



# Instructions for Form 943

## Employer's Annual Federal Tax Return for Agricultural Employees

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

### 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 [IRS.gov/Form943](https://www.irs.gov/Form943).

### What's New

#### Changes to Form 943 for coronavirus (COVID-19) related employment tax credits and other tax relief.

The following significant changes have been made to Form 943 to allow for the reporting of new employment tax credits and other tax relief related to COVID-19.

- The new credit for qualified sick and family leave wages is reported on line 12b and, if applicable, line 14d. The qualified sick leave wages and qualified family leave wages are reported on lines 2a and 2b, respectively. The employee share of social security tax on qualified sick and family leave wages are reported on lines 3a and 3b, respectively. Qualified sick and family leave wages aren't subject to the employer share of social security tax. Qualified sick and family leave wages not included on lines 2a and 2b because the wages reported on that line are limited by the social security wage base are included on line 4. Qualified health plan expenses allocable to qualified sick and family leave wages are reported on lines 18 and 19. See the instructions for [line 12b](#) for information about the new credit for qualified sick and family leave wages.
- The new employee retention credit is reported on line 12c and, if applicable, line 14e. Qualified wages (excluding qualified health plan expenses) for the employee retention credit are reported on line 20 (these amounts should also be included as wages on lines 2 and 4, and, if applicable, line 6). Qualified health plan expenses allocable to the qualified wages for the employee retention credit are reported on line 21. See the instructions for [line 12c](#) for information about the new employee retention credit.
- Employers, including government employers, can defer the deposit of the employer share of social security tax due on or after March 27, 2020, and before January 1, 2021, as well as payment due for the employer share of social security tax for wages paid on or after March 27, 2020, and before January 1, 2021. The amount of deferral is reported on line 14b. See the instructions for [line 14b](#) for more information.
- Employers could defer the withholding and payment of the employee share of social security tax on wages paid on or after September 1, 2020, and before January 1, 2021, but only if the amount of wages for a biweekly pay period were less than \$4,000 (or an equivalent amount for other pay periods). The amount of deferral is reported on

line 14c. See the instructions for [line 14c](#) for more information.

- Employers that requested an advance of the sick and family leave credit and/or the employee retention credit would have filed a Form 7200, Advance Payment of Employer Credits Due to COVID-19. The amount of all advances received from Forms 7200 filed for the year is reported on line 14g. See the instructions for [line 14g](#) for more information.
- The credit for qualified sick and family leave wages (reported on lines 12b and 14d) and the employee retention credit (reported on lines 12c and 14e) are figured on [Worksheet 1](#).

**Social security and Medicare tax for 2020.** The rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Qualified sick leave wages and qualified family leave wages aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). The social security wage base limit is \$137,700.

The Medicare tax rate is 1.45% (0.0145) each for the employee and employer, unchanged from 2019. There is no wage base limit for Medicare tax.

### Reminders

**Qualified small business payroll tax credit for increasing research activities.** For tax years beginning after 2015, a qualified small business may elect to claim up to \$250,000 of its credit for increasing research activities as a payroll tax credit against the employer share of social security tax. The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). The portion of the credit used against the employer share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business filed its income tax return. The first Form 943 that you could claim this credit on is Form 943 filed for calendar year 2017. The election and determination of the credit amount that will be used against the employer share of social security tax are made on Form 6765, Credit for Increasing Research Activities. The amount from Form 6765, line 44, must then be reported on Form 8974, Qualified Small Business Payroll Tax Credit for Increasing Research Activities. Form 8974 is used to determine the amount of the credit that can be used in the current year. The amount from Form 8974, line 12, is reported on Form 943, line 12a. If you're claiming the research payroll tax credit on your Form 943, you must attach Form 8974 to Form 943. For more information about the payroll tax credit, see Notice 2017-23, 2017-16 I.R.B. 1100, available at [IRS.gov/irb/2017-16\\_IRB#NOT-2017-23](https://www.irs.gov/irb/2017-16_IRB#NOT-2017-23), and [IRS.gov/](https://www.irs.gov/)

[ResearchPayrollTC](#). Also see [Adjusting tax liability for nonrefundable credits claimed on lines 12a, 12b, and 12c](#), later.

**Certification program for professional employer organizations (PEOs).** The Stephen Beck Jr., Achieving a Better Life Experience 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 organizations (CPEOs) must meet various requirements described in sections 3511 and 7705 and related published guidance. Certification as a CPEO may affect the employment tax liabilities of both the CPEO and its customers. A CPEO is generally treated for employment tax purposes as the employer of any individual who performs services for a customer of the CPEO and is covered by a contract described in section 7705(e)(2) between the CPEO and the customer (CPEO contract), but only for wages and other compensation paid to the individual by the CPEO. To become a CPEO, the organization must apply through the IRS Online Registration System. For more information or to apply to become a CPEO, go to [IRS.gov/CPEO](https://www.irs.gov/CPEO).

CPEOs must generally file Form 943 and Schedule R (Form 943), Allocation Schedule for Aggregate Form 943 Filers, electronically. However, CPEOs are permitted to file a paper Form 943 and its accompanying schedules in lieu of electronic submissions for calendar year 2020. For more information about a CPEO's requirement to file electronically, and the waiver for 2020, see Rev. Proc. 2017-14, 2017-3 I.R.B. 426, available at [IRS.gov/irb/2017-03\\_IRB#RP-2017-14](https://www.irs.gov/irb/2017-03_IRB#RP-2017-14), and Notice 2020-35, 2020-25 I.R.B. 948, available at [IRS.gov/irb/2020-25\\_IRB#NOT-2020-35](https://www.irs.gov/irb/2020-25_IRB#NOT-2020-35).

**Outsourcing payroll duties.** Generally, as an employer, you're responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action. Before you choose to outsource any of your payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) to a third-party payer, such as a payroll service provider or reporting agent, go to [IRS.gov/OutsourcingPayrollDuties](https://www.irs.gov/OutsourcingPayrollDuties) for helpful information on this topic. If a CPEO pays wages and other compensation to an individual performing services for you, and the services are covered by a contract described in section 7705(e)(2) between you and the CPEO (CPEO contract), then the CPEO is generally treated for employment tax purposes as the employer, but only for wages and other compensation paid to the individual by the CPEO. However, with respect to certain employees covered by a CPEO contract, you may also be treated as an employer of the employees and, consequently, may also be liable for federal employment taxes imposed on wages and other compensation paid by the CPEO to such employees. For more information on the different types of third-party payer arrangements, see section 16 of Pub. 15.

**Aggregate Form 943 filers.** Approved section 3504 agents and CPEOs must complete and file Schedule R (Form 943) when filing an aggregate Form 943. Aggregate Forms 943 are filed by agents approved by the IRS under section 3504. To request approval to act as an agent for an employer, the agent files Form 2678 with the IRS unless you're a state or local government agency acting as an agent under the special procedures provided in Rev. Proc. 2013-39, 2013-52 I.R.B. 830, available at [IRS.gov/irb/2013-52\\_IRB#RP-2013-39](https://www.irs.gov/irb/2013-52_IRB#RP-2013-39). Aggregate Forms 943 are also filed by CPEOs approved by the IRS under section 7705. To become a CPEO, the organization must apply through the IRS Online Registration System at [IRS.gov/CPEO](https://www.irs.gov/CPEO). CPEOs file Form 8973, Certified Professional Employer Organization/Customer Reporting Agreement, to notify the IRS that they started or ended a service contract with a customer. CPEOs must generally file Form 943 and Schedule R (Form 943) electronically. However, CPEOs are permitted to file a paper Form 943 and its accompanying schedules in lieu of electronic submissions for the calendar year 2020. For more information about a CPEO's requirement to file electronically, and the waiver for 2020, see Rev. Proc. 2017-14, 2017-3 I.R.B. 426, available at [IRS.gov/irb/2017-03\\_IRB#RP-2017-14](https://www.irs.gov/irb/2017-03_IRB#RP-2017-14), and Notice 2020-35, 2020-25 I.R.B. 948, available at [IRS.gov/irb/2020-25\\_IRB#NOT-2020-35](https://www.irs.gov/irb/2020-25_IRB#NOT-2020-35). For more information about a CPEO's requirement to file electronically, see Regulations section 31.3511-1(g)(2). Schedule R (Form 943) has been revised for 2020 to allow for reporting of the new lines added to Form 943.

Other third-party payers that file aggregate Forms 943, such as non-certified PEOs, must complete and file Schedule R (Form 943) if they have clients that are claiming the qualified small business payroll tax credit for increasing research activities, the credit for qualified sick and family leave wages, or the employee retention credit, or clients deferring the employer or employee share of social security tax.

