

Caution: Taxpayer must make certain representations in order to be eligible to participate in the Voluntary Classification Settlement Program. These representations can be found in Part V below.

Part I Taxpayer Information

1 Employer Identification Number (EIN)	2 Taxpayer Name
3 Number and street (if a P.O. box, see instructions)	Room/Suite
4 City, town, state, and ZIP code	
5 Telephone Number	6 Taxpayer's website address (optional)
7 Fax Number (optional)	8 Email address (optional)
9 Type of Entity. Check the applicable box	
<input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Cooperative organization described in section 1381 of the Internal Revenue Code <input type="checkbox"/> Joint venture <input type="checkbox"/> Tax Exempt Organization <input type="checkbox"/> Partnership <input type="checkbox"/> State or Local Government (not covered under a Section 218 agreement) <input type="checkbox"/> C corporation <input type="checkbox"/> Other (specify here) _____ <input type="checkbox"/> S corporation	
10 Are you a member of an affiliated group filing consolidated returns for income tax purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," complete the common parent information on lines 11-14 If "No," skip to Part II	
11 Name of common parent of the affiliated group	12 Employer Identification Number (EIN) of common parent
13 Number and Street (or P.O. box no. if mail is not delivered to a street address)	
14 City, town, state, and ZIP code	

Part II Contact Person

Attach a properly completed Form 2848, Power of Attorney and Declaration of Representative, if applicable.

a. Name of contact person
b. Contact person address: Number and street (or P.O. box no. if mail is not delivered to a street address)
c. Contact person address: City, town, or P.O. box, state, and ZIP code
d. Contact person telephone number
e. Contact person fax number
f. Contact person email address

Part III General Information Regarding Workers to be Reclassified

15 Enter the number of workers, from all classes, to be reclassified
16 Description of the class or classes of workers to be reclassified
17 Enter the beginning date of the tax period (year or quarter) for which you want to begin treating the class or classes of workers as employees. This date should be more than 60 days from the date you file Form 8952. _____/_____/_____

Part IV Payment Calculation using Section 3509(a) rates

	Column A	Column B	Column C
	Compensation paid to all classes of workers at or below the social security wage base (see instructions)	Compensation paid to all classes of workers above the social security wage base (see instructions)	Totals
18 Compensation paid to all classes of workers to be reclassified for the most recently completed tax year			
19 Multiply line 18 Column A by the percentage (10.68% for 2010 or 10.28% for 2011)			
20 Multiply line 18 Column B by the percentage (3.24% for 2010 and for 2011)			
21 Total of Column A of line 19 and Column B of line 20			
22 Multiply the amount on line 21 by 10%. This will be your VCSP payment			

Taxpayer's Employer Identification Number (EIN)	Taxpayer's name
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Part V Taxpayer's Representations

(Note: Since the representations include the penalty of perjury statement, the representations under Part V must be signed by the Taxpayer, not the Taxpayer's representative.)

A. Treatment of Workers

1. Taxpayer wants to voluntarily reclassify certain workers as employees for purposes of Federal Income Tax Withholding, Federal Insurance Contributions Act, and Federal Unemployment Tax Act (collectively, Federal Employment Taxes) for future tax periods.
2. Taxpayer is presently treating the workers as independent contractors.
3. Taxpayer has satisfied the Forms 1099 requirement with respect to each of the workers for the three preceding calendar years ending prior to the date of this application.
4. Taxpayer has consistently treated the workers as nonemployees.
5. There is no dispute between Taxpayer and the Internal Revenue Service as to whether the workers are independent contractors or employees for Federal Employment Tax purposes.

B. Examination

1. Taxpayer is not currently under examination by the Internal Revenue Service.
2. Taxpayer is not currently under examination by the Department of Labor or any state agency with respect to the proper classification of the workers.
3. a. Taxpayer has not been previously examined by the Internal Revenue Service or the Department of Labor concerning the classification of the workers; or,
 - b. Taxpayer has previously been examined by the Internal Revenue Service or the Department of Labor concerning the classification of workers and Taxpayer has complied with the results of the prior examination.

C. Extension of Period of Limitations

The Taxpayer understands that by participating in the VCSP, Taxpayer agrees to extend the period of limitations on assessment of employment taxes for three years for the first, second and third calendar years beginning after the date Taxpayer elects to begin treating the workers as employees under the VCSP closing agreement.

Sign Here Keep a copy of this form for your records	Under penalties of perjury, I declare that I have examined this submission, including any accompanying documents, and to the best of my knowledge and belief, all of the facts contained herein are true, correct, and complete. ▶ _____				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's Name ▶			Firm's EIN ▶	
	Firm's Address ▶			Phone no.	

Instructions for Form 8952 (August 2011) Application for Voluntary Classification Settlement Program

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

General Instructions

Purpose of Form

Use Form 8952 to apply for the Voluntary Classification Settlement Program.

