identification number (assigned by the Internal Revenue Service),
- if dependent health insurance benefits are available to the employee and if so, the date the employee qualifies for the benefits

### Due dates

You must report newly hired or rehired employees who will be employed in New York State within 20 calendar days from the hiring date. The **hiring date** is the first day the employee:

- · performs any services for which they will be paid wages, tips, commissions or any other type of compensation
- is eligible to earn commissions, for services based solely on commissions.

If you report electronically, you must submit two monthly reports (if needed) between 12 and 16 days apart.

**Note:** If you have newly-hired non-U.S. resident (nonresident alien) visa employees, you have 20 calendar days to report the new hire starting from the date the employee receives a social security number (SSN) from the Social Security Administration. Non-U.S. resident employees should file for their social security number at the start of employment. You should exercise due diligence to have the employee provide the SSN when it is received. You cannot submit a report without an employee's SSN or use an Individual Taxpayer Identification Number (ITIN) or Resident Alien ("green card") number in place of the SSN.

### New York State Removes Annual Wage Notice Requirement

As of January 2015, employers are no longer required to annually distribute a notice of wages to their employees pursuant to New York Labor Law section 195.1 (otherwise known as the New York Wage Theft Prevention Act). The requirement to distribute this notice and obtain each employees' acknowledgment of receipt between January and February 1 of each year was repealed, effective immediately, as part of a series of amendments to the law that were signed by Governor Cuomo in the final days before of 2014.



Employers are still required, however, to provide the written notice of wage rates to all new hires and obtain their written acknowledgment of receipt. In addition, the recent amendments to the law provide that violations of the notice requirements or other provisions of the state wage laws will result in substantially more punitive consequences for employers including:

- exponentially increased penalties;
- individual liability for the top ten members of a limited liability company that breaches the wage laws;
- Successor liability for a prior employer's breach of the wage laws; and
- Special reporting obligations in the event of a recurring, willful or egregious breach of the wage laws.

New York employers should consult with local counsel if they have questions about their obligations under the wage laws.

Temporary help firms have specialized guidelines and notice forms, since their employees' rates of pay can vary with each assignment.

https://www.labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm

The entire pay notice template links list can be found in a variety of languages at the following site: https://www.labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm#Employment Agency

### Reporting methods

Employers who are required to report to New York State (and multistate employers who designate New York as their reporting state) should use one of the methods below to submit the new hire information:

- Online via the New York New Hire Online Reporting Center
- Submit a copy of the employee's Form IT-2104, *Employee's Withholding Allowance Certificate*, in place of, or in addition to, the federal Form W-4, *Employees Withholding Allowance Certificate*<sup>1</sup>
  - o Fax: (518) 320-1080
  - Mail to:

New York State Dept of Taxation and Finance New Hire Notification PO Box 15119 Albany NY 12212-5119

**Electronic filers** may obtain current specifications by contacting Employer Outreach at (518) 320-1079 **Note**: You do not have to report or file copies of Forms IT-2104 or federal form W-4 for existing employees who change deduction amounts or other information.

Penalties	
Failure to timely report newly hired employees	\$20 x number of employees not reported
Failure to file a report showing the required information	\$20 x number of false or incomplete reports filed

### Frequently Asked Questions (FAQs)

Answers to FAQs regarding New Hire Reporting

### Need assistance?

Contact the New York New Hire Employer Outreach Department at 518-320-1079

Other useful NY sites:



Wage and Hour Law: https://labor.ny.gov/workerprotection/laborstandards/workprot/lshmpg.shtm

New Hire Reporting: <a href="http://www.tax.ny.gov/bus/wt/newhire.htm">http://www.tax.ny.gov/bus/wt/newhire.htm</a>



For complete Form I-9 with instructions and list of acceptable documents, visit https://www.uscis.gov/i-9



### Employment Eligibility Verification Department of Homeland Security U.S. Citizenship and Immigration Services

USCIS Form I-9

OMB No. 1615-0047 Expires 08/31/2019

► START HERE: Read instructions carefully before completing this form. The instructions must be available, either in paper or electronically, during completion of this form. Employers are liable for errors in the completion of this form.

ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers CANNOT specify which document(s) an employee may present to establish employment authorization and identity. The refusal to hire or continue to employ an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation (Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)										
Last Name (Family Name)	First Nan	ne (Given Nam	e)		Middle Initial	Middle Initial Other Last Names Used (if any)				
Address (Street Number and Name)		Apt. Number	City	or Town			State	ZIP Code		
Date of Birth (mm/dd/yyyy)  U.S. Social Security Number Employee's E-mail Address Employee's Telephone						Telephone Number				
I am aware that federal law provides for connection with the completion of this f	orm.					r use of	f false do	cuments in		
I attest, under penalty of perjury, that I a	ım (chec	k one of the	follov	ving boxe	s):					
1. A citizen of the United States										
2. A noncitizen national of the United States	(See inst	ructions)								
3. A lawful permanent resident (Alien Re	gistration N	Number/USCIS	Numb	er):						
4. An alien authorized to work until (expire				_		_				
Some aliens may write "N/A" in the expire								QR Code - Section 1		
Aliens authorized to work must provide only or An Alien Registration Number/USCIS Number							Do	Not Write in This Space		
Alien Registration Number/USCIS Number:     OR					_					
2. Form I-94 Admission Number:										
OR OR					_					
3. Foreign Passport Number:					_					
Country of Issuance:					_					
Signature of Employee					Today's Dat	e (mm/do	l/yyyy)			
Preparer and/or Translator Certif	ication	(check or	ne):							
					the employee in		_			
(Fields below must be completed and sign						•				
I attest, under penalty of perjury, that I h knowledge the information is true and c		isted in the (	compi	etion of S	ection 1 of th	is form	and that	to the best of my		
Signature of Preparer or Translator						Today's	Date (mm/	dd/yyyy)		
Last Name (Family Name)				First Name	e (Given Name)					
Address (Street Number and Name)			City or	Town			State	ZIP Code		
	STOPI	Employer Co	mplet	es Next Po	age STOP)					

Form I-9 07/17/17 N Page 1 of 3

Form I-9 (PDF, 535 KB) http://www.uscis.gov/sites/default/files/files/form/i-9.pdf



## Form W-4 (2019)

Future developments. For the latest information about any future developments related to Form W-4, such as legislation enacted after it was published, go to www.irs.gov/FormW4.

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. You may claim exemption from withholding for 2019 if both of the following apply.

- For 2018 you had a right to a refund of all federal income tax withheld because you had no tax liability, and
- For 2019 you expect a refund of all federal income tax withheld because you expect to have no tax liability.

If you're exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2019 expires February 17, 2020. See Pub. 505, Tax Withholding and Estimated Tax, to learn more about whether you qualify for exemption from withholding.

### General Instructions

If you aren't exempt, follow the rest of these instructions to determine the number of withholding allowances you should claim for withholding for 2019 and any additional amount of tax to have withheld. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

You can also use the calculator at www.irs.gov/W4App to determine your tax withholding more accurately. Consider using this calculator if you have a more complicated tax situation, such as if you have a working spouse, more than one job, or a large amount of nonwage income not subject to withholding outside of your job. After your Form W-4 takes effect, you can also use this calculator to see how the amount of tax you're having withheld compares to your projected total tax for 2019. If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

Note that if you have too much tax withheld, you will receive a refund when you file your tax return. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty.

Filers with multiple jobs or working spouses. If you have more than one job at a time, or if you're married filing jointly and your spouse is also working, read all of the instructions including the instructions for the Two-Earners/Multiple Jobs Worksheet before beginning.

Nonwage income. If you have a large amount of nonwage income not subject to withholding, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 3 or the calculator at www.irs.gov/W4App to make sure you have enough tax withheld from your paycheck. If you have pension or annuity income, see Pub. 505 or use the calculator at www.irs.gov/W4App to find out if you should adjust your withholding on Form W-4 or W-4P.

Nonresident alien. If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

# Specific Instructions Personal Allowances Worksheet

Complete this worksheet on page 3 first to determine the number of withholding allowances to claim.

Line C. Head of household please note: Generally, you may claim head of household filing status on your tax return only if you're unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

Line E. Child tax credit. When you file your tax return, you may be eligible to claim a child tax credit for each of your eligible children. To qualify, the child must be under age 17 as of December 31, must be your dependent who lives with you for more than half the year, and must have a valid social security number. To learn more about this credit, see Pub. 972, Child Tax Credit. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of your wages and other income, including income earned by a spouse if you are filing a joint return.

Line F. Credit for other dependents. When you file your tax return, you may be eligible to claim a credit for other dependents for whom a child tax credit can't be claimed, such as a qualifying child who doesn't meet the age or social security number requirement for the child tax credit, or a qualifying relative. To learn more about this credit, see Pub. 972. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line F of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total

	Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records.							
	W-4	Employe	e's Withholding	Allowance (	Certificate		OMB No. 1545-0074	
	nent of the Treasury Revenue Service	► Whether you're entit subject to review by the			2019			
1	Your first name a	and middle initial	Last name		2 1	Your social se	ecurity number	
	•	number and street or rural route)		3 Single Ma	_		at higher Single rate. at higher Single rate."	
	City or town, state, and ZIP code  4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card.							
5	Total number	of allowances you're clain	ning (from the applicable	worksheet on the foll	lowing pages) .		5	
6	Additional an	nount, if any, you want with	held from each paychecl	k		[	6 \$	
7	I claim exemp	ption from withholding for a	2019, and I certify that I n	neet <b>both</b> of the follo	wing conditions for	or exemption	n.	
	<ul> <li>Last year I I</li> </ul>	had a right to a refund of a	II federal income tax with	held because I had n	o tax liability, and	i		
	<ul> <li>This year I e</li> </ul>	expect a refund of <b>all</b> feder	al income tax withheld be	ecause I expect to ha	we no tax liability.			
	If you meet b	oth conditions, write "Exer	npt" here		▶ 7			
Unde	r penalties of per	rjury, I declare that I have ex	amined this certificate and,	, to the best of my kno	wledge and belief,	it is true, co	rrect, and complete.	
	oyee's signature form is not valid	e unless you sign it.) ►			Da	ite⊁		
8 8	Employer's name a boxes 8, 9, and 10 i	nd address ( <b>Employer:</b> Complet If sending to State Directory of N	e boxes 8 and 10 if sending to lew Hires.)	IRS and complete	First date of employment		oloyer identification iber (EIN)	
For P	rivacy Act and I	Paperwork Reduction Act I	Notice, see page 4.	Cat.	No. 10220Q		Form W-4 (2019)	

https://www.irs.gov/pub/irs-pdf/fw4.pdf



Form W-4 (2019) Page 2

income includes all of your wages and other income, including income earned by a spouse if you are filing a joint return.

Line G. Other credits. You may be able to reduce the tax withheld from your paycheck if you expect to claim other tax credits, such as tax credits for education (see Pub. 970). If you do so, your paycheck will be larger, but the amount of any refund that you receive when you file your tax return will be smaller. Follow the instructions for Worksheet 1-6 in Pub. 505 if you want to reduce your withholding to take these credits into account. Enter "-0-" on lines E and F if you use Worksheet 1-6.

### Deductions, Adjustments, and Additional Income Worksheet

Complete this worksheet to determine if you're able to reduce the tax withheld from your paycheck to account for your itemized deductions and other adjustments to income, such as IRA contributions. If you do so, your refund at the end of the year will be smaller, but your paycheck will be larger. You're not required to complete this worksheet or reduce your withholding if you don't wish to do so.

You can also use this worksheet to figure out how much to increase the tax withheld from your paycheck if you have a large amount of nonwage income not subject to withholding, such as interest or dividends.

Another option is to take these items into account and make your withholding more accurate by using the calculator at www.irs.gov/W4App. If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

### Two-Earners/Multiple Jobs Worksheet

Complete this worksheet if you have more than one job at a time or are married filing jointly and have a working spouse. If you don't complete this worksheet, you might have too little tax withheld. If so, you will owe tax when you file your tax return and might be subject to a penalty.

Figure the total number of allowances you're entitled to claim and any additional amount of tax to withhold on all jobs using worksheets from only one Form W-4. Claim all allowances on the W-4 that you or your spouse file for the highest paying job in your family and claim zero allowances on Forms W-4 filed for all other jobs. For example, if you earn \$60,000 per year and your spouse earns \$20,000, you should complete the worksheets to determine what to enter on lines 5 and 6 of your Form W-4, and your spouse should enter zero (\*-o-\*) on lines 5 and 6 of his or her Form W-4. See Pub. 505 for details.

Another option is to use the calculator at www.irs.gov/W4App to make your withholding more accurate.

Tip: If you have a working spouse and your incomes are similar, you can check the "Married, but withhold at higher Single rate" box instead of using this worksheet. If you choose this option, then each spouse should fill out the Personal Allowances Worksheet and check the "Married, but withhold at higher Single rate" box on Form W-4, but only one spouse should claim any allowances for credits or fill out the Deductions, Adjustments, and Additional Income Worksheet.

### Instructions for Employer

Employees, do not complete box 8, 9, or 10. Your employer will complete these boxes if necessary.

New hire reporting. Employers are required by law to report new employees to a designated State Directory of New Hires. Employers may use Form W-4, boxes 8, 9, and 10 to comply with the new hire reporting requirement for a newly hired employee is an employee who hasn't previously been employed by the employer, or who was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days. Employers should contact the appropriate State Directory of New Hires to find out how to submit a copy of the completed Form W-4. For information and links to each designated State Directory of New Hires (including for U.S. territories), go to www.acf.hhs.gov/css/employers.

If an employer is sending a copy of Form W-4 to a designated State Directory of New Hires to comply with the new hire reporting requirement for a newly hired employee, complete boxes 8, 9, and 10 as follows.

Box 8. Enter the employer's name and address. If the employer is sending a copy of this form to a State Directory of New Hires, enter the address where child support agencies should send income withholding orders.

Box 9. If the employer is sending a copy of this form to a State Directory of New Hires, enter the employee's first date of employment, which is the date services for payment were first performed by the employee. If the employer rehired the employee after the employee had been separated from the employer's service for at least 60 days, enter the rehire date.

**Box 10.** Enter the employer's employer identification number (EIN).

https://www.irs.gov/pub/irs-pdf/fw4.pdf



CLGS-32-6 (8-11)



# RESIDENCY CERTIFICATION FORM Local Earned Income Tax Withholding

### TO EMPLOYERS/TAXPAYERS:

This form is to be used by employers and/or taxpayers to report essential information for the collection and distribution of Local Earned Income Taxes.

This form must be utilized by employers when a new employee is hired or when a current employee notifies employer of a name and/or address change.

This form must be utilized by employers when a new employee is hired or when a current employee notifies employer of a name and/or address change.						
EMPLOYEE INFORMATI	ON BESIDE	NCE LOCATION				
NAME (Last Name, First Name, Middle Initial)	ON - RESIDE	NCE ECCATION	SOCIAL SECURITY NUMBER			
STREET ADDRESS ( <b>No</b> PO Box, RD or RR)						
one in the second of the secon						
SECOND LINE OF ADDRESS						
CITY	STATE	ZIP CODE	DAYTIME PHONE NUMBER			
MUNICIPALITY (City, Borough or Township)						
COUNTY	RESIDENT PSD C	ODE	TOTAL RESIDENT EIT RATE			
EMPLOYER INFORMATION	N - EMPLOYI	MENT LOCATION				
EMPLOYER BUSINESS NAME (Use Federal ID Name)			EMPLOYER FEIN			
STREET ADDRESS WHERE ABOVE EMPLOYEE REPORTS TO WORK (No PC	Box, RD or RR)					
SECOND LINE OF ADDRESS						
CITY	STATE	ZIP CODE	PHONE NUMBER			
MUNICIPALITY (City, Borough or Township)						
COUNTY	WORK LOCATION	PSD CODE W	ORK LOCATION NON-RESIDENT EIT RATE			
aco.	IFICATION					
Under penalties of perjury, I (we) declare that I (we) schedules and statements and to the best of	have examined this					
SIGNATURE OF EMPLOYEE	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,	DATE (MM/DD/YYYY)			
PHONE NUMBER	EMAIL ADDRESS					
For information on obtaining the appropriate MUNICIPALITY (City, Borough, Township), PSD CODES and EIT (Earned Income Tax) RATES,						
please refer to the Pennsylvania Department of Community & Economic Development website:						
www.newPA.com						

For Residency Certification Form: <a href="https://www.hab-inc.com/wp-content/uploads/1738.pdf">https://www.hab-inc.com/wp-content/uploads/1738.pdf</a>

To Find Your Municipality: <a href="https://munstats.pa.gov/Public/FindLocalTax.aspx">https://munstats.pa.gov/Public/FindLocalTax.aspx</a>



# **Mandatory Workplace Postings**

Mandatory workplace notices are available for download through the Pennsylvania Labor and Industry online at <a href="https://www.dli.pa.gov/pages/mandatory-postings.aspx">https://www.dli.pa.gov/pages/mandatory-postings.aspx</a>

or you can call (717) 783-8794 and request the notices be mailed to you. These postings are required and inform employees of certain conditions of employment and their rights and responsibilities under employment-related laws.

(You can click at the underlined links shown below to go directly to the notice.)

### **State Required Employee Notices**

NOTICE	POSTING REQUIREMENTS	HOW TO OBTAIN NOTICE
Abstract of the Pennsylvania Child Labor Act Form No. LLC-5 (Rev 1-13)	All PA Employers of Minors	Department of Labor & Industry Labor Law Compliance 800-932-0665
Resumen de la Ley de Trabajo Infantil Form No. LLC-5 (ESP) (6-08)	All Employers of Minors (To be posted for Spanish-speaking employees.)	Department of Labor & Industry Labor Law Compliance 800-932-0665
Hours of Work for Minors Under Eighteen Form No. LLC-17 (Rev 2-07)	All PA Employers of Minors	Department of Labor & Industry Labor Law Compliance 800-932-0665
Horas de Trabajo para Menores de Dieciocho Años Form No. LLC-17 (ESP) (6-08)	All Employers of Minors (To be posted for Spanish-speaking employees.)	Department of Labor & Industry Labor Law Compliance 800-932-0665
Minimum Wage Law Poster and Fact Sheet Form No. LLC-1 (Rev 9-16)	All PA Employers	Department of Labor & Industry Labor Law Compliance 800-932-0665
More Minimum Wage Information Abstract of Equal Pay Law Form No. LLC-8 (Rev 2-07)	All PA Employers	Department of Labor & Industry Labor Law Compliance 800-932-0665
Resumen de la Ley de Igualdad Salarial Form No. LLC-8 (ESP) (6-08)	All Employers (To be posted for Spanish-speaking employees.)	Department of Labor & Industry Labor Law Compliance 800-932-0665
Pennsylvania Right to Know Law Form No. LIBC-262 (Rev 08-14) Form No. LIBC-262(ESP) (Rev 08-14)	Public Employers (State, County, Township, etc.)	Department of Labor & Industry Bureau of Workers' Compensation Health & Safety Division 717-772-1635
Unemployment Compensation Form No. UC-700 (Rev 9-17)	All Employers	Department of Labor & Industry Office of UC Policy 717-783-8794
Compensacion Por Desempleo Form UC-700(ESP) (Rev 9-16)	All Employers (To be posted for Spanish-speaking employees.)	Department of Labor & Industry Office of UC Policy 717-783-8794
Workers' Compensation Insurance Posting Form No. LIBC-500 (Rev 1-15)	All PA Employers	Your Insurance Carrier or Department of Labor & Industry Workers' Compensation 717-783-5421
PA Clean Indoor Air Act Signage for No Smoking	All Employers identified under the PA Clean Indoor Air Act	PA Department of Health Clean Indoor Air Helpline: 877-835-9535
Equal Opportunity & Fair Practices Notices	Click here for specific requirements.	Pennsylvania Human Relations Commission 717-772-2845



The following publications are also available by calling the PA Human Relations Commission at (717) 772-2845, by visiting the website at <a href="https://www.phrc.pa.gov">https://www.phrc.pa.gov</a> or directly at the following links:

Fair Education (PDF)
Fair Employment (PDF)
Fair Housing (PDF)
Fair Lending (PDF)
Public Accommodations (PDF)

https://www.phrc.pa.gov/About-Us/Publications/Pages/Required-Posters.aspx#.Vm7IF9Eo7IV

You can also request the posters via e-mail from <a href="mailto:phrc@pa.gov">phrc@pa.gov</a>

### **Federal Posters:**

The US Department of Labor (USDOL) also has certain requirements for employers to post various notices in the workplace.

The following workplace posters are available for free at the USDOL's website:

https://www.dol.gov/general/topics/posters/

or by calling 866-487-2365. Posters included on the web page include but are not limited to:

### **Workplace Posters**

# Expand All "Employee Rights Under the Fair Labor Standards Act" Poster (FLSA / Minimum Wage) "Job Safety and Health: It's the Law" Poster (Occupational Safety and Health Act/OSHA) "Employee Rights and Responsibilities Under The Family and Medical Leave Act" (FMLA) "Equal Employment Opportunity is the Law" Poster (EEO) Pay Transparency Nondiscrimination Provision (41 CFR Part 60-1.35) Migrant and Seasonal Agricultural Worker Protection Act Notice (MSPA) "Employee Rights for Workers with Disabilities Paid at Special Minimum Wages" Poster (FLSA Section 14(c)) Employee Polygraph Protection Act Notice (EPPA) "Your Rights Under USERRA" Notice/Poster Employee Rights Under the H-2A Program

Federal Required Employee Notices https://www.dol.gov/olms/regs/compliance/E013496.htm

### **Obtaining Copies of the Notice of Employee Rights**

Executive Order 13496 Notice of Employee Rights, in Adobe Reader (.pdf) format, can be downloaded from the link below. If you are not able to download the notice, or if you seek a hard copy of the notice, you can send a request to <a href="mailto:olms-public@dol.gov">olms-public@dol.gov</a> or call (202) 693-0123. Contractors may also reproduce and use exact duplicate copies of the official notice.

### **English Poster**

Notice of Employee Rights Under Federal Labor Laws - 11x17-inch one-page format (PDF)

Notice of Employee Rights Under Federal Labor Laws - 8.5x11-inch two-page format (PDF)



# Minimum Wage Laws (State & Federal)



## Minimum Wage Law Summary

Must be Posted in a Conspicuous Place in Every Pennsylvania Business Governed by the Minimum Wage Act

The Pennsylvania Minimum Wage Act establishes a fixed Minimum Wage and Overtime Rate for employees. It also sets forth compliance-related duties for the Department of Labor & Industry and for employers. In addition, the Minimum Wage Act provides penalties for noncompliance. This summary is for general information only and is not an official position formally adopted by the Department of Labor & Industry.

### **Overtime Rate:**

Workers shall be paid 1½ times their regular rate of pay after 40 hours worked in a workweek (Except as Described).

# Minimum Wage Rate:

\$7.25 per hour Effective July 24, 2009

(Except as Described)

### Tipped Employees:

An employer may pay a minimum of \$2.83 per hour to an employee who makes \$30.00 per month in tips. The employer must make up the difference if the tips and \$2.83 do not meet the regular Pennsylvania minimum wage.

### Keeping Records:

Every employer must maintain accurate records of each employee's earnings and hours worked, and provide access to Labor & Industry.

### Penalties:

Failure to pay the legal minimum wage or other violations may result in payment of back wages and other civil or criminal action where warranted

### Exemptions:

Overtime applies to certain employment classifications. (see pages 2 and 3)

### Special Allowances For:

Students, learners and people with disabilities, upon application only.

COMMONWEALTH OF PENNSYLVANIA TOM WOLF | GOVERNOR DEPARTMENT OF LABOR & INDUSTRY KATHY M. MANDERINO | SECRETARY

LLC-1 REV 09-16 (Page 1)

Above is Page 1 of the Pennsylvania Minimum Wage Law Poster

For the complete four page notice, please click Form No. LLC-1 or go to <a href="http://www.dli.pa.gov/Documents/Mandatory%20Postings/llc-1.pdf">http://www.dli.pa.gov/Documents/Mandatory%20Postings/llc-1.pdf</a> or <a href="http://www.dli.pa.gov/Individuals/Labor-Management-Relations/llc/minimum-wage/Pages/FAOs.aspx">http://www.dli.pa.gov/Individuals/Labor-Management-Relations/llc/minimum-wage/Pages/FAOs.aspx</a>





STATE OF OHIO

2019 MINIMUM WAGE

www.com.ohio.gov

John R. Kasich Governor

Jacqueline T. Williams Director

### NON-TIPPED EMPLOYEES

### A Minimum Wage of \$8.55 per hour

"Non-Tipped Employees" includes any employee who does not engage in an occupation in which he/she customarily and regularly receives more than thirty dollars (\$30.00) per month in tips.

"Employers" who gross less than \$314,000 shall pay their employees no less than the current federal minimum wage rate.

"Employees" under the age of 16 shall be paid no less than the current federal minimum wage rate.

"Current Federal Minimum Wage" is \$7.25 per hour.

### TIPPED EMPLOYEES

### A Minimum Wage of \$4.30 per hour PLUS TIPS

"Tipped Employees" includes any employee who engages in an occupation in which he/she customarily and regularly receives more than thirty dollars (\$30.00) per month in tips. Employers electing to use the tip credit provision must be able to show that tipped employees receive at least the minimum wage when direct or cash wages and the tip credit amount are combined.

### OVERTIME

 An employer shall pay an employee for overtime at a wage rate of one and one-half times the employee's wage rate for hours in excess of 40 hours in one work week, except for employers grossing less than \$150,000 per year.

### RECORDS TO BE KEPT BY THE EMPLOYER

- Each employer shall keep records for at least three years, available for copying and inspection by the Director of the Ohio Department of Commerce, showing the following information concerning each employee:
  - A. Name
  - B. Address
  - C. Occupation
  - D. Rate of Pay
  - E. Amount paid each pay period
  - F. Hours worked each day and each work week
- The records may be opened for inspection or copying at any reasonable time and no employer shall hinder or delay the Director of the Ohio Department of Commerce in the performance of these duties.

### SUB-MINIMUM WAGE RATE

To prevent the curtailment of opportunities for employment and avoid undue hardship to individuals whose earning capacity is affected or impaired by physical or mental deficiencies or injuries, a sub-minimum wage may be paid, as provided in the rules and regulations set forth by the Director of the Ohio Department of Commerce.

### INDIVIDUALS EXEMPT FROM MINIMUM WAGE

- 1. Any individual employed by the United States;
- Any individual employed as a baby-sitter in the employer's home, or a live-in companion to a sick, convalescing, or elderly person whose principal duties do not include housekeeping;
- Any individual employed as an outside salesman compensated by commissions or in a bona fide executive, administrative, or professional capacity, or computer professionals;
- Any individual who volunteers to perform services for a public agency which is a State, a political subdivision of a State, or an interstate government agency, if
  - the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and
  - (ii) such services are not the same type of services which the individual is employed to perform for such public agency;
- Any individual who works or provides personal services of a charitable nature in a hospital or health institution for which compensation is not sought or contemplated;
- Any individual in the employ of a camp or recreational area for children under eighteen years of age and owned and operated by a non-profit organization or group of organizations.
- Employees of a solely family owned and operated business who are family members of an owner.
- \* For information about additional exemptions, please visit the Ohio Division of Industrial Compliance or U.S. Department of Labor websites.

For further information about minimum wage issues, please contact: The Ohio Department of Commerce, Division of Industrial Compliance, 6606 Tussing Road, Reynoldsburg, Ohio 43068. Phone: (614) 644-2239. TTY/TDD: 1-800-750-0750. An Equal Opportunity Employer and Service Provider. (REV. 9/30/18)

### POST IN A CONSPICUOUS PLACE

https://www.com.ohio.gov/documents/dico 2019MinimumWageposter.pdf



NY HAS NOT YET POSTED THE UPDATED 12/31/18 - 12/30/19 MINIMUM WAGE POSTER, HOWEVER THE MINIMUM WAGE RATES ARE SCHEDULED TO INCREASE TO \$15.00, \$13.50, \$12.00 & \$11.10, RESPECTIVE TO THE SECTIONS BELOW.



# Attention Miscellaneous **Industry Employees**

Minimum Wage hourly rates effective 12/31/2017 – 12/30/2018

### New York City

Large Employers (11 or more employees)

Minimum Wage \$13.00

Overtime after 40 hours \$19.50

Tipped workers

At least \$9.80 or \$11.05

Overtime after 40 hours \$16.30 or \$17.55 Small Employers (10 or less employees)

Minimum Wage \$12.00

Overtime after 40 hours \$18.00

Tipped workers

At least \$9.05 or \$10.20

Overtime after 40 hours \$15.05 or \$16.20

Remainder of

Long Island and Westchester County

Minimum Wage

Overtime after 40 hours \$16.50

Tipped workers

At least \$8.30 or \$9.35 Overtime after 40 hours \$13.80 or \$14.85 **New York State** 

Minimum Wage

Tipped workers

\$7.85 or \$8.85 At least

Overtime after 40 hours \$15.60

Overtime after 40 hours \$13.05 or \$14.05

If you have questions, need more information or want to file a complaint, please visit www.labor.ny.gov/minimumwage or call: 1-888-469-7365.

Credits and Allowances that may reduce your pay below the minimum wage rates shown above:

- Tips Your employer may use a limited amount of your tips to reduce your wages. This is called a tip credit. Your employer may take a tip credit only if your tips plus wages add up to at least the minimum wage. They must still pay you at least the tipped wage rates shown above.
- Meals and lodging Your employer may claim a limited amount of your wages for meals and lodging that they provide to you, as long as they do not charge you anything else. The rates and requirements are set forth in wage orders and summaries, which are available online.

Extra Pay you may be owed in addition to the minimum wage rates shown above:

- . Overtime You must be paid 11/2 times your regular rate of pay (no less than amounts shown above) for weekly hours over 40 (or 44 for residential employees).
  - Exceptions: Overtime is not required for salaried professionals, or for executives and administrative staff whose weekly salary is more than 75 times the minimum wage rate.
- Call-in pay If you go to work as scheduled and your employer sends you home early, you may be entitled to extra hours of pay at the minimum wage rate for that day.
- . Spread of hours If your workday lasts longer than ten hours, you may be entitled to extra daily pay. The daily rate is equal to one hour of pay at the minimum wage rate.
- . Uniform maintenance If you clean your own uniform, you may be entitled to additional weekly pay. The weekly rates are available online.

LS 207 (12/17)

Minimum Wage Poster

Post in Plain View

https://www.labor.ny.gov/formsdocs/wp/LS207.pdf

https://www.labor.ny.gov/workerprotection/laborstandards/employer/posters.shtm

https://www.ny.gov/programs/new-york-states-minimum-wage



# **EMPLOYEE RIGHTS**

# UNDER THE FAIR LABOR STANDARDS ACT

## **FEDERAL MINIMUM WAGE**

\$7.25 PER HOUF

**BEGINNING JULY 24, 2009** 

The law requires employers to display this poster where employees can readily see it.

OVERTIME PAY

At least 11/2 times the regular rate of pay for all hours worked over 40 in a workweek.

CHILD LABOR

An employee must be at least 16 years old to work in most non-farm jobs and at least 18 to work in non-farm jobs declared hazardous by the Secretary of Labor. Youths 14 and 15 years old may work outside school hours in various non-manufacturing, non-mining, non-hazardous jobs with certain work hours restrictions. Different rules apply in agricultural employment.

TIP CREDIT

Employers of "tipped employees" who meet certain conditions may claim a partial wage credit based on tips received by their employees. Employers must pay tipped employees a cash wage of at least \$2.13 per hour if they claim a tip credit against their minimum wage obligation. If an employee's tips combined with the employer's cash wage of at least \$2.13 per hour do not equal the minimum hourly wage, the employer must make up the difference.

NURSING MOTHERS The FLSA requires employers to provide reasonable break time for a nursing mother employee who is subject to the FLSA's overtime requirements in order for the employee to express breast milk for her nursing child for one year after the child's birth each time such employee has a need to express breast milk. Employers are also required to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by the employee to express breast milk.