**TIP** *If both an employer and a section 3504 authorized agent (or CPEO or other third-party payer) paid wages to an employee during the year, both the employer and the section 3504 authorized agent (or CPEO or other third-party payer, if applicable) should file Form 943 reporting the wages each entity paid to the employee during the year and issue Forms W-2 reporting the wages each entity paid to the employee during the year.*

If a third-party payer of sick pay is also paying qualified sick leave wages on behalf of an employer, the third party would be making the payments as an agent of the employer. The employer is required to do the reporting and payment of employment taxes with respect to the qualified sick leave wages and claim the credit for the qualified sick leave wages, unless the employer has an agency agreement with the third-party payer that requires the third-party payer to do the collecting, reporting, and/or paying or depositing employment taxes on the qualified sick leave wages. If the employer has an agency agreement with the third-party payer, the third-party payer includes the qualified sick leave wages on the third party's aggregate Form 943, claims the sick leave credit on

behalf of the employer on the aggregate Form 943, and separately reports the credit allocable to the employers on Schedule R (Form 943). See section 6 of Pub. 15-A, Employer's Supplemental Tax Guide, for more information about sick pay reporting.

**Work opportunity tax credit for qualified tax-exempt organizations hiring qualified veterans.** Qualified tax-exempt organizations that hire eligible unemployed veterans may be able to claim the work opportunity tax credit against their payroll tax liability using Form 5884-C. For more information, go to [IRS.gov/WOTC](https://www.irs.gov/WOTC).

**Correcting a previously filed Form 943.** If you discover an error on a previously filed Form 943, make the correction using Form 943-X. Form 943-X is filed separately from Form 943. For more information, see the Instructions for Form 943-X, section 9 of Pub. 51, or go to [IRS.gov/CorrectingEmploymentTaxes](https://www.irs.gov/CorrectingEmploymentTaxes).

**If you change your business name, business address, or responsible party.** Notify the IRS immediately if you change your business name, business address, or responsible party.

- Write to the IRS office where you file your returns (using the *Without a payment* address under [Where To File](#), later) to notify the IRS of any business name change. See Pub. 1635 to see if you need to apply for a new employer identification number (EIN).
- Complete and mail Form 8822-B to notify the IRS of a business address or responsible party change. Don't mail Form 8822-B with your Form 943. For a definition of "responsible party," see the Instructions for Form SS-4.

**Federal tax deposits must be made by electronic funds transfer (EFT).** You must use EFT to make all federal tax deposits. Generally, an EFT is made using the Electronic Federal Tax Payment System (EFTPS). If you don't want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make electronic deposits on your behalf. Also, you may arrange for your financial institution to initiate a same-day wire payment on your behalf. EFTPS is a free service provided by the Department of the Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

For more information on making federal tax deposits, see section 7 of Pub. 51. To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](https://www.eftps.gov), or call 800-555-4477 or 800-733-4829 (TDD). Additional information about EFTPS is also available in Pub. 966.



*For an EFTPS deposit to be on time, you must submit the deposit by 8 p.m. Eastern time the day before the date the deposit is due.*

**Same-day wire payment option.** If you fail to submit a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, you can still make your deposit on time by using the Federal Tax Collection Service (FTCS) to make a same-day wire payment. To use the same-day wire payment method, you will need to make arrangements with your financial institution ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution

may charge you a fee for payments made this way. To learn more about the information you will need to give your financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).

**Timeliness of federal tax deposits.** If a deposit is required to be made on a day that isn't a business day, the deposit is considered timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday. The term "legal holiday" for deposit purposes includes only those legal holidays in the District of Columbia. Legal holidays in the District of Columbia are provided in section 7 of Pub. 51.

**Electronic filing and payment.** Businesses can enjoy the benefits of filing tax returns and paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, the IRS offers you convenient programs to make filing and paying easier. Spend less time worrying about taxes and more time running your business. Use e-file and EFTPS to your benefit.

- For e-file, go to [IRS.gov/EmploymentEfile](https://www.irs.gov/EmploymentEfile) for additional information. A fee may be charged to file electronically.
- For EFTPS, go to [EFTPS.gov](https://www.eftps.gov) or call EFTPS at one of the numbers provided under [Federal tax deposits must be made by electronic funds transfer \(EFT\)](#), earlier.
- For electronic filing of Forms W-2, Wage and Tax Statement, go to [SSA.gov/employer](https://www.ssa.gov/employer). You may be required to file Forms W-2 electronically. For details, see the General Instructions for Forms W-2 and W-3.



*If you're filing your tax return or paying your federal taxes electronically, a valid EIN is required at the time the return is filed or the payment is made. If a valid EIN isn't provided, the return or payment won't be processed. This may result in penalties. See [Employer Identification Number \(EIN\), Name, Trade Name, and Address](#), later, for more information about applying for an EIN.*

**Electronic funds withdrawal (EFW).** If you file Form 943 electronically, you can e-file and use EFW to pay the balance due in a single step using tax preparation software or through a tax professional. However, don't use EFW to make federal tax deposits. For more information on paying your taxes using EFW, go to [IRS.gov/EFW](https://www.irs.gov/EFW).

**Credit or debit card payments.** You can pay the balance due shown on Form 943 by credit or debit card. Your payment will be processed by a payment processor who will charge a processing fee. Don't use a credit or debit card to make federal tax deposits. For more information on paying your taxes with a credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/PayByCard).

**Online payment agreement.** You may be eligible to apply for an installment agreement online if you can't pay the full amount of tax you owe when you file your return. For more information, see [What if you can't pay in full](#), later.

**Paid preparers.** If you use a paid preparer to complete Form 943, the paid preparer must complete and sign the paid preparer's section of the form.

**Disregarded entities and qualified subchapter S subsidiaries (QSubs).** Eligible single-owner disregarded

entities and QSubs are treated as separate entities for employment tax purposes. Eligible single-member entities that haven't elected to be taxed as corporations must report and pay employment taxes on wages paid to their employees using the entities' own names and EINs. See Regulations sections 1.1361-4(a)(7) and 301.7701-2(c)(2) (iv).

**Social security wage base for 2021.** The maximum amount of wages subject to the social security tax for 2021 will be discussed in the 2021 revision of Pub. 51.

**Telephone help.** You can call the IRS Business and Specialty Tax Line toll free at 800-829-4933 or 800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability), Monday–Friday from 7:00 a.m. to 7:00 p.m. local time (Alaska and Hawaii follow Pacific time), for answers to your questions about completing Form 943 and tax deposit rules.

## Photographs of Missing Children

The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

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## General Instructions

### Purpose of Form 943

These instructions give you some background information about Form 943. They tell you who must file Form 943, how to complete it line by line, and when and where to file it.

If you want more in-depth information about payroll tax topics relating to Form 943, see Pub. 51 or go to [IRS.gov/EmploymentTaxes](#). For tax information relevant to agricultural employers, go to [IRS.gov/AgricultureTaxCenter](#).

Federal law requires you, as an employer, to withhold certain taxes from your employees' pay. Each time you pay wages, you must withhold—or take out of your employees' pay—certain amounts for federal income tax, social security tax, and Medicare tax. You must also withhold Additional Medicare Tax from wages you pay to an employee in excess of \$200,000 in a calendar year. Under the withholding system, taxes withheld from your employees are credited to your employees in payment of their tax liabilities.

Federal law also requires you to pay any liability for the employer share of social security tax and Medicare tax. This share of social security tax and Medicare tax isn't withheld from employees.

If you have household employees working in your private home on your farm operated for a profit, they aren't considered to be farm employees. To report social security tax, Medicare tax, Additional Medicare Tax, and federal income tax withholding on the wages of household employees, you may either:

- File Schedule H (Form 1040) with your Form 1040 or 1040-SR, or
- Include the wages with your farm employees' wages on Form 943.

If you paid wages to other nonfarm workers, don't report these on Form 943. Taxes on wages paid to nonfarm workers are reported on Form 941 or 941-SS, Employer's QUARTERLY Federal Tax Return, or Form 944, Employer's ANNUAL Federal Tax Return. See Pub. 926 for more information about household employees.

### Who Must File

File Form 943 if you paid wages to one or more farmworkers and the wages were subject to social security and Medicare taxes or federal income tax withholding under the tests discussed next. For more information on farmworkers and wages, see Pub. 51.

After you file your first Form 943, you must file a return for each year, even if you have no taxes to report, until you file a final return. You're encouraged to file Form 943 electronically. Go to [IRS.gov/EmploymentEfile](#) for more information on electronic filing.

### The \$150 Test or the \$2,500 Test

All cash wages that you pay to farmworkers are subject to social security and Medicare taxes and federal income tax withholding for any calendar year for which you meet either of the tests listed next.

- You pay an employee cash wages of \$150 or more in a year for farmwork (count all wages paid on a time, piecework, or other basis). The \$150 test applies separately to each farmworker that you employ. If you employ a family of workers, each member is treated separately. Don't count wages paid by other employers.
- The total (cash and noncash) wages that you pay to all farmworkers is \$2,500 or more.

If the \$2,500-or-more test for the group isn't met, the \$150-or-more test for an individual still applies. Similarly, if the \$150-or-more test is not met for any individual, the \$2,500-or-more test for the group still applies.

**Exceptions.** Special rules apply to certain hand-harvest laborers who receive less than \$150 in annual cash wages. For more information, see section 4 of Pub. 51.

### When To File

For 2020, file Form 943 by February 1, 2021. However, if you made deposits on time in full payment of the taxes due for the year, you may file the return by February 10, 2021.