Voluntary Classification Settlement Program

The Internal Revenue Service (IRS) has developed a new program to provide an opportunity for taxpayers to voluntarily reclassify workers as employees for federal employment tax purposes. The Voluntary Classification Settlement Program (VCSP) allows eligible taxpayers to obtain relief similar to that currently available through the Classification Settlement Program (CSP) for taxpayers under examination. The VCSP is an optional program that provides taxpayers, not under examination, with an opportunity to voluntarily reclassify their workers as employees for future tax periods, with limited federal employment tax liability for the past nonemployee treatment. To participate in the program, the taxpayer must meet certain eligibility requirements, apply to participate in VCSP, and enter into a closing agreement with the IRS. For more information on the Voluntary Classification Settlement Program, see Announcement XX and [\(link to FAQs\)](#).

Eligibility Requirements

In order to participate in the VCSP, taxpayers must meet certain eligibility requirements and certify that they meet those requirements as part of Form 8952.

Specifically, to be eligible for the VCSP, a taxpayer must:

- 1) Want to voluntarily reclassify certain workers as employees for purposes of Federal Income Tax Withholding, Federal Insurance Contributions Act, and Federal Unemployment Tax Act (collectively, Federal Employment Taxes) for future tax periods.
- 2) Be presently treating the workers as independent contractors.
- 3) Have satisfied Form 1099 requirements with respect to each of the workers for the three preceding calendar years ending prior to the date Form 8952 is filed.
- 4) Have consistently treated the workers as non-employees.

- 5) Have no dispute with the Internal Revenue Service as to whether the workers are independent contractors or employees for Federal Employment Tax Purposes.
- 6) Not currently be under examination by the Internal Revenue Service.
- 7) Not currently be under examination by the Department of Labor or any state agency with respect to the proper classification of the workers.
- 8) a. Not have been previously examined by the Internal Revenue Service or the Department of Labor concerning the classification of the workers; or,
 - b. If the taxpayer has previously been examined by the Internal Revenue Service or the Department of Labor concerning the classification of workers, taxpayer must have complied with the results of the prior examination.

In addition, as part of the VCSP, taxpayer must agree to extend the period of limitations on assessment of employment taxes for three years for the first, second and third calendar years beginning after the date taxpayer elects to begin treating the workers as employees under the VCSP closing agreement.

When to File

File Form 8952 at any time. However, Form 8952 should be filed 60 days before the date you want to begin treating the class or classes of workers as employees.

Private Delivery Services

Applicants can use certain private delivery services designated by the IRS to meet the “timely mailing as timely filing” rule under section 7502. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service
- Federal Express (FedEx): FedEx International Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell the taxpayer how to get written proof of the mailing date.

Where to File

File Form 8952 by United States mail or private delivery service to:

Internal Revenue Service
Government Entities Compliance Unit

Mail Stop 7700
Post Office Box 12220
Ogden, UT 84412

Who Must Sign

Form 8952 must be signed by the taxpayer under penalties of perjury. Taxpayer's representative may not sign Form 8952. By signing Form 8952, including all representations in Part V, the taxpayer is representing that it is eligible for this program and that all information presented is correct to the best of its knowledge. In addition, by signing Form 8952 the taxpayer agrees to extend the 3-year period of limitations on assessment of employment taxes for three additional years, for periods beginning in the first, second, and third calendar years after the date the taxpayer begins treating its workers as employees. For purposes of calculating the period of limitations on assessment, employment tax returns reporting FICA tax or ITW are generally deemed filed on April 15 of the following calendar year.

For a sole proprietorship, the form must be signed and dated by the individual who owns the business.

For a corporation (including a limited liability company (LLC) treated as a corporation), the form must be signed and dated by:

- The president, vice president, treasurer, assistant treasurer, chief accounting officer; or
- Any other corporate officer (such as tax officer) authorized to sign.

For a partnership, the form must be signed and dated by a general partner. For an LLC classified as a partnership, the form must be signed by a member or manager who would be authorized to sign the partnership's Form 1065. For more information on who can sign for a partnership, see the Instructions for Form 1065.

For an estate or trust, the form must be signed by the fiduciary, or an authorized representative. If there are joint fiduciaries, only one is required to sign the form.

If the form is filed on behalf of the taxpayer by a receiver, trustee, or assignee, the fiduciary must sign the form.

Assembling the Application

To ensure the application is both timely and correctly processed, attach all documents in the following order:

1. Form 8952
2. Form 2848, Power of Attorney and Declaration of Representative. See the Instructions to line 12.

Complete every applicable entry space on Form 8952. Do not enter "See Attached" instead of completing the entry spaces. If more space is needed, attach separate sheets using the same size and format as the printed forms. If there are supporting statements and attachments, arrange them in the same order as the lines they support

and attach them last. Show the total dollar figure on Form 8952. Enter the taxpayer's name and EIN on each supporting statement or attachment.

Specific Line Instructions

Line 1. Employer Identification Number

Enter the taxpayer's employer identification number (EIN). If the taxpayer does not have an EIN, the taxpayer must apply for one using Form SS-4, Application for Employer Identification Number. An EIN can be applied for:

- Online- Click on the EIN link at www.irs.gov/businesses/small. The EIN is issued immediately once the application information is validated.
- By telephone at 1-800-829-4933.
- By mailing or faxing Form SS-4.