### ENFORCEMENT

The Department has authority to recover back wages and an equal amount in iquidated damages in instances of minimum wage, overtime, and other violations. The Department may litigate and/or recommend criminal prosecution. Employers may be assessed civil money penalties for each willful or repeated violation of the minimum wage or overtime pay provisions of the law.

Civil money penalties may also be assessed for violations of the FLSA's child labor provisions. Heightened civil money penalties may be assessed for each child labor violation that results in the death or serious injury of any minor employee, and such assessments may be doubled when the violations are determined to be willful or repeated. The law also prohibits retailating against or discharging workers who file a complaint or participate in any proceeding under the FLSA.

# ADDITIONAL INFORMATION

- Certain occupations and establishments are exempt from the minimum wage, and/or overtime pay provisions.
- Special provisions apply to workers in American Samoa, the Commonwealth of the Northern Mariana Islands, and the Commonwealth of Puerto Rico.
- . Some state laws provide greater employee protections; employers must comply with both.
- Some employers incorrectly classify workers as "independent contractors" when they are
  actually employees under the FLSA. It is important to know the difference between the two
  because employees (unless exempt) are entitled to the FLSA's minimum wage and overtime
  pay protections and correctly classified independent contractors are not.
- Certain full-time students, student learners, apprentices, and workers with disabilities may be
  paid less than the minimum wage under special certificates issued by the Department of Labor.



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WAGE AND HOUR DIVISION UNITED STATES DEPARTMENT OF LABOR 1-866-487-9243 TTY: 1-877-889-5627 www.dol.gov/whd



http://www.dol.gov/whd/regs/compliance/posters/flsa.htm
FOR YOUNG WORKERS - http://youthrules.dol.gov/know-the-limits/faq/index.htm



# **Small Business Health Insurance Tax Credit (SBHIC)**

### Small Business Health Care Tax Credit and the SHOP Marketplace

https://www.irs.gov/affordable-care-act/employers/small-business-health-care-tax-credit-and-the-shop-marketplace
If you are a small employer, there is a tax credit that can put money in your pocket.

The small business health care tax credit benefits employers that:

- Have fewer than 25 full-time equivalent employees
- Pay average wages of less than \$50,000 a year per full-time equivalent (indexed annually for inflation <u>beginning in 2014</u>)
  - o For tax year 2014, the inflation-adjusted amount is \$51,000
  - o For tax year 2015, the inflation-adjusted amount is \$52,000
  - o For tax year 2016, the inflation-adjusted amount is \$52,000
  - o For tax year 2017, the inflation-adjusted amount is \$53,000
- Offer a qualified health plan to its employees through a Small Business Health Options Program Marketplace (or qualify for a limited exception to this requirement)
- Pay at least 50 percent of the cost of employee-only not family or dependent health care coverage for each employee

For information about qualified health plans offered through the SHOP Marketplace, visit Healthcare.gov.

## How will the credit make a difference for you?

The maximum credit is:

- 50 percent of premiums paid for small business employers and
- 35 percent of premiums paid for small tax-exempt employers
- The credit is available to eligible employers for two consecutive taxable years

The amount of the credit you receive works on a sliding scale. The smaller the employer, the bigger the credit. So if you have more than 10 full-time equivalent employees or if the average wage is more than \$25,000 (as adjusted for inflation), the amount of the credit you receive will be less. For example, if you pay \$50,000 a year toward employees' health care premiums, and if you qualify for a \$10,000 credit each year, you can save \$20,000 over the course of two years.

Even if your small business does not owe tax during the year, you can carry the credit back or forward to other tax years. Also, since the amount of the health insurance premium payments is more than the total credit, eligible small businesses can still claim a business expense deduction for the premiums in excess of the credit. That's both a credit and a deduction for employee premium payments.

Even if you are a small business employer who did not owe tax during the year, you can carry the credit back or forward to other tax years. Also, since the amount of the health insurance premium payments is more than the total credit, eligible small businesses can still claim a business expense deduction for the premiums in excess of the credit. That's both a credit and a deduction for employee premium payments.

The credit is refundable, so if you're tax-exempt and have no taxable income, you may be eligible to receive the credit as a refund so long as it does not exceed your income tax withholding and Medicare tax liability. Refund payments issued to small tax-exempt employers claiming the refundable portion of the credit are subject to <u>sequestration</u>. Continued...please visit the link below for more information.

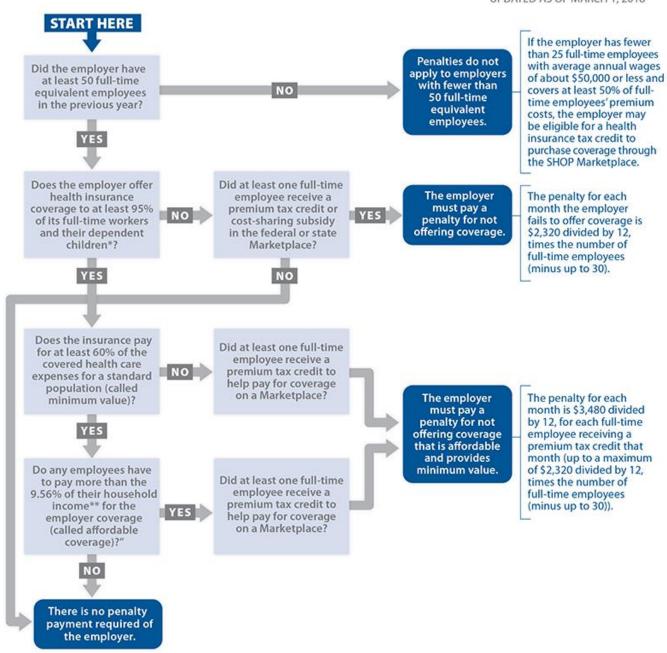
https://www.irs.gov/affordable-care-act/employers/small-business-health-care-tax-credit-and-the-shop-marketplace





### PENALTIES FOR EMPLOYERS NOT OFFERING COVERAGE UNDER THE AFFORDABLE CARE ACT DURING 2018

UPDATED AS OF MARCH 1, 2018



<sup>\*</sup> A dependent child is defined as a child of an employee who is under the age of 26. Employers do not face a penalty under the Affordable Care Act if they do not offer coverage to the spouse of a full-time employee.

www.kff.org/infographic/employer-responsibility-under-the-affordable-care-act/

https://www.kff.org/infographic/employer-responsibility-under-the-affordable-care-act/

<sup>\*\*</sup> Affordability is determined by reference to the taxpayer's household income (i.e., the employee's required contribution for self-only coverage should not exceed 9.56% in most states for 2017). Since employers generally do not know the worker's household income, to determine if an employer may be subject to a penalty, the employer can measure 9.5% against three separate safe harbor amounts (the worker's Form W-2 wages, the worker's hourly rate of pay as of the first day of the coverage period, or the federal poverty line for a single individual). Note that a worker's and the worker's dependents' eligibility for premium tax credits or cost sharing subsidies are based on family income, not the safe harbor amounts.



# **Small Business Health Insurance Tax Credit (SBHIC)**

- <a href="https://marketplace.cms.gov/outreach-and-education/how-employers-enroll-in-shop-2018.pdf">https://marketplace.cms.gov/outreach-and-education/how-employers-enroll-in-shop-2018.pdf</a> (rev 10/2018)
- <a href="https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Changes-to-Small-Business-Health-Care-Tax-Credit">https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Changes-to-Small-Business-Health-Care-Tax-Credit</a> (rev 6/2018)
- Overview of the SHOP Marketplace
- What's new in the SHOP Marketplace for 2018
- How to work with an insurance agent or broker in the SHOP Marketplace
- The Small Business Health Care Tax Credit
- SHOP Marketplace insurance for multiple locations and businesses
- SHOP Marketplace how-to guides, fact sheets, tools, and other resources for employers
- https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits/

You may qualify for the Small Business Health Care Tax Credit that could be worth up to 50% of the costs you pay for your employees' premiums (35% for non-profit employers).

### See if you qualify for savings

Enrolling in a Small Business Health Options Program (SHOP) plan is generally the only way for a small business or non-profit to claim the Small Business Health Care Tax Credit. To qualify for the tax credit, **all** of the following must apply:

- You have fewer than 25 full-time equivalent (FTE) employees
- Your average employee salary is about \$50,000 per year or less
- You pay at least 50% of your full-time employees' premium costs
- You offer SHOP coverage to all of your full-time employees. (You don't have to offer it to dependents or employees working fewer than 30 hours per week to qualify for the tax credit.)

### TAKE ME TO THE TAX CREDIT ESTIMATOR

### **IMPORTANT**

The IRS has released new guidance on qualifying for the Small Business Health Care Tax Credit that may apply to small employers in areas with no available SHOP plans. <u>Learn more.</u>

### Higher benefits for smaller businesses

The tax credit is highest for companies with fewer than 10 employees who are paid an average of \$25,000 or less. The smaller the business, the bigger the credit.

### Questions?

- See all SHOP tools, calculators, fact sheets, how-to guides, videos, and other resources for employers.
- Contact the SHOP Call Center at 800-706-7893 (TTY: 711) weekdays from 9 a.m. to 5 p.m. ET.
   Agents and brokers selling SHOP plans can use this number too.
- The Internal Revenue Service has more information about the Small Business Health Care Tax Credit.

Continued...please visit the link below for more information.

https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits/

https://www.sba.gov/tools/sba-learning-center/search/training



# **2019 Payroll Tax Changes**

# PAYROLL DEDUCTIONS FOR EMPLOYEES:

2019

2018

Federal Withholding	See Circular E	See Circular E		
FICA:				
Social Security	<b>6.20%</b> - Wage base of <b>\$132,900</b>	6.20% - Wage base of \$128,400		
Medicare	1.45% - unlimited wage base, *additional 0.9% on wages reaching certain thresholds	1.45% - unlimited wage base, *additional 0.9% on wages reaching certain thresholds		
Total FICA to be withheld	7.65% *	7.65% *		

\*Effective Jan. 1, 2013, an employer must withhold Additional Medicare Tax on wages it pays to an employee in excess of \$200,000 in a calendar year. An employer has this withholding obligation even though an employee may not be liable for Additional Medicare Tax because, for example, the employee's wages together with that of his or her spouse do not exceed the \$250,000 threshold for joint return filers. Any withheld Additional Medicare Tax will be credited against the total tax liability shown on the individual's income tax return (Form 1040).

Pennsylvania State Income Tax	3.07%	3.07%
PA Unemployment Tax	.06%	.06%
Local Wage Tax (ACT 32) – rate to withhold is the higher of employer's local or the employee's residence municipality rate**	1.0% - in "most" localities	1.0% - in "most" localities
Local Services Tax (LST) -	\$10-\$52 per year – varies by residence / workplace locality	\$10-\$52 per year – varies by residence / workplace locality

## EMPLOYER PAYROLL

TAX EXPENSE: 2019 2018

FICA:				
Social Security	6.20% - wage base of \$132,900	6.20% - wage base of \$128,400		
Medicare	1.45% - unlimited wage base	1.45% - unlimited wage base		
PA Unemployment Compensation	Assigned rate on \$10,000 base	Assigned rate on \$10,000 base		
OH Unemployment Compensation	Assigned rate on \$9,500 base	Assigned rate on \$9,500 base		
NY Unemployment Compensation	Assigned rate on \$11,400 base	Assigned rate on \$11,100 base		
FUTA - Federal Unemployment Compensation	.6% on \$7,000 base + additional percentage for credit reduction states	.6% on \$7,000 base + additional percentage for credit reduction states		



# Federal Withholding and FICA (Form 941 & Form 944)

Generally, employers must withhold, deposit, report and pay federal income tax and FICA taxes.

Wages subject to Federal employment taxes include all pay given an employee for services performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses, commissions and fringe benefits (per Pub. 15). It does not matter how payments are measured or paid. The employer must also collect income tax and the employee's share of Social Security and Medicare tax on any tips collected over \$20.

A child employed by his or her parent in the course of the parent's trade or business is exempt from Social Security and Medicare tax until the age of 18. Refer to the Circular E for other exemptions.

- For 2019, there is a Social Security Cost of Living Adjustment (COLA) of 2.8%.
- ♦ For most employees, the FICA tax rate for 2019 will be 7.65%, with a division of 6.2% Social Security and 1.45% Medicare.
- ◆ The Social Security wage base will be \$132,900 in 2019 (an increase from the 2018 limit of \$128,400.)
- ◆ There is NO maximum wage base for the Medicare portion of FICA in 2019. This remains unchanged from 2018.
- ◆ Employee Medicare tax withholding <u>remains</u> 2.35% on wages paid to an employee in excess of \$200,000 in a calendar year. An employer has this withholding obligation even though an employee may not be liable for Additional Medicare Tax because, for example, the employee's wages together with that of his or her spouse do not exceed the \$250,000 threshold for joint return filers. Any withheld Additional Medicare Tax will be credited against the total tax liability shown on the individual's income tax return (Form 1040).

The employer match remains at 1.45% on all Medicare wages.

◆ Tax rates for federal withholding are computed using the various tables contained in Circular E (Publication 15) (released 12/17/18) - <a href="https://www.irs.gov/pub/irs-prior/p15-2019.pdf">https://www.irs.gov/pub/irs-prior/p15-2019.pdf</a>

Federal employment taxes are generally reported using Form 941, Form 944 or Form 943 (specifically for agricultural employers, discussed later.)



### Form 941 is used by most employers, and it is filed on a QUARTERLY basis:

<u>Quarter</u>	<u>Due On or Before</u>
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

Form 944 – Employers ANNUAL Federal Tax Return - Certain employers (who are notified by the IRS) are expected to file Form 944 instead of Form 941. This annual form for 2018 is due January 31, 2019.

What if you want to file Form 941 instead of Form 944? - You must file Form 944 if the IRS has notified you to do so, unless you contact the IRS to request to file quarterly Forms 941, 941-SS, or 941-PR instead. To request to file quarterly Forms 941, 941-SS, or 941-PR to report your social security, Medicare, and withheld federal income taxes for the 2019 calendar year, call the IRS at 800-829-4933 or 267-941-1000 (toll call) by April 1, 2019, or send a written request postmarked by March 15, 2019. Written requests should be sent to:

Department of Treasury	Department of Treasury
Internal Revenue Service	Internal Revenue Service
Ogden, UT 84201-0038	Cincinnati, OH 45999-0038

Select one of the addresses above based on the state filing alignment for returns filed *Without a payment* under *Where Should You File*, later. After you contact the IRS, the IRS will send you a written notice that your filing requirement has been changed. If you do not receive this notice, you must file Form 944 for calendar year 2019.

www.irs.gov/irb/2009-45 IRB/ar12.html. Page Last Reviewed or Updated: 27-Sep-2017

**Zero wage return** - If you have not filed a "final" Form 941 or Form 944, or are not a "seasonal" employer, you must continue to file a Form 941 or Form 944 even for periods during which you paid no wages. IRS encourages you to file (especially your "Zero Wage" Forms 941 or 944) electronically using IRS e-file at <a href="https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/e-file-Form-940-941-or-944-for-Small-Businesses">https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/e-file-Form-940-941-or-944-for-Small-Businesses</a> Page Last Reviewed or Updated: 23-Apr-2018

**Final return** - If you go out of business, you must file a final return for the last quarter (last year for Form 944) in which wages are paid. If you continue to pay wages or other compensation for periods following termination of your business, you must file returns for those periods. See the Instructions for Form 941 or the Instructions for Form 944 for details on how to file a final return. If you are required to file a final return, you are also required to furnish Forms W-2 to your employees by the due date of your final return. File Forms W-2 and W-3 with the SSA by the last day of the month that follows the due date of your final return. Do not send an original or copy of your Form 941 or Form 944 to the SSA. See the Instructions for Forms W-2 and W-3 for more information.

orm (	941 for 2018: Employ	er's QUAF f the Treasury — Int	RTERLY emal Revenu	Fedei	ral Tax	Retu	ırn	950117 OMB No. 1545-0029
-	oyer identification number (EIN)	- 🔲 🔲					(Chec	ort for this Quarter of 2018 ck one.)
Nam	e (not your trace name)						_	
Trad	le name (if any)						_	April, May, June
							_	July, August, September
Addr	Number Street			Suite or roo	om number		_	October, November, December
								www.irs.gov/Form941 for ctions and the latest information.
	City		State	ZIP	oode	ר ו		
	Foreign country name	Foreign provin	nce/county	Foreign p	ostal code			
Read t	the separate instructions before you co	mplete Form 941	. Type or p	rint within	the boxes.			
Part	Answer these questions for the	is quarter.						
1	Number of employees who received	•						
	including: Mar. 12 (Quarter 1), June 1	2 (Quarter 2), Se	pt. 12 (Qua	irter 3), or i	Dec. 12 (Qu	ıarter 4)	1	
2	Wages, tips, and other compensation	on					2	
3	Federal income tax withheld from w	ages, tips, and	other com	pensation			3	
4	If no wages, tips, and other compe			ial security				Check and go to line 6.
		Colum	n 1		Col	umn 2		1
5a	Taxable social security wages		•	× 0.124 =				]
5b	Taxable social security tips		•	× 0.124 =				
5с	Taxable Medicare wages & tips			× 0.029 =				
5d	Taxable wages & tips subject to Additional Medicare Tax withholding	g		× 0.009 =				
5e	Add Column 2 from lines 5a, 5b, 5c	and 5d					5e	
5f	Section 3121(q) Notice and Demand	i—Tax due on u	nreported	tips (see ir	nstructions)		5f	
6	Total taxes before adjustments. Ad	d lines 3, 5e, and	I 5f				6	
7	Current quarter's adjustment for fra	actions of cents					7	
8	Current quarter's adjustment for significant	ck pay					8	
9	Current quarter's adjustments for ti	os and group-te	rm life insu	irance .			9	
10	Total taxes after adjustments. Com	bine lines 6 throu	igh 9 .				10	
11	Qualified small business payroll tax of	redit for increasi	ing researc	h activities	. Attach For	m 8974	11	
12	Total taxes after adjustments and o	redits. Subtract	line 11 fror	n line 10 .			12	
13	Total deposits for this quarter, incoverpayments applied from Form 941-X						13	
14	Balance due. If line 12 is more than I	ne 13, enter the	difference a	and see ins	tructions		14	
15	Overpayment. If line 13 is more than lin	e 12, enter the di	fference			Check	one.	Apply to next return. Send a refund
	ou MUST complete both pages of Fo				-	J 01.00K	5116.	Next
	ivacy Act and Paperwork Reduction Ac			e Payment	Voucher.	Cat	. No. 1	

http://www.irs.gov/pub/irs-pdf/f941.pdf

Form **941** (Rev. 1-2018) Page 2

http://www.irs.gov/pub/irs-pdf/f941.pdf

State

Phone

ZIP code

#### What's New

New filing addresses. The filing addresses for employers located in Georgia, Illinois, Kentucky, Michigan, Tennessee, and Wisconsin have changed. See Where Should You File,

INSTRUCTIONS: <a href="https://www.irs.gov/pub/irs-pdf/i941.pdf">https://www.irs.gov/pub/irs-pdf/i941.pdf</a>

Address

City

#### Form 944 for 2018: Employer's ANNUAL Federal Tax Return Department of the Treasury - Internal Revenue Service OMB No. 1545-2007 Who Must File Form 944 er (EIN) You must file annual Form 944 instead of filing quarterly Forms 941 Name (not your trade name) only if the IRS notified you in writing. Trade name (if any) Go to www.irs.gov/Form944 for instructions and the latest information. Numbe Street Suite or room numb State ZIP code City Read the separate instructions before you complete Form 944. Type or print within the boxes. Answer these questions for this year. Employers in American Samoa, Guam, the Commonwealth of the Northern Part 1: Mariana Islands, the U.S. Virgin Islands, and Puerto Rico can skip lines 1 and 2, unless you have employees who are subject to U.S. income tax withholding. Wages, tips, and other compensation Federal income tax withheld from wages, tips, and other compensation . If no wages, tips, and other compensation are subject to social security or Medicare tax 3 Check and go to line 5. Taxable social security and Medicare wages and tips: Column 1 Column 2 4a Taxable social security wages × 0.124 = 4b Taxable social security tips × 0.124 = 4c Taxable Medicare wages & tips 0.029 =4d Taxable wages & tips subject to Additional Medicare Tax withholding 0.009 4e Add Column 2 from lines 4a, 4b, 4c, and 4d Total taxes before adjustments. Add lines 2 and 4e Current year's adjustments (see instructions) . Total taxes after adjustments. Combine lines 5 and 6. . . Qualified small business payroll tax credit for increasing research activities. Attach Form 8974 Total taxes after adjustments and credits. Subtract line 8 from line 7 . . . . Total deposits for this year, including overpayment applied from a prior year and overpayments applied from Form 944-X, 944-X (SP), 941-X, or 941-X (PR) . . . . . 10

www.irs.gov/pub/irs-pdf/f944.pdf

Check one: Apply to next return. Send a refund.

Cat. No. 39316N

Next -> Form **944** (2018)

Balance due. If line 9 is more than line 10, enter the difference and see instructions .

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.

Overpayment. If line 10 is more than line 9, enter the difference

You MUST complete both pages of Form 944 and SIGN it.

art 2: Tell us abo	ut your deposit sched						
Tell us abo	ut your deposit sched	July and lax	nability for this y	ÇAII.			
3 Check one:	Line 9 is less than \$2						
	Line 9 is \$2,500 or me became one because						
	must complete Form					,g	
	Jan.	1 -	Apr.	1 [	July		Oct.
13a		13d		13g		• 13	
	Feb.	1 _	May	1 [	Aug.		Nov.
13b		13e		13h		<b>-</b> 13	
	Mar.	1	June	1 г	Sept.		Dec.
13c		13f	<u> </u>	13i		13	
Tota	al liability for year. Add	lines 13a th	rough 13l. Total m	ust equal li	ne 9. 13	m	
art 3: Tell us abo	ut your business. If q	unnting 14 c	loop NOT apply to		inees leeve	it blank	
Tell us and	ur your ousiness. Ir q	desilon 14 c	ioes wor apply io	your ous	mess, neave	ii olalik.	
4 If your business	has closed or you stop	oped paying	wages				
Check here a	nd enter the final date y	ou paid wage	es.				
art 4: May we spe	eak with your third-pa	arty designe	e?				
Do you want to a							
	llow an employee, a paid	d tax prepare	r, or another persor	to discuss	this return w	ith the IRS?	See the instructions
for details.			r, or another persor	to discuss	this return w	ith the IRS?	See the instructions
for details.	llow an employee, a paid		r, or another persor	to discuss	this return w	ith the IRS?	See the instructions
for details.  Yes. Designe	ee's name and phone nu	mber				ith the IRS?	See the instructions
for details.  Yes. Designe  Select a		mber				ith the IRS?	See the instructions
for details.  Yes. Designe  Select a	ee's name and phone nu	ication Numb	er (PIN) to use whe	n talking to		ith the IRS?	See the instructions
for details.  Yes. Designe  Select a	ee's name and phone nu	ication Numb	er (PIN) to use whe	n talking to		ith the IRS?	See the instructions
for details.  Yes. Designed Select at No.  Part 5: Sign here.	ee's name and phone nu a 5-digit Personal Identif  You MUST complete ry, I declare that I have exa	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to	the best of my knowli
for details.  Yes. Designed Select at No.  Part 5: Sign here.	ee's name and phone nu a 5-digit Personal Identif	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to	the best of my knowli
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for details.  Yes. Designer  Select a  No.  No.  Yes Sign here.	ee's name and phone nu a 5-digit Personal Identif You MUST complete ry, I declare that I have exa ect, and complete. Declarat	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to	the best of my knowle
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Select a  No.  Sign here.  Sign you name he	ee's name and phone nu a 5-digit Personal Identif You MUST complete ry, I declare that I have exa ect, and complete. Declarat	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to	the best of my knowle
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Select a  No.  Part 5: Sign here.  Juder penalties of perjuined belief, it is true, correct name here.	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to f which prepare	the best of my knowle
Select a Select a No.  Part 5: Sign here.  Inder penalties of perjuind belief, it is true, correct name here.	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to f which prepare	the best of my knowledge
Select a Select a No.  Part 5: Sign here.  Inder penalties of perjuind belief, it is true, correct same here.  Paid Preparer Use Preparer's name	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to f which prepare	the best of my knowledge
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Select a  Select a  No.  Part 5: Sign here.  Inder penalties of perjuind belief, it is true, corre  Sign you name he  Paid Preparer Use  Preparer's name	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.	ments, and to f which prepare	the best of my knowledge
Select a Select a No.  Part 5: Sign here. Inder penalties of perjuind belief, it is true, correct Sign you name here.  Paid Preparer Use Preparer's name  Preparer's signature  Preparer's signature  Preparer's name (or yours is self-employed)	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.  dules and state all information of Print your name here Print your title here  Best daytime  PTIN Date	ments, and to f which prepare	the best of my knowledge
Select a Select a No.  Part 5: Sign here. Inder penalties of perjuind belief, it is true, correct Sign you name here.  Paid Preparer Use Preparer's name  Preparer's name  Preparer's name (or yours is self-employed)	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to  SIGN it.  anying sche	the IRS.  dules and state all information of Print your name here Print your title here  Best daytime  PTIN  Date  EIN	ments, and to f which prepare	the best of my knowledge
Select a  No.  Part 5: Sign here.  Juder penalties of perjuined belief, it is true, correct name here.	ee's name and phone nu a 5-digit Personal Identif  You MUST complete  ry, I declare that I have exact, and complete. Declarat  ur ere	ication Numb	oer (PIN) to use when	n talking to	the IRS.  dules and state all information of Print your name here Print your title here  Best daytime  PTIN  Date  EIN	ments, and to f which prepare	the best of my knowledge

### Table 1. Mailing Addresses for Returns Filed January 1, 2019, Through June 17, 2019

If you're in	Without a payment	With a payment
Maryland, Massachusetts, New Hampshire, New Jersey, New York,	Internal Revenue Service	Internal Revenue Service P.O. Box 804522 Cincinnati, OH 45280-4522

### Table 2. Mailing Addresses for Returns Filed After June 17, 2019

If you're in	Without a payment	With a payment		
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin		Internal Revenue Service P.O. Box 806532 Cincinnati, OH 45280-6532		

INSTRUCTIONS: https://www.irs.gov/pub/irs-pdf/i944.pdf



## Federal Tax Deposit Filing Requirements for 2019

As of the printing of this booklet, the 2019 Publication 15 (CIRCULAR E) had not yet been published by the IRS. Please refer to IRS Pub.15 for possible changes once released at: https://www.irs.gov/pub/irs-pdf/p15.pdf

The determination of which of the following deposit schedules apply (monthly or semiweekly) will be made by the Internal Revenue Service by "looking back" at the employment taxes reported during the previous July 1 through June 30 period; IRS will notify employers each year of their filing status.

Type of Filer	<u>Due Date</u>
Monthly: \$50,000 or less in employment taxes in look-back period	Deposit <b>on or before the 15<sup>th</sup> day</b> of the following month.
Semiweekly: Employment taxes of more than \$50,000 in look-back period	for <b>Saturday, Sunday, Monday or Tuesday</b> pay dates, the tax deposit is due on or before the following <b>Friday</b> .
posses	For <b>Wednesday, Thursday, or Friday</b> pay dates, the tax deposit is due on or before the following <b>Wednesday</b> .

New employers are monthly filers since they do not have a lookback period with a tax liability.

The current \$100,000 (next banking day deposit rule) is retained.

**Please note:** Employers may no longer deposit employment taxes at financial institutions. Deposits must be made via EFTPS <u>unless</u> one of the exceptions noted in item C on the next page applies. In the event an exception applies and a payment is being made by check, the check is to be made payable to <u>U.S. Treasury</u>, not IRS.

For employers who are monthly 941 depositors, the summary of federal tax liability in Part 2 – line 16 on Page 2 of Form 941 should be completed. Semiweekly depositors and employers that accumulate a \$100,000 tax liability on any given day are required to report their federal tax liability on the 941 Schedule B - Report of Tax Liability for Semiweekly Schedule Depositors.

Employers are no longer required to provide withholding information for pensions, annuities, gambling payments and backup withholdings on form 941. These non-payroll items are required to be reported on Form 945 - Annual Return of Withheld Federal Income Tax, and Form 945A - Annual Record of Federal Tax Liability.

Form 945: <a href="https://www.irs.gov/pub/irs-pdf/f945.pdf">https://www.irs.gov/pub/irs-pdf/f945.pdf</a>
Form 945A: <a href="https://www.irs.gov/pub/irs-pdf/f945a.pdf">https://www.irs.gov/pub/irs-pdf/f945a.pdf</a>



#### Form 945:

#### What's New

**New filing addresses.** The filing addresses have changed for some employers. See <u>Where To File</u>, later, before filing your return.

New withholding rates. The Tax Cuts and Jobs Act (Public Law 115-97) lowered the withholding rates on certain payments. See <u>Voluntary Income Tax Withholding</u>, later, for the withholding rates that were effective beginning January 1, 2018.

If you're in	Without a payment	With a payment
Maryland, Massachusetts, New Hampshire, New Jersey, New York,	Internal Revenue Service	Internal Revenue Service P.O. Box 804524 Cincinnati, OH 45280-4524

Table 2. Mailing Addresses for Returns Filed After June 17, 2019

If you're in	Without a payment	With a payment
Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire,	Internal Revenue Service	Internal Revenue Service P.O. Box 806534 Cincinnati, OH 45280-6534

INSTRUCTIONS: https://www.irs.gov/pub/irs-pdf/i945.pdf

#### **PENALTIES**

Penalties may apply if you do not make required deposits on time, make deposits for less than the required amount, or if you do not use EFTPS when required.

#### A. Late Deposits:

The penalty rate is calculated on the number of days the tax deposit is late. If the failure is:

- (1) not more than 5 days late, the applicable percentage is 2% of the under deposited taxes; or
- (2) more than 5 days late but less than 16 days late, the applicable percentage is 5% of the under deposited taxes; or
- (3) if the failure is more than 15 days late, the penalty is 10%.

Also, the penalty of 15% may be imposed if the under deposited taxes are not paid on or before the earlier of:

- (1) 10 days after the first delinquency notice; or
- (2) the day on which notice and demand for immediate payment is given.

#### B. Failure to use EFTPS when required:

Amounts subject to electronic deposit requirements but not deposited using EFTPS are subject to a 10% penalty - see exception in item C below.

#### C. Other:

Deposits paid directly to the IRS or paid with your return are subject to a 10% penalty. Exceptions include the following: (1) if you have applied for but have not yet received your EIN, (2) if you accumulate less than \$2,500 in tax liability during the quarter, or (3) if you are eligible to make up a deposit shortfall with form 941 (See Circular E). As mentioned previously, an employer making a payment with a return must make the check payable to <u>U.S. Treasury</u>, not IRS.



## Electronic Federal Tax Payment System (EFTPS)

As of January 1, 2011, most employers who had previously been allowed to use Federal Tax Deposit Coupons and checks to make payroll tax deposits now have to make those deposits electronically through the Electronic Federal Tax Payment System (EFTPS).

The <u>primary exemption</u> will be for employers that have \$2,500 or less in quarterly payroll tax liability and that pay their liability when filing their employment tax returns (e.g. Forms 941, 944, 945 or 943).

If you make your payroll tax liability deposits in any manner other than paying them with the <u>quarterly return</u> (primary exemption above), you are required to deposit them electronically through EFTPS. You are no longer allowed to pay them at your bank with a coupon.

In order to deposit taxes through EFTPS, you need to enroll. It is easy and it is free. Just go to <a href="https://www.irs.gov">www.irs.gov</a> and on the right hand side of the page, you will see the EFTPS logo. Click on the logo and it will take you to a brief description of the program and a link which allows you to enroll.

