



Instructions for Forms W-2c and W-3c

(Rev. April 2010)

What's New

HIRE wages and tips paid to qualified employees.

The Hiring Incentives to Restore Employment (HIRE) Act exempts employers from the employer's share of social security tax (referred to as the payroll tax exemption) on wages paid to qualified employees from March 19, 2010, through December 31, 2010. For employers to report the corrected amount of wages and tips covered by the payroll tax exemption, we added a new code for box 12 of Form W-2c, Code CC, for HIRE exempt wages and tips. The corrected total of code CC is reported in new box 12b on Form W-3c. The corrected total of deferred compensation amounts, previously reported in box 12, is now reported in new box 12a on Form W-3c. See *HIRE wages and tips paid to qualified employees* on page 2.

General Instructions

Purpose of forms. Use Form W-2c to correct errors on Form W-2, W-2AS, W-2CM, W-2GU, W-2VI, or W-2c filed with the Social Security Administration (SSA). Also use Form W-2c to provide corrected Form W-2, W-2AS, W-2CM, W-2GU, W-2VI, or W-2c to employees.

Corrections reported on Form W-2c may require you to make corrections to your previously filed employment tax returns using the new adjusted return or claim for refund (e.g. Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund). See the Instructions for Form 941-X for more information. If an employee repaid you for wages received in a prior year, also see *Repayments* on page 2.

Do not use Form W-2c to report back pay. Instead, see Pub. 957, Reporting Back Pay and Special Wage Payments to the Social Security Administration, and Form SSA-131, Employer Report of Special Wage Payments.

Do not use Form W-2c to correct Form W-2G, Certain Gambling Winnings. Instead, see the General Instructions for Certain Information Returns (Forms 1098, 1099, 3921, 3922, 5498, and W-2G) for the current reporting year.

Use Form W-3c to send Copy A of Form W-2c to the SSA. Always file Form W-3c when submitting one or more Forms W-2c.

Electronic filing of Forms W-2c and W-3c. File Forms W-2c and W-3c electronically by visiting the SSA's Employer W-2 Filing Instructions and Information website at www.socialsecurity.gov/employer and logging into "Business Services Online." SSA's "Create Forms W-2c Online" option allows you to create "fill-in" versions of Forms W-2c and Form W-3c for filing with the SSA and to print out copies of the forms for filing with state or local governments, for distribution to your employees, and for your records. Call the SSA at 1-888-772-2970 if you experience problems using any of the services within Business Services Online (BSO). The website includes information on electronic filing, some IRS and SSA publications, and general topics of interest about wage reporting. You can also use BSO to ask questions about wage reporting.

If you are required to file 250 or more Forms W-2c during a calendar year, you must file them electronically unless the IRS grants you a waiver. You may request a waiver on Form 8508, Request for Waiver From Filing Information Returns Electronically. Submit Form 8508 to the IRS at least 45 days before you file Forms W-2c. See Form 8508 for filing information. You may be charged a penalty if you fail to file electronically when required.

For purposes of the electronic requirement, only Forms W-2c for the immediate prior year are taken into account. Also, for example, if an employer must file 200 Forms W-2c for the immediate prior year in March and then discovers that another 100 Forms W-2c for the same year must be filed in August, only the 100 Forms W-2c that are filed in August must be filed electronically.

Specifications for filing Form W-2c electronically are contained in SSA's EFW2C, Specifications for Filing Forms W-2c Electronically. You can download EFW2C by visiting the SSA website at www.socialsecurity.gov/employer. You can also order a copy of EFW2C by calling SSA's Employer Reporting Branch at 1-800-772-6270.

Where to file Forms W-2c and W-3c. If you use the U.S. Postal Service, send Forms W-2c and W-3c to:

Social Security Administration
Data Operations Center
P.O. Box 3333
Wilkes-Barre, PA 18767-3333.

If you use a carrier other than the U.S. Postal Service, send Forms W-2c and W-3c to:

Social Security Administration
Data Operations Center
Attn: W-2c Process
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997.