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 generally consider your return filed when it is actually received. For more information about PDSs, see [Where To File](#), later.

## Forms W-2 and W-3

By February 1, 2021, give Form W-2 to each employee who was working for you at the end of 2020. If an employee stops working for you before the end of the year, give him or her Form W-2 any time after employment ends but no later than February 1, 2021. If the employee asks you for Form W-2, give him or her the completed form within 30 days of the request or the last wage payment, whichever is later.

File Copy A of all Forms W-2 with Form W-3, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA) by February 1, 2021. For electronic filing of Forms W-2, go to [SSA.gov/employer](https://ssa.gov/employer). You may be required to file Forms W-2 electronically. For details, see the General Instructions for Forms W-2 and W-3.

**Compensation paid to H-2A visa holders.** Report compensation of \$600 or more paid to foreign agricultural workers who entered the country on H-2A visas in box 1 of Form W-2. Compensation paid to H-2A workers for agricultural labor performed in connection with H-2A visas isn't subject to social security and Medicare taxes, and therefore shouldn't be reported as wages subject to social security tax (lines 2, 2a, and 2b), Medicare tax (line 4), or Additional Medicare Tax withholding (line 6) on Form 943, and shouldn't be reported as social security wages (box 3) or Medicare wages (box 5) on Form W-2.

An employer isn't required to withhold federal income tax from compensation paid to an H-2A worker for agricultural labor performed in connection with this visa unless the worker asks for withholding and the employer agrees. In this case, the worker must give the employer a completed Form W-4. Federal income tax withheld is reported on Form 943, line 8, and in box 2 of Form W-2. These reporting rules apply when the H-2A worker provides his or her taxpayer identification number (TIN) to the employer. For the rules relating to backup withholding and reporting when the H-2A worker doesn't provide a

TIN, see the Instructions for Forms 1099-MISC and 1099-NEC and the Instructions for Form 945. For more information on foreign agricultural workers on H-2A visas, go to [IRS.gov/H2A](https://irs.gov/H2A).

## Forms 1099-MISC and 1099-NEC

Both paper and electronically filed Forms 1099-MISC, Miscellaneous Income, and 1099-NEC, Nonemployee Compensation, must be filed with the IRS by February 1, 2021. Form 1099-MISC is used to report rents paid in your farming business, and Form 1099-NEC is generally used to report payments to an individual who isn't your employee. Payments made to corporations for medical and health care payments, including payments made to veterinarians, must generally be reported on Form 1099-MISC. Compensation of \$600 or more paid in a calendar year to an H-2A visa agricultural worker who didn't give you a valid TIN is also reported on Form 1099-MISC; you must withhold federal income tax from these payments under the backup withholding rules. For more information about filing Forms 1099-MISC and 1099-NEC, see the Instructions for Forms 1099-MISC and 1099-NEC.

## Where To File

You're encouraged to file Form 943 electronically. Go to [IRS.gov/EmploymentEfile](https://irs.gov/EmploymentEfile) for more information on electronic filing. If you file a paper return, where you file depends on whether you include a payment with Form 943. Mail your return to the address listed for your location in the table that follows.

PDSs can't deliver to P.O. boxes. You must use the U.S. Postal Service to mail an item to a P.O. box address. Go to [IRS.gov/PDS](https://irs.gov/PDS) for the current list of PDSs. For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSstreetAddresses](https://irs.gov/PDSstreetAddresses). Select the mailing address listed on the webpage that is in the same state as the address to which you would mail returns filed without a payment, as shown in the table that follows.

## Mailing Addresses for Form 943

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	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0008	Internal Revenue Service P.O. Box 806533 Cincinnati, OH 45280-6533
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0008	Internal Revenue Service P.O. Box 932200 Louisville, KY 40293-2200
No legal residence or principal place of business in any state	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409	Internal Revenue Service P.O. Box 932200 Louisville, KY 40293-2200
<b>Special filing address</b> for exempt organizations; federal, state, and local governmental entities; and Indian tribal governmental entities, regardless of location	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0008	Internal Revenue Service P.O. Box 932200 Louisville, KY 40293-2200



*Your filing address may have changed from that used to file your employment tax return in prior years. Don't send Form 943 or any payments to the SSA.*

## Reconciliation of Form 943 to Forms W-2 and W-3

Certain amounts reported on Form 943 for 2020 should agree with the Form W-2 totals reported on the 2020 Form W-3. The amounts from Form 943 that should agree with the related boxes on Form W-3 are: federal income tax withheld (line 8 and box 2), social security wages (lines 2, 2a, and 2b and box 3), and Medicare wages (line 4 and box 5). If the amounts don't agree, you may be contacted by the IRS or the SSA. For more information, see section 11 of Pub. 51. Keep all records that show why the totals don't match.

## Depositing Taxes



*You must deposit all depository taxes electronically by EFT. For more information, see [Federal tax deposits must be made by electronic funds transfer \(EFT\)](#) under Reminders, earlier.*

You may have to deposit the federal income taxes you withheld and both the employer and employee social security taxes and Medicare taxes.

- **If your total taxes after adjustments and nonrefundable credits (line 13) are less than \$2,500 for the year, you can pay the tax due with your return if you file on time.** You don't have to make a deposit. To avoid a penalty, you must pay any amount due in full with a timely filed return or you must deposit any amount you owe by the due date of the return. For more information on paying with a timely filed return, see the instructions for [line 15](#), later.

- **If your total taxes after adjustments and nonrefundable credits (line 13) are \$2,500 or more for the year.** You must make deposits by EFT throughout the year in accordance with your deposit schedule. There are two deposit schedules—monthly or semiweekly—for

determining when you must deposit. Before the beginning of each calendar year, you must determine which of the two deposit schedules you must use. See section 7 of Pub. 51 for information and rules concerning federal tax deposits and to determine your status as a monthly or semiweekly schedule depositor.

**Deferring your deposits.** Employers can defer the deposit of the employer share of social security tax due on or after March 27, 2020, and before January 1, 2021, as well as payment due for the employer share of social security tax for wages paid on or after March 27, 2020, and before January 1, 2021. The deferral applies before any of the nonrefundable credits claimed on line 12a, 12b, or 12c. However, the deferral doesn't reduce the amount of the employer share of social security tax used to figure those nonrefundable credits. See the instructions for [line 14b](#) for more information about the deferral of the employer share of social security tax. Employers could also defer the withholding and payment of the employee share of social security tax on wages paid on or after September 1, 2020, and on or before December 31, 2020, but only if the amount of social security wages for a biweekly pay period was less than \$4,000 (or an equivalent amount for other pay periods). The amount of the employee deferral is reported on line 14c. See the instructions for [line 14c](#) for more information.

### Reducing your deposits for COVID-19 credits.

Employers eligible to claim the credit for qualified sick and family leave wages and/or the employee retention credit can reduce their deposits by the amount of their anticipated credits. Employers won't be subject to a failure-to-deposit (FTD) penalty for reducing their deposits if certain conditions are met. See the instructions for [line 12b](#) and [line 12c](#) for more information on these credits. This reduction in deposits is in addition to the ability employers have to reduce their deposits by the amount of the employer share of social security tax they defer. For more information on reducing deposits, see Notice 2020-22, 2020-17 I.R.B. 664, available at [IRS.gov/irb/2020-17\\_IRB#NOT-2020-22](#), and [IRS.gov/ETD](#). Also see [IRS.gov/ERC](#) and [IRS.gov/PLC](#) for more

information, including examples, about reducing deposits. See the instructions for [line 17](#), later, for information on adjusting tax liabilities reported on line 17 or Form 943-A for nonrefundable credits.

## Penalties and Interest

You can avoid paying penalties and interest if you do all of the following.

- Deposit or pay your taxes when they are due, unless you meet the requirements discussed in [Notice 2020-22](#) or [IRS.gov/ETD](#) or you have chosen to use the relief provided in Notice 2020-65, 2020-38 I.R.B. 567, available at [IRS.gov/irb/2020-38\\_IRB#NOT-2020-65](#).
- File your fully completed Form 943 on time.
- Report your tax liability accurately.
- Submit valid checks for tax payments.
- Furnish accurate Forms W-2 to employees.
- File Form W-3 and Copy A of Forms W-2 with the SSA on time and accurately. Go to [SSA.gov/employer](#) for information on how to file Forms W-2 electronically.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See sections 7 and 8 of Pub. 51 for details. Use Form 843 to request abatement of assessed penalties or interest. Don't request abatement of assessed penalties or interest on Form 943 or Form 943-X.

If you receive a notice about a penalty after you file your return, reply to the notice with an explanation and we will determine if you meet reasonable-cause criteria. Don't attach an explanation when you file your return.



*If federal income, social security, and Medicare taxes that must be withheld (that is, trust fund taxes) aren't withheld or aren't paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is 100% of the unpaid trust fund tax. If these unpaid taxes can't be immediately collected from the employer or business, the trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so. See section 7 of Pub. 51 for more information. The trust fund recovery penalty won't apply to any amount of trust fund taxes an employer holds back in anticipation of any credits they are entitled to. It also won't apply to applicable taxes properly deferred under [Notice 2020-65](#) before May 1, 2021.*

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## Specific Instructions

### Employer Identification Number (EIN), Name, Trade Name, and Address

If you don't have an EIN, you may apply for one online by visiting [IRS.gov/EIN](#). You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If the principal business was created or organized outside of the United States or U.S. territories, you may also apply for an EIN by calling 267-941-1099 (toll call). If you haven't received your EIN by the due date of Form 943, file a paper return

and write "Applied For" and the date you applied in this entry space.