You may also go directly to this link - <a href="https://www.eftps.gov/eftps/">https://www.eftps.gov/eftps/</a>. Some of the items that you will need to complete the registration besides the company name and address include your company's Federal I.D. number and banking information. You will also need to assign a designated individual as the primary contact.

You may also enroll for EFTPS by phone at 800.555.4477.

Once your company is enrolled, you can make any of your federal tax deposits via the internet or telephone. By 8:00 p.m.(ET) at least one calendar day in advance of the due date, you access EFTPS directly to report your tax information. You will instruct EFTPS to move the funds from your account to the Treasury's account for payment of your federal taxes. Funds will not move from your account until the date you indicate. You receive an immediate acknowledgement of your payment instructions, and your bank statement will confirm the payment was made. You can initiate your tax payment 24 hours a day, seven days a week.

As an added convenience, EFTPS allows taxpayers to schedule tax payments in advance. Businesses can schedule payments up to 120 days in advance of their tax due date. Individuals can schedule payments up to 365 days in advance of their tax due date. EFTPS will automatically make your payments for you on the due date you indicate. Scheduled payments can be changed or cancelled up to 2 business days in advance of the scheduled payment date.



For general EFTPS Customer Service assistance, call 800.555.4477. If you have questions about the rule, search on "Tax Topics 757" at the IRS Web site or call the IRS at 800.830.5215.

When you enroll on-line at <a href="https://www.eftps.gov/eftps/">https://www.eftps.gov/eftps/</a>, you will receive your personal identification number (PIN) within 15 calendar days. You will also receive confirmation materials including instructions for obtaining your internet password.

EFTPS payments may be made either online at <a href="https://www.eftps.gov/eftps/">https://www.eftps.gov/eftps/</a> or by telephone using the Voice Response System at 800-555-3453. When making payments using either method, you will need to have your PIN available. If you are paying online, you will also need to have your internet password available. Once you submit your payment, you will be given an acknowledgement number. This number and the transfer on your bank statement are your proof of timely payment.

If you are required to make your federal tax deposits electronically for 941 or 944, then you are required to make all federal tax payments electronically (Forms 720, 940, 943, 945, 990-C, 990-PF, 1042, 1120, CT-1).

Please note: ANY type of tax payment that you have historically made at the bank with a federal deposit coupon (Form 8109B) now must be made via EFTPS.

The federal tax deposit filing due dates remain the same.

If you have any questions regarding this program, please contact us and we will be glad to help.



# **EFTPS**DEPOSITORY LOG

BANK TELEPHONE #		FEDERAL EIN
	PIN #	

Date Deposit Telephoned	Time Deposit Telephoned	Settlement Date	Amount Of Deposit	IRS Acknowledgement Number	Telephoned By
relephoneu	reiepilolieu	Date	Dehosir	IAMILIDEL	Бу

#### **EFTPS-Direct Payment Worksheet (long form)** EFTPS Voice Response System (Photocopy this worksheet for future use.) For a live payment: 1-800-2PAYUSA (1-800-272-9872) To practice: 1-800-945-6400 You dial: "Welcome to EFTPS, the Electronic Federal Tax Payment System" EFTPS responds: Please enter your 9-digit Taxpayer Identification Number or TIN EFTPS prompts: To practice using You onter-(9-digit Employer Identification Number) this worksheet EFTPS prompts: "Enter your 4-digit PIN" before making a (4-digit Personal Identification Number) live payment call: 1-800-945-6400 EFTPS prompts: Lists the Main Menu Selections Press 1 (To initiate a tax payment) You enter: EFTPS prompts: "Enter the 3-to 6- digit Tax Form number" You enter: (3-to 6-digit tax form number from IRS Tax Form Numbers/Codes on pages 10-12) EFTPS responds: Tax Form/Tax Description (Based on the selection in step #5) EFTPS prompts: You enter: 1 digit number Tax Payment Type (Select Tax Payment Type from VRS Prompt. Listen carefully for your specific Tax Payment Type. Other payment types are available through the EFTPS operator.) EFTPS prompts: To apply for 1st quarter (year) press 1. To enter a different tax period, press 2. "Enter the 2-digit Tax Period (year) for this payment." Suggestion: "Enter 1, 2, 3, 4 for tax period quarter." (For Annual payment) "Enter the 2-digit Tax Period (year) for this annual payment." Use this long You enter: (Valid 1-or 2-digit Tax Period based on IRS Tax Form Numbers/Codes on pages 10-12) worksheet your first few times to follow EFTPS responds: "The next business date that the payment can be made is (Next Business Date)," (and gives you the voice the option to accept the business date or enter a different business date) response exactly. (Note, the business date you enter must be at least one calendar day in the future). You enter: The Menu option to accept the business date or select a different business date. When comfortable (1-To accept the business date OR 2-To enter a different business date) with the process, you can use the If you enter "2" short form on page 5. EFTPS prompts: "Enter the 6-digit business date that the payment will be made" (6 digit business date in MMDDYY format) You enter: EFTPS prompts: "Enter the Tax Payment Amount. You must enter cents even if you are reporting a whole dollar amount." . (Payment amount cannot exceed \$99,999,999.99) You enter: (Note, for Tax Forms 941, 720, and CT-1 see the back of this worksheet for subcategory breakouts) EFTPS responds: "You have entered: "Tax Form (Tax Form Number)" "Tax Period (4-digit Tax Period)" "Tax Payment Amount (Tax Payment Amount)" "Withdraw Date (Tax Settlement Date)" (Lists VRS Menu Selections to Accept, Change, or Void Transaction) You enter: The Menu Option from the VRS prompt (1-Accept; 2-Change; 3-Void) (continue) For assistance, EFTPS Customer Service: 24 hours a day/7 days a week English Speaking: 800-945-8400 en español: 800-945-8600 TDD (Hearing Impaired): 800-945-8900 3

https://www.hws.edu/offices/pdf/electronic\_tax\_payment\_worksheet.pdf

CLICK HERE FOR INSTRUCTION BOOKLET: <a href="https://download.eftps.com/pib\_combined.pdf">https://download.eftps.com/pib\_combined.pdf</a> OR GO TO <a href="https://www.eftps.gov/eftps/">www.eftps.gov/eftps/</a> (Select Help & Information, then Downloads, then Download Payment Instruction Book)

#### VRS EFTPS-Direct Payment Worksheet - long form (continued)

	Further breakout for the following tax forms:
	For Tax Form 720, you are requested to report IRS numbers and amounts, and the IRS number amounts must balance to the Tax Form 720 payment amount. For Tax Form 941 and CT–1, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form 941or CT–1 payment amount.
	For Tax Form 941 Payment:
	For Tax Form 941, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form 941 payment amount.
	You enter:  You enter:  You should enter at least one 941 subcategory amount when making a 941 tax payment. The Individual 941 subcategory amounts must balance with the 941 tax payment amount entered in step #10.)
	FFTPS prompts: "Enter the 941 Medicare Amount."  You enter: \$ ,
	For Tax Form 720 Payment:
	For Tax Form 720, you are requested to report IRS Number and amounts and the IRS Number amounts must balance to the Tax Form 720 payment amount.
	You enter: "Enter an IRS Number (Excise Tax IRS Numbers on page 13)."  You enter: (2-or 3-digit IRS Number from 720 Tax Form) (You must enter at least one IRS number when making a 720 tax payment.)
	EFTPS prompts: "Enter the IRS Number Amount." (The individual IRS number amounts must balance with the 720 tax payment amount entered in step #10.)
	You enter: \$   \ \ \ \\ \tag{IRS Number amount}\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
	For Tax Form CT-1 Payment:  For Tax Form CT-1, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form CT-1 payment amount.
	FFTPS prompts: "Enter the CT-1 Tier I (FICA Equivalent) Amount."  You enter: \$
	CT—1 tax payment. The Individual CT—1 subcategory amounts must balance with the CT—1 tax payment amount entered in step #10.)
	FFTPS prompts: "Enter the CT-1 Tier II (Industry Portion) Amount."  You enter: \$ ,
	You enter: "Enter the CT-1 Supplemental Annuity Amount."  You enter: (CT-1 Supplemental Annuity Amount)
If this is correct, EFTPS responds:	
You record:	Date of call \( \bigcup
EFTPS prompts: You enter:	
EFTPS responds:	
	You may now hang up.

https://www.hws.edu/offices/pdf/electronic\_tax\_payment\_worksheet.pdf

CLICK HERE FOR INSTRUCTION BOOKLET: <a href="https://download.eftps.com/pib\_combined.pdf">https://download.eftps.com/pib\_combined.pdf</a> OR GO TO <a href="https://www.eftps.gov/eftps/">www.eftps.gov/eftps/</a> (Select Help & Information, then Downloads, then Download Payment Instruction Book)



## **Agricultural Employers**

Agricultural employers are required to file Form 943 Employer's Annual Federal Tax Return for Agricultural Employees, if they paid wages to one or more farm workers and the wages were subject to Social Security and Medicare or Income Tax Withholding under the following tests:

- You pay an employee cash wages of \$150 or more in one year for farm work OR
- ◆ The total (cash and noncash) wages you pay to all farm workers is \$2,500 or more.

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

The 2018 Form 943 is due by January 31, 2019. However, if all deposits were made on time in full payment of the taxes due for the year, you may file the return as late as February 11, 2019.

### **Deposit Requirements**

You must deposit employer and employee Social Security and Medicare taxes and withheld income tax of \$2,500 or more electronically, via EFTPS, following the applicable monthly or semiweekly schedules outlined previously. You are **not** required to make any deposits of Form 943 taxes if your net taxes are less than \$2,500 for the year. Instead you may pay this liability with the Form 943 tax return.

Following is an excerpt from the Form 943 Instructions - www.irs.gov/pub/irs-pdf/i943.pdf

#### **Future Developments**

For the latest information about developments related to Form 943 and its instructions, such as legislation enacted after they were published, go to <a href="https://example.com/least-superscript-su

#### What's New

**New filing addresses.** The filing addresses have changed for some employers. See <u>Where To File</u>, later, before filing your return.

Social security and Medicare tax for 2018. The social security tax rate is 6.2% each for the employee and employer, unchanged from 2017. The social security wage base limit is \$128,400.

The Medicare tax rate is 1.45% each for the employee and employer, unchanged from 2017. There is no wage base limit for Medicare tax.

#### Table 1. Mailing Addresses for Returns Filed January 1, 2019, Through June 17, 2019

If you're in	Without a payment	With a payment
Maryland, Massachusetts, New Hampshire, New Jersey, New York,	Internal Revenue Service	Internal Revenue Service P.O. Box 804523 Cincinnati, OH 45280-4523

#### Table 2. Mailing Addresses for Returns Filed After June 17, 2019

If you're in	Without a payment	With a payment
	Internal Revenue Service	Internal Revenue Service P.O. Box 806533 Cincinnati, OH 45280-6533

INSTRUCTIONS: https://www.irs.gov/pub/irs-pdf/i943.pdf

Form <b>943</b>		Employer's	Annual	Federal Tax	Return	for Agr	icult	ural Em	olove	es	OMB No. 1545-0	035
Department of the Internal Revenue S	Treasury			s.gov/Form943 for i					,		2018	3
Туре		Name (as distinguis	hed from trac	de name)		Employer id	entification	on number (EII)	0	$\exists$		
or		Trade name, if any									If address is	
Print		Address (number a	nd street)								different from prior return, check here. >	
		City or town, state of	or province, o	ountry, and ZIP or forei	gn postal co	de						
				n the future, check here								
1 Numbe	r of agr	icultural employ	ees emplo	yed in the pay peri	od that in	cludes Ma	rch 12	, 2018	▶	1		
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				476 (0.124))			1	i	· 1	-		
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		•		s. Subtract line 12					_	13		
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				, enter the differenc				one: Apply	_		um. □ Sendan	efund.
• Semiweekly s	chedule	depositors: Com	plete Form 9	complete line 17 or 143-A and check here	·	Monthly sc						• 🗆
17 Month	ly Sum			ility. (Don't compl			_	kly schedu	е аер	osito		
A January .		Tax liability for m	onun p	June , .	I ax nabi	lity for mont		November		$\vdash$	Tax liability for mo	onut
B February			<del>  </del>	July			⊣ :̇̀	December		`⊦		
C March .			<del></del>	August			→ -	Total liabili		` -		
D April			Πï	September , ,			┦ ‴	year (add I				
E May				October				through L)				
Third- Party Designee	Design	ee's	r person to d	iscuss this return with t	one	separate ins	tructions	Person	al ident	ificati	te the following.	] No.
Sign		enalties of perjury, I d		no. have examined this return claration of preparer (oth	n, including a			les and statem		d to the		ige and
Here			·		Print Your							
	Signatu Print/Ty	pe preparer's name		Preparer's signatu	Name and	IIUe ►	Date				Date ► PTIN	
Paid									ieck [] If-emplo			
Preparer	Firm's n	ame ►						Fir	m's EIN	<b>•</b>	•	
Use Only		ddress ►						Ph	one no.			
For Privacy Act a	and Pape	rwork Reduction A	ct Natice, s	ee the separate instru	ctions.		Ca	t. No. 11252K			Form <b>943</b>	(2018)

http://www.irs.gov/pub/irs-pdf/f943.pdf



## **Correcting Employment Tax Returns**

Effective for errors discovered on or after January 1, 2009, regulations were issued in connection with the IRS's development of the "X" amended return forms. The "X" forms are used to report adjustments to employment taxes and to claim refunds of overpaid employment taxes. These forms correspond and relate line-by-line to the employment tax return they are correcting.

Employers should use the corresponding "X" forms listed below to correct employment tax errors as soon as they are discovered. For example, use Form 941-X, Adjusted Employers QUARTERLY Federal Tax Return or Claim for Refund, to correct errors on a previously filed Form 941.

Taxpayers will continue to use Form 843 when requesting abatement of assessed penalties and interest. In addition, there is no "X" form for the Form 940, and taxpayer will continue to use a Form 940 for amended returns.

**For overpayments:** Employers correcting an overpayment must use the corresponding "X" form. Employers can choose to either make an adjustment or claim a refund on the form.

**For underpayments:** Employers correcting an underpayment must use the corresponding "X" form. Amounts owed must be paid by the receipt of the return. Payments can be made using <u>EFTPS</u>, by sending a check, or by <u>credit card</u> (for most "X" forms).

#### **Correcting Employment Taxes**

#### 94X Series Adjusted Tax Forms

Return previously filed	Corresponding 94X series form
Form 941, Employer's Quarterly Federal Tax Return (PDF)	Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund (PDF), Instructions (PDF)
Form 943, Employer's Annual Federal Tax Return for Agricultural Employees (PDF)	Form 943-X, Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund (PDF), Instructions (PDF)
Form 944, Employer's Annual Federal Tax Return (PDF)	Form 944-X, Adjusted Employer's Annual Federal Tax Return or Claim for Refund (PDF), Instructions (PDF)
Form 945, Annual Return of Withheld Federal Income Tax (PDF)	Form 945-X, Adjusted Annual Return of Withheld Federal Income  Tax or Claim for Refund (PDF), Instructions (PDF)
Form CT-1, Employer's Annual Railroad Retirement Tax Return (PDF)	Form CT-1X, Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund (PDF), Instructions (PDF)



## Federal Unemployment Taxes – FUTA (Form 940)

For FUTA tax purposes, an employer is:

- 1. Any person or organization that during the current year or preceding year either:
  - ◆ Paid wages of \$1,500 or more in any calendar quarter in **2017** or **2018**, or
  - Had one or more employees for at least some part of a day in any 20 or more different weeks in 2017 or 20 or more different weeks in 2018 (count all regular, temporary, and part-time employees – do not count partners).
- 2. Any agricultural employer who during the current year or preceding year either:
  - Paid cash wages of \$20,000 or more for farm labor in any calendar quarter in 2017 or 2018, or
  - Employed 10 or more farm workers during some part of a day for at least one day during any 20 different weeks in 2017 or 2018.

Count wages you paid to aliens who were admitted to the U.S. on a temporary basis to perform farm work (workers with H-2(A) visas). However, wages paid to H-2(A) visa workers are not subject to FUTA tax.

3. A household employer who paid cash wages of \$1,000 or more during any calendar quarter in 2017 or 2018 for household service in a private home, local college club, or local chapter of a college fraternity or sorority. Generally, household employers must file Schedule H (Form 1040), Household Employment Taxes, instead of Form 940. However, if you have other employees in addition to household employees, you can choose to include the FUTA taxes for your household employees on the Form 940 instead of filing Schedule H (Form 1040). If you choose to file Form 940, you must also file Form 941, Form 944 or Form 943 to report Social Security, Medicare, and any federal taxes withheld for your household employees.

The identification number to use when filing the annual Form 940 is the Employer Identification Number (EIN) assigned by the IRS. Form 940 is an annual return and must be filed on or before January 31, 2019. HOWEVER – IF you deposit all your FUTA tax when due, you have until February 12, 2019 to file Form 940. (see "What's New" for information about mailing address change."

Wages subject to federal unemployment taxes include all pay given an employee for service performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses and commissions. It does not matter how payments are measured or paid. Any employee's Social Security tax paid by the employer (rather than deducting it) is includable in FUTA wages (this does not apply to household workers or farmers.)



## (Form 940)

Religious, education, scientific, charitable, and other organizations described in IRS Section 501(c)(3) and exempt from tax under section 501(a) are not subject to FUTA tax and do not have to file Form 940.

A spouse of a proprietor is exempt from federal unemployment tax, as well as a child under the age of 21 employed by his or her parent in the course of the parent's trade or business.

For 2018, the tax is calculated at 0.6% on the first \$7,000 paid to each employee. Additional tax is due for payroll in states that are designated as "Credit Reduction States", which includes US Virgin Islands for 2018. PA was NOT a credit reduction state for 2018. See Form 940 instructions for specific exceptions and "Credit Reduction States".

Deposit requirements for FUTA are as follows:

Amount of Deposit	Deposit by EFTPS:
If total tax for quarter is more than \$500	On or before last day of the month following the end of the quarter
If total tax for quarter is less than \$500	Payment not required. Combine with next quarter.
If total tax reportable on Form 940, less amount paid to date, is more than \$500	By January 31.
If total tax reportable on Form 940 less amounts paid to date is less than \$500	Option to deposit by EFTPS by January 31 or pay with Form 940 by January 31 by check, credit card or debit card (see below).

If you have payroll in a "credit reduction state", liabilities owed for "credit reduction" are due with your 4th quarter deposit.

How to deposit or pay the balance due. – Since January 1, 2011, you are no longer permitted to deposit FUTA taxes using Federal Deposit Coupons (Form 8109B) at financial institutions. You may pay the amount shown on line 14 using EFTPS, a credit or debit card, or electronic funds withdrawal (EFW). Do not use a credit or debit card or EFW to pay taxes that were required to be deposited. For more information on paying your taxes with a credit or debit card or EFW, go to <a href="www.irs.gov/e-pay">www.irs.gov/e-pay</a>.

If you pay by EFTPS, credit or debit card, or EFW, file your return using the 'Without a Payment' address under 'Where Do You File?' and do not file Form 940-V, Payment Voucher.



## (Form 940)

#### What's New

**New filing addresses.** The filing addresses have changed for some employers. See <u>Where Do You File</u>, later, before filing your return.

Moving expense and bicycle commuting reimbursements are subject to FUTA tax. The Tax Cuts and Jobs Act (P.L. 115-97) suspends the exclusions for qualified moving expense reimbursements from your employee's income under section 132 and the deduction from the employee's income under section 217, as well as the exclusion for qualified bicycle commuting reimbursements from your employee's income under section 132, beginning after 2017 and before 2026. Therefore, moving expense and bicycle commuting reimbursements aren't exempt from FUTA tax during this period. Don't include moving expense or bicycle commuting reimbursements on Form 940, line 4. For more information about fringe benefits, see Pub. 15-B.

#### When Must You File Form 940?

The due date for filing Form 940 for 2018 is January 31, 2019. However, if you deposited all your FUTA tax when it was due, you may file Form 940 by February 11, 2019.

If we receive your return after the due date, we will treat your return as filed on time if the envelope containing your return 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. However, if you don't follow these guidelines, we will consider your return filed when it is actually received. For more information about PDSs, see Where Do You File, later.

Credit reduction state. A state that hasn't repaid money it borrowed from the federal government to pay unemployment benefits is a "credit reduction state." The Department of Labor determines these states. If an employer pays wages that are subject to the unemployment tax laws of a credit reduction state, that employer must pay additional federal unemployment tax when filing its Form 940.

For 2018, there is one credit reduction state (U.S. Virgin Islands). If you paid any wages that are subject to the unemployment compensation laws of a credit reduction state, your credit against federal unemployment tax will be reduced based on the credit reduction rate for that credit reduction state. Use Schedule A (Form 940) to figure the credit reduction. For more information, see the Schedule A (Form 940) instructions or visit IRS.gov.

#### Reminders

Certification program for professional employer organizations (PEOs). The Tax Increase Prevention 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

Continued...go to instructions at link below.

Table 1. Mailing Addresses for Returns Filed January 1, 2019, Through June 17, 2019

If you're in	Without a payment	With a payment
Connecticut, Delaware, District of Columbia, Florida, Indiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, <mark>New York</mark> , North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Cincinnati, OH 45999-0046	P.O. Box 804521

#### Table 2. Mailing Addresses for Returns Filed After June 17, 2019

If you're in	Without a payment	With a payment
Illinois, Indiana, Kentucky, Maine, Maryland,		Internal Revenue Service P.O. Box 806531 Cincinnati, OH 45280-6531

For the complete Form 940 instructions, go to: <a href="https://www.irs.gov/pub/irs-pdf/i940.pdf">www.irs.gov/pub/irs-pdf/i940.pdf</a>



#### **CREDIT REDUCTION STATES**

Following is a report from the US Department of Labor illustrating how much each State owes the Federal Unemployment Trust Account (FUTA) to fund their Unemployment Claims as of 12/04/17. These balances are used to determine which states are "credit reduction states" for the year. The two highest States are highlighted.



## **UI Budget**

Resource Justification Model (RJM)

Estimated FUTA Receipts vs. Amounts Returned

FY 2019 State UI Allocations (Planning Targets)

- State Tables (Att1)
- Secondary Tables (Att2)
- Postage (Att3)

FY: 2019 ✓ Report State UI Allocations ✓ Submit

#### Trust Fund Loans

Outstanding Loans from the Federal Unemployment Account.
 Balance as of December 06, 2018 is:

Virgin Islands \$68,472,967.02

\$68,472,967.02

Updated: August 7, 2018

Total

Source: http://workforcesecurity.doleta.gov/unemploy/budget.asp

Form 940 for 2018: Employer's Annual Federal Unemployment (FUTA) Tax Return Department of the Treasury — Internal Revenue Service	<b>A50113</b> OMB No. 1545-0028
Employer identification number	
Name (not your trade name)  a. Amended	,,
Trade name (if any)	mployer
C. No payments	to employees in
Address d. Final: Busine	ss closed or
Number Street Suite or room number stopped pay	
Go to www.irs.gov/linstructions and the	latest information.
City State ZIP code	
Foreign country name Foreign province/county Foreign postal code	
Read the separate instructions before you complete this form. Please type or print within the boxes.	
Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before comp	leting Part 1.
1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . 1a	
1b If you had to pay state unemployment tax in more than one state, you are a multi-state	
	te Schedule A (Form 940).
2 If you paid wages in a state that is subject to CREDIT REDUCTION	nere. te Schedule A (Form 940).
Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.	
3 Total payments to all employees	
4 Payments exempt from FUTA tax	
Check all that apply: 4a Fringe benefits 4c Retirement/Pension 4e Other	
4b Group-term life insurance 4d Dependent care	
5 Total of payments made to each employee in excess of	
\$7,000	
6 Subtotal (line 4 + line 5 = line 6)	•
7 Total taxable FUTA wages (line 3 – line 6 = line 7). See instructions	
8 FUTA tax before adjustments (line 7 x 0.006 = line 8)	
Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.	
9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax,	
multiply line 7 by 0.054 (line 7 × 0.054 = line 9). Go to line 12	
10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940),	
complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet 10	
11 If credit reduction applies, enter the total from Schedule A (Form 940)	
Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it b	ank.
12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12)	
13 FUTA tax deposited for the year, including any overpayment applied from a prior year . 13	
14 Balance due. If line 12 is more than line 13, enter the excess on line 14.	
If line 14 is more than \$500, you must deposit your tax.	
If line 14 is \$500 or less, you may pay with this return. See instructions	•
15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below 15	
➤ You MUST complete both pages of this form and SIGN it. Check one: Apply to next return.	Send a refund.
	Next -

Form 940: <a href="https://www.irs.gov/pub/irs-pdf/f940.pdf">www.irs.gov/pub/irs-pdf/f940.pdf</a>

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 112340

Form 940 (2018)

Nan	me (not your trade	name)	Employer identification number (EIN)
Par	t 5: Report	your FUTA tax liability by quarter only if line 12 is more than \$500.	If not, go to Part 6.
16		mount of your FUTA tax liability for each quarter; do NOT enter the amove the line blank.	ount you deposited. If you had no liability for
	16a 1st qua	rter (January 1 – March 31) 16a	
	16b 2nd qua	rter (April 1 – June 30)	
	16c 3rd qua	rter (July 1 – September 30)	
	16d 4th qua	rter (October 1 – December 31)	
17	Total tax liab	ility for the year (lines 16a + 16b + 16c + 16d = line 17) 17	Total must equal line 12.
Par	t 6: May we	speak with your third-party designee?	
	Do you want for details.	to allow an employee, a paid tax preparer, or another person to discuss	this return with the IRS? See the instructions
	Yes.	Designee's name and phone number	
	:	Select a 5-digit Personal Identification Number (PIN) to use when talking to I	IRS
	No.		
Par	t 7: Sign he	re. You MUST complete both pages of this form and SIGN it.	
	best of my kn fund claimed	es of perjury, I declare that I have examined this return, including accompan owledge and belief, it is true, correct, and complete, and that no part of any as a credit was, or is to be, deducted from the payments made to employee ased on all information of which preparer has any knowledge.	payment made to a state unemployment
X	Sign your	Print your name here	
<b>/</b> `	name here	Print your title here	
	Date	/ / Best daytime pho	one
	Paid Prepa	rer Use Only	Check if you are self-employed
	Preparer's na	me	PTIN
	Preparer's signature		Date / /
	Firm's name ( if self-employ		EIN
	Address		Phone
	City	State	ZIP code
Page	2		Form <b>940</b> (2018)

Form 940: <a href="https://www.irs.gov/pub/irs-pdf/f940.pdf">www.irs.gov/pub/irs-pdf/f940.pdf</a>

Page 2

## Schedule A (Form 940) for 2018:

9P0375

Multi-State Employer and Credit Reduction Information
Department of the Treasury — Internal Revenue Service

OMB No. 1545-0028

Employer identification number (EIN)	
Name (not your trade name)	

See the instructions on page 2. File this schedule with Form 940.

Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. For each state with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and enter the credit reduction amount. Don't include in the FUTA Taxable Wages box wages that were excluded from state unemployment tax (see the instructions for Step 2). If any states don't apply to you, leave them blank.

P Abbi	ostal eviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction		ostal eviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction
	AK		× 0.000			NC		× 0.000	
	AL		× 0.000			ND		× 0.000	
	AR		× 0.000			NE		× 0.000	
	AZ		× 0.000			NH		× 0.000	
	CA		× 0.000			NJ		× 0.000	
	co		× 0.000			NM		× 0.000	
	CT		× 0.000			NV		× 0.000	
	DC		× 0.000			NY		× 0.000	
	DE		× 0.000			ОН		× 0.000	
	FL		× 0.000			OK		× 0.000	
	GA		× 0.000			OR		× 0.000	
	HI	•	× 0.000			PA		× 0.000	
	IA		× 0.000			RI		× 0.000	
	ID		× 0.000		ļĹ	sc		× 0.000	
	IL		× 0.000		L	SD		× 0.000	
L	IN		× 0.000		Ļ	TN		× 0.000	
L	KS		× 0.000		Ļ	TX		× 0.000	
L	KY		× 0.000		<u> </u>	UT		× 0.000	
Ļ	LA		× 0.000		Ļ	VA		× 0.000	
L	MA		× 0.000		Ļ	VT		× 0.000	
Ļ	MD		× 0.000		Ļ	WA		× 0.000	
L	ME		× 0.000		Ļ	WI		× 0.000	
Ļ	MI		× 0.000		Ļ	wv		× 0.000	
	MN		× 0.000		Ļ	WY		× 0.000	
	MO		× 0.000		Ļ	PR		× 0.000	
	MS		× 0.000		ļL	VI		× 0.024	
	MT		× 0.000		<u> </u>				
	Total	Credit Reduction. Ad	ia ali amou	nts shown in the <i>Cre</i>	ait F	reducti	on boxes. Enter the total		

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 940.

Cat. No. 16997C

Schedule A (Form 940) 2018

Form 940 Schedule A - www.irs.gov/pub/irs-pdf/f940sa.pdf



## Forms W-2 & W-3 Instructions

#### Form W-2 - Annual Wage and Tax Statement:

- Must be given to each employee by January 31 of the following year
- ◆ Copy A of all Forms W-2 and Form W-3 Transmittal, must be sent to the Social Security Administration (SSA) by January 31 the following year.
- Whenever these due dates fall on a Saturday, Sunday or legal holiday, the due date is extended to the next business day

#### Form W-3 - Transmittal of Wage and Tax Statement:

- Original (pink copy), or SSA approved black & white copy from software, must accompany Copy A
  of W-2s to Social Security Administration, if filing on paper.
- ♦ Summarizes totals of various entries made on all W-2's

#### W-2 COPY DISTRIBUTION:

Total number of paper copies needed is eight (8)\* – Copy A (original pink copy or an SSA approved black & white copy from your software) and seven (7) additional copies.

\*NOTE\* New PA electronic filing requirements! https://www.etides.state.pa.us/

#### Employer:

- 1. Mail (Copy A) to SSA with Form W-3 (Federal due 01/31/18\*)
- 2. Mail, E-File or TeleFile State W-2 to Pennsylvania (State due 01/31/18) (Copy 1)
- \*If reporting 10 or more W-2's, you must file PA copies electronically beginning 2018. (Although PA DOR will grant a waiver for 2018, you are encouraged to comply this year.
- Mail or E-File copy to Berkheimer (or applicable tax agent) with local reconciliation (Local due 02/28/18) (Copy 2)
- 4. Retain one copy for employer's file (Copy D)

#### Employee: (to employee by 01/31/2019)

- 5. One copy to file with Federal tax return (1040) (Copy B)
- 6. One copy to file with State tax return (Copy 1)
- 7. One copy to file with local tax return (Copy 2)
- 8. One copy for employee's records (Copy C)

\*NOTE: Even if you file your <u>Federal or PA</u> W-2's electronically, the <u>due date</u> is still 01/31/2019, & only 7 paper copies will be needed. If you file electronically, <u>DO NOT file the same returns on paper</u>.

<u>Undeliverable W-2 Forms:</u> Keep for 4 years any employee copies of Form W-2 that you tried to deliver, but could not. Do not send undeliverable W-2 Forms to the SSA.

To Avoid Common Entry Errors: Type, using black ink. Use 12 point Courier font, if possible. Do not use script, inverted or italic fonts. Do not use dollar signs or commas, but do use decimal points showing the cents portion in the amounts. Keep entries inside the boxes provided, staying off the lines. Enter employee's first name and middle initial in first box, and surname in second box, with suffix (optional) in third box. Make sure to check the retirement plan box only when "appropriate" (see instructions).

Employers Terminating Operations: If you terminate your business, you must provide Forms W-2 to your employees for the calendar year of termination by the date your final Form 941 is required to be filed. You must also file Forms W-2 with the SSA by the end of the second month after the end of the quarter for which the final Form 941 is filed. Be advised that certain circumstances may dictate special rules, please contact us.



**Electronic Filing:** You may now file Forms W-2 on-line with the SSA. To begin using **BSO**, you must first complete a one-time registration process. Select the "Register" button at <a href="https://www.ssa.gov/bso/bsowelcome.htm">https://www.ssa.gov/bso/bsowelcome.htm</a>.