See Pub. 15 (Circular E) for a list of IRS-designated private delivery services.



TIP Do not send Forms W-2, W-2AS, W-2GU or W-2VI to either of these addresses. Instead, see the Instructions for Forms W-2 and W-3 or the Instructions for Forms W-2AS, W-2GU, W-2VI, and Form W-3SS.

When to file. File Forms W-2c and W-3c as soon as possible after you discover an error. Also provide Form W-2c to employees as soon as possible.

How to file. If you file Forms W-2c and W-3c on paper, type all entries using dark or black ink in 12-point Courier font, if possible, and make sure all copies are legible. See the Instructions for Forms W-2 and W-3 or the Instructions for Forms W-2AS, W-2GU, W-2VI, and Form W-3SS for more information.

If any item shows a change in the dollar amount and one of the amounts is zero, enter "-0-." Do not leave the box blank.

Who may sign Form W-3c. Generally, employers must sign Form W-3c. However, the transmitter or sender (including a service bureau, reporting agent, paying agent, or disbursing agent) may sign Form W-3c (or use its PIN on electronic filings) for the employer or payer only if the sender:

- Is authorized to sign by an agency agreement (either oral, written, or implied) that is valid under state law and
- Writes "For (name of payer)" next to the signature.

Even though an authorized sender signs for the payer, the payer still has the responsibility for making sure the Form W-3c and attachments are filed correctly and timely. The payer is subject to any penalties that result from not complying with these requirements.

Substitute forms. If you are not using the official IRS form to furnish Form W-2c to employees or to file with the SSA, you may use an acceptable substitute form that complies with the rules in Pub. 1223, General Rules and Specifications for Substitute Forms W-2c and W-3c. Pub.

1223 is a revenue procedure that explains the requirements for format and content of substitute Forms W-2c and W-3c. Your substitute forms must comply with the requirements in Pub. 1223.

Need Help?

Information reporting customer service site. The IRS operates a centralized customer service site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions about reporting on these forms, call 1-866-455-7438.

Help for people with disabilities. Telephone help is available using TTY/TDD equipment. If you have questions about reporting on information returns (Forms 1096, 1098, 1099, 3921, 3922, 5498, W-2, W-2G, and W-3) you may call 1-304-579-4827.

Special Situations

HIRE wages and tips paid to qualified employees.

Employers who hired a qualified employee under the HIRE Act must report the amount of social security wages and tips paid after March 18, 2010, for which the employer claimed the payroll tax exemption. A qualified employee is one who:

- Was hired after February 3, 2010, and before January 1, 2011;
- Was not hired to replace another employee unless the other employee separated from employment voluntarily or for cause (including downsizing);
- Was not a family member or other related individual of the employer; and
- Signed Form W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit, or other similar statement under penalties of perjury, certifying under penalties of perjury that he or she had not worked more than 40 hours during the 60 days prior to beginning employment.

Report the amount of wages and tips paid to the qualified employee for which you claimed the payroll tax exemption in Box 12, using code CC. This will include wages and tips paid to the qualified employee from April 1, 2010, through December 31, 2010, for which you claimed the payroll tax exemption, plus wages and tips paid to the qualified employee from March 19, 2010, through March 31, 2010, for which you claimed a credit in the second quarter of 2010. The amount may not exceed \$106,800 (2010 maximum social security wage base). For more information, visit *IRS.gov* and enter the keywords *HIRE Act payroll tax exemption*.

Correcting more than one kind of form. You must use a separate Form W-3c for each type of Form W-2 (Form W-2, W-2AS, W-2CM, W-2GU, W-2VI, or W-2c) being corrected. You must also use a separate Form W-3c for each kind of payer in box c (unless the second checked box is the "Third-party sick pay" indicator). If you are correcting more than one kind of form, please group forms of the same kind of payer, and send them in separate groups.