Enter your EIN, name, and address in the spaces provided. Don't use your social security number (SSN) or individual taxpayer identification number (ITIN). Generally, enter the business (legal) name you used when you applied for your EIN on Form SS-4. For example, if you're a sole proprietor, enter "Barbara Smith" on the "Name" line and "Barbara's Farm" on the "Trade name" line. Leave the "Trade name" line blank if it is the same as your "Name." If you pay a tax preparer to fill out Form 943, make sure the preparer shows your business name exactly as it appeared when you applied for your EIN.

### Final Return

If you stop paying wages during the year and don't expect to pay wages again, file a final return for 2020. Be sure to mark the box above line 1 on the form indicating that you don't have to file returns in the future. If you later restart paying wages, then resume filing Form 943.

Attach a statement to your final return showing the name of the person keeping the payroll records and the address where these records will be kept. If the business has been sold or transferred to another person, the statement should include the name and address of such person and the date on which the sale or transfer took place. If no sale or transfer occurred, or you don't know the name of the person to whom the business was sold or transferred, that fact should be included in the statement.

### Completing Form 943

Enter dollars to the left of the preprinted line and cents to the right of it. Don't round entries to whole dollars. Always show an amount for cents, even if it is zero.

### Line 1. Number of Agricultural Employees

Enter the number of agricultural employees on your payroll during the pay period that included March 12, 2020. Don't include household employees, persons who received no pay during the pay period, pensioners, or members of the Armed Forces.



*For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages" that are reported on line 2a.*

### Line 2. Wages Subject to Social Security Tax

Enter the total cash wages, including qualified wages (other than qualified health plan expenses) for the employee retention credit, subject to social security tax that you paid to your employees for farmwork during the calendar year. Don't include the qualified sick leave wages reported on line 2a or the qualified family leave wages reported on line 2b. Enter the amount before deductions. Cash wages include checks, money orders, etc. Don't include the value of noncash items, such as food or lodging, or pay for services other than farmwork. See section 3 of Pub. 51 for information on cash and noncash wages. See [Purpose of Form 943](#), earlier, for household employee information.

For 2020, the rate of social security tax on cash wages, except for qualified sick leave wages and qualified family leave wages, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Stop paying social security tax on and entering an employee's wages on lines 2, 2a, and 2b when the total of the employee's taxable wages, including qualified sick leave wages and qualified family leave wages, reach \$137,700 for the year. However, continue to withhold income and Medicare taxes for the whole year on all wages, including qualified sick leave wages and qualified family leave wages, even when the social security wage base of \$137,700 has been reached. If you, as a qualifying employer, receive an approved Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits, from one or more of your employees, enter "Form 4029" on the dotted line next to the entry space.

## Line 2a. Qualified Sick Leave Wages

Enter the qualified taxable sick leave wages you paid to your employees during the year. Qualified sick leave wages aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 2a when the employee's taxable wages, including wages reported on line 2, qualified sick leave wages, and qualified family leave wages, reach \$137,700 for the year. See the instructions for [line 4](#) and [line 5](#) for reporting Medicare tax on qualified sick leave wages, including the portion above the social security wage base.

Qualified sick leave wages are wages for social security and Medicare tax purposes required to be paid under the Emergency Paid Sick Leave Act (EPSLA) as enacted under the [Families First Coronavirus Response Act](#) (FFCRA). See the instructions for [line 12b](#) for information about the credit for qualified sick and family leave wages.

**Emergency Paid Sick Leave Act (EPSLA).** The EPSLA requires certain government employers and private employers with fewer than 500 employees to provide paid sick leave to employees unable to work or telework after March 31, 2020, and before January 1, 2021, because the employee:

1. Is subject to a federal, state, or local quarantine or isolation order related to COVID-19;
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
4. Is caring for an individual subject to an order described in (1) or who has been advised as described in (2);
5. Is caring for a child if the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19 precautions; or
6. Is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services.



*Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified sick leave wages paid to employees.*

**Limits on qualified sick leave wages.** The EPSLA provides different limitations for different circumstances under which qualified sick leave wages are paid. For paid sick leave qualifying under (1), (2), or (3) above, the amount of qualified sick leave wages is determined at the employee's regular rate of pay, but the wages may not exceed \$511 for any day (or portion of a day) for which the individual is paid sick leave. For paid sick leave qualifying under (4), (5), or (6) above, the amount of qualified sick leave wages is determined at two-thirds the employee's regular rate of pay, but the wages may not exceed \$200 for any day (or portion of a day) for which the individual is paid sick leave. The EPSLA also limits each individual to a maximum of up to 80 hours of paid sick leave for the year. Therefore, the maximum amount of paid sick leave wages for the year can't exceed \$5,110 for an employee for leave under (1), (2), or (3), and it can't exceed \$2,000 for an employee for leave under (4), (5), or (6). For more information from the Department of Labor on these requirements and limits, see [DOL.gov/agencies/whd/pandemic](https://www.dol.gov/agencies/whd/pandemic).

For more information about qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

## Line 2b. Qualified Family Leave Wages

Enter the qualified taxable family leave wages you paid to your employees during the year. Qualified family leave wages aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 2b when the employee's taxable wages, including wages reported on line 2, qualified sick leave wages, and qualified family leave wages, reach \$137,700 for the year. See the instructions for [line 4](#) and [line 5](#) for reporting Medicare tax on qualified family leave wages, including the portion above the social security wage base.

Qualified family leave wages are wages for social security and Medicare tax purposes required to be paid under the Emergency Family and Medical Leave Expansion Act as enacted under the FFCRA. See the instructions for [line 12b](#) for information about the credit for qualified sick and family leave wages.

**Emergency Family and Medical Leave Expansion Act.** The Emergency Family and Medical Leave Expansion Act requires certain government employers and private employers with fewer than 500 employees to provide paid family leave under the Family and Medical Leave Act of 1993 to an employee who has been employed for at least 30 calendar days. The requirement to provide leave generally applies when an employee is unable to work or telework after March 31, 2020, and before January 1, 2021, due to the need to care for a child because the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19



related reasons. The first 10 days for which an employee takes leave may be unpaid. During this period, employees may use other forms of paid leave, such as qualified sick leave, accrued sick leave, annual leave, or other paid time off. After an employee takes leave for 10 days, the employer must provide the employee paid leave (that is, qualified family leave wages) for up to 10 weeks. For more information from the Department of Labor on these requirements, possible exceptions, and the limitations discussed below, see [DOL.gov/agencies/whd/pandemic](https://www.dol.gov/agencies/whd/pandemic).



*Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified family leave wages paid to employees.*

**Rate of pay and limit on wages.** The rate of pay must be at least two-thirds of the employee's regular rate of pay (as determined under the Fair Labor Standards Act of 1938), multiplied by the number of hours the employee otherwise would have been scheduled to work. The qualified family leave wages can't exceed \$200 per day or \$10,000 in the aggregate per employee for the year.

For more information about qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

### Line 3. Social Security Tax

Multiply line 2 by 12.4% (0.124) and enter the result on line 3.

#### Line 3a. Social Security Tax on Qualified Sick Leave Wages

Multiply line 2a by 6.2% (0.062) and enter the result on line 3a.

#### Line 3b. Social Security Tax on Qualified Family Leave Wages

Multiply line 2b by 6.2% (0.062) and enter the result on line 3b.

### Line 4. Wages Subject to Medicare Tax

Enter the total cash wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit that you paid to your employees for farmwork during the calendar year. Enter the amount before deductions. Don't include the value of noncash items, such as food or lodging, or pay for services other than farmwork. There is no limit on the amount of wages subject to Medicare tax. If you, as a qualifying employer, receive an approved Form 4029 from one or more of your employees, enter "Form 4029" on the dotted line next to the entry space.

### Line 5. Medicare Tax

Multiply line 4 by 2.9% (0.029) and enter the result on line 5.

### Line 6. Wages Subject to Additional Medicare Tax Withholding

Enter all wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit that are subject to Additional Medicare Tax withholding. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on what wages are subject to Medicare tax, see the chart, *Special Rules for Various Types of Services and Payments*, in section 15 of Pub. 15. For more information on Additional Medicare Tax, go to [IRS.gov/ADMT](https://www.irs.gov/ADMT).

### Line 7. Additional Medicare Tax Withholding

Multiply line 6 by 0.9% (0.009) and enter the result on line 7.

### Line 8. Federal Income Tax Withheld

Enter the federal income tax you withheld from your employees' wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit. Generally, you must withhold federal income tax from employees from whom you withhold social security and Medicare taxes. See section 5 of Pub. 51 for more information on withholding rules.