#### WHAT IS BUSINESS SERVICES ONLINE (BSO)?

Business Services Online offers Internet services for businesses and employers who exchange information with Social Security. This handbook focuses on wage reporting by employers as well as third-party submitters. As a registered Business Services Online user who selected wage reporting suite of services during registration, you are able to:

- Create/Resume Forms W-2/W-3 Online,
- Create/Resume Forms W-2c/W-3c Online,
- Save Submitted Reports to Your Computer,
- Submit/Resubmit a Formatted Wage File,
- Submit a Special Wage Payments File,
- Check W-2/W-2c reports for formatting accuracy before sending them to Social Security Administration,
- View Submission Status to check report status, errors, and notice information for previously submitted wage reports,
- View Employer Report Status to check report status or view errors for reports submitted for your company by a third party, and
- Request an Extension to File a Resubmission.

Select <u>User Registration Handbook</u> to view a Portable Document Format (PDF) version of *the Business Services Online Integrated Registration Services (IRES) User Registration Handbook*. Select <u>Wage Reporting Handbook</u> to view a PDF version of the Wage Reporting Handbook.

#### **NEW FOR TAX YEAR 2018**

The following are new for Tax Year 2018:

- All EWR applications:
  - Add Tax Year 2018;
  - Change references from Tax Year 2017 (TY17) to Tax Year 2018 (TY18);
  - o Remove all references related Tax Year 2014 (TY14);
  - Update Quarter of Coverage (QC);
  - o Update Federal Insurance Contribution Act (FICA) maximum wages; and
  - Update EWR supporting documents and services, including Electronic W-2 Filing Handbook, EWR Demo and ApPages, EWR Tutorials (English and Spanish), Employer W-2 Filing Instructions and Information websites, and Employer Support website.
- W-2 Online and W-2c Online
  - o Add a new box 12 code "GG". Code GG is used to report the income from qualified equity grants under section 83(i).
  - Add a new box 12 code "HH". Code HH is used to report the aggregate deferrals under section 83(i) elections as of the close of the calendar year.

For additional BSO information, visit - <a href="https://www.ssa.gov/employer/bsohbnew.htm">https://www.ssa.gov/employer/bsohbnew.htm</a>



#### SOCIAL SECURITY ADMINISTRATION CONTACT INFORMATION

For information about Social Security programs and benefits: By calling 800-772-1213, you can use our automated telephone services to get recorded information and conduct some business 24 hours a day. If you cannot handle your business through our automated services, you can speak to a Social Security representative between 7 a.m. and 7 p.m. Monday through Friday. Generally, you'll have a shorter wait time if you call during the week after Tuesday. If you are deaf or hard of hearing, call our toll-free TTY number, 800-325-0778, between 7 a.m. and 7 p.m. Monday through Friday.

#### **Employer Reporting Service Center**

Social Security's toll-free line to help employers with registering or access to business services: Phone: 800-772-6270 (TTY 800-325-0778) Monday through Friday, 7 a.m. to 7 p.m., Eastern Time

E-mail: <a href="mailto:ssa.comments@ssa.gov">ssa.comments@ssa.gov</a>

#### **Employer Service Liaison Officers and Staff**

<u>Contact an expert</u> in one of the Social Security's Regional Offices who can provide technical wage reporting information and expertise.

#### Electronic W-2/W-2c Reporting Using the Business Services Online Website

For questions about using Social Security's <u>Business Services Online</u> website for filing Forms W-2 electronically: Phone: 888-772-2970 (TTY 800-325-0778) Monday through Friday, 8:30 a.m. to 4 p.m., Eastern Time / Fax: 410-597-0237

E-mail: bso.support@ssa.gov

#### **Local Office Search**

Follow this link to find out how to contact a local office.

#### WHERE TO FILE W-2'S:

FEDERAL	PENNSYLVANIA
Online: http://www.ssa.gov/bso/bsowelcome.htm	Online: www.etides.state.pa.us
First Class Mail with Form W-3 to:	If 10 or fewer employees:
Social Security Administration	First Class Mail with form REV-1667 to:
Data Operations Center	PA Department of Revenue
Wilkes-Barre, PA 18769-0001	P.O. Box 280412
	Harrisburg, PA 17128-0412
(Certified Mail: use ZIP: 18769-0002)	If 10 or fewer employees:
	TeleFile at: 800-748-8299
Other than US Mail: add	LOCAL (Berkheimer "for most in our area")
ATTN: W-2 Process	Online: www.hab-inc.com
1150 E. Mountain Drive	
and change ZIP code to 18702-7997	First Class Mail with Form W-2R to:
	HAB-EMP REC
	PO Box 25113
	Lehigh Valley, PA 18002-5113

55555	Void	a Employe	e's social security number	For Offic OMB No				
<b>b</b> Employer identif	fication number (	EIN)				1 1	Wages, tips, other compensatio	on 2 Federal income tax withheld
c Employer's nam	e, address, and	ZIP code				3	Social security wages	4 Social security tax withheld
						5	Medicare wages and tips	6 Medicare tax withheld
						7	Social security tips	8 Allocated tips
d Control number						9	Verification code	10 Dependent care benefits
e Employee's first	name and initial	Las	t name		Suff.		Nonqualified plans	12a See instructions for box 12
							Statutory Rethrement Third-pa employee plan sick play	arhy 12b
						14 (	Other	12c
								12d
f Employee's addr								
15 State Employs	er's state ID num	ber	16 State wages, tips, etc.	17 State	Incom	ne tax	18 Local wages, tips, etc.	. 19 Local Income tax 20 Locality nar
Form -	Wage an		atement	2 (	]]	լ 6		nt of the Treasury—Internal Revenue Servi For Privacy Act and Paperwork Reduction Act Notice, see the separate instruction

Do Not Cut, Fold, or Staple Forms on This Page

#### Attention:

You may file Forms W-2 and W-3 electronically on the SSA's <a href="Employer W-2 Filing Instructions and Information">Employer</a> W-2 Filing Instructions and Information web page, which is also accessible at <a href="https://www.socialsecurity.gov/employer">www.socialsecurity.gov/employer</a>. You can create fill-in versions of Forms W-2 and W-3 for filing with SSA. You may also print out copies for filing with state or local governments, distribution to your employees, and for your records.

**Note:** Copy A of this form is provided for informational purposes only. Copy A appears in red, similar to the official IRS form. The official printed version of this IRS form is scannable, but the online version of it, printed from this website, is not. Do **not** print and file Copy A downloaded from this website with the SSA; a **penalty** may be imposed for filing forms that can't be scanned. See the penalties section in the current <u>General Instructions for Forms W-2 and W-3</u>, available at <a href="https://www.irs.gov/w2">www.irs.gov/w2</a>, for more information.

Please note that Copy B and other copies of this form, which appear in black, may be downloaded, filled in, and printed and used to satisfy the requirement to provide the information to the recipient.

To order official IRS information returns such as Forms W-2 and W-3, which include a scannable Copy A for filing, go to IRS' Online Ordering for Information Returns and Employer Returns page, or visit <a href="https://www.irs.gov/orderforms">www.irs.gov/orderforms</a> and click on Employer and Information returns. We'll mail you the scannable forms and any other products you order.

See IRS Publications <u>1141</u>, <u>1167</u>, and <u>1179</u> for more information about printing these tax forms.

HBK also orders laser forms - call us!

Form W-3 to the Social Security Administration; photocopies are not acceptable.

http://www.irs.gov/pub/irs-pdf/fw2.pdf

Cat. No. 10134D

For detailed and specialized reporting instructions, please refer to the IRS provided instruction booklet or find on-line at <a href="http://www.irs.gov/pub/irs-pdf/iw2w3.pdf">http://www.irs.gov/pub/irs-pdf/iw2w3.pdf</a>

#### DO NOT STAPLE

33333 a Control num	ber For	Official Use Only ►	
33333	OM	B No. 1545-0008	
Kind of Payer (Check one)	Military 943 9 Hshid. Medicare emp. govt. emp.	Kind State/local	Of c non-govt.  Third-party slock pay slock pay (Check If applicable)
c Total number of Forms W-2 d Establishment number		1 Wages, ttps, other compensation	2 Federal Income tax withheld
e Employer Identification number (E	EIN)	3 Social security wages	4 Social security tax withheld
f Employer's name		5 Medicare wages and tips	6 Medicare tax withheld
		7 Social security tips	8 Allocated tips
		9	10 Dependent care benefits
g Employer's address and ZIP cod	e	11 Nonqualified plans	12a Deferred compensation
h Other EIN used this year		13 For third-party sick pay use only	12b
15 State Employer's state ID n		14 Income tax withheld by payer of third-par	
16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local Income tax
Employer's contact person		Employer's telephone number	For Official Use Only
Employer's fax number		Employer's email address	

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ► Title ► Date

### Form W-3 Transmittal of Wage and Tax Statements

5078

Department of the Treasury Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

#### Reminder

Separate instructions. See the 2018 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

#### Purpose of Form

Complete a Form W-3 Transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't file Form W-3 alone. All paper forms must comply with IRS standards and be machine readable. Photocopies are not acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for four years.

#### E-Filing

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- W-2 Online. Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.
- File Upload. Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's Specifications for Filing Forms W-2 Electronically (EFW2).

W-2 Online fill-in forms or file uploads will be on time if submitted by January 31, 2019. For more information, go to www.SSA.gov/bso. First time filers, select "Register"; returning filers select "Log In."

#### When To File Paper Forms

Mail Form W-3 with Copy A of Form(s) W-2 by January 31, 2019.

#### Where To File Paper Forms

Send this entire page with the entire Copy A page of Form(s) W-2 to:

Social Security Administration Direct Operations Center Wilkes-Barre, PA 18769-0001

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Publication 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10159Y

https://www.irs.gov/pub/irs-pdf/fw3 17.pdf



## Reporting Employer Sponsored Health Coverage on Forms W-2 and W-3

Reporting the cost of employee health insurance remains optional for smaller employers for 2018 wage reporting. However, this reporting is mandatory for employers that were required to file at least 250 Forms W-2 for the preceding calendar year.

The amount to be reported includes both the employer-paid and employee-paid portions, and may include premiums for other types of health coverage as well. This cost, which is not treated as taxable income to the employee, is reported in Box 12, Code DD.

Additional guidance is displayed below, and at the following IRS link:
<a href="https://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage">https://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage</a>

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families). However, federally recognized Indian tribal governments are not subject to this requirement.

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

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#### **Transition Relief**

For certain employers, types of coverage and situations, there is transition relief from the requirement to report the value of coverage beginning with the 2012 Forms W-2. This transition relief first applied to the 2013 Forms W-2 that were issued in 2014. The relief applies for the 2015 tax year and will continue to apply to future calendar years until the IRS publishes additional guidance. (Note: employers generally are required to provide employees with the 2015 Forms W-2 in January 2016.) Any guidance that expands the reporting requirements will apply only to calendar years that start at least six months after the guidance is issued. See the "Optional Reporting" column in the below chart for the employers, types of coverage, and situations eligible for the transition relief.

#### Reporting on the Form W-2

Employers that are subject to this requirement should report the value of the health care coverage in Box 12 of the Form W-2, with Code DD to identify the amount. There is no reporting on the Form W-3 of the total of these amounts for all the employer's employees.



In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. See the chart, below, and the <u>questions and answers</u> for more information.

An employer is not required to issue a Form W-2 solely to report the value of the health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide a Form W-2.

The chart below illustrates the types of coverage that employers must report on the Form W-2. Certain items are listed as "optional" based on transition relief provided by Notice 2012-9 (restating and clarifying Notice 2011-28). Future guidance may revise reporting requirements but will not be applicable until the tax year beginning at least six months after the date of issuance of such guidance.

The chart reviews the reporting requirements for Box 12, Code DD, and has no impact on requirements to report these items elsewhere. For example, while contributions to Health Savings Arrangements (HSA) are not to be reported in Box 12, Code DD, certain HSA contributions are reported in Box 12, Code W (see <u>General Instructions for Forms W-2 and W-3</u>).

https://www.irs.gov/affordable-care-act/form-w-2-reporting-of-employer-sponsored-health-coverage

Page Last Reviewed or Updated: 20-Jun-2018

## Form W-2 Reporting of Employer-Sponsored Health Coverage

	Form W-2, Box 12, Code DD			
Coverage Type	Report	Do Not Report	Optional	
Major medical	Х			
Dental or vision plan not integrated into another medical or health plan			Х	
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			Х	
Health Flexible Spending Arrangement (FSA) funded solely by salary- reduction amounts		X		
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	Х			
Health Reimbursement Arrangement (HRA) contributions			Х	
Health Savings Arrangement (HSA) contributions (employer or employee)		Х		
Archer Medical Savings Account (Archer MSA) contributions (employer or employee)		Х		
Hospital indemnity or specified illness (insured or self-funded), paid on after-tax basis		X		
Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer	Х			
Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium	
On-site medical clinics providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium	
Wellness programs providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium	



## Form W-2 Reporting of Employer-Sponsored Health Coverage (Continued)

	Form W-2, Box 12, Code DD					
Coverage Type	Report	Report Do Not Report				
Multi-employer plans			Χ			
Domestic partner coverage included in gross income	Χ					
Governmental plans providing coverage primarily for		X				
members of the military and their families		^				
Federally recognized Indian tribal government plans and						
plans of tribally charted corporations wholly owned by a		X				
federally recognized Indian tribal government						
Self-funded plans not subject to Federal COBRA			Х			
Accident or disability income		Х				
Long-term care		Х				
Liability insurance		Х				
Supplemental liability insurance		Х				
Workers' compensation		Х				
Automobile medical payment insurance		Х				
Credit-only insurance		Х				
Excess reimbursement to highly compensated individual,		X				
included in gross income		^				
Payment/reimbursement of health insurance premiums for						
2% shareholder-employee, included in gross income		X				
Other Situations	Report	Do Not Report	Optional			
Employers required to file fewer than 250 Forms W-2 for the						
preceding calendar year (determined without application of			Χ			
any entity aggregation rules for related employers)						
Forms W-2 furnished to employees who terminate before the						
end of a calendar year and request, in writing, a Form W-2			Χ			
before the end of that year						
Forms W-2 provided by third-party sick-pay provider to			Х			
employees of other employers			۸			

The chart was created at the suggestion of and in collaboration with the IRS' Information Reporting Program Advisory Committee (IRPAC). IRPAC's members are representatives of industries responsible for providing information returns, such as Form W-2, to the IRS. IRPAC works with IRS to improve the information reporting process.

### **Related Information:**

IR-2011-31, IRS Issues Interim Guidance on Informational Reporting of Employer-Sponsored Health Coverage Notice 2010-69, Interim Relief with Respect to Form W-2 Reporting of the Cost of Coverage of Group Health Webinar, Reporting of Employer Healthcare Coverage on Form W-2.



## **Changes to Note for Completing Forms W-2 and W-3**

#### What's New

Leave-based donation programs to aid victims of Hurricanes and Tropical Storms Harvey, Irma, and Maria, and the 2017 California Wildfires. Under these programs, employees may donate their vacation, sick, or personal leave in exchange for employer cash payments made before January 1, 2019, to qualified tax-exempt organizations providing relief for the victims of Hurricane Harvey and Tropical Storm Harvey, Hurricane Irma and Tropical Storm Irma, Hurricane Maria and Tropical Storm Maria, and the California Wildfires that began on October 8, 2017. The donated leave need not be included in the income or wages of the employee. The employer may deduct the cash payments as business expenses or charitable contributions. For more information, impacted taxpayers should see the following:

- For Hurricane Harvey and Tropical Storm Harvey, see Notice 2017-48, 2017-39 I.R.B. 254 at <u>IRS.gov/irb/</u> 2017-39 IRB#NOT-2017-48,
- For Hurricane Irma and Tropical Storm Irma, see Notice 2017-52, 2017-40 I.R.B. 262 at <u>IRS.gov/irb/</u> 2017-40 IRB#NOT-2017-52,
- For Hurricane Maria and Tropical Storm Maria, see Notice 2017-62, 2017-44 I.R.B. 460 at <u>IRS.gov/irb/</u> 2017-44 IRB#NOT-2017-62, and
- For the California Wildfires, see Notice 2017-70, 2017-48 I.R.B. 543 at IRS.gov/irb/ 2017-48 IRB#NOT-2017-70.

Suspension of exclusion for qualified moving expense reimbursements. The Tax Cuts and Jobs Act (Public Law 115-97) temporarily suspends the exclusion for qualified moving expense reimbursements under section 132(a)(6) and (g). However, the exclusion still applies for a member of the Armed Forces of the United States on active duty who moves under a military order to a permanent change of station. This change is effective for taxable years beginning after December 31, 2017, and before January 1, 2026. See P.L. 115-97, section 11048 and Code P—Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces for more information.

Combat pay of members of the Armed Forces performing services in the Sinai Peninsula of Egypt. The Tax Cuts and Jobs Act also temporarily makes the Sinai Peninsula of Egypt a qualified hazardous duty area. Treat this hazardous duty area as a combat zone for the exclusion from income of certain combat pay under section 112 and exclusion from wages under section 3401(a)(1). For purposes of withholding, this change generally applies to remuneration paid during the period December 22, 2017 through December 31, 2017, and taxable years 2018 through 2025. For more information, including a special rule for non-calendar year tax years for the period that includes December 22, 2017, see P.L. 115-97, section 11026.

New qualified equity grants under section 83(i). The Tax Cuts and Jobs Act added section 83(i) for "qualified equity grants." The law also added new Form W-2 reporting requirements for these grants. Employers with employees who have qualified equity grants must report the amount includible in gross income under section 83(i) for an event which occurs in the calendar year in box 12 using code GG. Also, employers must report the aggregate amount of income which employees elect to defer under section 83(i) as of the close of the calendar year in box 12, using code HH. See P.L. 115-97, section 13603 for more information. See also <u>Code GG—Income from qualified equity grants under section 83(i)</u> and <u>Code</u>

HH—Aggregate deferrals under section 83(i) elections as of the close of the calendar year.

Penalties increased. Failure to file and failure to furnish penalties and penalties for intentional disregard of filing and payee statement requirements have increased due to adjustments for inflation. The higher penalty amounts apply to returns required to be filed after December 31, 2018. See <u>Penalties</u> for more information.

#### Reminders

Due date for filing with SSA. The due date for filing 2018 Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3, and W-3SS with the SSA is January 31, 2019, whether you file using paper forms or electronically.

Extensions of time to file. Extensions of time to file Form W-2 with the SSA are no longer automatic. You may request one 30-day extension to file Form W-2 by submitting a complete application on Form 8809, Application for Extension of Time To File Information Returns, including a detailed explanation of why you need additional time and signed under penalties of perjury. The IRS will only grant the extension in extraordinary circumstances or catastrophe. See <a href="Extension of time to file Forms W-2 with the SSA">Extension of time to file Forms W-2 with the SSA</a> for more information. This does not affect extensions of time to furnish Forms W-2 to employees for more information.

These are excerpts from the 2018 IRS W-2 and W-3 Instruction Booklet. There are other items of note which may be pertinent to your situation. Please review the 2018 Instruction Booklet or go to the booklet on-line at the link below.

http://www.irs.gov/pub/irs-pdf/iw2w3.pdf



## Pennsylvania Income Tax Withholding

Since January 2006, <u>ALL</u> employer withholding tax quarterly reports and deposits must be made electronically via E-Tides (or Telefile [not recommended].)

Every employer with an office or transacting business in the Commonwealth of Pennsylvania and making payments to resident or nonresident individuals performing services within the Commonwealth must comply with all depository, reporting and filing requirements of the Commonwealth.

A new employer completes Form PA-100, Pennsylvania Combined Registration Application Form and Instructions, using the federal employer identification number (EIN) issued by the Internal Revenue Service, to register for PA withholding. This application can be completed online at <a href="https://www.pa100.state.pa.us">www.pa100.state.pa.us</a>.

Compensation which is subject to Pennsylvania personal income tax withholding includes salaries, wages, commissions, bonuses and incentive payments, fees, tips and similar remuneration received for services rendered whether in cash or in property.

#### As of the date of this publication, the PA withholding rate for 2019 remains at 3.07%.

Pennsylvania has reciprocal agreements with six states: Indiana, Maryland, New Jersey, Ohio, Virginia and West Virginia. If your employee is a resident of one of these states, you must contact their home state and register to withhold the appropriate state tax if the employee wishes. The employee must complete PA Form REV-419 – Employee's Non-Withholding Application Certificate.

https://www.revenue.pa.gov/GeneralTaxInformation/Tax%20Types%20and%20Information/PIT/TaxForgiveness/Pages/Nonwithholding.aspx

https://www.revenue.pa.gov/FormsandPublications/FormsforIndividuals/PIT/Documents/rev-419.pdf

**NOTE:** Unless the state of residence changes, residents of the reciprocal states **DO NOT** need to refile this application every year.



## Pennsylvania Income Tax Withholding Deposit Requirements

#### **Estimated Annual Tax**

#### Due On or Before

If total tax withheld is expected to be \$20,000 or more	Semiweekly: due on Wednesday after paydate If the paydate falls on Wed, Thur or Fri. If paydate falls on Sat, Sun, Mon or Tues, tax is due the following Friday.
If total tax withheld is expected to be at least \$4,000 but less than \$20,000	Semimonthly: within 3 banking days after close of each semi-monthly period (i.e., the 15 <sup>th</sup> and last day of month)
If total tax withheld is expected to be at least \$1,200 but less than \$4,000	<b>Monthly:</b> on or before the 15 <sup>th</sup> day of succeeding month
If total tax withheld is expected to be less than \$1,200	Quarterly: on or before the last day of month following end of quarter*  *Quarterly filers transmit their payment together with their PA W-3 quarterly reconciliation return.

All employers are required to file a PA W-3 reconciliation return for each quarter as follows:

<u>Quarter</u>	Due On Or Before
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

<u>Quarterly filers</u> (as discussed above) must transmit their payment and reconcile the quarterly account via E-Tides or TeleFile by filing the PA W-3 return - "Employer Quarterly Deposit Statement and Return of Income Tax Withheld".

<u>Monthly, semiweekly and semimonthly type filers</u> must file payments (PA 501) and the "Employer Quarterly Return of Income Tax Withheld" (PA W-3) via E-Tides or TeleFile.

TeleFile: 800-748-8299 / 800-447-3020 only for TT / special hearing/speaking needs.

E-Tides: <a href="http://www.etides.state.pa.us">http://www.etides.state.pa.us</a>

If any amount of tax required to be withheld is not reported and paid in full on or before the payment due date, simple interest will be charged daily from the date the tax is due and payable to the date of payment. This interest rate is determined annually by the PA Department of Revenue.

Failure to file a quarterly return may result in the imposition of additional tax of 5% per month or fraction thereof of the amount shown on the return (minimum \$5, maximum 25%). Additionally, failure to pay withheld tax to the Department on or before the due date for filing the quarterly return will result in an additional tax of 5% per month of the underpayment for each month or fraction thereof (maximum 50%).



#### EFT Payment Requirement <a href="https://revenue-pa.custhelp.com/app/answers/detail/a\_id/998">https://revenue-pa.custhelp.com/app/answers/detail/a\_id/998</a>

Am I required to pay my business taxes electronically?

You are required to remit payments electronically when the payment amount(s) meets or exceeds \$1,000. If your payment is less than \$1,000, you may voluntarily remit your payment electronically.

Sales tax, employer withholding and corporation tax payments can be remitted electronically through e-TIDES at <a href="http://www.etides.state.pa.us/">http://www.etides.state.pa.us/</a> or through TeleFile at 800-748-8299. <a href="https://www.etides.state.pa.us/">E-TIDES Home Page</a>

**Important Notice:** To comply with industry standards for security, the Department of Revenue has made modifications to implement new complexity rules for our e-Signature Passwords. These changes are scheduled to take place in the near future. With the exception of these new requirements you should not notice any difference when logging in.

#### Password

- Minimum Password length will be 8 characters
- Maximum Password length will be 20 characters
- Must contain a combination of at least 3 of the following
  - ° Upper/Lower case letters
  - <sup>o</sup> Numbers
  - ° Special characters @ {:).[^\_} ~ \*], \$ (

Upon login all users will be required to change their Password if they do not meet the minimum requirements. Your new Password must meet these security standards or the change will not be allowed, and you will receive an error message.

Prior to the department implementing these security changes, you can update your Password to meet these requirements under the User Profile link.

**W-2 Information:** The year-end W-2 filing due date for 2018 is **January 31, 2019**. You can file your W-2 transmittals (REV-1667), employee wage statements and 1099-R forms through a multi-import file upload. Select the "Instructions" link from the left navigation menu, scroll down to the "Multi-Import" section and select "File Specifications" for more information.

**1099-Misc Information:** Under Act 85 of 2012, entities paying either nonemployee compensation for Pennsylvania-based work or Pennsylvania-source oil/gas lease payments are required to submit copies of federal forms 1099-MISC to the department. Click the following link for more information:

1099-Miscellaneous Overview.

#### Important Change

The PA Department of Revenue has changed the electronic filing requirement threshold for W-2 wage records. If you are providing and/or reporting 10 or more W-2 wage records on the Annual Withholding Reconciliation Statement (REV-1667), they must now be filed electronically. The department will grant a waiver with regard to the electronic filing threshold change for the 2018 tax period, however, you are encouraged to file this information electronically. It's quick, easy, and secure.

--- 11/19/2018

#### W-2/1099 Changes for Tax Year 2018 and Filing Due Date

The PA Department of Revenue has made multiple changes to the EFW2 and .CSV format specifications for filing the W-2/1099 information for tax year 2018. There will be a blackout period at the end of the year starting on Dec. 17, 2018 through Jan. 2, 2019. During this timeframe, you will not be able to upload any W-2/1099 file information in e-TIDES. You will still be able to upload other employer file types. Beginning on Jan. 3, 2019, all W-2/1099 files uploaded must reflect these changes.

Your 2018 employee wage records, 1099-R distributions, 1099-MISC income, and the Annual Withholding Reconciliation Statement REV-1667 (Transmittal) are due on Jan. 31, 2019.

https://www.etides.state.pa.us/



e-911 Surcharge Changes: Effective Aug. 1, 2015, the tax rate for pre-paid telecommunication services and wireless telephones subject to the pre-paid wireless emergency-911 surcharge (pre-paid e-911 surcharge) will change from \$1.00 to \$1.65 per retail transaction. This surcharge is collected on each retail transaction regardless of whether the service or pre-paid wireless telephone is purchased in person, by telephone, through the Internet or by any other method. The pre-paid e-911 surcharge is to be charged and collected by the retailer in addition to any other charges or fees and is not to be included for purposes of calculating sales tax.

Also effective Aug. 1, 2015, the discount available to retailers that timely remit pre-paid e-911 surcharge returns and payments will go from 3 percent to 1.5 percent. This discount is separate from the 1 percent discount available for timely remitting sales tax returns and payments and will automatically be calculated by the department.

Additionally, retailers are responsible for keeping records detailing non-retail sales transactions, which may be requested for review by the department.

#### PA Business Tax e-Services TeleFile

Use the Department's TeleFile system to quickly and easily file payments - including assessment, billing, late and notice payments - for corporation taxes, employer withholding, malt beverage tax, public transportation assistance fund tax/fees, sales/use tax, unstampable little cigar tax and vehicle rental tax using a touch-tone telephone. The toll-free number is 800-748-8299.

Transmission of your TeleFile tax return and ACH Debit payment must be completed before 11:59 PM Eastern Time on or before the due date in order to be considered timely.

Select a type of tax below to see what information you will need to use TeleFile:

Assessment/Billing/Late-File Notice Payments
Corporation Taxes

Employer Withholding

Malt Beverage Tax

Public Transportation Assistance Fund Taxes and Fees

Sales/Use Tax

Unstampable Little Cigar Tax

**Vehicle Rental Tax** 



REV-1716 (AS) 11-18



HARRISBURG PA 17128-0904

## 2019 FILING AND REMITTANCE DUE DATES

(EMPLOYER, W-2 AND 1099 FORMS)

SEMI-MONTHLY REMITTANCE PERIOD END DATE: 15TH AND LAST DAY OF MONTH PA-501 DUE DATES		MONTHLY REMITTANCE PERIOD END DATE: LAST DAY OF MONTH PA-501 DUE DATES		MONTHLY, SEMI-MONTHLY AND SEMI-WEEKLY FILERS W-3 DUE DATES		QUARTERLY FILERS PA-501/W-3 DUE DATES	
01/18/2019 02/05/2019 02/21/2019 03/05/2019 03/20/2019	07/18/2019 08/05/2019 08/20/2019 09/05/2019 09/18/2019	02/15/2019 03/15/2019 04/15/2019 05/15/2019 06/17/2019		04/30/2019 07/31/2019 10/31/2019 01/31/2020		04/30/2019 07/31/2019 10/31/2019 01/31/2020	
04/03/2019 10/03/2019 04/18/2019 10/18/2019 05/03/2019 11/05/2019 05/20/2019 11/20/2019 06/05/2019 12/04/2019 06/19/2019 12/18/2019 07/03/2019 01/06/2020		07/15/2019 08/15/2019 09/16/2019 10/15/2019 11/15/2019 12/16/2019 01/31/2020	ALL FILERS  The REV-1667 Annual Withholding Reconciliation Statement along with the accompanying individual W-2/1099 tax statements must be submitted with the department by January 31, 2020.				