The taxpayer must have received an EIN by the time Form 8952 is filed in order for the form to be processed. For more information about EINs, see Publication 1635.

Lines 2 through 8

Enter the name and address of the location and contact numbers of the taxpayer's principal place of business. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to a street address and the taxpayer has a P.O. box, show the box number instead.

Line 9

Check the box for the applicable entity.

Line 10

Check the box that applies. If you are not a member of an affiliated group filing consolidated returns for income tax purposes, you can skip lines 10-14.

An affiliated group is one or more chains of includable corporations (section 1504(a)) connected through stock ownership with a common parent corporation. The common parent must be an includable corporation and the following requirements must be met:

1. The common parent must own directly stock that represents at least 80% of the total voting power and at least 80% of the total value of the stock of at least one of the other includible corporations.
2. Stock that represents at least 80% of the total voting power and at least 80% of the total value of the stock of each of the other corporations (except for the common parent) must be owned directly by one or more of the other includible corporations.

For this purpose, the term "stock" generally does not include any stock that (a) is nonvoting, (b) is nonconvertible, (c) is limited and preferred as to dividends and does not participate significantly in corporate growth, and (d) has redemption and liquidation rights that do not exceed the issue price of the stock (except for a reasonable redemption or liquidation premium). See section 1504(a)(4). See section 1563(d)(1) for the definition of stock for purposes of determining stock ownership.

Lines 11 through 14

Enter the name, address, and EIN of the common parent of the affiliated group. See the instructions above for entering address information.

Part II

Enter the name and address of the contact person. See the instructions above for entering address and contact number information.

The contact person is the person the IRS may contact if there is an issue with the application. If the contact person does not have legal authority to bind the taxpayer, the taxpayer must attach to Form 8952 a properly executed Form 2848. On Form 2848, line 3; enter "Voluntary Classification Settlement Program" as the type of tax. Leave the entry spaces for Tax Form Number and for Year(s) or Period(s) blank. Check the box on line 4 of the Form 2848.

Line 15

Enter the number of workers from all classes that you would like to reclassify.

Line 16

Describe the class or classes of workers to be reclassified. A class of workers includes all workers who perform the same or similar services.

Line 17

Enter the beginning date of the tax period (year or quarter) for which you want to begin treating the class or classes of workers as employees. In order to allow IRS time to process your application, this date should be more than 60 days from the date you file Form 8952.

Examples:

If you want to begin treating a class or classes of workers as employees for the first quarter of 2012, you will enter January 1, 2012. In this case, you should file Form 8952 60 days prior to January 1, 2012, or by November 1, 2011.

If you want to begin treating a class or classes of workers as employees for the fourth quarter of 2011, you will enter October 1, 2011. In this case, you should file Form 8952 60 days prior to October 1, 2011, or by August 1, 2011.

Line 18

Enter the amount of taxable compensation paid to all classes of workers to be reclassified for the most recent tax year. In Column A, enter the compensation paid to all classes of workers that is at or below the social security wage base. The social security wage base for tax years 2010 and 2011 is \$106,800 and is applied on an employee by employee basis. In Column B, enter the compensation paid to all classes

of workers that is above the social security wage base. For example, a taxpayer filing Form 8952 in August of 2011 with one worker who received \$125,000 in compensation in 2010 would enter \$106,800 in Column A and \$18,200 in Column B of line 18. Column C will be the sum of Column A and Column B. In the above example Column C will equal \$125,000.

Line 19

Multiply the amount in Column A of line 18 by the applicable percentage. For example, a taxpayer reclassifying a class of workers for a tax period beginning in 2011 would look to compensation paid in 2010 and would multiply Column A of line 17 by 10.68%. A taxpayer reclassifying a class of workers for a tax period beginning in 2012 would look to compensation paid in 2011 and would multiply Column A of line 17 by 10.28%.

Line 20

Multiply the amount in Column B of line 18 by the applicable percentage (3.24% for 2010 and 2011).

Line 21

Add the amounts from Column A line 19 and Column B line 20.

Line 22

Multiply the amount on line 21 by 10%. This is the amount required to be paid upon IRS acceptance of your application and execution of your Voluntary Classification Settlement Program closing agreement. Do not send payment with Form 8952.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. We need to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Our authority to ask for the information on this form is Internal Revenue Code section 48D. Section 6109 requires applicants and return preparers to provide their identifying numbers on the form. You are required to provide the information requested on this form if you wish to apply for certification of qualified investments for purposes of the Qualifying Therapeutic Discovery Project Program. We need it to determine whether your investments meet the requirements for certification. If you do not provide this information, we may be unable to process your certification request. Providing false or fraudulent information may subject you to penalties. We may disclose this information to Federal agencies as authorized by law, including to the Department of Health and Human Services to obtain information regarding your eligibility for this credit or grant and to the Department of Justice for civil or criminal litigation. We may disclose this information to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to Federal and state agencies to enforce Federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the 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 this form will vary depending on individual circumstances. The estimated burden for taxpayers who file this form is show below:

Recordkeeping	6 Hrs., 56 min.
Learning about the law or the form	18 min.
Preparing and sending the form to the IRS	25 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you.