Correcting an employee's name and/or social security number (SSN) only. If you are correcting only an employee's name and/or SSN, complete Form W-2c through box i, as appropriate. Be sure to report the employee's previously reported SSN in box f and/or previously reported name in box g. Do not complete boxes 1 through 20. Advise your employee to correct the SSN and/or name on his or her original Form W-2.

If your employee is given a new social security card following an adjustment to his or her resident status that shows a different name or SSN, file a Form W-2c for the most current year only.

Correcting an employee's name and SSN if the SSN was reported as blanks or zeros and the employee name was reported as blanks. If you need to correct an employee's name and SSN, and the SSN was reported as blanks or zeros and the employee's name was reported as blanks, do not use Form W-2c to report the corrections. You must contact the SSA at 1-800-772-6270 for instructions.

Correcting an incorrect tax year and/or employer identification number (EIN) incorrectly reported on Form

W-2 or Form W-3. To correct an incorrect tax year and/or EIN on a previously submitted Form W-2 or Form W-3, file one Form W-3c along with a Form W-2c for each affected employee. Enter the tax year and EIN originally reported, and enter the money amounts in the "Previously reported" boxes that were on the original Form W-2. In the "Correct information" boxes, enter zeros. Prepare a second Form W-3c along with a second Form W-2c for each affected employee. Enter zeros in the "Previously reported" boxes, and enter the correct money amounts in the "Correct information" boxes. Enter the correct tax year and/or correct EIN.

Employee's incorrect address on Form W-2. If you filed a Form W-2 with the SSA reporting an incorrect address for the employee, but all other information on the Form W-2 was correct, do not file Form W-2c with the SSA merely to correct the address.

If the address was incorrect on the Form W-2 furnished to the employee, you must do one of the following.

- Issue a new, corrected Form W-2 to the employee including the new address. Indicate "REISSUED STATEMENT" on the new copies. Do not send Copy A of Form W-2 to the SSA.
- Issue a Form W-2c to the employee showing the correct address in box i, and all other correct information. Do not send Copy A of Form W-2c to the SSA.
- Mail the Form W-2 with the incorrect address to the employee in an envelope showing the correct address or otherwise deliver it to the employee.

Correcting more than one Form W-2 for an employee.

There are two ways to prepare a correction for an employee for whom more than one Form W-2 was filed under the same EIN for the tax year. You can (1) consider all the Forms W-2 when determining the amounts to enter on Form W-2c or (2) file a single Form W-2c to correct only the incorrect Form W-2.

However, state, local, and federal government employers who are preparing corrections for Medicare Qualified Government Employment (MQGE) employees must also follow the instructions in the *CAUTION* for state, local, and federal government employers on page 3.

Two Forms W-2 were filed under the same EIN, but only one should have been filed.

Example. Two Forms W-2 were submitted for Mary Smith under the same EIN for the same tax year. One Form W-2 correctly reported social security wages of \$20,000. The other Form W-2 incorrectly reported social security wages of \$30,000. There are two ways to correct this situation.

- File a Form W-3c along with one Form W-2c, entering \$50,000 in box 3 under "Previously reported" and \$20,000 in box 3 under "Correct information," or
- File a Form W-3c along with one Form W-2c, entering \$30,000 in box 3 under "Previously reported" and \$0.00 in box 3 under "Correct information."

Two Forms W-2 were filed under the same EIN, but wages on one were incorrect.

Example. Two Forms W-2 were submitted for Mary Smith under the same EIN for the same tax year. One Form W-2 correctly reported social security wages of \$20,000. The other Form W-2 incorrectly reported social security wages of \$30,000, whereas \$25,000 should have been reported. There are two ways to correct this situation.

- File a Form W-3c along with one Form W-2c, entering \$50,000 in box 3 under "Previously reported" and \$45,000 in box 3 under "Correct information," or
- File a Form W-3c along one Form W-2c, entering \$30,000 in box 3 under "Previously reported" and \$25,000 in box 3 under "Correct information."