#### 2019 SEMI-WEEKLY REMITTANCE DUE DATES

1ST QUARTER 2019 PERIOD ENDING 03-31-2019		2ND QUARTER 2019 PERIOD ENDING 06-30-2019		3RD QUARTER 2019 PERIOD ENDING 09-30-2019		4TH QUARTER 2019 PERIOD ENDING 12-31-2019	
PAYROLL DATES	DUE	PAYROLL DATES	DUE DATES	PAYROLL DATES	DUE DATES	PAYROLL DATES	DUE DATES
01/01	01/04/2019	04/01 - 04/02	04/05/2019	07/01 - 07/02	07/05/2019	10/01	10/04/2019
01/02 - 01/04	01/09/2019	04/03 - 04/05	04/10/2019	07/03 - 07/05	07/10/2019	10/02 - 10/04	10/09/2019
01/05 - 01/08	01/11/2019	04/06 - 04/09	04/12/2019	07/06 - 07/09	07/12/2019	10/05 - 10/08	10/11/2019
01/09 - 01/11	01/16/2019	04/10 - 04/12	04/17/2019	07/10 - 07/12	07/17/2019	10/09 - 10/11	10/16/2019
01/12 - 01/15	01/18/2019	04/13 - 04/16	04/19/2019	07/13 - 07/16	07/19/2019	10/12 - 10/15	10/18/2019
01/16 - 01/18	01/23/2019	04/17 - 04/19	04/24/2019	07/17 - 07/19	07/24/2019	10/16 - 10/18	10/23/2019
01/19 - 01/22	01/25/2019	04/20 - 04/23	04/26/2019	07/20 - 07/23	07/26/2019	10/19 - 10/22	10/25/2019
01/23 - 01/25	01/30/2019	04/24 - 04/26	05/01/2019	07/24 - 07/26	07/31/2019	10/23 - 10/25	10/30/2019
01/26 - 01/29	02/01/2019	04/27 - 04/30	05/03/2019	07/27 - 07/30	08/02/2019	10/26 - 10/29	11/01/2019
01/30 - 02/01	02/06/2019	05/01 - 05/03	05/08/2019	07/31 - 08/02	08/07/2019	10/30 - 11/01	11/06/2019
02/02 - 02/05	02/08/2019	05/04 - 05/07	05/10/2019	08/03 - 08/06	08/09/2019	11/02 - 11/05	11/08/2019
02/06 - 02/08	02/13/2019	05/08 - 05/10	05/15/2019	08/07 - 08/09	08/14/2019	11/06 - 11/08	11/13/2019
02/09 - 02/12	02/15/2019	05/11 - 05/14	05/17/2019	08/10 - 08/13	08/16/2019	11/09 - 11/12	11/15/2019
02/13 - 02/15	02/20/2019	05/15 - 05/17	05/22/2019	08/14 - 08/16	08/21/2019	11/13 - 11/15	11/20/2019
02/16 - 02/19	02/22/2019	05/18 - 05/21	05/24/2019	08/17 - 08/20	08/23/2019	11/16 - 11/19	11/22/2019
02/20 - 02/22	02/27/2019	05/22 - 05/24	05/29/2019	08/21 - 08/23	08/28/2019	11/20 - 11/22	11/27/2019
02/23 - 02/26	03/01/2019	05/25 - 05/28	05/31/2019	08/24 - 08/27	08/30/2019	11/23 - 11/26	12/02/2019
02/27 - 03/01	03/06/2019	05/29 - 05/31	06/05/2019	08/28 - 08/30	09/04/2019	11/27 - 11/29	12/04/2019
03/02 - 03/05	03/08/2019	06/01 - 06/04	06/07/2019	08/31 - 09/03	09/06/2019	11/30 - 12/03	12/06/2019
03/06 - 03/08	03/13/2019	06/05 - 06/07	06/12/2019	09/04 - 09/06	09/11/2019	12/04 - 12/06	12/11/2019
03/09 - 03/12	03/15/2019	06/08 - 06/11	06/14/2019	09/07 - 09/10	09/13/2019	12/07 - 12/10	12/13/2019
03/13 - 03/15	03/20/2019	06/12 - 06/14	06/19/2019	09/11 - 09/13	09/18/2019	12/11 - 12/13	12/18/2019
03/16 - 03/19	03/22/2019	06/15 - 06/18	06/21/2019	09/14 - 09/17	09/20/2019	12/14 - 12/17	12/20/2019
03/20 - 03/22	03/27/2019	06/19 - 06/21	06/26/2019	09/18 - 09/20	09/25/2019	12/18 - 12/20	12/26/2019
03/23 - 03/26	03/29/2019	06/22 - 06/25	06/28/2019	09/21 - 09/24	09/27/2019	12/21 - 12/24	12/27/2019
03/27 - 03/29	04/03/2019	06/26 - 06/28	07/03/2019	09/25 - 09/27	10/02/2019	12/25 - 12/27	01/02/2020
03/30 - 03/31	04/05/2019	06/29 - 06/30	07/05/2019	09/28 - 09/30	10/04/2019	12/28 - 12/31	01/03/2020

Returns are to be filed whether or not taxable transactions occur in a period. File and remit payments using one of the following electronic options:

- e-TIDES File tax returns and remit payments to the department online using e-TIDES, a free business tax filing system available to all registered account holders. Visit www.etides.state.pa.us to register for e-TIDES.
- TeleFile TeleFile provides a fast and secure way to file tax returns and remit payments by calling, toll-free, 1-800-748-8299.
- Third-Party Vendors Approved third-party vendors provide for secure transmission for filing and paying. Visit www.revenue.pa.gov to learn more about this paperless filing option.

https://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/EmployerWithholding/Documents/2019\_rev-1716.pdf



#### TO FILE ONLINE:

First time e-TIDES users must register at **www.etides.state.pa.us**, creating a User ID and Password.

#### Step One

Select "Enter e-TIDES."

- Select "Register," located at the bottom of the page.
- Select "I Agree" to the e-Signature Agreement to create your User ID and Password.

Write your User ID and Password below and keep them in a secure location.

#### Step Two

- Select "Register Enterprise" from the left navigation.
- Choose tax type and select "Next."
- Select "I Agree" to the agreement.
- Enter a combination of two of the following account identifiers: Account ID number, 10-digit Revenue ID number and Entity ID number, select the type of entity from the drop-down box, then select "Next."

#### Additional Online Help

For instructions and other information, select "Instructions" from the left navigation of the e-TIDES screen.

- Visit the e-TIDES Online Demonstration.
- Access the Online Customer Service Center at www.revenue.pa.gov.

User ID \_\_\_\_\_\_\_Password\_\_\_\_\_\_

IMPORTANT: Keep your User ID and Password in a secure location.

**Electronic Funds Transfer (EFT) Change** – Effective Jan. 1, 2014, taxpayers remitting payments of \$1,000 or more are required to remit using an approved electronic funds transfer (EFT) method.

## TO FILE OVER THE TELEPHONE, CALL TELEFILE AT 1-800-748-8299.

All filers (semi-monthly, semi-weekly, monthly and quarterly) will need to provide the following information:

- 8-digit PA Employer Withholding Account ID Number;
- 9-digit Entity ID (EIN, SSN) or 10-digit Revenue ID;
- 8-digit tax period end date (see reverse side).

If making a payment (501 Deposit):

- Total compensation subject to PA tax is not required to make a payment.
- If no PA tax was withheld, no payment transaction is required.
- Semi-monthly, semi-weekly and monthly filers will need the total amount of PA tax withheld for the tax period total.
- Banking information (routing number, account number and account type) is required.

If filing a Quarterly Reconciliation (W3), you will need to provide the following:

- Total compensation subject to PA tax for the quarter;
- Total amount of PA tax withheld per period (semi-monthly, semi-weekly and monthly filers only);
- Total amount of PA tax withheld for the quarter; and
- Total deposits for the quarter (including verified overpayments).

If filing an Annual Reconciliation (W-2 Transmittal) you will need to provide the following:

- Total number of individual W-2s (maximum of 10);
- Total compensation subject to PA tax for each quarter;
- Total PA income tax withheld for each quarter;
- 9-digit SSN, total PA compensation, and total PA income tax withheld for each W-2; and
- 8-digit tax period end date (see reverse side).

A confirmation number will be provided as proof of filing. Please record this number for future reference.

File electronically using e-TIDES at www.etides.state.pa.us



## Pennsylvania Income Tax Withholding Annual / Final Filing

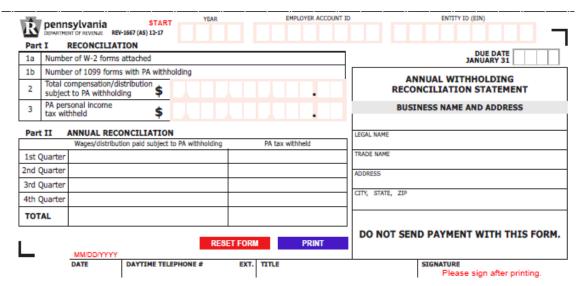
A Wage and Tax Statement (W-2) for each employee must be submitted to the Pennsylvania Department of Revenue by January 31 following the year of compensation or thirty days from the termination of business if the business terminated during the calendar year.

W-2 forms may be submitted to the Pennsylvania Department of Revenue with the W-2 Transmittal (Rev-1667) via E-TIDES, TeleFile (for up to 10 employees) or by mail.

\*NOTE\* New PA electronic filing requirements!

https://www.etides.state.pa.us/

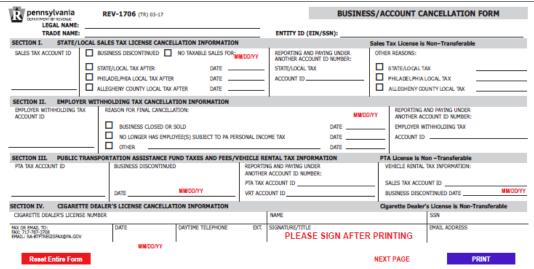
If reporting 10 or more W-2's, you must file PA copies electronically beginning 2018. (Although PA DOR will grant a waiver for 2018, you are encouraged to comply this year.



https://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/EmployerWithholding/Documents/rev-1667r.pdf

#### **Termination of a Business:**

In the event a business is terminated, a Business/Account Cancellation Form (Rev 1706) must be filed with payment of the last tax withheld within thirty days of termination. Instructions are available from the website <a href="https://www.revenue.state.pa.us">www.revenue.state.pa.us</a>, and the form can be filed via E-Tides.



https://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/BusinessRegistration/Documents/rev-1706.pdf



## Pennsylvania Sales Tax

Since January 2005, All Pennsylvania Sales Tax Reports and Payments Must be Made Electronically

Businesses can register for a Pennsylvania sales tax license by mail with the PA-100 form at <a href="http://www.revenue.state.pa.us/portal/server.pt/community/business registration forms/19096">http://www.revenue.state.pa.us/portal/server.pt/community/business registration forms/19096</a> or online at <a href="http://www.pa100.state.pa.us">www.pa100.state.pa.us</a>.

The PA Department of Revenue has two electronic filing options to report and pay sales tax:

- filing on the internet via E-Tides <u>www.etides.state.pa.us</u>
- filing via Telefile using a toll-free telephone filing system at 800-748-8299.

Both methods are fast, free, easy and safe ways to file your sales and use Tax return and make payments. In addition to not having to use paper coupons, electronic filing offers many advantages:

- Receive immediate confirmation that the Department received your return and payment
- Calculate your return automatically, thus preventing costly assessments due to math errors
- File early and set-up your payment for the due date

You <u>will not</u> receive a paper coupon booklet for the 2019 calendar year. Following are links to assist you in electronically filing your PA sales tax.

<u>Getting Started:</u> <u>www.doreservices.state.pa.us/businesstax/default.htm</u>

For E-tides: http://www.etides.state.pa.us

For TeleFile: http://www.doreservices.state.pa.us/BusinessTax/TeleFile.htm

## PA Business Tax e-Services TeleFile

Use the Department's TeleFile system to quickly and easily file payments - including assessment, billing, late and notice payments - for corporation taxes, employer withholding, malt beverage tax, public transportation assistance fund tax/fees, sales/use tax, unstampable little cigar tax and vehicle rental tax using a touch-tone telephone. The toll-free number is 1-800-748-8299.

Transmission of your TeleFile tax return and ACH Debit payment must be completed before 11:59 PM Eastern Time on or before the due date in order to be considered timely.

NOTE: To avoid electronic payments from being rejected, please contact your Financial Institution to remove any ACH Debit Blocks on your account and grant PA Department of Revenue authorization to debit your bank account.

If you have further questions, or need assistance, please contact the e-Business Tax Unit at (717) 783-6277

Select a type of tax below to see what information you will need to use TeleFile:

Assessment/Billing/Late-File Notice Payments

**Corporation Taxes** 

**Employer Withholding** 

Malt Beverage Tax

Public Transportation Assistance Fund Taxes and Fees

Sales/Use Tax

Unstampable Little Cigar Tax

Vehicle Rental Tax



## **Pennsylvania Unemployment Compensation**

Pennsylvania employers as defined under the Pennsylvania Unemployment Compensation Law are required to file Pennsylvania Unemployment Compensation Tax. Wages as defined in the Act include salaries, commissions, bonuses, overtime, incentive awards, the cash value of wages paid in a medium other than cash such as lodging, meals, rent, etc., and tips used to meet the state or federal minimum wage. As of January 1, 1986, all tips are included as wages. Also included are sickness and accident disability payments (other than workers' compensation payments by an employer or third party (insurance company)), payments to an IRS approved 401(k) plan, and annuity payments under Section 403(b) of the Code.

<u>Agricultural Employment</u> – If an agricultural enterprise employs 10 or more full or part-time employees for any part of a day in 20 or more calendar weeks in the current or preceding calendar year, or pays \$20,000 in cash wages in any calendar quarter of the current or preceding calendar year, the employer will be liable for contributions.

<u>Domestic Employment</u> – Individual homeowners, local college clubs, fraternities or sororities paying \$1,000 or more in cash wages in any quarter of the current or preceding calendar year will be subject to the provisions of the Pennsylvania Unemployment Compensation Law.

<u>Excluded Employment</u> – Services performed by an individual in the employ of a son, daughter, spouse, or by a child under the age of 18 in the employ of a parent <u>do not</u> constitute covered employment and are not subject to the Pennsylvania Unemployment Compensation.

Employers that pay wages subject to PA Unemployment may register by completing Form PA-100, Pennsylvania Combined Registration Forms and Instructions, at <a href="www.pa100.state.pa.us">www.pa100.state.pa.us</a> using the federal employer identification number (EIN) issued by the Internal Revenue Service.

The **employer contribution rate** is based upon employment experience and is computed and assigned annually by the state of Pennsylvania. Otherwise, Standard Rates may be assigned to employers for 2018-2019 ranging from 7.2916% to 11.2968%. New employer rates for 2019 and 2018 are as follows:

	<u>*2019*</u>	<u> 2018</u>
New Employer	<u>3.6890</u> %	3.6890%
New Construction Employers	10.2238 %	10.2238%

https://www.uc.pa.gov/employers-uc-services-uc-tax/uc-tax-rates/Pages/Types-of-Rates.aspx#new (\*2019 new employer rates were not updated at the time of publishing)

NOTE: For 2019, the employer's contribution is calculated only on the first \$10,000 of each employee's gross wages. (No changed from \$9,750 in 2018.)

<u>Employee Unemployment Contribution</u> – the 2019 employee payroll deduction for PA unemployment is 0.06% (multiply by .0006) on all wages paid (no change from 2018). Unlike the employer contribution, which is calculated only on each employee's <u>first \$10,000</u> in gross wages, the employee deduction is taken from each pay, regardless of year-to-date gross wages. For example, an employee's SUTA deduction would be \$7.00 for \$10,000 in wages, \$70 for \$100,000 in wages, etc.

http://www.uc.pa.gov/employers-uc-services-uc-tax/ucms/Pages/default.aspx



#### **Continuing Business Without Employees or Discontinued Business:**

If an employer is continuing business without employees and no longer expects to give employment, or if the employer has discontinued the business, Form UC-2B must be completed and submitted directly to the employer's local Field Accounting County office.

PA Form UC-2B REV 07-18, Employer's Report of Employment and Business Changes Complete this form to report any new or changed information about your business. Photocopy this form or attach additional sheets if more space is needed. If you need assistance, call the UC Employer Contact Center at 886-403-6163, which is staffed Monday through Friday from 8:00 a.m. to 4:30 p.m. Eastern Time.



ı.	Enter the PA UC account number from Form UC-2	
2	Jse the following chart to change any of the indicated items of information. Complete all sections of the chart that apply.	

Change	From	То	Reason for	Change
egal Name				
rade Name				
treet Address				
O Box				
ity/State/Zip				
EIN				
elephone #				
ther				
Date business discont Did this business tran Did this business acqu Did this business tran	inued in PA sfer all, or any part, of its PA bus uire all, or any part, of another PA sfer 51% or more of its PA assets	te is entered in this field, the PA l siness? A business?		e closed.  No No
		f another PA business? her PA business?		□No □No
• •		ransferred to another PA busines s 'Yes', complete the following fo		□No the transact
egal Name	Trade	Name	Telephone #	
uccessor's PA UC acco	ount number (If known)			
uccessor's FEIN (If kn	own)			
treet Address		City	Zip Code	
tateIf other	than PA, provide the primary loc	ation in PA.		
O Authorized States	And the control that all to the end of the	oove	Dete	

http://www.uc.pa.gov/Documents/UC\_Forms/uc-2b.pdf

Telephone

UC BENEFITS CONTACT INFO: http://www.uc.pa.gov/pages/contact-us-uc-benefits-info.aspx

To find contact information for UC Field Accounting offices for your location, go to: SERVICES NEAR YOU: http://www.dli.pa.gov/regional-services/Pages/default.aspx

#### For Employers Who Find it Necessary to Lay-Off Employees:

If an employer finds it necessary to lay-off employees, following is a form link that should be given to all employees at the time of their lay-off.

Title

#### Form UC-1609: Employer Information:

This form provides accurate information for use when unemployment claims are filed. If wrong information is given on a claim, it can create delays that can lead to a wrong financial determination, which could increase your tax rate. This form can help your company save money by reducing inaccurate claims, and subsequently, inaccurate charges to your account - charges that would require extra time and energy on your part to remove. Complete the form, and provide a copy to every employee who leaves your organization. This simple step could save your company time and money.

For more information, visit the PA Unemployment Compensation: Employer Services link:

http://www.uc.pa.gov/EMPLOYERS-UC-SERVICES-UC-TAX/Pages/default.aspx

https://www.etides.state.pa.us/help/gettingassistanceUC.htm

Print Name



#### EMPLOYER INFORMATION

THIS FORM PROVIDES THE EMPLOYEE WITH THE EMPLOYER'S INFORMATION TO BE USED IF HE/SHE WISHES TO APPLY FOR UNEMPLOYMENT COMPENSATION BENEFITS.

Employer Name:	
PA UC Acct. No.:	(last number is a zero or R or M)
Address (or TPA address):	
,	
Telephone:	Fax:
Contact Person:	Title:
Email Address:	
Complete the section below or	ly if the employee is expected to return to work at your company.
Employee:	Social Security No.:
(MM/DD/YYYY)	Employer Representative Signature Date
Expected Date of Recall	

#### FILING AN APPLICATION FOR UNEMPLOYMENT COMPENSATION BENEFITS

Online: File an online application using our secure website 7 days a week, 24 hours a day at www.uc.pa.gov.

<u>Telephone:</u> File an application using our toll-free number 888-313-7284. (TTY access for the Deaf and Hard of Hearing is available at 888-334-4046.) Videophone Service: Wednesday from noon to 4 p.m. at 717-704-8474.

Mail or FAX: Mail or FAX a paper application to a UC service center by downloading the UC paper application from the website: www.uc.pa.gov. This method of filing can take longer to process.

Scan below to file an initial claim:





It is very important that you provide accurate information about your employer and the actual reason for your unemployment. Failure to provide accurate information may delay the processing of your claim and cause overpayments.

False statements are punishable pursuant to 18 Pa. C.S. §4904, relating to unsworn falsification to authorities. A person who knowingly makes a false statement or knowingly withholds information to obtain UC benefits commits a criminal offense under section 801 of the UC Law, 43 P.S. §871, and may be subject to a fine, imprisonment, restitution and loss of future benefits.

**Please Note:** This form does not guarantee your eligibility for UC benefits. After you file your application for UC benefits, a determination of your eligibility will be made by the Department of Labor & Industry. Please see back for reemployment information.

UC-1609 REV 05-16 (Page 1)

Please visit this link for the complete form and filing instructions: <a href="http://www.uc.pa.gov/Documents/UC">http://www.uc.pa.gov/Documents/UC</a> Forms/UC-1609.pdf



## **Local Earned Income Tax**

Pennsylvania Act 166 took effect on February 7, 2003 and amended the Local Tax Enabling Act to revise certain definitions to be used in connection with local earned income taxes. The definitions of "earned income" and "net profits" are amended to conform to the provisions in the Pennsylvania statute that govern the determination of income for Pennsylvania state personal income tax purposes.

Under the revised definitions, local "earned income" is now "compensation" as determined under Pennsylvania statute and related regulations. "Compensation" is defined to include salaries, wages, commissions, bonuses, and incentive payments whether based on profits or otherwise, fees, tips and similar remuneration received for services rendered, whether directly or through an agent, and whether in cash or in property. However, the following provides a list of certain items that are excluded from the state definition of "compensation" and will no longer be taxable for local earned income tax purposes:

- Personal use of employer-owned property, including vehicles and parking facilities;
- Employee contributions under a Section 125 cafeteria plan relating to health insurance benefits; and
- Employer-paid premiums for group term life insurance.

Accordingly, for purposes of 2018 and 2019 wage reporting and tax withholding, in most cases, the local wage amount should equal the Pennsylvania wage amount.

Pennsylvania statute defines "net profits" as the net income from the operation of a business, profession, or other activity, after the provision for all costs and expenses, incurred in the conduct thereof, determined either on a cash or accrual basis in accordance with accepted accounting principles and practices, but without deduction of taxes based on income.

Accordingly, the 2018 and 2019 "net profits" reported for local purposes should agree to the amount reported for Pennsylvania state personal income tax purposes, with the following exception, per the PA Department of Revenue:

Line 4 of the PA-40, Net Income or Loss from Operation of Business, Profession, or Farm, combines an individual's net profits or losses derived through sole proprietorships with those derived from pass-thru entities such as PAS corporations, certain limited liability companies or partnerships. Net profits passed through to a taxpayer by and S corporation are NOT subject to the local earned income tax. Therefore, in the case of a taxpayer(s) with an investment(s) in an S corporation(s), the amount on line 4 of the PA-40 will include some income not subject to local earned income tax. For ease of reconciling with the State return, local tax collectors may wish to require taxpayers to report the amount they reported on line 4 of the State return and then separately show a deduction for income that is not taxable locally (S corp profits).

<u>Effective with 2009 tax year, pursuant to PA Act 32</u>, business losses derived through sole proprietorships and other qualifying pass-thru entities such as limited liability companies or partnerships <u>cannot be used to offset earned income</u> for <u>local tax liability purposes</u>. A loss from one business, however, <u>can</u> be used to offset net profits from another business.



#### What is Act 32?

Act 32 is a law that reforms and standardizes the local earned income tax system. The appointment of collection responsibility falls on countywide committees made up of representatives from local municipalities and school districts. The committees established tax collection districts and elected tax officers to collect the Earned Income Tax (EIT).

## ACT 32 Changes Regarding Local EIT Collection

Effective January 1, 2012

Act 32 of 2008, which became effective statewide January 1, 2012, reforms the local earned income tax withholding system and establishes countywide tax collection districts for the remittance and distribution of local earned income taxes (except Allegheny County, which is comprised of four tax collection districts). Philadelphia is not regulated by Act 32, so the present system as administered by the Philadelphia Department of Revenue will remain in effect.

Every business that employs individuals at worksites within Pennsylvania, or employs individuals who work from their homes in Pennsylvania, are REQUIRED to withhold the applicable local earned income tax amount from employees´ wages and remit the tax to the appropriate tax officer.

For additional information regarding Act 32, including access to standard forms, rates and tax officer information, please contact the PA Department of Community and Economic Development by accessing the website <a href="https://www.newPA.com">www.newPA.com</a> or calling, toll-free, 888-223-6837.

http://munstats.pa.gov/Public/FindLocalTax.aspx

Additional information about local income tax rates and collection can be found at:

http://dced.pa.gov/local-government/local-income-tax-information/#.WE7zeTbFDIU

#### **Residency Certification:**

Under Act 32, all new employees are required to complete a **Residency Certification Form** so the employer may verify his or her municipality of residence and withhold the correct rate, which is the higher of the rate of the employee's municipality of residence or the employer's municipal rate.



#### RESIDENCY CERTIFICATION FORM Local Earned Income Tax Withholding

#### TO EMPLOYERS/TAX PAYERS:

This form is to be used by employers and/or taxpayers to report essential information for the collection and distribution of Local Earned Income Taxes to the local EIT collector. This form must be utilized by employers when a new employee is hired or when a current employee notifies employer of a name and/or address change. Use the Address Search Application at www.newPA.com/Act32 to determine PSD codes, EIT rates and tax collector contact information.

**EMPLOYEE INFORMATION - RESIDENCE LOCATION** 

NAME (Last Name, First Name, Middle Initial)			SOCIAL SECUR	ITY NUMBER
STREET ADDRESS (No PO Box, RD or RR)				
ADDRESS LINE 2				
ату	STATE	ZIP CODE	DAYTIME PHON	E NUMBER
MUNICIPALITY (City, Borough or Township)				
COUNTY	RESIDENT PS	CODE	TOTAL RESIDE	NT EIT RATE
EMPLOYER IN	ORMATION - EMPLO	VMENTIOCA	TION	
EMPLOYER BUSINESS NAME (Use Federal ID Name)	ORMATION - EMPLO	TMENT LOCA	EMPLOYER FEI	N
,				
STREET ADDRESS WHERE ABOVE EMPLOYEE REPORTS TO	WORK (No PO Box, RD or RR)			
ADDRESS LINE 2				
ату	STATE	ZIP CODE	PHONE NUMBE	R
MUNICIPALITY (City, Borough or Township)				
COUNTY	WORK LOCATI	ON PSD CODE	WORK LOCATION NO	ON-RESIDENT EIT RATE
			<u>'</u>	
	CERTIFICATION			
Under penalties of perjury, I (we) deci	are that I (we) have examined t	his information, inclu	ding all accompanying	
schedules and statements and SIGNATURE OF EMPLOYEE	to the best of my (our) belief,	hey are true, correct		
SIGNATURE OF EMPLOYEE			DATE (MM/DD/Y	***)
PHONE NUMBER	EMAIL ADDRE	SS	·	
For information on obtaining the appropriate MUNICIF please refer to the Pennsylvania		ty & Economic De	_	Income Tax) RATES,
	WWW.newPA.com/Ac			

Additional Act 32 Local Income Tax Information and FAQ:

http://dced.pa.gov/local-government/local-income-tax-information/#.WE74cTbFDIU

https://dced.pa.gov/download/act-32-residency-certification-form-clgs-32-6/

PSD Codes & EIT Rates:  $\frac{\text{http://www.newpa.com/local-government/local-income-tax-information/psd-codes-and-eit-rates/\#.WE718DbFDIU}{\text{psd-codes-and-eit-rates/#.WE718DbFDIU}}$ 



Each municipality has been assigned a "PSD" code. Each employee's resident PSD code is required to be reported on the employer's quarterly local income tax returns. Following is a list of PSD codes for the Crawford Tax Collection District. The full list of PSD codes for all counties can be found at: <a href="https://dced.pa.gov/download/political-subdivision-codes-psd-codes-statewide/">https://dced.pa.gov/download/political-subdivision-codes-psd-codes-statewide/</a>

CRAWF	ORD TAX COLLECTION DISTRICT	20	
	CONNEAUT SD	2001	
CRAWFORD	BEAVER TWP	200101	(
CRAWFORD	CONNEAUT LAKE BORO	200102	(
CRAWFORD	CONNEAUT TWP	200103	0
CRAWFORD	CONNEAUTVILLE BORO	200104	(
CRAWFORD	EAST FALLOWFIELD TWP	200105	(
CRAWFORD	GREENWOOD TWP	200106	(
CRAWFORD	LINESVILLE BORO	200107	0
CRAWFORD	NORTH SHENANGO TWP	200108	(
CRAWFORD	PINE TWP	200109	(
CRAWFORD	SADSBURY TWP	200110	
CRAWFORD	SPRING TWP	200111	(
CRAWFORD	SPRINGBORO BORO	200112	(
CRAWFORD	SUMMERHILL TWP	200113	
CRAWFORD	SUMMIT TWP	200114	
CRAWFORD	WEST FALLOWFIELD TWP	200115	0
	CRAWFORD CENTRAL SD	2002	(
CRAWFORD	COCHRANTON BORO	200201	
CRAWFORD	EAST FAIRFIELD TWP	200202	1
CRAWFORD	FAIRFIELD TWP	200203	١
CRAWFORD	MEADVILLE CITY	200204	
CRAWFORD	UNION TWP	200205	(
CRAWFORD	VERNON TWP	200208	(
CRAWFORD	WAYNE TWP	200207	(
CRAWFORD	WEST MEAD TWP	200208	0
MERCER	FRENCH CREEK TWP	200209	(
	JAMESTOWN AREA SD	2003	١
CRAWFORD	SOUTH SHENANGO TWP	200301	١
CRAWFORD	WEST SHENANGO TWP	200302	
MERCER	GREENE TWP	200303	\ \ \
MERCER	JAMESTOWN BORO	200304	١

CRAW	FORD TAX COLLECTION DISTRICT	20
	PENNCREST SD	2004
CRAWFORD	ATHENS TWP	200401
CRAWFORD	BLOOMING VALLEY BORO	200402
CRAWFORD	CAMBRIDGE SPRINGS BORO	200403
CRAWFORD	CAMBRIDGE TWP	200404
CRAWFORD	CUSSEWAGO TWP	200405
CRAWFORD	EAST MEAD TWP	200406
CRAWFORD	HAYFIELD TWP	200407
CRAWFORD	RANDOLPH TWP	200408
CRAWFORD	RICHMOND TWP	200409
CRAWFORD	ROCKDALE TWP	200410
CRAWFORD	SAEGERTOWN BORO	200411
CRAWFORD	STEUBEN TWP	200412
CRAWFORD	TOWNVILLE BORO	200413
CRAWFORD	TROY TWP	200414
CRAWFORD	VENANGO BORO	200415
CRAWFORD	VENANGO TWP	200416
CRAWFORD	WOODCOCK BORO	200417
CRAWFORD	WOODCOCK TWP	200418
VENANGO	PLUM TWP	200419
	TITUSVILLE AREA SD	2005
CRAWFORD	CENTERVILLE BORO	200501
CRAWFORD	HYDETOWN BORO	200502
CRAWFORD	OIL CREEK TWP	200503
CRAWFORD	ROME TWP	200504
CRAWFORD	TITUSVILLE CITY	200505
VENANGO	ALLEGHENY TWP	200506
VENANGO	CHERRYTREE TWP	200507
VENANGO	OILCREEK TWP	200508
VENANGO	PLEASANTVILLE BORO	200509
WARREN	SOUTHWEST TWP	200510

Additionally, the employer may do an address search online to find an employee's PSD code. The helpful tools displayed below can also be found or by clicking on the individual links shown below::

How do I find Earned Income Tax (EIT) rates and PSD Codes?