### Line 9. Total Taxes Before Adjustments

Add the total social security tax (lines 3, 3a, and 3b), Medicare tax (line 5), Additional Medicare Tax withholding (line 7), and federal income tax withheld (line 8). Enter the result on line 9.

### Line 10. Current Year's Adjustments to Taxes

Use line 10 to:

- Adjust for rounding of fractions of cents, or
- Adjust for the uncollected employee share of social security and Medicare taxes on third-party sick pay or group-term life insurance premiums paid for former employees. See section 9 of Pub. 51.

Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 9. Otherwise, use parentheses.

**Adjustment for fractions of cents.** If there is a small difference between total taxes after adjustments and nonrefundable credits (line 13) and total deposits (line 14a), it may be caused by rounding to the nearest cent each time you figured payroll. This rounding occurs

when you figure the amount of social security and Medicare taxes to be withheld from each employee's wages. If the fractions of cents adjustment is the only entry on line 10, enter "Fractions Only" on the dotted line to the left of the entry space for line 10. This adjustment may be a positive or a negative adjustment.

**Adjustment for sick pay.** If your third-party payer of sick pay that isn't your agent (for example, an insurance company) transfers the liability for the employer share of the social security and Medicare taxes to you, enter a negative adjustment on line 10 for the employee share of social security and Medicare taxes that were withheld and deposited by your third-party sick pay payer on the sick pay. If you're the third-party sick pay payer and you transferred the liability for the employer share of the social security and Medicare taxes to the employer, enter a negative adjustment on line 10 for any employer share of these taxes required to be paid by the employer. The sick pay should be included on line 2, line 4, and, if the withholding threshold is met, line 6.

No adjustment is reported on line 10 for sick pay that is paid through a third party as an employer's agent. An employer's agent bears no insurance risk and is reimbursed on a cost-plus-fee basis for payment of sick pay and similar amounts. If an employer uses an agent to pay sick pay, the employer reports the wages on line 2, line 4, and, if the withholding threshold is met, line 6, unless the employer has an agency agreement with the third-party payer that requires the third-party payer to do the collecting, reporting, and/or paying or depositing employment taxes on the sick pay. See section 6 of Pub. 15-A for more information about sick pay reporting.

## Line 11. Total Taxes After Adjustments

Combine lines 9 and 10; enter the result on line 11.

## Line 12a. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Enter the amount of the credit from Form 8974, line 12.



*If you enter an amount on line 12a, you must attach Form 8974. The December 2017 revision of Form 8974 instructs you to enter the amount from Form 8974, line 12, on Form 943, line 12. For 2020, the amount from Form 8974, line 12, should be entered on Form 943, line 12a.*

## Line 12b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages From Worksheet 1



*Form 943 and these instructions use the terms "nonrefundable" and "refundable" when discussing credits. The term "nonrefundable" means the portion of the credit which is limited by law to the amount of the employer share of social security tax. The term "refundable" means the portion of the credit*

*which is in excess of the employer share of social security tax.*

Businesses and tax-exempt organizations with fewer than 500 employees that are required to provide paid sick leave under the [EPSLA](#) and/or to provide paid family leave under the [Emergency Family and Medical Leave Expansion Act](#) are eligible to claim the credit for qualified sick and family leave wages for the period after March 31, 2020, and before January 1, 2021. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2j. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, and the [qualified health plan expenses](#) and employer share of Medicare tax allocable to those wages. The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 943, line 3, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, or any credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 943, line 14d. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

**Qualified health plan expenses allocable to qualified sick leave and family leave wages.** The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, qualified health plan expenses don't include amounts that the employee paid for with after-tax contributions. For more information, go to [IRS.gov/PLC](#).



*You must include the full amount (both the nonrefundable and refundable portions) of the credit for qualified sick and family leave wages in your gross income for the tax year that includes the last day of any calendar quarter in which a credit is allowed. You can't use the same wages for the employee retention credit and the credits for paid sick and family leave.*

## Line 12c. Nonrefundable Portion of Employee Retention Credit From Worksheet 1



*An employer may not claim the employee retention credit if the employer receives a Small Business Interruption Loan under the Paycheck Protection Program (PPP) that is authorized under the*

[Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) (“Paycheck Protection Loan”). An employer that receives a Paycheck Protection Loan shouldn’t claim an employee retention credit. An employer that applied for a Paycheck Protection Loan, received payment, and repaid the loan by May 18, 2020, will be treated as though the employer had not received a covered loan under the PPP for purposes of the employee retention credit.

Enter the nonrefundable portion of the employee retention credit from [Worksheet 1](#), Step 3, line 3h. The employee retention credit is 50% of the qualified wages you paid to your employees between March 13, 2020, and December 31, 2020. Qualified wages include [qualified health plan expenses for the employee retention credit](#). The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 943, line 3, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, or any credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans, and/or any credit claimed for the nonrefundable portion of the credit for qualified sick and family leave wages.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 943, line 14e. For more information on the employee retention credit, go to [IRS.gov/ERC](#).

#### **Qualified wages for the employee retention credit.**

The tax credit is equal to 50% of qualified wages paid to employees between March 13, 2020, and December 31, 2020. Qualified wages, including qualified health plan expenses, are limited to a maximum of \$10,000 for each employee for the year. Qualified wages are wages for social security and Medicare tax purposes paid to certain employees during any period in a quarter in which your operations are fully or partially suspended due to a government order or during a quarter in which you have had a significant decline in gross receipts. The law provides that the significant decline in gross receipts is the period beginning with any quarter in which your gross receipts are less than 50% of what they were in the same calendar quarter in 2019 and ending with the quarter that follows the first quarter beginning after the quarter in which your gross receipts were greater than 80% of what they were in the same calendar quarter in 2019.

The wages and qualified health plan expenses considered in calculating your credit depend on the size of your workforce. Eligible employers that had an average number of 100 or fewer full-time employees during 2019 count wages paid to all their employees and the qualified health plan expenses paid or incurred for all employees during any period in the quarter in which operations are fully or partially suspended due to a government order or during a quarter in which there has been a significant decline in gross receipts. Eligible employers that had an average number of more than 100 full-time employees in 2019 may count only wages paid to employees for time that the employees weren’t working, and qualified health plan expenses paid or incurred by the employer allocable to the time those employees weren’t working, due to the suspension or significant decline in gross receipts; these

eligible employers can count only wages that don’t exceed what the employer would have paid that employee for working for the same amount of time during the prior 30 days. More information on the employee retention credit is available at [IRS.gov/ERC](#).

#### **Qualified health plan expenses for the employee retention credit.**

Qualified wages for the employee retention credit include qualified health plan expenses. Qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees’ income as coverage under an accident or health plan. The amount of qualified health plan expenses taken into account in determining the amount of qualified wages generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, the qualified health plan expenses shouldn’t include amounts that the employee paid for with after-tax contributions. Generally, the qualified health plan expense is the amount that is allocable to the hours for which the employees receive qualified wages for the employee retention credit. However, qualified health plan expenses for purposes of the employee retention credit may include health plan expenses allocable to the applicable periods even if the employer isn’t paying any qualified wages to the employee. For more information, see the frequently asked questions for qualified health plan expenses at [IRS.gov/ERC](#).

### **Line 12d. Total Nonrefundable Credits**

Add lines 12a, 12b, and 12c. Enter the total on line 12d.

### **Line 13. Total Taxes After Adjustments and Credits**

Subtract line 12d from line 11. Enter the result on line 13.

### **Line 14a. Total Deposits**

Enter your deposits for this year, including any overpayment that you applied from filing Form 943-X, in the current year. Also include in the amount shown any overpayment from a previous period that you applied to this return. Don’t include any amount that you didn’t deposit because you chose to defer the employer or employee share of social security tax. For more information about the deferrals, see the [line 14b](#) and [line 14c](#) instructions next. Also, don’t include any amount you didn’t deposit because you reduced your deposits in anticipation of the credit for qualified sick and family leave wages or the employee retention credit, as discussed in [Notice 2020-22](#).

### **Line 14b. Deferred Amount of the Employer Share of Social Security Tax**

Enter the amount of the employer share of social security tax that you’re deferring. Employers, including government employers, can defer the deposit of the employer share of social security tax due on or after

March 27, 2020, and before January 1, 2021, as well as payment due for the employer share of social security tax for wages paid on or after March 27, 2020, and before January 1, 2021. The employer share of social security tax is included on line 3 along with the employee share of social security tax. However, you determine the amount of the employer share of social security tax that can be deferred by only considering social security tax on wages related to deposits and payments due on or after March 27, 2020. Don't include the employee share of social security tax reported on lines 3a and 3b as part of the deferred amount of the employer share of social security tax. If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company), you must consider any adjustment that you make on line 10 for the employer share of social security tax transferred to your client before deciding the employer share of social security tax that can be deferred. Don't reduce the amount reported on line 14b by any credits claimed on line 12a, 12b, or 12c or any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans. However, you can't defer tax that you have already paid; therefore, the maximum amount of social security tax (both the employer and employee share of social security tax) that can be deferred for the year is the lesser of (1) the total of the employer and employee share of social security tax, or (2) the **excess** of (a) line 11 (reduced by the amount, if any, on line 12a) **over** (b) line 14a. For more information about the deferral of employment tax deposits, including limitations on the maximum amount you can defer, go to [IRS.gov/ETD](https://www.irs.gov/ETD).