Repayments. If an employee repays you for wages received in error in a prior year, file Form W-2c to correct only social security and Medicare wages and tax. Do not correct wages reported in box 1 for the amount paid in error. Report an adjustment on Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; 943-X, Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund; or 944-X,

Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund, for the period during which the repayment was made to recover the social security and Medicare taxes. Corrections to Form 941-SS, Employer's QUARTERLY Federal Tax Return, are made on Form 941-X. You may not make an adjustment for income tax withholding because the wages were paid in a prior year. See Pub. 926 for corrections to Schedule H (Form 1040).



Tell your employee that the wages paid in error in a prior year remain taxable to him or her for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (Form 1040X, Amended U.S. Individual Income Tax Return) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or a credit, in some cases) for the repaid wages on his or her Form 1040 for the year of repayment.

Undeliverable Forms W-2c. Keep for 4 years any employee copies of Forms W-2c that you tried to deliver but could not. Do not send undeliverable Forms W-2c to the SSA. However, if the undelivered Forms W-2c can be produced electronically through April 15th of the fourth year after the year of issue, you do not need to keep undeliverable employee copies.

Specific Instructions for Form W-2c

Box a—Employer's name, address, and ZIP code. This entry should be the same as shown on your Form 941, 941-SS, 943, 944, 944-SS, CT-1, or Schedule H (Form 1040), Household Employment Taxes.

Box b—Employer's Federal EIN. Show the correct nine digit EIN assigned to you by the IRS in the format 00-0000000.

Box c—Tax year/Form corrected. If you are correcting Form W-2, enter all four digits of the year of the form you are correcting. If you are correcting Form W-2c, W-2AS, W-2CM, W-2GU, or W-2VI, enter all four digits of the year you are correcting, and also enter "c," "AS," "CM," "GU," or "VI" to designate the form you are correcting. For example, "2008" and "GU" shows that you are correcting a 2008 Form W-2GU.

Box d—Employee's correct SSN. You must enter the employee's correct SSN even if it was correct on the original Form W-2. If you are correcting the SSN, you must also check the *Corrected SSN and/or name* checkbox in box e and complete boxes f, *Employee's previously reported SSN*, and/or g, *Employee's previously reported name*.

Box e—Corrected SSN and/or name. Check this box only if the employee's SSN and/or name on Form W-2 (or on a prior Form W-2c) was incorrect. If you check this box to correct an employee's previously reported SSN and/or name, you must enter the employee's previously reported SSN in box f and enter the employee's previously reported name in box g. Also enter the employee's correct SSN in box d and the correct employee's name in box h. Be sure to enter both the SSN and name on all corrections, even if only one item is corrected.

Boxes f and g. Complete these boxes only if you are correcting an employee's previously reported incorrect SSN and/or name. You must also check box e and complete box h and box i.

Boxes h and i—Employee's name, address, and ZIP code. Enter the employee's correct name and address. See the Instructions for Forms W-2 and W-3 for name formatting information. If you are correcting the name, check the "Corrected SSN and/or name" box in box e and also complete box g.



You must enter the employee's full name in boxes g and h.

Boxes 1 through 20. For the items you are changing, enter under "Previously reported" the amount reported on

the original Form W-2 or on a prior Form W-2c. Enter under "Correct information" the correct amount.

Do not make an entry in any of these boxes on Copy A unless you are making a change. However, see the **CAUTION** below.

Box 2—Federal income tax withheld. Use this box only to make corrections because of an administrative error. (An administrative error occurs only if the amount you entered in box 2 of the incorrect Form W-2 was not the amount you actually withheld.) If correcting Forms W-2AS, W-2CM, W-2GU, or W-2VI, box 2 is for income tax withheld for the applicable U.S. possession.

Boxes 5 and 6. Complete these boxes to correct Medicare wages and tips and Medicare tax withheld. State, local, or federal government employers should also use these boxes to correct MQGE wages. Box 5 must equal or exceed the sum of boxes 3 and 7 for 1991 and later years.