To determine EIT rates, PSD Codes, Municipality and/or tax collector/officer contact information, use either of these links:

Additional Act 32 Local Income Tax Information and FAQ:

http://dced.pa.gov/local-government/local-income-tax-information/#.WE74cTbFDIU

#### **PSD Codes & EIT Rates:**

http://www.newpa.com/local-government/local-income-tax-information/psd-codes-and-eit-rates/#.WE718DbFDIU

 ${\color{red} \textbf{Municipal Statistics:}} \quad \underline{\textbf{http://munstats.pa.gov/Public/FindLocalTax.aspx}}$ 

If you're unsure of the county, municipality or school district in which your address lies

Click here for the American Fact Finder

Print



#### EMPLOYER QUARTERLY RETURN Local Earned Income Tax Withholding

PAGE	Ш	OF	Ш	

DCEDE11

Mailing Address:	You are entitled to receive a written explanation of your rights with regard to the aud appeal, enforcement, refund and collection of local taxes by calling Berkhelmer 610-599-3199, during the hours of 800 a.m. through 4:00 p.m., Monday through Frida Or, you can visit our website at www.hab-inc.com.				
Name	Berkheimer is not the appointed tax hearing officer for your taxing district and will in accept any petitions for appeal. Petitions for appeal must be filed with the appropria appeals board for your County. Berkheimer can provide you with the proper procedum and forms necessary to file an appeal with the appeals board for your Tax Collectic				
Address	District. Location of Business				
Address	Year / Quarter				
City St Zip Code	Account #				
WEB					
MUNICIPAL TAXING AUTHORITY (City, Borough, or Township) IN WHICH FACILITY OR BUSINES	SS IS LOCATED (Attach listing of multiple locations within PA if applicable)				
COUNTY BUSINESS PHONE NUN	MBER BUSINESS FAX NUMBER				
EMPLOYER PSD CODE FEDERAL EIN OR SOCIAL SECURITY # ACCOUNT NU	MBER YEAR QUARTER				
TOTAL EARNED INCOME TAX WITHHELD  8. DATE	E PERIOD ENDED (MM/DD/YYYY)				
2. CREDIT OR ADJUSTMENT (attach explanation) 9. TOTA	AL PAGES OF THIS RETURN				
3. TOTAL OF EARNED INCOME TAX DUE (line 1 minus line 2)	AL NUMBER OF EMPLOYEES LISTED				
4. TOTAL PAYMENTS MADE THIS QUARTER IF THE	ERE HAS BEEN A CHANGE OF OWNERSHIP OR OTHER TRANSFER OF				
E AD HISTED TOTAL OF EIT DIE	NESS DURING THE QUARTER, ATTACH EXPLANATION AND GIVE NAME. RESENT OWNER AND DATE THE CHANGE TOOK PLACE.				
6. PENALTY AND INTEREST (1.240% per month after due date x line 5)	CHANGE NO CHANGE				
DO YOU EXPECT TO PAY TAXABLE WAGES NEXT QUARTER?  7. BALANCE DUE WITH RETURN (add lines 5 and 6)					
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)					
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE					
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE					
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS	lete				
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE					
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS  SIGNATURE OF PRIMARY CONTACT INDIVIDUAL	lete				
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS	DATE (MM/DD/YYYY)  MPENSATION (14) AMOUNT OF EIT (15) RESIDENT				
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS  SIGNATURE OF PRIMARY CONTACT INDIVIDUAL  (11) EMPLOYEE'S  Check if making any corrections to EMPLOYEE'S	DATE (MM/DD/YYYY)  MPENSATION (14) AMOUNT OF EIT (15) RESIDENT				
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS  SIGNATURE OF PRIMARY CONTACT INDIVIDUAL  (11) EMPLOYEE'S  Check if making any corrections to EMPLOYEE'S	DATE (MM/DD/YYYY)  MPENSATION (14) AMOUNT OF EIT (15) RESIDENT				
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PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS  SIGNATURE OF PRIMARY CONTACT INDIVIDUAL  (11) EMPLOYEE'S  Check if making any corrections to EMPLOYEE'S	DATE (MM/DD/YYYY)  MPENSATION (14) AMOUNT OF EIT (15) RESIDENT				
PRIMARY CONTACT PHONE NUMBER PRIMARY CONTACT EMAIL ADDRESS SIGNATURE OF PRIMARY CONTACT INDIVIDUAL  (11) EMPLOYEE'S SOCIAL SECURITY NUMBER Check if making any corrections to EMPLOYEE'S NAME/ADDRESS Name/Address, SSN or Resident PSD  (13) GROSS COMPAID THIS Q	DATE (MM/DD/YYYY)  MPENSATION (14) AMOUNT OF EIT WITHHELD THIS QUARTER PSD CODE				
PRIMARY CONTACT INDIVIDUAL (FIRST NAME, LAST NAME)  TITLE  PRIMARY CONTACT PHONE NUMBER  PRIMARY CONTACT EMAIL ADDRESS  SIGNATURE OF PRIMARY CONTACT INDIVIDUAL  (11) EMPLOYEE'S  Check if making any corrections to EMPLOYEE'S	DATE (MM/DD/YYYY)  MPENSATION (14) AMOUNT OF EIT (15) RESIDENT				

www.hab-inc.com/wp-content/uploads/E1\_DCEDE1FPMv3.pdf

Employer Business Location	on:				DC
Mailing Address:					
Name					
Address					
Address	307		Year / Quarte	-r	
City	St Zip Coo	ie.	Account #		
(11) EMPLOYEE'S SOCIAL SECURITY NUMBER	(12) EMPLOYEE'S NAME/ADDRESS Check if making any corrections to EMPLOYEE'S Name/Address, SSN or Resident PSD	(13) GROSS COM PAID THIS Q	IPENSATION UARTER	(14) AMOUNT OF EIT WITHHELD THIS QUARTER	(15) RES PSD C
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			<u> </u>	<u>ШДШД</u>	
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www.hab-inc.com/wp-content/uploads/E1 DCEDE1FPMv3.pdf

#### WHO MUST FILE:

If you have employed one or more individuals, other than domestic servants, for a salary, wage, commission, or other compensation, you must file a return for the first quarter in which you are required to withhold the Earned Income Tax from earnings, and each quarter thereafter.

If you have no employees for a tax period, a return must be filed indicating "no employees" for that quarter. All Pennsylvania based employers are required to withhold the tax based on the higher rate of either the employee's resident tax rate or employer's non-resident tax rate.

QUARTERLY RETURNS AND DUE DATES: A return must be filed for each quarter of the calendar year on the dates listed below unless the date falls on a Saturday or Sunday then the due date becomes the next business day.

NOTE: Delinquent fee may be assessed for failure to file a required Employer Quarterly Earned Income Tax return.

#### WHERE TO FILE

To file your Employer Quarterly Return electronically, visit our website at www.berk-e.com.

If you choose not to use an online filing option, you can mail your return and payment to the address noted at the bottom of this form.

#### EMPLOYER QUARTERLY RETURN

- ITEM 1: Total Earned Income Tax withheld from all employees' wages during the quarter.
- ITEM 2: Credit or Adjustment (attach explanation). Line is for the correction of tax withheld for the preceding quarter(s) of the same calendar year. Explanation should include details showing year/quarter, social security number (s) and the revised amount for each individual.
- ITEM 3: Total of Eamed Income Tax Due (Line 1 minus Line 2)
- ITEM 4: Total Payments made this guarter.
- ITEM 5: Adjusted total of EIT Due (line 3 minus line 4).
- ITEM 6: Interest must be calculated at the rate indicated, per month (or days) after due date. Multiply rate by line 5.
- ITEM 7: Balance due with return (add lines 5 and 6).
- ITEM 8 THRU 12: These items are self-explanatory. Note: Item 12 must be employee's street address. PO Boxes are not acceptable addresses for filing purposes
- ITEM 13: Gross Compensation Paid This Quarter List Gross Wages Paid to each employee this quarter. With the passage of Pennsylvania Act 48 of 1994, it is no longer possible for us to remit to the City of Philadelphia any monies which you have collected for employees. If you need to set up an account with the City of Philadelphia you may call them at 215-686-6600.
- ITEM 14: Amount of Tax Withheld This Quarter- List amount of Earned Income Tax Withheld by you for each employee this quarter. Enter "0" if no Tax withheld this quarter for employee listed.
- ITEM 15: PSD Code Please list for each employee the 6 digit PSD Code of the CITY, BOROUGH, or TOWNSHIP in which the employee resides so the Earned Income Tax Administrator may distribute the tax to the proper taxing jurisdiction.
- ITEM 16: Include Total Taxable Gross Wages and Earned Income Tax Withheld.

#### ADDITIONAL FILING INSTRUCTIONS

The Employer Quarterly Return has been prepared by the Eamed Income Tax Office to the Department of Community and Economic Development (DCED). When the front of this form has employees listed in sections 11-15 it is based on the list of employees submitted by the employer. In order to assure proper credit to your account, employers are required to perform the following:

- CHECK THE BOX to the left of each employee if any changes or additions are made to that line. Address changes submitted
  must be actual street address of the employee. PO Boxes are not acceptable addresses for filing purposes.
- Draw a line through the name of any employee who has terminated employment for any reason prior to the end of the preceding quarter.
- Write a "0" in column fourteen (14) for any employee who has had a leave of absence and received no taxable earnings during the quarter.
- Indicate any change or correction in employee's name, address, social security number, or resident taxing jurisdiction (PSD). Add if not shown.
- Add the name, address, social security number and correct taxing jurisdiction of any new employee.

REMIT TO:

BERKHEIMER TAX INNOVATIONS PO BOX 25132 LEHIGH VALLEY, PA 18002-5132

2017.02.09

www.hab-inc.com/wp-content/uploads/E1 DCEDE1FPMv3.pdf



## **Local Services Tax (LST)**

Legislation was passed in 2010 changing the "Emergency Municipal Services Tax" to "Local Services Tax". Following are highlights of changes from this legislation per the following link - www.newpa.com/local-government/tax-information/local-services-tax:

- For municipalities with a tax of \$10.00 or less, withhold the tax in one lump sum.
- Installment Collection. If the combined rate of a municipal and school LST exceeds \$10, it must be assessed and collected in installments based on payroll periods.
  - > Example if 52 pay periods (weekly):
    Withhold \$1.00 each pay (\$52.00 divided by 52 payroll periods)
  - > Example if 26 payroll periods (bi-weekly)
    Withhold \$2.00 each pay (\$52.00 divided by 26 payroll periods)
  - Example if 24 payroll periods (semi-monthly)
    Withhold \$2.16 each pay (\$52.00 divided by 24 payroll periods)
  - > Example if 12 payroll periods (monthly)
    Withhold \$4.33 each pay (\$52.00 divided by 12 payroll periods)
- Mandatory Low-Income Exemption. Political subdivisions that levy an LST at a rate that exceeds \$10 must exempt from the tax taxpayers whose total earned income and net profits from all sources within the political subdivision is less than \$12,000.
- **Upfront Exemption.** Employers are required to stop withholding the LST if an employee provides an exemption certification.
- Employers are only required to withhold the LST on a payroll period basis for those payroll periods in which the taxpayer is employed. However, when two or more employers employ a taxpayer in a payroll period, an employer is not required to withhold the LST if the taxpayer provides a pay stub from his/her principal employer accompanied by an employee statement of principal employment (on a form developed by DCED) that the pay stub is from the taxpayer's principal employer and that the taxpayer will notify the employer of any change in employment. Employers are relieved of liability for the tax if they fail to withhold the tax due to incorrect information provided by the taxpayer regarding the taxpayer's principal employer or if the employer complies with the provisions establishing the collection of the tax on a payroll period basis.
- Concurrent Employment. If a taxpayer has two or more jobs in different political subdivisions during a payroll period, the priority of claim to collect the LST is as follows:
  - o Where the taxpayer maintains his or her principal office or is principally employed;
  - Where the taxpayer resides and works; and
  - Where the taxpayer is employed that is nearest in miles to the taxpayer's home.
- Self-Employed Individuals. If the combined rate of an LST exceeds \$10, the tax should be pro-rated and paid by
  self-employed individuals on a quarterly basis, as if their payroll period is a calendar quarter. Self-employed
  taxpayers shall pay the tax to the municipality or the tax collector 30 days after the end of each calendar
  quarter.
- Limits. The total LST paid by any taxpayer in a calendar year remains limited to \$52, regardless of the number of
  political subdivisions in which an individual works during the year. Upon request, a political subdivision must
  provide a taxpayer with a receipt for payment of the tax. The total tax levied by a municipality and school district
  remains limited to \$52. Taxpayers are not subject to the payment of the LST at more than one place of
  employment during a payroll period.



**Exemptions/Exceptions:** An employee may qualify for exemption under certain circumstances. For exemptions, the employee must complete an Exemption Certificate (copy of form on next two pages) and submit with proper documentation to his/her employer and municipality tax collector. Following are samples of exemption/exception:

- A. Employee files Exemption Certificate certifying that another employer is his/her "principal employer" together with:
  - i. A recent pay statement from employee's "principal employer" that includes employer's name, payroll period and amount of tax withheld; and
  - ii. A statement of employee that employee's "pay statement is from employee's principal employer and employee will notify other employers of a change in principal place of employment within 2 weeks of its occurrence."
- B. Employee files Exemption Certificate at beginning of calendar year or at beginning of employment certifying:
  - i. That employee expects to receive less than \$12,000 from all employment in the Municipality in that calendar year;
  - ii. With documentation including copies of all W-2 forms or final pay statements from all employment in the Municipality for the previous year.
- C. Employee files Exemption Certificate at any time certifying and with documentation that:
  - i. Employee is member of armed forces and has orders for active duty status in calendar year (not including training).
- D. Employee files an Exemption Certificate at or before the beginning of the calendar year certifying one of the following military\* disabilities resulting from military service:
  - i. Blindness;
  - ii. Paraplegia;
  - iii. Double or quadruple amputation;
  - iv. 100% permanently disabled.
  - \*Proof or documentation of the following must be provided:
    - Honorable discharge
    - · Veterans' Administration acknowledgement of service-connected disability

#### LST Filing and Rate Information

Please contact your current tax collector to find out if your LST rate or tax collector has changed for 2019. The LST tax collector may either still be your local municipal tax collector or the subcontracted EIT collection agency designated as per Act 32 for earned income collection. Alternatively, tax collector and municipal LST rates can be found at:

http://munstats.pa.gov/Reports/ReportInformation2.aspx?report=EitWithCollector\_Dyn\_Excel&type=0.

Quarterly LST taxes are predominantly filed using paper forms, which vary by municipality and rate. Follow this link to view an example of a Berkheimer LST form:

www.hab-inc.com/wp-content/uploads/LST12012.pdf

Remember, this tax rate is determined by and paid to the local municipality governing where the employer is located or where the employee physically works, not where the employee lives.

#### LOCAL SERVICES TAX - EXEMPTION CERTIFICATE

Tax Year

#### APPLICATION FOR EXEMPTION FROM LOCAL SERVICES TAX

- A copy of this application for exemption from the Local Services Tax (LST), and all necessary supporting documents, must be completed and presented to your employer AND to the political subdivision levying the Local Services Tax for the municipality or school district in which you are primarily employed.
- This application for exemption from the Local Services Tax must be signed and dated.
- No exemption will be approved until proper documentation has been received.

Name:	Soc Sec #:
1uuress	Phone #:
	REASON FOR EXEMPTION
1	MULTIPLE EMPLOYERS: Attach a copy of a current pay statement from your principal employer that shows the name of the employer, the length of the payroll period and the amount of Local Services Tax withheld. List all employers on the reverse side of this form. You must notify your other employers of a change in principal place of employment within two weeks of the change.
2	EXPECTED TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN (municipality or school district) WILL BE LESS THAN \$ : Attach copies of your last pay statements or your W-2 for the year prior.
	If you are self-employed, please attach a copy of your PA Schedule C, F, or RK-1 for the prior year.
3	ACTIVE DUTY MILITARY EXEMPTION: Please attach a copy of your orders directing you to active duty status. Annual training is not eligible for exemption. You are required to advise the tax office when you are discharged from active duty status.
4	MILITARY DISABILITY EXEMPTION: Please attach copy of your discharge orders and a statement from the United States Veterans Administrator documenting your disability. Only 100% permanent disabilities are recognized for this exemption.
portion of the ca tax collector to	Once you receive this Exemption Certificate, you shall not withhold the Local Services Tax for the alendar year for which this certificate applies, unless you are otherwise notified or instructed by the withhold the tax.
Tax Office: Ber	**************************************
City/State: Lehi	Phone #: (610) 588-0965  Ligh Valley, PA Zip: 18002
_	

#### IMPORTANT NOTE TO EMPLOYERS

- 1. The municipality is required by law to exempt from the LST employees whose earned income from all sources (employers and self-employment) in their municipality is less than \$12,000 when the combined rate exceeds \$10.00.
- The school district for the municipality in which your worksite(s) is located may or may not levy an LST. If it does, the
  income exemption provided may differ from the municipality and can be anywhere from \$0 to \$11,999.
- 3. Contact the tax office where your business works ites are located to obtain this information.

LST Exemption 10-07

Page 1

http://www.hab-inc.com/wp-content/uploads/LSTExemptionCertificateWithPOBLV1.pdf

Employment Information: List all places of employment for the applicable tax year. Please list your PRIMARY EMPLOYER under #1 below and your secondary employers under the other columns. If self employed, write SELF under Employer Name column.

	1. PRIMARY EMPLOYER	2.	3.	
Employer Name				
Address				
Address 2				
City, State Zip				
Municipality				
Phone				
Start Date				
End Date				
Status (FT or PT)				
Gross Earnings				
	4.	5.	6.	
Employer Name				
Address				
Address 2				
City, State Zip				
Municipality				
Phone				
Start Date				
End Date				
Status (FT or PT)				
Gross Earnings				
PLEASE NOTE:				
		s considered to be CONFIDEN ninistration and enforcement		
	ER PENALTY OF LAW TH THIS FORM IS TRUE AND	AT THE INFORMATION ST CORRECT:	TATED ON AND	
SIGNATURE:		DA	ГЕ:	
LST Exemption 10-07  Page 2				

http://www.hab-inc.com/wp-content/uploads/LSTExemptionCertificateWithPOBLV1.pdf



# Auto Fringe Benefits and Standard Mileage Rate

For 2018, auto fringe benefits are subject to the following taxes:

- □ FICA (Social Security and Medicare)
- Federal Withholding
- □ Federal Unemployment
- Pennsylvania Unemployment

For those individuals receiving the benefit, indicate the auto fringe benefit as gross payroll then deduct the applicable withholdings, enter the net pay as a miscellaneous deduction. The result of this will be a net pay of zero.

Depositing the federal employment taxes on the fringe benefits should be done according to the filing status you are currently under by the IRS rulings.

If the federal tax deposit was made before the fringe benefit calculation was done, then deposit the unpaid taxes on or before the 15<sup>th</sup> of January if you are a monthly filer or as soon as possible if you are a semi-monthly filer.

If the auto fringe benefit amount was not determined until after the employee's last check of the year was written, the employer is responsible for paying the employee and employer taxes on the auto fringe benefit at the end of the quarter. This will affect Form 941, 940, and PA Unemployment Form UC-2.

To reimburse the employer for the employee taxes that were required to be withheld and remitted on the auto fringe benefit, take a miscellaneous deduction from the employees next payroll check in the new year.

For W-2 purposes, the auto fringe benefit should be entered in Box 1 – wages, tips and other compensation; Box 3 – Social Security wages; Box 5 – Medicare wages and Box 14 – Other. Enter the federal income tax withheld in Box 2, the Social Security tax withheld in Box 4 and the Medicare tax withheld in Box 6.

#### Standard Mileage Rate

https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019

The Standard Mileage Rate is determined every year by the federal government, and it can be used to reimburse employees for business use of their personal vehicles.

For 2019 – the standard mileage rate is 58 cents per mile driven for business use, up 3.5 cents from the rate for 2018. (beginning 1/1/2019).

For 2018 – the standard mileage rate was 54.5 cents per mile.



## 2018 W-2 Auto Fringe Benefits

Employee Name				
Vehicle Description				
Date purchased				
Fair market value (FMV) * a	t date vehicle is			
made available to employe				
Begin date vehicle was made				
(use Jan 1 if available the e				
End date vehicle was made a				
(use Dec 31 if available the	entire year)			
Odometer reading at end dat	e (above)			
Odometer reading at begin d				
	TOTAL MILES DRIVEN			
Less: Business Miles				
	PERSONAL MILES			
Number of commuting miles	driven			
Number of other personal m	iles driven			
	PERSONAL MILES			
Does employer provide fuel	for automobile? yes/no			
PERSO	DNAL USE PERCENTAGE			
Calculating Employee Auto	 <u>mobile Fringe Benefit Und</u> e	er the ANNUAL LEA	I ISE VALUE MET	<u>rhod</u>
Americal leaves welve man IDC	Anhla a			
Annual lease value per IRS	tables			
Personal use percentage Subtotal				
Number of days vehicle v	vas avail / 265 davs			
Number of days verticle v	vas avaii / 303 uays			
Value of employer-provided	fuel			
(.055/mile x total personal miles) [	5.5 cents]			
AMOUNT TO BE IN	CLUDED			
ON EMPLOYEE'S	W-2			
For purchased autos use pure	chase price, including sales	tax, sales expenses	s, title charges ar	nd other
acquisition costs.				
For leased vehicles, use man	ufacturers suggested retail	price including sales	tax, title and oth	ner
purchase costs x 92%.				
Use the same fair market val				
Revalue after each 4 year per	riod of continuous use by sa	ame employee or at	date vehicle is m	ade available
to another employee. Revalue using Kelley Blue Bo				

IRS Lease Value Tables can be found in IRS Publication 15-B - "Employer's Tax Guide to Fringe Benefits" http://www.irs.gov/pub/irs-pdf/p15b.pdf



## **Group Term Life Insurance Coverage**

**Generally,** you must include in your employees' wages subject to Social Security and Medicare taxes, the cost of group-term life insurance that is more than the cost of \$50,000 of coverage, reduced by the amount the employee paid toward the insurance.

#### Uniform Premiums on \$1,000 of Group-Term Life Insurance:

Monthly Cost Per \$1,000 of Coverage

	occ or cororage
Age Bracket	Cost
Under 25	\$0.05
25 to 29	0.06
30 to 34	0.08
35 to 39	0.09
40 to 44	0.10
45 to 49	0.15
50 to 54	0.23
55 to 59	0.43
60 to 64	0.66
65 to 69	1.27
70 and older	2.06

Figure the monthly cost of the insurance to include in the employee's wages by multiplying the number of thousands of dollars of insurance coverage over \$50,000 (figured to the nearest 10<sup>th</sup>) by the cost shown in the above table. For this calculation, use the employee's age on the last day of the tax year. You must prorate the cost from the table if less than a full month of coverage is involved.

Figure the total cost to include in the employee's wages by multiplying the monthly cost by the number of full months coverage at that cost.

#### Exception for key employees:

Generally, if your group-term life insurance plan favors key employees as to participation or benefits, you must include the entire cost of the insurance in your key employees' wages. (This exception generally does not apply to church plans.) When figuring Social Security and Medicare taxes, you must also include the entire cost in the employees' wages. Include the cost in boxes 1,3 and 5 of Form W-2. However, you do not have to withhold federal income tax or pay FUTA tax on the cost of any group-term life insurance you provide to an employee.

#### **Exception for S Corporation Shareholders:**

Because you cannot treat a 2% shareholder of an S corporation as an employee for this exclusion, you must include the cost of all group-term life insurance coverage you provide the 2% shareholder in his or her wages. When figuring Social Security and Medicare taxes, you must also include the cost of this coverage in the 2% shareholder's wages. Include the cost in boxes 1,3 and 5 of Form W-2. However, you do not have to withhold federal income tax or pay FUTA tax on the cost of any group-term life insurance coverage you provide to the 2% shareholder.

The above table and more benefit calculation instructions and exceptions can be found in IRS Publication 15-B - "Employer's Tax Guide to Fringe Benefits":

http://www.irs.gov/pub/irs-pdf/p15b.pdf



## **2018 Fringe Benefit Taxability**

		For All Co	rporations								
		<u>Federal</u>		<u>Penns</u>	<u>Pennsylvania</u>						
	W/H	FICA	FUTA	SUTA	W/H	W/H					
Personal Use Of Employer Provided Auto	no*	yes	yes	yes	no**	no					
Reimbursement of Business Use of Auto	no	no	no	no	no	no					
* Not required to withhold fed ** Depends on your local mu		tax, but must	: include in f	ederal gross wa	ages on employ	ee W-2					
Country Club Dues	yes	yes	yes	yes	no	no					
Group-Term Life Insurance (greater than \$50,000)	no*	yes	no	no	no	no					
* Not required to withhold fed	leral income	tax, but must	include in f	ederal gross wa	ages on employ	ree W-2					
401(k) and Simple Plans	no	yes	yes	yes	yes	yes					
Medical/Accident/Cancer/ Dental/Flex (125) Plans	no	no no		yes	no	no					
Dependent Care (125) Plans	no	no	no	yes	yes	yes					
Not including group-term life	e insurance										
PS-58 COST (Life Insurance)	no	no	no	no	no	no					
Not taxable for payroll taxes	- to be repo	rted on 1099	R – only if c	qualified plan							
F	Additional Tax	able Fringe E	Benefits for	S-Corporations							
Health insurance for greater than 2% shareholder of S- Corp	yes	no	no	no	no	no					
Health Savings Account	yes	no	no	no	no	no					
Disability insurance for greater than 2% shareholder of S-Corp	yes	no	no	no	no	no					
Group Term Life insurance up to \$50K for greater than 2% shareholder of S-Corp	yes	yes	yes	no	no	no					
Cafeteria Plan	yes	yes	yes	Contact HBK	Contact HBK	Contact HBK					



# **Employee Benefit Limits**

The retirement plan and employee benefit limits for 2019, 2018 and 2017 are as follows:

	2019	2018	2017
IRAs			
IRA Contribution Limit	\$ 6,000	\$ 5,500	\$ 5,500
IRA Catch-Up Contributions	\$ 1,000	\$ 1,000	\$ 1,000
IRA AGI Deduction Phase-out Starting at		•	
Joint Return	\$ 103,000	\$ 101,000	\$ 99,000
Single or Head of Household	\$ 64,000	\$ 63,000	\$ 62,000
SEP			
SEP Minimum Compensation	\$ 600	\$ 600	\$ 600
SEP Maximum Contribution	\$ 56,000	\$ 55,000	\$ 54,000
SEP Maximum Compensation	\$ 280,000	\$ 275,000	\$ 270,000
SIMPLE Plans			
SIMPLE Maximum Contributions	\$ 13,000	\$ 12,500	\$ 12,500
Catch-up Contributions	\$ 3,000	\$ 3,000	\$ 3,000
	•	•	•
401(k), 403(b), Profit-Sharing Plans, etc.			
Annual Compensation	\$ 280,000	\$ 275,000	\$ 270,000
Elective Deferrals	\$ 19,000	\$ 18,500	\$ 18,000
Catch-up Contributions	\$ 6,000	\$ 6,000	\$ 6,000
Defined Contribution Limits	\$ 56,000	\$ 55,000	\$ 54,000
ESOP Limits	\$ 1,130,000	\$ 1,105,000	\$ 1,080,000
	\$ 225,000	\$ 220,000	\$ 215,000
Other			
HCE Threshold	\$ 125,000	\$ 120,000	\$ 120,000
Defined Benefit Limits	\$ 225,000	\$ 220,000	\$ 215,000
Key Employee	\$ 180,000	\$ 175,000	\$ 175,000
457 Elective Deferrals	\$ 19,000	\$ 18,500	\$ 18,000
Control Employee (board member or officer)	\$ 110,000	\$ 110,000	\$ 105,000
Control Employee (compensation-based)	\$ 225,000	\$ 220,000	\$ 215,000
Taxable Wage Base	\$ 132,900	\$ 128,400	\$ 127,200

http://www.irs.gov/Retirement-Plans/COLA-Increases-for-Dollar-Limitations-on-Benefits-and-Contributions



# 2018 - ACA INFORMATION REPORTING - Forms 1094C and 1095C

On <u>November 29, 2018</u> the Internal Revenue Service (IRS) announced an <u>ACA</u> <u>deadline extension.</u> Specifically, this notice <u>extends</u> the due date for furnishing to individuals the 2018 Form 1095-B, Health Coverage, and the 2018 Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, from January 31, 2019, to March 4, 2019.

In addition, this notice also extends good faith transition relief from section 6721 and 6722 penalties to the 2018 information reporting requirements under sections 6055 and 6056.

#### Important Notes About The Deadline Extension:

- ACA Reporting is still required for 2018
- The good faith transition relief has been extended for 2018
- The ACA Reporting requirements for 2018 have not changed

#### **Additional Information**

For information related to the Affordable Care Act, visit IRS.gov/ACA. For the final regulations under section 6056, Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans, see T.D. 9661, 2014-13 I.R.B. 855, at <a href="https://www.irs.gov/irb/2014-13">www.irs.gov/irb/2014-13</a> IRB/ar09.html. For the final regulations under section 6055, Information Reporting of Minimum Essential Coverage, see T.D. 9660, 2014-13 I.R.B. 842, at <a href="https://www.irs.gov/irb/2014-13">www.irs.gov/irb/2014-13</a> IRB/ar08.html. For the final regulations under section 4980H, Shared Responsibility for Employers Regarding Health Coverage, see T.D. 9655, 2014-9 I.R.B. 541, at <a href="https://www.irs.gov/irb/2014-9">www.irs.gov/irb/2014-9</a> IRB/ar05.html. For answers to frequently asked questions regarding the employer shared responsibility provisions and related information reporting requirements, visit IRS.gov.

For information related to filing Forms 1094-C and 1095-C electronically visit [RS.gov/AIR.] For FAQs specifically related to completing Forms 1094-C and 1095-C, go to <a href="https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C">https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C</a>.

For additional guidance and proposed regulatory changes relating to section 6055, including clarifications regarding the reporting requirements for providers of minimum essential coverage and the requirement to solicit the TIN of each covered individual for purposes of the reporting of health coverage information, see Proposed Regulations section 1.6055-1(h) and Regulations section 301.6724-1.

 $\underline{\text{https://www.irs.gov/affordable-care-act}}$ 

#### Who Must File

An ALE Member must file one or more Forms 1094-C (including a Form 1094-C designated as the Authoritative Transmittal, whether or not filing multiple Forms 1094-C), and must file a Form 1095-C for each employee who was a full-time employee of the ALE Member for any month of the calendar year. Generally, the ALE Member is required to furnish a copy of the Form 1095-C (or a substitute form) to the employee.

An ALE Member is, generally, a single person or entity that is an Applicable Large Employer, or if applicable, each person or entity that is a member of an Aggregated ALE Group. An Applicable Large Employer, generally, is an employer with 50 or more full-time employees (including full-time equivalent employees) in the previous year. For purposes of determining if an employer or group of employers is an Applicable Large Employer, all ALE Members under common control (an Aggregated ALE Group) are aggregated together. If the Aggregated ALE Group, taking into account the employees of all ALE Members in the group, employed on average 50 or more full-time employees (including full-time equivalent employees) on business days during the preceding calendar year, then the Aggregated ALE Group is an Applicable Large Employer and each separate employer within the group is an ALE Member. Each ALE Member is required to file Forms 1094-C and 1095-C reporting offers of coverage to its full-time employees (even if the ALE Member has fewer than 50 full-time employees of its own).

https://www.irs.gov/pub/irs-pdf/i109495c.pdf

# Are you concerned about how the Affordable Care Act impacts YOUR business?

HBK CPAs & Consultants can help!

*Our Offer to You*: We'd be glad to sit down with you and answer your questions about the requirements aqnd compliance for your business. If you are subject to filing requirements, we can also assist you in form preparation. Call your HBK team of professionals for help.



## Forms 1099 and 1096

### **FEDERAL FILING REQUIREMENTS:**

Payers filing returns on paper Forms 1099, 1098, 5498 and W-2G must send the original "pink" Copy A to the Internal Revenue Service using a separate transmittal (Form 1096) for each type of form submitted.

#### Recipient copies must be issued by January 31, 2019

For specific due date exceptions, visit the instructions at: www.irs.gov/pub/irs-pdf/i1099gi.pdf

#### C. When To File

File Forms 1097, 1098, 1099, 3921, 3922, or W-2G on paper by February 28, 2019, or April 1, 2019, if filing electronically. File Forms 5498, 5498-ESA, 5498-QA, and 5498-SA by May 31, 2019. Form 1096 must accompany all paper submissions. See <a href="mailto:parte">part E</a> for paper and <a href="parter">part F</a> for electronic filing requirements.

Extension of time to file. You can get an automatic 30-day extension of time to file by completing Form 8809. The form may be submitted on paper, or through the FIRE System either as a fill-in form or an electronic file. A signature or explanation may be required for the extension. However, you must file Form 8809 by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See the instructions for Form 8809 for more information.

#### PENNSYLVANIA 1099 FILING REOUIREMENTS:

Beginning with 2012, entities making payment of income from Pennsylvania sources, payments of nonemployee compensation or PA-source oil/gas lease payments are required to submit copies of Forms 1099-MISC to the PA Department of Revenue. Reporting is required for payees that are resident or non-resident individuals, partnerships or any other entity to which the payer would already be required to file a Form 1099-MISC with the federal government.

https://www.revenue.pa.gov/GeneralTaxInformation/Tax%20Types%20and%20Information/EmployerWithholding/Documents/2018 w-2 and 1099 reporting inst and specs.pdf

https://revenue-pa.custhelp.com/app/answers/detail/a id/2906/~/how-do-i-file-the-1099-misc%3F

#### How do I file the 1099-MISC?

Answer ID 2906 | Published 10/09/2012 09:44 AM | Updated 10/30/2018 02:30 PM

#### How do I file the 1099-MISC?

If the entity issuing Form 1099-MISC is **required to perform electronic filing** for Pennsylvania employer withholding purposes, the Federal Form 1099-MISC shall be filed electronically with the Department. Electronic submission is available through the Department's <u>e-TIDES</u> system.

If the entity is not required to perform electronic filing for Pennsylvania employer withholding purposes but is registered to do so, the Federal Form 1099-MISC may and is strongly encouraged to be filed electronically with the Department through e-TIDES.

When electronically filing the user must use a multi-import file upload. This process will allow users to prepare a file and upload all of their records in a single transaction. The file should not exceed 20 MB and be formatted using the .CSV file extension or any other type of a comma delimited/comma separated value file. (This file should contain a minimum of 17 columns of data.)

If the entity issuing the 1099-MISC does not have a PA employer withholding account, the forms must be submitted in paper format.

If you are mailing paper forms, please mail them to: PA Department of Revenue P.O. Box 280412 Harrisburg, PA 17128-0412

Continued...