*The deferred amount of the employer share of social security tax is a deferral of deposits and payments, not a deferral of liability. You won't receive a refund or credit of any amount of the employer share of social security tax already deposited or paid for the year. However, in determining whether any amount of the employer share of social security tax was already deposited for this purpose, you can consider prior deposits on or after March 27, 2020, as first being deposited for employment taxes other than the employer share of social security tax. Although employers depositing taxes using EFTPS identify the subcategory of separate deposits for the different employment taxes (for example, social security tax and Medicare tax), those entries are for informational purposes only. The IRS doesn't use that information in comparing liabilities reported on the employment tax return and the total deposits made.*

**Paying the deferred amount of the employer share of social security tax.** One-half of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. Any payments or deposits you make before December 31, 2021, are first applied against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For example, if your employer share of social security tax for 2020 is \$20,000 and you deposited \$5,000 of the \$20,000 during 2020 and defer \$15,000 on line 14b, then you must pay \$5,000 by December 31, 2021, and \$10,000 by December 31, 2022. However, if your

employer share of social security tax for 2020 was \$20,000 and you deposited \$15,000 of the \$20,000 during 2020 and defer \$5,000 on line 14b, then you don't need to pay any deferred amount by December 31, 2021, because 50% of the amount that could have been deferred (\$10,000) has already been paid and is first applied against your payment that would be due on December 31, 2021. Accordingly, you must pay the \$5,000 deferral by December 31, 2022.

If you initially deferred (that is, didn't deposit) the employer share of social security tax and later decided to pay or deposit it in 2020, see [Adjusting tax liability for the deferred amount of social security tax that you pay or deposit in 2020](#), later. For additional information, go to [IRS.gov/ETD](https://www.irs.gov/ETD).

**How to pay the deferred amount of social security tax.** You may pay the amount you owe electronically using EFTPS, by credit or debit card, or by a check or money order. The preferred method of payment is EFTPS. For more information, visit [EFTPS.gov](https://www.eftps.gov), or call 800-555-4477 or 800-733-4829 (TDD). To pay the deferred amount, select Form 943 and the option for payment due on an IRS notice.

To pay by credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/PayByCard). If you pay by check or money order, include a 2020 Form 943-V, Payment Voucher. Make the check or money order payable to "United States Treasury." Enter your EIN, "Form 943," and "2020" on your check or money order.

**Where to send payments.** Payments should be sent to:

Department of the Treasury  
Internal Revenue Service  
Ogden, UT 84201-0030

or  
Department of the Treasury  
Internal Revenue Service  
Kansas City, MO  
64999-0030

Send your payment to the address above that is in the same state as the address to which you would mail returns filed without a payment, as shown under [Where To File](#), earlier.

## Line 14c. Deferred Amount of the Employee Share of Social Security Tax

Enter the amount of the employee share of social security tax that you're deferring for the year. On August 8, 2020, the President issued a Presidential Memorandum directing the Secretary of the Treasury to use his authority pursuant to section 7508A of the Internal Revenue Code to defer the withholding, deposit, and payment of certain payroll tax obligations. In [Notice 2020-65](#), the Secretary made relief available under section 7508A to employers required to withhold social security taxes from wages paid to employees. Specifically, under the notice, the due date for withholding and payment of the employee share of social security tax on applicable wages is postponed until the period beginning on January 1, 2021, and ending on April 30, 2021. Applicable wages are social security wages of less than \$4,000 in any biweekly pay period (or the equivalent threshold amount for other pay periods)

paid on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020. The determination of whether the deferral of withholding or payment of the employee share of social security tax is available is made on a pay period-by-pay period basis. Nothing prohibits employers from getting employee input on whether to apply the relief to postpone the due date for the withholding and payment of the employee share of social security tax on applicable wages paid to the employee.

You can't defer tax that you have already paid; therefore, the maximum amount of social security tax (both the employer and employee share of social security tax) that can be deferred for the year is the lesser of (1) the total of the employer and employee share of social security tax, or (2) the **excess** of (a) line 11 (reduced by the amount, if any, on line 12a) **over** (b) line 14a.

**TIP** *If you paid an employee supplemental wages (for example, a bonus or commission) and included the supplemental wages with the employee's regular wages in a single payment (that is, in a single paycheck) for a pay period, but you didn't specifically identify the amount of each, then the entire amount of the payment must be below \$4,000 (or equivalent amount for pay periods other than a biweekly pay period) to be eligible for the deferral of the withholding and payment of the employee share of social security tax on the wages. If the entire amount is below \$4,000, then you may defer the withholding and payment of the employee share of social security tax on the entire payment of the wages. If you paid the supplemental wages separately from the employee's regular wages (that is, in a separate check), or you combined the wages in a single payment but you specifically identified the amount of each, then the supplemental wages are disregarded for purposes of determining whether the regular wages are below \$4,000 (or equivalent amount), but the supplemental wages aren't eligible for the deferral of the withholding and payment of the employee share of social security tax.*

**Paying the deferred amount of the employee share of social security tax.** The due date for the withholding and payment of the employee share of social security tax is postponed until the period beginning on January 1, 2021, and ending on April 30, 2021. The employer must withhold and pay the total deferred employee share of social security tax ratably from wages paid to the employee between January 1, 2021, and April 30, 2021. If necessary, the employer may make arrangements to otherwise collect the total taxes deferred from the employee. The employer is liable to pay the deferred taxes to the IRS and must do so before May 1, 2021, to avoid interest, penalties, and additions to tax on those amounts. For more information about the deferral of the employee share of social security tax, see [Notice 2020-65](#). For information on paying the deferred social security tax, see [How to pay the deferred amount of social security tax](#), earlier.

If you initially deferred (that is, didn't deposit) the employee share of social security tax and later decide to pay or deposit it in 2020, see [Adjusting tax liability for the deferred amount of social security tax that you pay or deposit in 2020](#), later.



*For information about how to report the deferred amount of the employee share of social security tax on Form W-2 and Form W-2c for 2020, see [IRS.gov/FormW2](#) and the 2021 General Instructions for Forms W-2 and W-3 (available in early 2021).*

## Line 14d. Refundable Portion of Credit for Qualified Sick and Family Leave Wages From Worksheet 1

Businesses and tax-exempt organizations with fewer than 500 employees that are required to provide paid sick leave under the [EPSLA](#) and/or to provide paid family leave under the [Emergency Family and Medical Leave Expansion Act](#) are eligible to claim the credit for qualified sick and family leave wages. Enter the refundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2k. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the allocable [qualified health plan expenses](#), and the employer share of Medicare tax allocable to those wages. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits.

## Line 14e. Refundable Portion of Employee Retention Credit From Worksheet 1

Enter the refundable portion of the employee retention credit from [Worksheet 1](#), Step 3, line 3i. The employee retention credit is 50% of the [qualified wages](#) you paid to your employees between March 13, 2020, and December 31, 2020. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits.

## Line 14f. Total Deposits, Deferrals, and Refundable Credits

Add lines 14a, 14b, 14c, 14d, and 14e. Enter the total on line 14f.

## Line 14g. Total Advances Received From Filing Form(s) 7200 for the Year

Enter the total advances received from filing Form(s) 7200 for the year. If you filed a Form 7200 but you haven't received the advance before filing Form 943, don't include that amount. Employers were eligible to file Form 7200 if they paid [qualified sick leave wages](#), [qualified family leave wages](#), and/or [qualified wages for the employee retention credit](#) and the amount of employment tax deposits they retained wasn't sufficient to cover the cost of qualified sick and family leave wages and the employee retention credit.



*Form 7200 may be filed up to the earlier of February 1, 2021, or the filing of Form 943 for the year. However, if you file Form 7200 after the end of the year, it's possible that it may not be processed prior to the processing of the filed Form 943. Advance payment requests on Form 7200 won't be paid after your Form 943 is processed. When the IRS processes Form 943, we will*

correct the amount reported on line 14g to match the amount of advance payments issued or contact you to reconcile the difference before we finish processing Form 943.

## Line 14h. Total Deposits, Deferrals, and Refundable Credits Less Advances

Subtract line 14g from line 14f. Enter the result on line 14h.

## Line 15. Balance Due

If line 13 is more than line 14h, enter the difference on line 15. Otherwise, see [Overpayment](#), later. **Never make an entry on both lines 15 and 16.**

You don't have to pay if line 15 is under \$1. Generally, you should show a balance due on line 15 only if your total taxes after adjustments and nonrefundable credits for the year (line 13) are less than \$2,500. However, see section 7 of Pub. 51 regarding payments made under the accuracy of deposits rule.

If you were required to make federal tax deposits, pay the amount shown on line 15 by EFT. If you weren't required to make federal tax deposits or you're a monthly schedule depositor making a payment under the accuracy of deposits rule (see section 7 of Pub. 51), you may pay the amount shown on line 15 by EFT, credit card, debit card, check, money order, or EFW. For more information on electronic payment options, go to [IRS.gov/Payments](https://www.irs.gov/Payments).