A state, local, or federal government employer correcting only social security wages and/or social security tips (boxes 3 and/or 7) for an MQGE employee for 1991 and later years must also complete Medicare wages and tips in box 5. Enter the total Medicare wages and tips, including MQGE-only wages, even if there is no change to the total Medicare wages and tips previously reported.

Boxes 8 through 11. Use these boxes to correct allocated tips, an advance EIC payment, dependent care benefits, or deferrals and distributions relating to nonqualified plans.

Box 12—Codes. Complete these boxes to correct any of the coded items shown on Forms W-2, W-2AS, W-2GU, or W-2VI. Examples include uncollected social security and/or Medicare taxes on tips, taxable cost of group-term life insurance coverage over \$50,000, elective deferrals (codes D through H, S, Y, AA, and BB), sick pay not includible as income, and employee business expenses. See the Instructions for Forms W-2 and W-3 or the Instructions for Forms W-2AS, W-2GU, W-2VI and Form W-3SS for the proper format to use in reporting coded items from box 12 of Forms W-2, W-2AS, W-2GU, or W-2VI.

Employers should enter both the code and dollar amount for both fields on Form W-2c.

If a single Form W-2c does not provide enough blank spaces for corrections, use additional Forms W-2c.

Box 13. Check the boxes in box 13, under "Previously reported," as they were checked on the original Form W-2; under "Correct information," check them as they should have been checked. For example, if you checked the "Retirement plan" box on the original Form W-2 by mistake, check the "Retirement plan" checkbox in box 13 under "Previously reported," but do not check the "Retirement plan" checkbox in box 13 under "Correct information."

Box 14. Use this box to correct items reported in box 14 of the original Form W-2 or on a prior Form W-2c. If possible, complete box 14 on Copies B, C, 1, and 2 of Form W-2c only, not on Copy A.

Boxes 15 through 20—State/local taxes. If your only changes to the original Form W-2 are to state or local data, do not send Copy A of Form W-2c to the SSA. Instead, send Form W-2c to the appropriate state or local agency and furnish copies to your employees.

Correcting state information. Contact your state or locality for specific reporting information.

Specific Instructions for Form W-3c

Do not staple or tape the Forms W-2c to Form W-3c or to each other. File a separate Form W-3c for each tax year, for each type of form, and for each kind of payer except "Third-party sick pay." (The "Third-party sick pay" indicator box does not designate a separate kind of payer.) Make a copy of Form W-3c for your records.

In the money boxes of Form W-3c, total the amounts from each box and column on the Forms W-2c you are sending.

Box a—Tax year/Form corrected. Enter all four digits of the year of the form you are correcting and the type of form you are correcting. For the type of form, enter “2,” “2c,” “2AS,” “2CM,” “2GU,” “2VI,” “3,” “3c,” or “3SS.” For example, entering “2009” and “2” indicates that all the forms being corrected are 2009 Forms W-2.

Box b—Employer’s name, address, and ZIP code. This should be the same as shown on your Form 941, Form 941-SS, Form 943, Form 944, Form 944-SS, Form CT-1, or Schedule H (Form 1040). Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and you use a P.O. box, show the P.O. box number instead of the street address.



The IRS will not use Form W-3c to update your address of record. If you wish to change your address, file Form 8822. To get this or any other IRS form, call (800) TAX-FORM (800-829-3676) or visit IRS.gov.

Box c—Kind of Payer. Check the applicable box. If your previous Form W-3 or Form W-3SS was checked incorrectly, report your prior, incorrect payer type in the “Explain decreases here:” area below boxes 18 and 19.

941/941-SS. Check this box if you file Form 941 or Form 941-SS and no other category (except “Third-party sick pay,” if applicable) applies.

Military. Check this box if you are a military employer correcting Forms W-2 for members of the uniformed services.