## PENNSYLVANIA 1099 FILING REQUIREMENTS (Continued):

# What is considered a payment with regard to the 1099-MISC filing requirement?

Answer ID 2902 | Published 10/09/2012 09:24 AM | Updated 10/30/2018 02:34 PM

What is considered a payment with regard to the 1099-MISC filing requirement?

Generally, a payment is considered nonemployee compensation if it is made to someone who is not an employee of the entity for services in the course of the entity's trade or business.

Rents, royalties, bonuses and other income paid pursuant to the terms of an oil and gas lease are generally considered payments under an oil and gas lease.

# What is the minimum amount of nonemployee compensation that must be reported?

Answer ID 2904 | Published 10/09/2012 09:36 AM | Updated 10/30/2018 02:34 PM

What is the minimum amount of nonemployee compensation that must be reported?

The IRS and Pennsylvania require entities to report payments made to a nonemployee contractor when payments exceed a total of \$600 in a calendar year.

Act 43 of 2017 created a withholding obligation for certain payors of Pennsylvania-source income and lessees of Pennsylvania real estate to non-residents. It also expanded the requirements with respect to when a copy of Federal Form 1099-MISC is required to be filed with the Pennsylvania Department of Revenue. Withholding is optional for payors or lessees paying less than \$5,000 annually. However, if you are unsure of the total amount of payments that will be made during the year, the Department encourages you to withhold and remit income tax from all payments made.

### Is there a special PA 1099-MISC form to be used?

Answer ID 2905 | Published 10/09/2012 09:39 AM | Updated 10/30/2018 02:33 PM

Is there a special PA 1099-MISC form to be used?

No, entities paying non employee compensation for Pennsylvania-based work, Pennsylvania-source oil/gas lease payments or lessees of Pennsylvania real estate to non-residents, are required to submit copies of federal forms 1099-MISC to the department.

# What are the due dates for filing the 1099-MISC electronically and by paper?

Answer ID 2907 | Published 10/09/2012 09:48 AM | Updated 10/30/2018 02:31 PM

What are the due dates for filing the 1099-MISC electronically and by paper?

The forms are due to the department by 1/31.

https://revenue-pa.custhelp.com/app/answers/detail/a id/2906/~/how-do-i-file-the-1099-misc%3F



## PENNSYLVANIA 1099 FILING REQUIREMENTS (Continued):

Is a payor required to provide Copy A "For Internal Revenue Service Center" or Copy 1 "For State Tax Department" when remitting the 1099-MISC forms to the department?

Answer ID 2962 | Published 12/06/2012 10:06 AM | Updated 10/30/2018 02:31 PM

Is a payor required to provide Copy A "For Internal Revenue Service Center" or Copy 1 "For State Tax Department" when remitting the 1099-MISC forms to the department?

The department's preferred method for receiving a copy of form 1099-MISC is for Copy 1 to be prepared and filed with the commonwealth. Should payors wish to forego this and literally photocopy Copy A and file that with the commonwealth, the department will view this as compliant with section 335(f)'s mandate.

Does PA require a transmittal form similar to the IRS Form 1096 when remitting the 1099-MISC forms?

Answer ID 2981 | Published 01/10/2013 09:41 AM | Updated 02/25/2015 01:34 PM

Does PA require a transmittal form similar to the IRS Form 1096 when remitting the 1099-MISC forms?

No, PA does not require the submission of a transmittal form; we only need a copy of the 1099-MISC forms.

https://revenue-pa.custhelp.com/app/answers/detail/a id/2906/~/how-do-i-file-the-1099-misc%3F

Please contact HBK for additional guidance in filing your 1099-MISC forms with Pennsylvania.



#### **IDENTIFICATION NUMBERS AND BUSINESS NAME REQUIREMENTS:**

When issuing a 1099 to an Individual (Sole Proprietor), you **must** show the individual's first and last name. <u>You may also enter the d/b/a business name on the second line</u>. For the TIN, the IRS prefers use of the SSN. If the sole proprietor insists that you use their EIN, use the EIN, and list the corresponding business name, but **ALSO** show the proprietor's first and last name. Whether you use <u>SSN</u> or <u>EIN</u>, the IRS wants the individual's first and last name.

Sole proprietors. You must show the individual's name on the first name line; on the second name line, you may enter the "doing business as (DBA)" name. You may not enter only the DBA name. For the TIN, enter either the individual's SSN or the EIN of the business (sole proprietorship). The IRS prefers that you enter the SSN.

#### Taxpayer Identification Number (TIN) Matching

TIN Matching is a pre-filing service offered to payers and/or authorized agents who submit any of six information returns subject to backup withholding (Forms 1099-B, INT, DIV, OID, PATR, and MISC). With *Interactive TIN Matching* authorized payers can match up to 25 payee TIN and name combinations against IRS records prior to submitting an information return. *Bulk TIN Matching* allows payers and/or authorized agents filing any of the six information returns to match up to 100,000 TIN and name combinations. In order to participate in TIN Matching, payers must be listed in the IRS Payer Account File (PAF) database. If your company has not filed information returns with the IRS in one of the past two tax years, the application will not be available to you at this time. Registration Services are found at <a href="https://la2.www4.irs.gov/e-services/Registration/index.htm">https://la2.www4.irs.gov/e-services/Registration/index.htm</a>

#### WHAT'S NEW FOR 2018:

#### **Future Developments**

For the latest information about developments related to Form 1099-MISC and its instructions, such as legislation enacted after they were published, go to <a href="IRS.gov/Form1099MISC">IRS.gov/Form1099MISC</a>.

#### Reminders

General Instructions. In addition to these specific instructions, you should also use the 2018 General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file (nominee/middleman; certain FFIs and U.S. payers that report on Form(s) 1099 to satisfy their chapter 4 reporting requirements).
- . When and where to file.
- · Electronic reporting requirements.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- · Backup withholding.
- Penalties.
- The definitions of terms applicable for chapter 4 purposes that are referenced in these instructions.
- Other general topics.

You can get the general instructions from <u>General</u> <u>Instructions for Certain Information Returns</u> at <u>IRS.gov/</u> <u>1099generalinstructions</u> or go to <u>IRS.gov/Form1099MISC</u>.

#### Specific Instructions

File Form 1099-MISC, Miscellaneous Income, for each person in the course of your business to whom you have paid during the year:

- At least \$10 in royalties (see the instructions for box 2) or broker payments in lieu of dividends or tax-exempt interest (see the instructions for box 8);
- At least \$600 in:
  - 1. Rents (box 1);
- Services performed by someone who is not your employee (including parts and materials), box 7;
- Prizes and awards (see instructions for boxes <u>3</u> and <u>7</u>);
  - 4. Other income payments (box 3);
  - 5. Medical and health care payments (box 6);
  - 6. Crop insurance proceeds (box 10);
- Cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish (box 7);
- 8. Generally, the cash paid from a notional principal contract to an individual, partnership, or estate (box 3);
- Payments to an attorney. (See <u>Payments to attorneys</u>), later; or
  - 10. Any fishing boat proceeds (box 5).

In addition, use Form 1099-MISC to report that you made direct sales of at least \$5,000 of consumer products to a buyer for resale anywhere other than a permanent retail establishment (box 9).

#### For complete 1099-MISC instructions:

https://www.irs.gov/pub/irs-prior/i1099msc--2018.pdf

https://www.irs.gov/pub/irs-pdf/i1099msc.pdf (This link is not currently correct, shows 2019.)

Please see the 2018 IRS **General** Instructions for complete updates and changes in filing instructions for all types of information forms: http://www.irs.gov/pub/irs-pdf/i1099gi.pdf



## Filing Information Returns Electronically:

Payers who are required to file 250 or more information returns must file electronically.

However, the IRS encourages you to file electronically even if you are filing fewer than 250 returns.

## Who can participate?

Anyone with a FIRE System Transmitter Control Code (TCC) who is required to submit the information returns listed above (except Forms 1094/1095) can file electronically through FIRE. The law requires any corporation, partnership, employer, estate and/or trust, who is required to file 250 or more information returns for any calendar year, **must** file electronically. IRS encourages filers who have less than 250 information returns to file electronically as well.

## What are the benefits of electronic filing?

By transmitting your Information Returns through the FIRE System, Listed below are a few benefits of electronic filing:

- Files are processed faster with fewer errors.
- FIRE System can accept multiple files for the same type of return.
- Combined Federal/State Filing Program (CF/SF) is available for participating states.
- Fill-in Forms are available for Form 4419, Application for Filing Information Returns Electronically (FIRE) and Form 8809, Extension of Time to File Information Returns, for automatic 30-day requests only. Requests for an additional 30-days and <a href="1099-MISC">1099-MISC</a> Forms W-2 and reporting non-employee compensation in box 7 must be submitted on paper.

Please go to the link below for <u>2018 Alerts and Updates</u> on the IRS "FIRE" Information Page: Page Last Reviewed or Updated: 07-Dec-2018

https://www.irs.gov/e-File-Providers/Filing-Information-Returns-Electronically-FIRE

For more information regarding electronic filing, please refer to Publication 1220:

http://www.irs.gov/pub/irs-pdf/p1220.pdf



#### **PENALTIES:**

There is a graduated penalty system for incorrect information returns filed. These penalties are based on when correct information returns are filed.

The following penalties generally apply to the person required to file information returns. The penalties apply to paper filers as well as to electronic filers.

#### O. Penalties

The following penalties generally apply to the person required to file information returns. The penalties apply to paper filers as well as to electronic filers.



For information on the penalty for failure to file electronically, see <u>Penalty</u>, earlier, in <u>part F</u>.

#### Failure To File Correct Information Returns by the Due Date (Section 6721)

If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to file timely, you fail to include all information required to be shown on a return, or you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file electronically, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms that are machine readable.

The amount of the penalty is based on when you file the correct information return. The penalty is as follows.

- \$50 per information return if you correctly file within 30 days (by March 30 if the due date is February 28); maximum penalty \$547,000 per year (\$191,000 for small businesses, defined below).
- \$100 per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$1,641,000 per year (\$547,000 for small businesses).
- \$270 per information return if you file after August 1 or you do not file required information returns; maximum penalty \$3,282,500 per year (\$1,094,000 for small businesses)

Small businesses—lower maximum penalties. You are a small business if your average annual gross receipts for the 3 most recent tax years (or for the period you were in existence, if shorter) ending before the calendar year in which the information returns were due are \$5 million or less

**Exceptions to the penalty.** The following are exceptions to the failure to file penalty.

- The penalty will not apply to any failure that you can show was due to reasonable cause and not to willful neglect. In general, you must be able to show that your failure was due to an event beyond your control or due to significant mitigating factors. You must also be able to show that you acted in a responsible manner and took steps to avoid the failure.
- 2. An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission does not prevent or hinder the IRS from processing the return, from correlating the information required to be shown on the return with the information shown on the payee's tax return, or from otherwise putting the return to its intended use. Errors and omissions that are never inconsequential are those

related to (a) a TIN, (b) a payee's surname, and (c) any money amount except as provided, later, with respect to the safe harbor for de minimis dollar amount errors.

- De minimis rule for corrections. Even though you cannot show reasonable cause, the penalty for failure to file correct information returns will not apply to a certain number of returns if you:
  - Filed those information returns timely,
- b. Either failed to include all the information required on a return or included incorrect information, and
  - Filed corrections by August 1.

If you meet all the conditions in (a), (b), and (c) above, the penalty for filing incorrect returns will not apply to the greater of 10 information returns or  $^{1}$ /2 of 1% (0.005) of the total number of information returns you are required to file for the calendar year.

4. Safe harbor for de minimis dollar amount errors. See <u>Safe Harbor for De Minimis Dollar Amount Errors on Information Returns and Payee</u>, later.

Intentional disregard of filing requirements. If any failure to file a correct information return is due to intentional disregard of the filing or correct information requirements, the penalty is at least \$540 per information return with no maximum penalty.

## Failure To Furnish Correct Payee Statements (Section 6722)

If you fail to provide correct payee statements and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to provide the statement by the due date (January 31 for most returns; see the <u>Guide to Information Returns</u>, later), you fail to include all information required to be shown on the statement, or you include incorrect information on the statement. "Payee statement" has the same meaning as "statement to recipient" as used in part M.

The amount of the penalty is based on when you furnish the correct payee statement. It is a separate penalty, and is applied in the same manner as the penalty for failure to file correct information returns by the due date (section 6721), described earlier.

For additional information on penalites, exceptsions, etc., please go to:

https://www.irs.gov/pub/irs-pdf/i1099gi.pdf

The graduated penalty system encourages filing of all required information returns, even if they are delinquent. A good rule of thumb to use is:

"When in doubt...send it out."



\*PLEASE NOTE\* - THE IRS APPROVED & PUBLISHED THE 2018 FORM 1096 PRIOR TO ADDING THE THIRD ADDRESS SHOWN BELOW, FOR PENNSYLVANIA FILING, AMONG OTHER STATES. - WE SUGGEST FOR THIS YEAR TO CONTINUE TO FOLLOW THE INSTRUCTIONS PRINTED ON FORM 1096 - THE INFORMATION BELOW WILL BE USED FOR 2019 FILINGS.

#### D. Where To File



Use the address for your state for mailing information returns.

Send all information returns filed on paper to the following.

If your principal business, office or agency, or legal residence in the case of an individual, is located in

Use the following address

Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Kentucky, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, Carolina, Ohio, Texas,

Vermont, Virginia

Department of the Treasury Internal Revenue Service Center Austin, TX 73301

Alaska, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Department of the Treasury Internal Revenue Service Center

PO Box 219256 Kansas City, MO 64121-9256

California, Connecticut, District of Columbia, Louisiana, Maryland, Pennsylvania,

Rhode Island, West Virginia

Department of the Treasury Internal Revenue Service Center

Ogden, UT 84201

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

State and local tax departments. Contact the applicable state and local tax department as necessary for reporting requirements and where to file.

The following three pages are excerpts (pages 25 - 27) from the 2018 IRS General Instructions for Forms 1096, 1097,1098, 1099, 3921, 3922, 5498 and W-2G, which identifies all the information return forms and describes what they are used to report, guidelines and due dates. Also (page 28) lists "Types of Payments" alphabetically, with a reference to what type of Form needs filed. We have also included the instructions (page 11) for filing *Corrected* information returns on page 103 of this booklet.

Also following are snapshots of Forms W-9, 1096 and 1099MISC and 1099INT and website links are provided.

#### Guide to Information Returns (If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)

				Du	e Dete
Form	Title	What To Report	Amounts To Report	To IRS	To Recipient (unless indicated otherwise)
1042-8	Foreign Person's U.S. Source Income Subject to Withholding	Income such as interest, dividends, royalties, pensions and annulties, etc., and amounts withheld under Chapter 3. Also, distributions of effectively connected income by publicly traded partnerships or nominees.	See form instructions	March 15	March 15
1097-BTC	Bond Tax Credit	Tax credit bond credits to shareholders.	All amounts	February 28*	On or before the 15th day of the 2nd calendar month after the close of the calendar month in which the credit is allowed
1098	Mortgage Interest Statement	Mortgage interest (including points) and certain mortgage insurance premiums you received in the course of your trade or business from individuals and reimbursements of overpaid interest.	\$600 or more	February 28*	(To Payer/Borrower) January 31
1098-C	Contributions of Motor Vehicles, Boats, and Airplanes	Information regarding a donated motor vehicle, boat, or airplane.	Gross proceeds of more than \$500	February 28*	(To Donor) 30 days from date of sale or contribution
1098-E	Student Loan Interest Statement	Student loan interest received in the course of your trade or business.	\$600 or more	February 28*	January 31
1098-MA	Mortgage Assistance Payments	Assistance payments paid to homeowners from funds allocated from the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund) or the Emergency Homeowners' Loan Program.	All amounts	February 28	January 31
1098-Q	Qualifying Longevity Annuity Contract Information	Status of a contract that is intended to be a qualifying longevity annuity contract (GLAC), defined in section A-17 of 1.401(a)(9)-6, that is purchased or held under any plan, annuity, or account described in section 401(a), 403(a), 403(b), or 408 (other than a Roth IRA) or eligible governmental plan under section 457(b).	All amounts	February 28	January 31
1098-T	Tuition Statement	Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).	See instructions	February 28*	January 31
1099-A	Acquisition or Abandonment of Secured Property	Information about the acquisition or abandonment of properly that is security for a debt for which you are the lender.	All amounts	February 28*	(To Borrower) January 31
1099-B	Proceeds From Broker and Barter Exchange Transactions	Sales or redemptions of securities, futures transactions, commodities, and barter exchange transactions (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)).	All amounts	February 28*	February 15**
1099-C	Cancellation of Debt	Cancellation of a debt owed to a financial institution, the Federal Government, a credit union, RTC, FDIC, NCUA, a military department, the U.S. Postal Service, the Postal Rate Commission, or any organization having a significant trade or business of lending money.	\$600 or more	February 28*	January 31
1099-CAP	Changes in Corporate Control and Capital Structure	Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.	Over\$1,000	February 28*	(To Shareholders) January 31, (To Clearing Organization) January 5
1099-DIV	Dividends and Distributions	Distributions, such as dividends, capital gain distributions, or nontaxable distributions, that were paid on stock and liquidation distributions (including distributions reported pursuant to an election described in Regulations section 1.1471-4(d)(2)(ii)(A)). Or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)).	\$10 or more, except \$600 or more for liquidations	February 28*	January 31**
1099-G	Certain Government Payments	Unemployment compensation, state and local income tax refunds, agricultural payments, and taxable grants.	\$10 or more for refunds and unemployment	February 28*	January 31
1099-H	Health Coverage Tax Credit (HCTC) Advance Payments	Health insurance premiums paid on behalf of certain individuals.	All amounts	February 28*	January 31
1099-INT	Interest Income	Interest income (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)); market discount subject to an election under section 1278(b).	\$10 or more (\$600 or more in some cases)	February 28*	January 31**

Gen. Instr. for Certain Info. Returns (2018)

<sup>&</sup>quot;The due date is March 31 if fied electronically.
"The due date is March 15 for reporting by trustees and middlemen of WHFITs.

### **Guide to Information Returns (Continued)**

				Due	
Form	Title	What To Report	Amounts To Report	To IRS	To Recipient (unless indicate otherwise)
1099-K	Payment Card and	Payment card transactions.	All amounts		
	Third Party Network Transactions	February 28*	January 31		
1099-LS	Reportable Life Insurance Sale	Proceeds from a reportable life insurance sale.	All amounts	February 28*	January 31
1099-LTC	Long-Term Care and Accelerated Death Benefits	February 28*	January 31		
1099-MISC	Miscellaneous Income	Rent or royalty payments; prizes and awards that are not for services, such as winnings on TV or radio shows (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i) (A) or reported as described in Regulations section 1.1471-4(d)(2)(ii) (A)).	\$600 or more, except \$10 or more for royalties		
	(Also, use to report direct sales of \$5,000 or more of consumer goods for resale.)	Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch.	All amounts		
		Section 409A income from nonqualified deferred compensation plans (NQDCs).	All amounts		
		Payments to a physician, physicians' corporation, or other supplier of health and medical services. Issued mainly by medical assistance programs or health and accident insurance plans.	\$600 or more	February 28" Note: If any payments for	January 31**
		Payments for services performed for a trade or business by people not treated as its employees (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)). Examples: fees to subcontractors or directors and golden parachute payments.	\$600 or more	nonemployee compensation are reported in box 7, the due date is January 31 for both paper and electronic returns.	
		Fish purchases paid in cash for resale.	\$600 or more		
		Crop insurance proceeds.	\$600 or more		
		Substitute dividends and tax-exempt interest payments reportable by brokers.	\$10 or more		February 15**
		Gross proceeds paid to attorneys.	\$600 or more		February 15**
		A U.S. account for chapter 4 purposes to which you made no payments during the year that are reportable on any applicable Form 1099 (or a U.S. account to which you made payments during the year that do not reach the applicable reporting threshold for any applicable Form 1099) reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A).	All amounts (including \$0)		January 31**
1099-OID	Original Issue Discount	Original issue discount (including amounts reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A) or reported as described in Regulations section 1.1471-4(d)(2)(iii)(A)); market discount subject to an election under section 1278 (b).	\$10 or more	February 28*	January 31**
1099-PATR	Taxable Distributions Received From Cooperatives	Distributions from cooperatives passed through to their patrons including any domestic production activities deduction and certain pass-through credits.	\$10 or more	February 28*	January 31
1099-Q	Payments From Qualified Education Programs (Under Sections 529 and 530)	Earnings from qualified tuition programs and Coverdell ESAs.	All amounts	February 28*	January 31
1099-QA	Distributions from ABLE Accounts	Distributions from ABLE accounts.	All amounts	February 28	January 31
1099-R	Distributions From Pensions, Annuties, Retirement or Proft-Sharing Plans, IRAs, Insurance Contracts, etc.	Distributions from retirement or profit-sharing plans, any IRA, insurance contracts, and IRA recharacterizations (including payments reported pursuant to an election described in Regulations section 1.1471-4(d)(5)(i) (B) or reported as described in Regulations section 1.1471-4(d)(2)(ii) (A)).	\$10 or more	February 28*	January 31

<sup>&</sup>quot;The due date is March 31 if fled electronically.

<sup>&</sup>quot;The due date is March 15 for reporting by trustees and middlemen of WHFITs.

#### **Guide to Information Returns (Continued)**

				Du	e Date	
Form	Title	What To Report	Amounts To Report	To IRS	To Recipient (unless indicated otherwise)	
1099-S	Proceeds From Real Estate Transactions	Gross proceeds from the sale or exchange of real estate and certain royalty payments.	Generally, \$600 or more	February 28*	February 15	
1099-SA	Distributions From an HSA, Archer MSA, or Medicare Advantage MSA	Distributions from an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	February 28*	January 31	
1099-SB	Seller's Investment in Life insurance Contract	Seller's investment in a life insurance contract as determined by the issuer.	All amounts	February 28*	January 31	
3921	Exercise of an Incentive Stock Option Under Section 422(b)	Transfer of stock pursuant to the exercise of an incentive stock option under section 422(b).	All amounts	February 28*	January 31	
3922	Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)	Transfor of stock acquired through an employee stock purchase plan under section 423(c).	All amounts	February 28*	January 31	
5498	IRA Contribution Information	Contributions (including rollover contributions) to any individual retirement arrangement (IRA), including a SEP, SIMPLE, and Roth IRA; Roth conversions; IRA recharacterizations; and the fair market value (FMV) of the account.	All amounts	May 31	(To Participant) For FMV/RMD, Jan 31; For contributions, May 31	
5498-ESA	Coverdell ESA Contribution Information	Contributions (including rollover contributions) to a Coverdell ESA.	All amounts	May 31	April 30	
5498-QA	ABLE Account Contributions Information	Contributions (including rollover contributions) to an ABLE account.	All amounts	May 31	March 15	
5498-SA	HSA, Archer MSA, or Medicare Advantage MSA Information	Contributions to an HSA (including transfers and relievers) or Archer MSA and the FMV of an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	May 31	(To Participant) May 31	
W-2G	Certain Gambling Winnings	Gambling winnings from horse racing, dog racing, jai alai, lotteries, keno, bingo, slot machines, sweepstakes, wagering pools, poker tournaments, etc.	Generally, \$600 or more; \$1,200 or more from bingo or slot machines; \$1,500 or more from keno	February 28*	January 31	

<sup>&</sup>quot;The due date is March 31 if fled electronically.

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http://www.irs.gov/pub/irs-pdf/i1099gi.pdf

Types of Payments
Below is an alphabetic list of
some payments and the forms
to file and report them on.
However, it is not a complete
list of all payments, and the
absence of a payment from
the list does not indicate that
the payment is not reportable.
For instructions on a specific
type of payment, see the
separate instructions in the
form(s) listed.

#### Type of Payment Report on Form

ABLE accounts:	
Contributions	5498-QA
Distributions	1099-QA
Abandonment	1099-A
Accelerated death benefits	1099-LTC
Acquisition of control	1099-CAP
Agriculture payments	1099-G
Allocated tips	W-2
Alternate TAA payments	1099-G
Annuities	1099-R
Archer MSAs:	
Contributions	5498-SA
Distributions	1099-SA
Attorney, fees and gross	
proceeds	1099-MISC
Auto reimbursements, employee	W-2
Auto reimbursements,	
nonemployee	1099-MISC
Awards, employee	W-2
Awards, nonemployee	1099-MISC
Barter exchange income	1099-B
Bond tax credit	1097-BTC
Bonuses, employee	W-2
Bonuses, nonemployee	1099-MISC
Broker transactions	1099-B
Cancellation of debt	1099-C
Capital gain distributions	1099-DIV
Car expense, employee	W-2
Car expense, nonemployee	1099-MISC
Changes in capital structure	1099-CAP
Charitable gift annuities	1099-R
Commissions, employee	W-2
Commissions, nonemployee	1099-MISC
Commodities transactions	1099-B
Compensation, employee	W-2
Compensation, nonemployee	1099-MISC
Contributions of motor vehicles, boats.	
and airplanes	1098-C
Cost of current life insurance	
protection	1099-R
Coverdell ESA contributions	5498-ESA
Coverdell ESA distributions	1099-Q
Crop insurance proceeds	1099-MISC
Damages	1099-MISC
Death benefits	1099-R

Type of Payment Report on Form	
Accelerated	1099-LTC
Debt cancellation	1099-C
Dependent care payments	W-2
Direct rollovers	1099-Q,
	1099-R,
	5498
Direct sales of consumer products for	
resale	1099-MISC
Directors' fees	1099-MISC
Discharge of indebtedness	1099-C
Dividends	1099-DIV
Donation of motor vehicle	1098-C
Education loan interest	1098-E
Employee business expense	W-2
reimbursement	
Employee compensation	W-2
Excess deferrals, excess contributions, distributions of	1099-R
Exercise of incentive stock option under	100011
section 422(b)	3921
Fees, employee	W-2
Fees, nonemployee	1099-MISC
Fishing boat crew members	
proceeds	1099-MISC
Fish purchases for cash	1099-MISC
Foreclosures	1099-A
Foreign persons' income	1042-8
401(k) contributions	W-2
404(k) dividend	1099-DIV
Gambling winnings	W-2G
Golden parachute, employee	W-2
nonemployee	1099-MISC
Grants, taxable	1099-G
Health care services	1099-MISC
Health coverage tax credit (HCTC)	
advance payments	1099-H
Health savings accounts:	
Contributions	5498-SA
Distributions	1099-SA
Income attributable to domestic	
production activities, deduction for	1099-PATR
Income tax refunds, state and	IOSSPAIN
local	1099-G
Indian gaming profits paid to tribal	
members	1099-MISC
Interest income	1099-INT
Tax-exempt	1099-INT
Interest, mortgage	1098
IRA contributions	5498
IRA distributions	1099-R
Life insurance contract	1099-R,
distributions	1099-LTC 1099-DIV
Liquidation, distributions in	1000-014
plan	1099-R
Long-term care benefits	1099-LTC
Medicare Advantage MSAs:	
Contributions	5498-SA
Distributions	1099-SA
Medical services	1099-MISC
Mileage, employee	W-2
Mileage, nonemployee	1099-MISC
Military retirement	1099-R
Mortgage assistance payments	1098-MA

Type of Payment Report on Form	
Mortgage interest	1098
Moving expense	W-2
Nonemployee compensation	1099-MISC
Nonqualified deferred compensation:	4000 D
Beneficiary	1099-R W-2
Nonemployee	1099-MISC
Original issue discount (OID)	1099-OID
Tax-exempt OID	1099-OID
Patronage dividends	1099-PATR
Payment card transactions	1099-K
Pensions	1099-R
Points	1098
Prizes, employee	W-2 1099-MISC
Profit-sharing plan	1099-R
Punitive damages	1099-MISC
Qualified longevity annuity	
contract	1098-Q
Qualified plan distributions	1099-R
Qualified tuition program	
Payments	1099-Q 1099-S
Real estate transactions	1099-R,
contributions	5498
Refund, state and local tax	1099-G
Rents	1099-MISC
Reportable policy sale	1099-LS
Retirement	1099-R
Roth conversion IRA	5400
contributions	5498
distributions	1099-R
Roth IRA contributions	5498
Roth IRA distributions	1099-R
Royalties	1099-MISC,
T-1	1099-S
Timber, pay-as-cut contract	
Coloni	1099-S
Sales:	
Real estate	1099-S
Real estate	
Real estate	1099-S 1099-B
Real estate Securities Section 1035 exchange Seller's investment in life insurance contract	1099-S 1099-B 1099-R
Real estate Securities Section 1035 exchange Seller's investment in life insurance contract SEP contributions	1099-S 1099-B 1099-R 1099-SB W-2, 5498
Real estate Securities Section 1035 exchange Seller's investment in life insurance contract SEP contributions SEP distributions	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R
Real estate Securities Section 1035 exchange Seller's investment in life insurance contract SEP contributions SEP distributions Severance pay	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R W-2
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions Sep distributions Severance pay Sick pay	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R W-2 W-2
Real estate Securities Section 1035 exchange Setion 1035 exchange Setier's investment in life insurance contract SEP contributions SEP distributions Severance pay Sick pay SIMPLE contributions	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R W-2
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions Sep distributions Severance pay Sick pay	1099-S 1099-R 1099-R 1099-SB W-2, 5498 1099-R W-2 W-2 W-2, 5498
Real estate Securities Section 1035 exchange Solier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay SIMPLE contributions SIMPLE distributions	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R W-2 W-2, 5498 1099-R
Real estate Securities Section 1035 exchange Seller's investment in life insurance contract SEP contributions SEP distributions Severance pay Sick pay SIMPLE contributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R W-2 W-2, 5498 1099-R 1099-B 1099-MISC
Real estate Securities Section 1035 exchange Section 1035 exchange Seler's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay SIMPLE contributions SIMPLE distributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest Supplemental unemployment	1099-S 1099-B 1099-R 1099-R 1099-R W-2 W-2, 5498 1099-R 1098-E 1099-MISC W-2
Real estate Securities Section 1035 exchange Settion 1035 exchange Settion 1035 exchange Settion 1035 exchange Settion 1035 exchange SEP contributions SEP distributions Severance pay Sick pay SiMPLE contributions SIMPLE distributions Student loan interest Substatute payments in lieu of dividends or tax-exempt interest Supplemental unamployment Tax refunds, state and local	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R W-2, 5498 1099-R 1099-E 1099-MISC W-2
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay Sick pay SiMPLE contributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-excempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R W-2, 5498 1099-R 1099-B 1099-MISC W-2 1099-G 1099-K
Real estate Securities Section 1035 exchange Seller's investment in life insurance contract SEP contributions SEP distributions Severance pay Sick pay SIMPLE contributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-excempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips	1099-S 1099-B 1099-R 1099-S W-2, 5498 1099-R W-2 W-2, 5498 1099-R 1098-E 1099-MISC W-2 1099-G 1099-K
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay Sick pay SiMPLE contributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-excempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R W-2, 5498 1099-R 1099-B 1099-MISC W-2 1099-G 1099-K
Real estate Securities Section 1035 exchange Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay SIMPLE contributions SIMPLE distributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions	1099-S 1099-B 1099-R 1099-SB W-2, 5498 1099-R W-2 W-2, 5498 1099-R 1099-G 1099-G 1099-G 1099-G 5498
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay Sick pay SiMPLE contributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-excempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions Traditional IRA contributions Transfer of stock acquired through an employee stock purchase plan under	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R W-2 W-2, 5498 1099-B 1099-MISC W-2 1099-G 1099-K W-2 5498 1099-R
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay Sick pay Sik pay SimPLE contributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-excempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions Traditional IRA destributions Transfer of stock acquired through an employee stock purchase plan under section 423(c)	1099-S 1099-B 1099-R 1099-R 1099-R W-2 W-2, 5498 1099-R 1099-R 1099-MISC W-2 1099-G 1099-G 1099-R 3922
Real estate Securities Section 1035 exchange Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay SiMPLE contributions SiMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions Traditional IRA contributions Transfer of stock acquired through an employee stock purchase plan under section 423(c) Tuition	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R 1099-R 1099-R 1099-G 1099-G 1099-R W-2 5498 1099-R
Real estate Securities Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions Severance pay Sikk pay SiMPLE contributions SiMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions Traditional IRA contributions Traditional IRA distributions Transfer of stock acquired through an employee stock purchase plan under section 423(c) Tuition Unemployment benefits	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R 1099-R 1099-B 1099-K W-2 1099-G 1099-R 1099-R 1099-R
Real estate Securities Section 1035 exchange Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sick pay SiMPLE contributions SiMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions Traditional IRA contributions Transfer of stock acquired through an employee stock purchase plan under section 423(c) Tuition	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R 1099-R 1099-R 1099-G 1099-G 1099-R W-2 5498 1099-R
Real estate Securities Section 1035 exchange Section 1035 exchange Selier's investment in life insurance contract SEP contributions SEP distributions SEP distributions Severance pay Sink pay SIMPLE contributions SIMPLE distributions SIMPLE distributions Student loan interest Substitute payments in lieu of dividends or tax-exempt interest Supplemental unemployment Tax refunds, state and local Third party network transactions Tips Traditional IRA contributions Traditional IRA contributions Traditional IRA contributions Transfer of stock acquired through an employee stock purchase plan under section 423(c) Tution Unemployment benefits Vacation allowance, employee Vacation allowance,	1099-S 1099-B 1099-R 1099-R W-2, 5498 1099-R 1099-R 1099-B 1099-K W-2 1099-G 1099-R 1099-R 1099-R
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Type of Payment Report on Form

# (Rev. October 2018) Department of the Tree

# Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Interna	l Revenue Sen	vice	<b>•</b>	Go to www.irs.go	ov/FormW9 for inst	ructions and the late	st inform	mati	on.						
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Form W-9 (Rev. 10-2018) Cat. No. 10231X

Form W-9: <a href="http://www.irs.gov/pub/irs-pdf/fw9.pdf">http://www.irs.gov/pub/irs-pdf/fw9.pdf</a>

Form W-9 Instructions: <a href="http://www.irs.gov/pub/irs-pdf/iw9.pdf">http://www.irs.gov/pub/irs-pdf/iw9.pdf</a>

## To order official IRS forms, call 800-TAX-FORM (800-829-3676) or Order Information Returns and Employer Returns Online at

http://www.irs.gov/Businesses/Online-Ordering-for-Information-Returns-and-Employer-Returns

and IRS will mail you the scannable carbonless forms (BUT NOT LASER PRINTER) and other products.