If you pay by EFT, credit card, or debit card, file your return using the *Without a payment* address under [Where To File](#), earlier. Don't file Form 943-V, Payment Voucher.

If you pay by check or money order, make it payable to "United States Treasury." Enter your EIN, "Form 943," and the tax period on your check or money order. Complete Form 943-V and enclose it with Form 943.



*If you didn't make deposits as required and instead pay the taxes with Form 943, you may be subject to a penalty.*

**What if you can't pay in full?** If you can't pay the full amount of tax you owe, you can apply for an installment agreement online. You can apply for an installment agreement online if:

- You can't pay the full amount shown on line 15,
- The total amount you owe is \$25,000 or less, and
- You can pay the liability in full in 24 months.

To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://www.irs.gov/OPA).

Under an installment agreement, you can pay what you owe in monthly installments. There are certain conditions you must meet to enter into and maintain an installment agreement, such as paying the liability within 24 months, and making all required deposits and timely filing tax returns during the length of the agreement.

If your installment agreement is accepted, you will be charged a fee and you will be subject to penalties and interest on the amount of tax not paid by the due date of the return.

## Line 16. Overpayment

If line 14h is more than line 13, enter the difference on line 16. **Never make an entry on both lines 15 and 16.**

If you deposited more than the correct amount for the year, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check only one box on line 16. If you don't check either box or if you check both boxes, we will generally apply the overpayment to your next return. Regardless of any box you check or don't check, we may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 16 is under \$1, we will send you a refund or apply it to your next return only if you ask us in writing to do so.

## Line 17. Monthly Summary of Federal Tax Liability

This is a summary of your monthly tax liability, not a summary of deposits made. If line 13 is less than \$2,500, don't complete line 17 or Form 943-A.

Complete line 17 only if you were a **monthly schedule depositor** for the entire year and line 13 is \$2,500 or more. The amount entered on line 17M must equal the amount reported on line 13. If it doesn't, your tax deposits and payments may not be counted as timely. Don't reduce your total liability reported on line 17 by the deferred amount of the employer or employee share of social security tax, the refundable portion of the credit for qualified sick and family leave wages, or the refundable portion of the employee retention credit. The deferred amount of the employer or employee share of social security tax reported on line 14b and line 14c doesn't reflect deferred liabilities, but instead postponed due dates for payment. Don't change your current year tax liability reported on line 13 by adjustments reported on any Forms 943-X. See section 7 of Pub. 51 for details on the deposit rules. You're a monthly schedule depositor for the calendar year if the amount of your "Total taxes after adjustments and credits" reported for the lookback period isn't more than \$50,000. The lookback period is the second calendar year preceding the current calendar year. For example, the lookback period for 2021 is 2019.



*If you were a semiweekly schedule depositor during any part of the year, don't complete line 17. Instead, complete Form 943-A.*

**Reporting adjustments from line 10 on line 17.** If your net adjustment during a month is negative and it exceeds your total liability for the month, don't enter a negative amount for the month. Instead, enter "-0-" for the month and carry over the unused portion of the adjustment to the next month.

**Adjusting tax liability for nonrefundable credits claimed on lines 12a, 12b, and 12c.** Monthly schedule depositors and semiweekly schedule depositors must account for nonrefundable credits claimed on lines 12a, 12b, and 12c when reporting their tax liabilities on line 17 or Form 943-A. The total tax liability for the year must equal the amount reported on line 13. Failure to account for nonrefundable credits on line 17 or Form 943-A may

cause line 17 or Form 943-A to report more than the total tax liability reported on line 13. Don't reduce your monthly tax liability reported on lines 17a through 17l or your daily tax liability reported on Form 943-A below zero.

**Qualified small business payroll tax credit for increasing research activities (line 12a).** The qualified small business payroll tax credit for increasing research activities is limited to the employer share of social security tax on wages paid in the quarter that begins after the income tax return electing the credit has been filed. In completing line 17 or Form 943-A, you take into account the payroll tax credit against the liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages subject to social security tax to your employees. The credit may be taken to the extent of the employer share of social security tax on wages associated with the first payroll payment, and then to the extent of the employer share of social security tax associated with succeeding payroll payments in the quarter until the credit is used. Consistent with the entries on line 17 or Form 943-A, the payroll tax credit should be taken into account in making deposits of employment tax. If any payroll tax credit is remaining at the end of the quarter that hasn't been used completely because it exceeds the employer share of social security tax for the quarter, the excess credit may be carried forward to the succeeding quarter and allowed as a payroll tax credit for the succeeding quarter. The payroll tax credit may not be taken as a credit against income tax withholding, Medicare tax, or the employee share of social security tax.

Also, the remaining payroll tax credit may not be carried back and taken as a credit against wages paid from preceding quarters that are reported on the same Form 943 or on Forms 943 for preceding years. If an amount of payroll tax credit is unused at the end of the calendar year because it is in excess of the employer share of social security tax on wages paid during the applicable quarters in the calendar year, the remaining payroll tax credit may be carried forward to the first quarter of the succeeding calendar year as a payroll tax credit against the employer share of social security tax on wages paid in that quarter.

**Example.** Rose Co. is an employer with a calendar tax year that filed its timely income tax return on April 15, 2020. Rose Co. elected to take the qualified small business payroll tax credit for increasing research activities on Form 6765. The third quarter of 2020 is the first quarter that begins after Rose Co. filed the income tax return making the payroll tax credit election. Therefore, the payroll tax credit applies against Rose Co.'s share of social security tax on wages paid to employees in the third quarter of 2020. Rose Co. is a semiweekly schedule depositor. Rose Co. completes Form 943-A by reducing the amount of liability entered for the first payroll payment in the third quarter of 2020 that includes wages subject to social security tax by the lesser of (1) its share of social security tax on the wages, or (2) the available payroll tax credit. If the payroll tax credit elected is more than Rose Co.'s share of social security tax on the first payroll payment of the quarter, the excess payroll tax credit would be carried forward to succeeding payroll payments in the third quarter until it is used. If the amount of the

payroll tax credit exceeds Rose Co.'s share of social security tax on wages paid to its employees in the third quarter, the excess credit would be treated as a payroll tax credit against its share of social security tax on wages paid in the fourth quarter. If the amount of the payroll tax credit remaining exceeded Rose Co.'s share of social security tax on wages paid in the fourth quarter, it could be carried forward and treated as a payroll tax credit for the first quarter of 2021.

**Nonrefundable portion of credit for qualified sick and family leave wages (line 12b).** The nonrefundable portion of the credit for qualified sick and family leave wages is limited to the employer share of social security tax on wages paid in the year that is remaining after that share is first reduced by any credit claimed on Form 943, line 12a, for the qualified small business payroll tax credit for increasing research activities, and/or any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages (including the qualified health plan expenses and employer share of Medicare tax allocable to those wages) against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on Form 943, line 14d, as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

**Example.** Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2020, Maple Co. had pay dates every Friday of 2020 starting January 3, 2020. Maple Co. paid qualified sick and family leave wages on May 1 and May 8. The nonrefundable portion of the credit for qualified sick and family leave wages for the year is \$1,000. On line 17, Maple Co. will use the \$1,000 to reduce the liability for the January 3 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 10 pay date, then the January 17 pay date, and so forth until the entire \$1,000 is used.

**Nonrefundable portion of employee retention credit (line 12c).** The nonrefundable portion of the employee retention credit is limited to the employer share of social security tax on wages paid in the year that is remaining after that share is first reduced by any credit claimed on Form 943, line 12a, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; and/or any credit claimed on Form 943, line 12b, for the nonrefundable portion of the credit for qualified sick and family leave wages. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the employee retention credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is

used. Any employee retention credit that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on Form 943, line 14e, as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

**Example.** Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2020, Maple Co. had pay dates every Friday of 2020 starting January 3, 2020. Maple Co. paid qualified wages for the employee retention credit on May 1 and May 8. The nonrefundable portion of the employee retention credit for the year is \$1,000. On line 17, Maple Co. will use the \$1,000 to reduce the liability for the January 3 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 10 pay date, then the January 17 pay date, and so forth until the entire \$1,000 is used.



*You may reduce your deposits by the amount of the nonrefundable and refundable portions of the credit for qualified sick and family leave wages, the nonrefundable and refundable portions of the employee retention credit, and any deferred employment taxes as discussed earlier under [Reducing your deposit for COVID-19 credits](#).*

**Adjusting tax liability for the deferred amount of social security tax that you pay or deposit in 2020.** If you defer the employer and/or employee share of social security tax and subsequently pay or deposit that deferred amount during 2020, you should report the amount of the payment or deposit on Form 943, line 17, or Form 943-A on the date of the payment or deposit and not the date of liability. You shouldn't include any portion of the deferred amount of social security taxes already paid or deposited by December 31, 2020, on Form 943, line 14b or 14c.

For example, if you're a monthly schedule depositor that has an employment tax liability of \$1,000 every month in 2020 and you defer \$200 of the employer share of social security tax from your June liability, but deposit your deferred amount of \$200 together with your \$1,000 deposit for your November tax liability, you would report \$800 for your June tax liability (\$1,000 minus \$200) and \$1,200 for your November liability (\$1,000 plus \$200) on line 17. Don't include the \$200 deferral on Form 943, line 14b.