943. Check this box if you file Form 943 and you are correcting Forms W-2 for agricultural employees. For nonagricultural employees, send Forms W-2c with a separate Form W-3c, generally with the 941/941-SS box checked.

944/944-SS. Check this box if you file Form 944 or Form 944-SS and no other category (except “Third-party sick pay,” if applicable) applies.

CT-1. Check this box if you are a railroad employer correcting Forms W-2 for employees covered under the Railroad Retirement Tax Act (RRTA). If you also have to correct forms of employees who are subject to social security and Medicare taxes, complete a separate Form W-3c with the “941/941-SS” box or “944/944-SS” box checked instead.

Hshld. emp. Check this box if you are a household employer correcting Forms W-2 for household employees and you file Schedule H (Form 1040) (or Form 942 before 1995). If you also have to correct forms of employees who are not household employees, complete a separate Form W-3c.

Medicare govt. emp. Check this box if you are a U.S., state, or local agency filing corrections for employees subject only to Medicare taxes.

Third-party sick pay. Check this box and another box such as the “941/941-SS” checkbox if you are a third-party sick pay payer (or are an employer reporting sick pay payments made by a third party) correcting Forms W-2 and the “Third-party sick pay” checkbox in box 13 of Form W-2c under “Correct information” is checked. File a separate Form W-3c for each payer reporting “Third-party sick pay” on Form W-2c.

Box d—Number of Forms W-2c. Show the number of individual Forms W-2c filed with this Form W-3c or enter “-0-” if you are correcting only a previously filed Form W-3 or Form W-3SS.

Box e—Employer’s Federal EIN. Enter the correct number assigned to you by the IRS in the following format: 00-0000000. If you are correcting your EIN, enter the incorrect EIN you used in box h.

Box f—Establishment number. You may use this box to identify separate establishments in your business. You may file a separate Form W-3c, with Forms W-2c, for each establishment or you may use a single Form W-3c for all

Forms W-2c. You do not have to complete this item; it is optional.

Box g—Employer’s state ID number. You are not required to complete this box. This number is assigned by the individual state where your business is located. However, you may want to complete this item if you use copies of this form for your state returns.

Box h—Employer’s incorrect Federal EIN. Your correct number must appear in box e. Make an entry here only if the number on the original form was incorrect.

Box i—Incorrect establishment number. You may use this box to correct an establishment number.

Box j—Employer’s incorrect state ID number. Use this box to make any corrections to your previously reported state ID number.

Boxes 1 through 11. Enter the total of amounts reported in boxes 1 through 11 as “Previously reported” and “Correct information” from Forms W-2c.

Box 12a Deferred compensation. Enter the total of amounts reported with codes D through H, S, Y, AA, and BB as “Previously reported” and “Correct information” from Forms W-2c.

Box 12b HIRE exempt wages and tips. Enter the total of amounts reported with code CC as “Previously reported” and “Correct information” from Forms W-2c. See *HIRE wages and tips paid to qualified employees* on page 2.

Box 14. Enter the amount previously reported and the corrected amount of income tax withheld on third-party payments of sick pay. Although this tax is included in the box 2 amounts, it must be shown separately here.

Boxes 16 through 19. If your only changes to the Forms W-2c and W-3c are to the state and local data, do not send either Copy A of Form W-2c or Form W-3c to the SSA. Instead, send the forms to the appropriate state or local agency and furnish copies of Form W-2c to your employees.

Explain decreases here. Explain any decrease to amounts “Previously reported.” Also report here any previous incorrect entry in box c, “Kind of Payer.” Enclose (but do not attach) additional sheets explaining your decreases, if necessary.

Signature. Sign and date the form. Also enter your title, phone number, and the name of a person to contact. If you have a fax number and/or email address, enter them. If you are not the employer, see *Who may sign Form W-3c* on page 1.

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

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

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are: Form W-2c—40 minutes; Form W-3c—51 minutes. If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send these tax forms to this address. Instead, see *Where to file Forms W-2c and W-3c* on page 1.