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For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2018 General Instructions for Certain Information Returns.

Cat. No. 14400O

Form 1096 (2018)

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# FILING CORRECTED PAPER INFORMATION RETURNS

#### **Error Charts For Filing Corrected Returns on Paper Forms**

Identify the correction needed based on Error Type 1 or 2; then follow the steps to make the corrections and file the form(s). Also see part H, earlier.

Error Type 1	Correction
Incorrect money amount(s), code, or checkbox	A. Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G  1. Prepare a new information return. 2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form. 3. Correct any recipient information such as money amounts. Report other information as per the original return.
A return was filed when one should not have been filed.	Form 1096     Prepare a new transmittal Form 1096.     Provide all requested information on the form as it applies to Part A, 1 and 2.
These errors require only one return to make the correction.	File Form 1096 and Copy A of the return with the appropriate service center.     Do not include a copy of the original return that was filed incorrectly.
Caution: If you must correct a TIN or a payee name, follow the instructions under Error Type 2.	

Error Type 2	Correction	
No payee TIN (SSN, EIN, QI-EIN, or ITIN), or Incorrect payee TIN, or Incorrect payee name, or	Step 1. Identify incorrect return submitted.	Prepare a new information return.     Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form.     Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; however, enter 0 (zero) for all money amounts.
Original return filed using wrong type of return (for example, a Form 1099-DIV was filed when a Form 1099-INT should have been filed).  Two separate returns are required to make the correction properly. Follow all instructions for both Steps 1 and 2.	Step 2. Report correct information.	A. Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G  1. Prepare a new information return.  2. Do not enter an "X" in the "CORRECTED" box at the top of the form. Prepare the new return as though it is an original.  3. Include all the correct information on the form including the correct TIN and name.
		B. Form 1096  1. Prepare a new transmittal Form 1096. 2. Enter one of the following phrases in the bottom margin of the form.  Filed To Correct TIN.  Filed To Correct Return.  3. Provide all requested information on the form as it applies to the returns prepared in Steps 1 and 2.  4. File Form 1096 and Copy A of the return with the appropriate service center.  5. Do not include a copy of the original return that was filed incorrectly.

Gen. Instr. for Certain Info. Returns (2018)

-11-



## **Unclaimed Property Reporting**

The Pennsylvania Disposition of Abandoned and Unclaimed Property Law (72 P.S. 130101.1 et. Seq.) requires that all financial institutions, businesses and all other legal entities report all abandoned and unclaimed property (including unclaimed pay checks) in their possession for a certain period of time (see below). Reports are due by April 15 of each and every year. The Unclaimed Property Reporting Forms and Instructions Booklet can be downloaded from Pennsylvania's web site or you can call 800-379-3999 or e-mail to report@patreasury.gov.

http://www.patreasury.gov/unclaimed-property/

http://www.patreasury.gov/unclaimed-property/holder/

http://www.patreasury.gov/unclaimed-property/finder/

http://www.patreasury.gov/unclaimed-property/tangible/

http://www.patreasury.gov

http://www.patreasury.gov/claim/

#### If someone offers to help you locate unclaimed money for a fee (finders):

Call the Treasury Department at 800-222-2046 before you do anything! Signing an agreement to have someone assist you in recovering unclaimed money may entail the payment of fees. Before signing any agreement, check with our office first. Our staff will assist you in recovering your property with no finders fee.



## Important Addresses, Phone Numbers and Websites

#### Hill, Barth & King LLC:

15942 Conneaut Lake Road Meadville, PA 16335

(814)336-1512 or Toll Free (888)629-7763

Website: <a href="http://www.hbkcpa.com">http://www.hbkcpa.com</a>

#### **Important IRS Departments:**

Internal Revenue Service
Philadelphia, PA 19255
Toll Free Taxpayer Assistance:
for businesses: (800)829-4933
for individuals: (800)829-1040
Website: <a href="http://www.irs.gov">http://www.irs.gov</a>

#### **Ordering Federal Forms:**

Most federal forms can be downloaded or ordered online at <a href="http://www.irs.gov">http://www.irs.gov</a>
Toll Free Forms Ordering: (800)829-3676

#### Office Serving Crawford and Erie Counties:

Internal Revenue Service 1314 Griswold Plaza Erie, PA 16501

Telephone: (814) 456-8967

#### Social Security Administration (W-2 Filing):

Data Operations Center
Wilkes-Barre, PA 18769-0001
(for certified mail, use zip 18769-0002)
(for other IRS approved delivery services, add:
ATTN: W-2 Process, 1150 E. Mountain Drive
and use zip 18702-7997)

Employer Reporting Service Center: Telephone: (800) 772-6270 Website: <a href="http://www.ssa.gov">http://www.ssa.gov</a> E-mail: <a href="mailto:employerinfo@ssa.gov">employerinfo@ssa.gov</a>

#### **State Websites:**

<u>Pennsylvania</u> Department of Revenue:

http://www.revenue.state.pa.us

**Ohio** Department of Taxation:

http://tax.ohio.gov

#### State Websites (Continued):

New York State Department of Taxation and Finance's Public Website:

http://www.tax.ny.gov

#### PA Department of Labor & Industry:

http://www.dli.state.pa.us

#### PA Bureau of Labor Law Compliance (Western. PA):

(412) 565-5300 Toll Free 877-504-8354

#### Pennsylvania W-2 Mailing Addresses:

PA Department of Revenue PO Box 280412 Harrisburg, PA 17128-0412

#### PA Department of Revenue:

448 West 11<sup>th</sup> Street Erie, PA 16501 Sales & Use Tax Local Office: (814) 871-4491

#### PA Unemployment Offices:

#### Serving Crawford & Erie County:

Field Accounting Service 153 E 13<sup>th</sup> Street, Suite 1200, Erie, PA 16503 Phone: (866) 403-6163

#### **Serving Mercer County:**

Field Accounting Service 8419 Sharon-Mercer Road, Bldg 2, Suite 2A Mercer, PA 16137

Phone: (866) 403-6163

## Established employers – address for quarterly voucher and payments:

Office of UC Tax Services PO Box 60848 Harrisburg, PA 17106-0848



### **IRS Records Retention Guidelines**

From: https://www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records

## How long should I keep records?

The length of time you should keep a document depends on the action, expense, or event which the document records. Generally, you must keep your records that support an item of income, deduction or credit shown on your tax return until the period of limitations for that tax return runs out.

The period of limitations is the period of time in which you can amend your tax return to claim a credit or refund, or the IRS can assess additional tax. The information below reflects the periods of limitations that apply to income tax returns. Unless otherwise stated, the years refer to the period after the return was filed. Returns filed before the due date are treated as filed on the due date.

**Note:** Keep copies of your filed tax returns. They help in preparing future tax returns and making computations if you file an amended return.

## Period of Limitations that apply to income tax returns

- 1. Keep records for 3 years if situations (4), (5), and (6) below do not apply to you.
- Keep records for 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later, if you file a claim for credit or refund after you file your return.
- Keep records for 7 years if you file a claim for a loss from worthless securities or bad debt deduction.
- 4. Keep records for 6 years if you do not report income that you should report, and it is more than 25% of the gross income shown on your return.
- 5. Keep records indefinitely if you do not file a return.
- 6. Keep records indefinitely if you file a fraudulent return.
- Keep employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.

The following questions should be applied to each record as you decide whether to keep a document or throw it away.

#### Are the records connected to property?

Generally, keep records relating to property until the period of limitations expires for the year in which you dispose of the property. You must keep these records to figure any depreciation, amortization, or depletion deduction and to figure the gain or loss when you sell or otherwise dispose of the property.

If you received property in a nontaxable exchange, your basis in that property is the same as the basis of the property you gave up, increased by any money you paid. You must keep the records on the old property, as well as on the new property, until the period of limitations expires for the year in which you dispose of the new property.

## What should I do with my records for nontax purposes?

When your records are no longer needed for tax purposes, do not discard them until you check to see if you have to keep them longer for other purposes. For example, your insurance company or creditors may require you to keep them longer than the IRS does.

Page Last Reviewed or Updated: 23-Apr-2018

#### **Related Topics**

Recordkeeping

#### **Publications**

- Publication 547, Casualties, Disasters, and Thefts
- Publication 536, Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- Publication 535, Business Expenses
- Publication 583, Starting a Business and Keeping Records
- Publication 225, Farmer's Tax Guide
- Publication 594, The IRS Collection Process
- Publication 17, Your Federal Income Tax



#### **General Record Retention Guidelines**

Accounts, charged off 7 Payroll register 7 Narred data & surveys 5 Accounts payable ledger P Petty cash records 4 Samples, displays, labels P P Accounts receivable & ledger 10 P Petty cash records P P Tear sheets 3 Baink deposit records & stimts. P Property asset summary 10 Annual reports P P Bank reconcilement papers 7 Royalty ledger P Authority to issue securities P P Bank reconcilement papers 7 Royalty ledger P P Authority to issue securities P P Bank reconcilement papers 7 Royalty ledger P P Authority to issue securities P P Bank reconcilement papers 7 Royalty ledger P P Bank reconcilement papers 9 Royalty ledger P P Bank solve registered bank 9 Royalty ledger P P Bank solve registered P P Trail balance sheets P Bank solve retrieval page 1 Capital stock certificates P P Tabulating cards & magnetic tape 1 Capital stock certificates P P Trial balance sheets P Capital stock itemsfer records P Bank solve records P P Bank sol	ACCOUNTING & FISCAL:	YRS.	ACCOUNTING & FISCAL:	YRS.	ADVERTISING:	YRS.
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Bonds, sales or transfer	Bonds cancelled or registered	Р		15		Р
Budget work sheets  2 Trial balance sheets  P Charters, constitution, bylaws, amendments  Capital stock bills of sale  P Uncollected accounts  7 Contracts:  - Capital stock certificates  P Work papers, rough  2 employee  P Capital stock ledger  Capital stock transfer records  P Audit reports, internal  P labor union  P Cash tooks  P Audit reports, public & govt.  P vendor  Cash receipts & disbursement records  P Audit reports, public & govt.  P vendor  P Cash receipts & disbursement records  P Audit reports, public & govt.  P vendor  P Cash receipts & disbursement records  Cash sales slips  10 Classified documents: control, inventories, reports  Chart secretic provided and inventories, reports  Chart secretic provided and inventories, reports  Check records  P Credit & collection  T Election ballots  20 Check register  P Egeneral & production  T Election ballots  Check register  P Egeneral & production  T Sales & certs  P Checks, paid & cancelled  P General cash books, treasurers' and auditors'  P Checks, payroll  T sales & service  T P Reports to do business  P Checks, warrants  P Reports to Securities and  P Checks, warrants  P Reports to Securities and  P Chrecks, warrants  P Reports to Securities and  P Darating register  T Nentory, plant records  P Reports to Securities and  P Reports to Securities and  P Reports to Securities and  P Estimate, projections  T System & procedure records  P Stock applications for issuance, listing & registration  Estimate, projections  P Stock applications for issuance, listing & registration  P Stock obernificates, cancelled  P Telepane cords  P Ceneral babook  P Stock obernificates, cancelled  P Stockholder proxies & reports  P General ledger  P Octrespondence  10 Orrespondence  10 Orrespondence  10 Orrespondence  10 Orrespondence  10 Orrespondence  10 Orrespondence  10 Orr		Р			· · · · · · · · · · · · · · · · · · ·	Р
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	Note ledgers	P	Estimates	2	Projects, ideas, notes	P

KEY - "P" means permanently



Research reports, speeches and publications INSURANCE: YRS, Receipts, delivery 3 3 Pay checks 7 P Reliability records P P Payor Incords, after termin. 10 Appressabs P P Reliability records P P Payor Incords, after termin. 10 Appressabs P P Speefications, customer P P Persion plans 10 Districts Service issue records 3 Pension plan applications P P group life & hospital 10 Time & motion studies P P Pension plan applications P P Pension plan in a P P Pension plan in a P P P P P P P P P P P P P P P P P P	EXECUTIVE:	YRS.	MANUFACTURING:	YRS.	PERSONNEL:	YRS.
Accident reports P Reliability records P P Peyroll records, after termin. 10 Appraisals P Specifications, customer P Pension plans applications P P Pension plan applications P P Pension plan applications P P Pension plan claims P P P PERSIONAL: NRS. Sales plant P P PERSIONAL: NRS. Sales plant P P PERSIONAL: NRS. Sales plant P P PERSIONAL: NRS. Sales person: - P P PERSIONAL: NRS. Sales person: - P P PERSIONAL: NRS. Sales person: - P P P P P P P P P P P P P P P P P P		Р	Quality controls reports	Р	Medical folders, employee	6
Appraisals P Specifications, customer P Pension plans P P Claims:  - Stores issue records 3 Pension plan applications P group life & hospital 10 Time & motion studies P Pension plan correspondence P B group life & hospital 10 Tool control 3 Pension plan correspondence P P B P P P P P P P P P P P P P P P P	INSURANCE:	YRS.	Receipts, delivery	3	Pay checks	7
Claims:	Accident reports	Р	Reliability records	Р	Payroll records, after termin.	10
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Ioss or damage in transit	automobile	10	Time & motion studies	Р	Pension plan claims	Р
plant P P PERSONAL: YRS. Salary and rate changes 8 worker's compensation 10 Bitth & death certificates P Salesperson: Expired policy: Citizenship & naturalization P auto records 2 accident & fidelity 8 Contracts & deeds P P performance records P P Divorce, separation, custody, adoption, furst agreements P expense accounts 2 accident & fidelity Adoption, furst agreements P expense accounts 2 accident & fidelity P Educational records P Time cards 7 Home & property inventory P Time tickets 7 hospital 7 Home & property inventory P Time tickets, receipted P Time bis property	group life & hospital	10	Tool control	3	Pension plan correspondence	Р
worker's compensation   10   Birth & death certificates   P   Salesperson:	loss or damage in transit	5	Work orders	5	Rating cards	3
Expired policy:  accident & fidelity  8 Contracts & deeds  P performance records  P perpense accounts  Time circles  Time tickets  T perpense accounts  T perp	plant	Р	PERSONAL:	YRS.	Salary and rate changes	8
accident & fidelity    South	worker's compensation	10	Birth & death certificates	Р	Salesperson:	-
fire 7 Divorce, separation, custody, adoption, trust agreements 2 group P Educational records P Time cards 7 hospital 7 Home & property inventory P Time tickets 7 inspection certificates 7 Home & property inventory P Time tickets 7 inspection certificates 7 Home & property inventory P Time tickets 7 inspection certificates 7 Home sale/improvement rec. P Time tickets P Training manuals P Time tickets Time P Time tickets Time ti	Expired policy:	-	Citizenship & naturalization	Р	auto records	2
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inspection certificates 7 Home sale/improvement rec. P Time tickets, receipted P Ribbility, life & property 8 Insurance policies P Timing manuals P Town arine 7 Loan papers, paid 3 Union agreements after term. P Surety 10 Marriage certificate P Withholding, exemption cert. P Worker's compensation 10 Medical & health records P Withholding, exemption cert. P Worker's compensation Pts. P Mortgage papers P P PLATA NAD PROPERTY: YRS. Affidavits P Mortgage papers P P PLATA NAD PROPERTY: YRS. Affidavits P P Mortgage papers P P Appraisals P P Charters P P Personal inventory items: Damage reports 7 Claims & litigation of torts, breach of contract P Social Security number P Deeds, titles & leases P P Copyrights P Deads, account numbers P Depreciation schedules P P Copyrights P Deads, account numbers, etc. P Equipment records P P Tax records P Inventory records P Injury & Inventory records P Injury & Inventory records P Inj		7	Home & property inventory	Р	Time tickets	7
marine 7 Loan papers, paid 3 Union agreements after term. P surety 10 Marriage certificate P Withholding, exemption cert. P Worker's compensation 10 Medical & health records P Worker's compensation rpts. P LEGAL: YRS. Military service papers P P Appraisals P Charters P Mortgage papers P P Appraisals P P Mortgage papers P P Appraisals P P Personal inventory items: - Damage reports 7 Claims & litigation of torts, breach of contract P Social Security number P Deeds, titles & leases P P Copyrights P Dank account numbers P Deeds, titles & leases P P Appraisals P P Copyrights P Death account numbers P Depreciation schedules P P Mortgages P credit card numbers, etc. P Equipment records P P Appraisals P Depreciation schedules P P Appraisals P Depreciation schedules P P P Tarker & P Depreciation schedules P P Deeds, titles & leases P Depreciation schedules P P Deeds titles & leases P Depreciation schedules P Deprecia	inspection certificates	7	Home sale/improvement rec.	Р	Time tickets, receipted	Р
Surety   10   Marriage certificate   P   Withholding, exemption cert.   P	liability, life & property	8	Insurance policies	Р	Training manuals	Р
Surety   10   Marriage certificate   P   Withholding, exemption cert.   P		7	Loan papers, paid	3		Р
worker's compensation         10         Medical & health records         P         Worker's compensation rpts.         P           LEGAL:         YRS,         Military service papers         P         P PLANT AND PROPERTY:         YRS.           Affidavits         P         Mortgage papers         P         Appraisals         P           Charters         P         Personal inventory items:         -         Damage reports         7           Claims & litigation of torts, breach of contract         P         Personal inventory items:         -         Damage reports         7           Claims & litigation of torts, breach of contract         P         Deeds, titles & leases         P           Posted of contract         P         Social Security number         P         Deeds, titles & leases         P           Posted of contract         P         Deands account numbers, etc.         P         Depreciation schedules         P           Posted of contract         P         Dank account numbers, etc.         P         Depreciation schedules         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inv	surety	10		Р	_	Р
LEGAL:         YRS.         Military service papers         P         PLANT AND PROPERTY:         YRS.           Affidavits         P         Mortgage papers         P         Appraisals         P           Charters         P         Personal inventory items:         -         Damage reports         7           Claims & litigation of torts, breach of contract         P         Personal inventory items:         -         Damage reports         7           Copyrights         P         Bocial Security number         P         Deeds, titles & leases         P           Mortgages         P         credit card numbers, etc.         P         Equipment records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patemarks         P         Tax records         P         Maintenance & repair, bldgs.         P           Attendance frecords         P         Maintenance & repair, bldgs.         P           Authorities for sale of scrap         7         PERSONNEL:         YRS.         Plant account cards/historical         P <td< td=""><td>worker's compensation</td><td>10</td><td></td><td>Р</td><td></td><td>Р</td></td<>	worker's compensation	10		Р		Р
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Charters         P         Personal inventory items:         -         Damage reports         7           Claims & litigation of torts, breach of contract         P         Social Security number         P         Deeds, titles & leases         P           Copyrights         P         bank account numbers         P         Depreciation schedules         P           Mortgages         P         credit card numbers, etc.         P         Equipment records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory cerords         P           Mainternance & repair, bridges         P         Mainternance & repair, bidges.         P           Mainternance & repair, bridges         P         Plant account cards/historical         P </td <td>Affidavits</td> <td></td> <td></td> <td>Р</td> <td>Appraisals</td> <td></td>	Affidavits			Р	Appraisals	
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Copyrights         P         bank account numbers         P         Depreciation schedules         P           Mortgages         P         credit card numbers, etc.         P         Equipment records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Trademarks         P         Tax records         P         Maintenance & repair, bidgs.         P           MANUFACTURING:         YRS.         Wills and passports         P         Maintenance & repair, bidgs.         P           Authorities for sale of scrap         7         PERSONNEL:         YRS.         Plans & specifications         P           Bills of material         3         Accident reports, injury claims, settlements         P         Plant account cards/historical         P           Blueprints         P         Applications, changes         P         Purchase, lease records         P           Correspondence:         -         -         Attendance records         7         Sales         P           Correspondence:         -         -         Attendance records         7         Space allocation records         2         production         3         Correspondence         6         Taxes		Р		Р		Р
Mortgages         P         credit card numbers, etc.         P         Equipment records         P           Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Trademarks         P         Tax records         P         Maintenance & repair, bldgs.         P           MANUFACTURING:         YRS.         Wills and passports         P         Maintenance & repair, bldgs.         P           Authorities for sale of scrap         7         PERSONNEL:         YRS.         Plans & specifications         P           Bills of material         3         Accident reports, injury claims, settlements         P         Plant account cards/historical         P           Blueprints         P         Applications, changes         P         Purchase, lease records         P           Correspondence:         -         Attendance records         7         Sales         P           Correspondence:         -         Attendance records         7         Sales         P           Correspondence:         -         Attendance records         7         Sales         P           Correspondence:         -         Attendance records         7         Sales aclassifications records         P </td <td>Copyrights</td> <td>Р</td> <td>bank account numbers</td> <td>Р</td> <td>Depreciation schedules</td> <td>Р</td>	Copyrights	Р	bank account numbers	Р	Depreciation schedules	Р
Patents & related data         P         Stock/bond certificates, IRAS         P         Inventory records         P           Trademarks         P         Tax records         P         Maintenance & repair, bldgs.         P           MANUFACTURING:         YRS.         Wills and passports         P         Maintenance & repair, mach.         P           Authorities for sale of scrap         7         PERSONNEL:         YRS.         Plans & specifications         P           Bills of material         3         Accident reports, injury claims, settlements         P         Plant account cards/historical         P           Blueprints         P         Applications, changes         P         Purchase, lease records         P           Blueprints         P         Applications, changes         P         Purchase, lease records         P           Correspondence:         -         Attendance records         7         Sales         P           Correspondence:         -         Attendance records         7         Space allocation records         P           Credit memoranda         5         Daily time reports         7         Water rights         P           Credit memoranda         5         Daily time reports         7         Water rights         Y		Р		Р	·	Р
Trademarks         P         Tax records         P         Maintenance & repair, bldgs.         P           MANUFACTURING:         YRS.         Wills and passports         P         Maintenance & repair, mach.         P           Authorities for sale of scrap         7         PERSONNEL:         YRS.         Plans & specifications         P           Bills of material         3         Accident reports, injury claims, settlements         P         Plant account cards/historical specifications         P           Blueprints         P         Applications, changes         P         Purchase, lease records         P           Correspondence:         -         Attendance records         7         Sales         P           Correspondence:         -         Attendance records         7         Space allocation records         2           production         3         Correspondence         6         Taxes         P           production         3         Correspondence         6         Taxes         P           Credit memoranda         5         Daily time reports         7         Water rights         P           Credit ratings & classifications         7         Disability/sick benefit records         P         Purchase place records         YRS.		Р		Р	· · ·	Р
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Authorities for sale of scrap  7 PERSONNEL: YRS. Plans & specifications P Bills of material 3 Accident reports, injury claims, settlements P Plant account cards/historical P P Blueprints P Applications, changes P Purchase, lease records P P Correspondence: - Attendance records 7 Sales P P engineering & technical 10 Clock records 7 Space allocation records 2 production 3 Correspondence 6 Taxes P P Credit memoranda 5 Daily time reports 7 Water rights P PURCHASING: YRS. Drafting records P Earnings records P Acknowledgements 3 Drawings & tracings, originals P Employee service records P Bids, awards, contracts P Inspection records P Employee file/after separation P Exception notices 6 Fidelity bonds 3 Purchase orders 7 Invoices, received P Receiving reports 5 Receiving reports 5 Receiving slips 4 Ledgers P Insurance records: P Insurance records: P Vendor contracts P P Vendor contracts	MANUFACTURING:	YRS.		Р		Р
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Correspondence:-Attendance records7SalesPengineering & technical10Clock records7Space allocation records2production3Correspondence6TaxesPCredit memoranda5Daily time reports7Water rightsPCredit ratings & classifications7Disability/sick benefit recordsPPURCHASING:YRS.Drafting recordsPEarnings recordsPAcknowledgements3Drawings & tracings, originalsPEmployee service recordsPBids, awards, contractsPInspection records2Employee contractsPCorrespondence5Inventory records7Employee file/after separation7Exception notices6Invoice copies6Fidelity bonds3Purchase orders7Invoices, received7Garnishments7Purchase requisitions/quotes3Job recordsPHealth & safety bulletinsPReceiving reports5JournalsPInjury & illness records5Receiving slips4LedgersPInjury frequency chartsPVendor contractsPOperating reportsPInsurance records:Order registerPGroupP-	Blueprints	Р	Applications, changes	Р	Purchase, lease records	Р
engineering & technical10Clock records7Space allocation records2production3Correspondence6TaxesPCredit memoranda5Daily time reports7Water rightsPCredit ratings & classifications7Disability/sick benefit recordsPPURCHASING:YRS.Drafting recordsPEarnings recordsPAcknowledgements3Drawings & tracings, originalsPEmployee service recordsPBids, awards, contractsPInspection records2Employee contractsPCorrespondence5Inventory records7Employee file/after separation7Exception notices6Invoice copies6Fidelity bonds3Purchase orders7Invoices, received7Garnishments7Purchase requisitions/quotes3Job recordsPHealth & safety bulletinsPReceiving reports5JournalsPInjury & illness records5Receiving slips4LedgersPInjury frequency chartsPVendor contractsPOperating reportsPInsurance records:Order registerPGroupP-	<u> </u>	-		7		Р
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Credit ratings & classifications7Disability/sick benefit recordsPPURCHASING:YRS.Drafting recordsPEarnings recordsPAcknowledgements3Drawings & tracings, originalsPEmployee service recordsPBids, awards, contractsPInspection records2Employee contractsPCorrespondence5Inventory records7Employee file/after separation7Exception notices6Invoice copies6Fidelity bonds3Purchase orders7Invoices, received7Garnishments7Purchase requisitions/quotes3Job recordsPHealth & safety bulletinsPReceiving reports5JournalsPInjury & illness records5Receiving slips4LedgersPInjury frequency chartsPVendor contractsPOperating reportsPInsurance records:Order registerPGroupP-	Credit memoranda	5		7	Water rights	Р
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Inspection records       2       Employee contracts       P       Correspondence       5         Inventory records       7       Employee file/after separation       7       Exception notices       6         Invoice copies       6       Fidelity bonds       3       Purchase orders       7         Invoices, received       7       Garnishments       7       Purchase requisitions/quotes       3         Job records       P       Health & safety bulletins       P       Receiving reports       5         Journals       P       Injury & illness records       5       Receiving slips       4         Ledgers       P       Injury frequency charts       P       Vendor contracts       P         Operating reports       P       Insurance records:       -       -         Order register       P       Group       P       -		Р		Р		_
Inventory records       7       Employee file/after separation       7       Exception notices       6         Invoice copies       6       Fidelity bonds       3       Purchase orders       7         Invoices, received       7       Garnishments       7       Purchase requisitions/quotes       3         Job records       P       Health & safety bulletins       P       Receiving reports       5         Journals       P       Injury & illness records       5       Receiving slips       4         Ledgers       P       Injury frequency charts       P       Vendor contracts       P         Operating reports       P       Insurance records:       -       -         Order register       P       Group       P       -		2		Р		5
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Invoices, received       7       Garnishments       7       Purchase requisitions/quotes       3         Job records       P       Health & safety bulletins       P       Receiving reports       5         Journals       P       Injury & illness records       5       Receiving slips       4         Ledgers       P       Injury frequency charts       P       Vendor contracts       P         Operating reports       P       Insurance records:       -       -       -         Order register       P       Group       P       -       -			· · · · · · · · · · · · · · · · · · ·		•	
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Journals     P     Injury & illness records     5     Receiving slips     4       Ledgers     P     Injury frequency charts     P     Vendor contracts     P       Operating reports     P     Insurance records:     -     -       Order register     P     Group     P     -						-
Ledgers     P     Injury frequency charts     P     Vendor contracts     P       Operating reports     P     Insurance records:     -     -       Order register     P     Group     P     -		1				
Operating reports P Insurance records: - Order register P Group P						
Order register P Group P				-		
				Р		
	Production reports	3	Employee	P	continued	

KEY - "P" means permanently



SALES & MARKETING:	YRS.	TAXATION:	YRS.	TRAFFIC:	YRS.
Claims (loss or damage)	2	Agent's reports	Р	Aircraft operating & maint.	Р
Complaints	7	Annuity/deferred pmt. plan	Р	Bills of lading	4
Contract progress report	Р	Correspondence	Р	Delivery reports	3
Contracts, customers	Р	Depreciation schedules	Р	Employee travel	6
Contracts, reps, agents, dists.	Р	Dividend register	Р	Export declarations	4
Correspondence	3	Employee withholding certificates	10	Freight bills	5
Discount rates	Р	Exemption status	Р	Freight claims	5
Guarantees, warranties	Р	Excise reports	Р	Leases	Р
Invoices, copies	6	Inventory reports	Р	Manifests	3
Invoices, received	7	Real estate	Р	Receiving documents	3
Mailing & prospect lists	Р	Sales & use	Р	Routing records	1
Market research studies/anal.	Р	Social Security	Р	Shipping instructions	5
Market surveys	Р	Tax bills & statements	Р	Shipping tickets	6
Orders, acknowledgement	4	Tax returns & working papers	Р	Title papers	Р
Orders, filled	6			Tonnage summaries	Р
Price lists	Р			Tracer reports	Р
Shipping notices & reports	3			Vehicle operation & maint.	2
Tax-exempt sales	Р				

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The retention periods shown are not offered as final authority, but as guidelines against which to check your company's needs. Statutes of limitations for your State, as well as regulations of government agencies pertaining to your business must be considered. There may be good reasons to keep records longer than legally required.

We recommend that <u>you contact your legal counsel</u> prior to adopting a final record retention policy.

Refer to page 107 for guidelines from the IRS.gov website.