## Lines 18 Through 22



*The amounts entered on lines 18 through 22 are amounts that you use on [Worksheet 1](#) to figure the credit for qualified sick and family leave wages and the employee retention credit. If you're claiming these credits, you must enter the applicable amounts.*

### Line 18. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages

Enter the [qualified health plan expenses](#) allocable to qualified sick leave wages. This amount is also entered on Worksheet 1, Step 2, line 2b.

### Line 19. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages

Enter the qualified [qualified health plan expenses](#) allocable to qualified family leave wages. This amount is also entered on Worksheet 1, Step 2, line 2f.

### Line 20. Qualified Wages for the Employee Retention Credit

Enter the [qualified wages for the employee retention credit](#) (excluding the amount of any qualified health plan expenses allocable to these wages). This amount is also entered on Worksheet 1, Step 3, line 3a.

### Line 21. Qualified Health Plan Expenses Allocable to Wages Reported on Line 20

Enter the [qualified health plan expenses for the employee retention credit](#). These expenses are generally allocable to the wages reported on Form 943, line 20. However, in some circumstances, qualified health plan expenses for purposes of the employee retention credit are treated as allocable to qualified wages for the employee retention credit even if no wages are paid to the employees during the applicable period (for example, when you furlough an employee because your operations are fully or partially suspended due to a government order but you continue to pay qualified health plan expenses). For more information, go to [IRS.gov/ERC](#). The amount from line 20 is also entered on Worksheet 1, Step 3, line 3b.

### Line 22. Credit From Form 5884-C, Line 11, for the Year

If applicable, enter the credit to be claimed on line 11 of Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans for 2020. Entering an amount here doesn't change your requirement to file Form 5884-C separately from Form 943. You're entering the amount here to notify us that you will file Form 5884-C for the year and therefore reduce the amount of the employer share of social security tax that is available to be reduced by the nonrefundable portion of the credit for qualified sick and family leave wages and the nonrefundable portion of the employee retention credit.

### Third-Party Designee

If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 943 with the IRS, check the "Yes" box in the *Third-Party Designee* section. Then tell us the name, phone number, and the five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm who prepared your tax return. The designee may choose any five numbers as his or her PIN.

By checking "Yes," you authorize the IRS to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to do all of the following.

- Give us any information that is missing from your return.
- Call us for information about processing your return.
- Respond to certain IRS notices that you have shared with your designee about math errors and return preparation. The IRS won't send notices to your designee.



You're not authorizing your designee to bind you to anything (including additional tax liability) or to otherwise represent you before the IRS. If you want to expand your designee's authorization, see Pub. 947.

The authorization will automatically expire 1 year from the due date (without regard to extensions) for filing your Form 943. If you or your designee wants to terminate the authorization, write to the IRS office for your location using the *Without a payment* address under [Where To File](#), earlier.

## Who Must Sign (Approved Roles)

The following persons are authorized to sign the return for each type of business entity.

- **Sole proprietorship**—The individual who owns the business.
- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized partner, member, or officer having knowledge of its affairs.
- **Single-member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary.

Form 943 may also be signed by a duly authorized agent of the taxpayer if a valid power of attorney has been filed.

**Alternative signature method.** Corporate officers or duly authorized agents may sign Form 943 by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/2005-28\\_IRB#RP-2005-39](#).

## Paid Preparer Use Only

A paid preparer must sign Form 943 and enter the information requested in the *Paid Preparer Use Only* section if the preparer was paid to prepare Form 943 and isn't an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give you a copy of the return in addition to the copy to be filed with the IRS.

If you're a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, enter the firm's name and the EIN of the firm. You can apply for a PTIN online or by filing Form W-12. For more information about applying for a PTIN online, go to [IRS.gov/PTIN](#). You can't use your PTIN in place of the EIN of the tax preparation firm.

Generally, don't complete this section if you're filing Form 943 as a reporting agent and have a valid Form 8655 on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its workers are employees or independent contractors for federal tax purposes.

## How To Get Forms, Instructions, and Publications



You can view, download, or print most of the forms, instructions, and publications you may need at [IRS.gov/Forms](#). Otherwise, you can go to [IRS.gov/OrderForms](#) to place an order and have them mailed to you.

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### Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on Forms 943, 943-A, and 943-V to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages and provides for income tax withholding. These forms are used to report the amount of taxes that you owe. Section 6011 requires you to provide the requested information if the tax applies to you. Section 6109 requires you to provide your identification number. If you fail to provide this information in a timely manner, or provide false or fraudulent information, you may be subject to penalties.

You're 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. However, section 6103 allows or requires us to disclose this information to others as described in the Code. We may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions to administer their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average time for **Form 943** is: Recordkeeping, 14 hr., 49 min.; Learning about the law or the form, 40 min.; Preparing and sending the form to the IRS, 2 hr., 7 min. The estimated average time for **Form 943-V** is 14 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. You can send us comments from [IRS.gov/FormComments](#). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 943 to this address. Instead, see [Where To File](#), earlier.

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**Worksheet 1. Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit**

**Determine how you will complete this worksheet**

If you paid both qualified sick and family leave wages and qualified wages for purposes of the employee retention credit this year, complete Step 1, Step 2, and Step 3. If you paid qualified sick and family leave wages this year but you didn't pay any qualified wages for purposes of the employee retention credit this year, complete Step 1 and Step 2. If you paid qualified wages for purposes of the employee retention credit this year but you didn't pay any qualified sick and family leave wages this year, complete Step 1 and Step 3.

<b>Step 1. Determine the employer share of social security tax this year after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C</b>			
1a	Enter the amount of social security tax from Form 943, <a href="#">line 3</a> . . . . .	1a	_____
1b	<b>Employer share of social security tax.</b> Multiply line 1a by 50% (0.50) . . . . .		1b _____
1c	Enter the amount from Form 943, <a href="#">line 12a</a> (credit from Form 8974) . . . . .	1c	_____
1d	Enter the amount to be claimed on Form 5884-C, line 11, for the year . . . . .	1d	_____
1e	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1c and 1d . . . . .		1e _____
1f	<b>Employer share of social security tax remaining.</b> Subtract line 1e from line 1b . . . . .		1f _____
<b>Step 2. Figure the sick and family leave credit</b>			
2a	Qualified sick leave wages reported on Form 943, <a href="#">line 2a</a> . . . . .	2a	_____
2a(i)	Qualified sick leave wages included on Form 943, <a href="#">line 4</a> , but not included on Form 943, <a href="#">line 2a</a> , because the wages reported on that line were limited by the social security wage base . . . . .	2a(i)	_____
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i) . . . . .	2a(ii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 943, <a href="#">line 18</a> ) . . . . .	2b	_____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145) . . . . .	2c	_____
2d	<b>Credit for qualified sick leave wages.</b> Add lines 2a(ii), 2b, and 2c . . . . .		2d _____
2e	Qualified family leave wages reported on Form 943, <a href="#">line 2b</a> . . . . .	2e	_____
2e(i)	Qualified family leave wages included on Form 943, <a href="#">line 4</a> , but not included on Form 943, <a href="#">line 2b</a> , because the wages reported on that line were limited by the social security wage base . . . . .	2e(i)	_____
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i) . . . . .	2e(ii)	_____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 943, <a href="#">line 19</a> ) . . . . .	2f	_____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145) . . . . .	2g	_____
2h	<b>Credit for qualified family leave wages.</b> Add lines 2e(ii), 2f, and 2g . . . . .		2h _____
2i	<b>Credit for qualified sick and family leave wages.</b> Add lines 2d and 2h . . . . .		2i _____
2j	<b>Nonrefundable portion of credit for qualified sick and family leave wages.</b> Enter the smaller of line 1f or line 2i. Enter this amount on Form 943, <a href="#">line 12b</a> . . . . .		2j _____
2k	<b>Refundable portion of credit for qualified sick and family leave wages.</b> Subtract line 2j from line 2i and enter this amount on Form 943, <a href="#">line 14d</a> . . . . .		2k _____
<b>Step 3. Figure the employee retention credit</b>			
3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 943, <a href="#">line 20</a> ) . . . . .	3a	_____
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 943, <a href="#">line 21</a> ) . . . . .	3b	_____
3c	Add lines 3a and 3b . . . . .	3c	_____
3d	<b>Retention credit.</b> Multiply line 3c by 50% (0.50) . . . . .		3d _____
3e	Enter the amount of the employer share of social security tax from Step 1, line 1f . . . . .	3e	_____
3f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j . . . . .	3f	_____
3g	Subtract line 3f from line 3e . . . . .	3g	_____
3h	<b>Nonrefundable portion of employee retention credit.</b> Enter the smaller of line 3d or line 3g. Enter this amount on Form 943, <a href="#">line 12c</a> . . . . .		3h _____
3i	<b>Refundable portion of employee retention credit.</b> Subtract line 3h from line 3d and enter this amount on Form 943, <a href="#">line 14e</a> . . . . .		3i _____