

# Instructions for Form 943-X



Department of the Treasury  
Internal Revenue Service

(Rev. February 2021)

## Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund

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

### Future Developments

For the latest information about developments related to Form 943-X and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form943X](https://www.irs.gov/Form943X).

**TIP** The February 2021 revision of Form 943-X updates Form 943-X to allow it to be used to make corrections to the coronavirus (COVID-19) related employment tax credits and other tax relief. You may use this revision of Form 943-X and its instructions to correct Form 943 for all years for which the statute of limitations on corrections hasn't expired; however, see [COBRA premium assistance credit for employees who were involuntarily terminated from employment between September 1, 2008, and May 31, 2010](#), later.

### What's New

**Changes to Form 943-X for COVID-19 related employment tax credits and other tax relief.** Form 943-X has been significantly revised to allow for correcting COVID-19 related employment tax credits and other tax relief related to COVID-19 reported on Form 943. You may now use Form 943-X to report corrections to the following items reported on Form 943.

- Corrections to amounts reported on Form 943, lines 2a, 2b, 12b, 14d, 18, and 19, for the credit for qualified sick and family leave wages are reported on Form 943-X, lines 7, 8, 14, 23, 26, and 27, respectively. For more information about the credit for qualified sick and family leave wages, including the dates for which the credit may be claimed, go to [IRS.gov/PLC](https://www.irs.gov/PLC).
- Corrections to amounts reported on Form 943, lines 12c, 14e, 20, and 21, for the employee retention credit are reported on Form 943-X, lines 15, 24, 28, and 29, respectively. For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see Notice 2021-20, 2021-11 I.R.B. 922, available at [IRS.gov/irb/2021-11\\_IRB#NOT-2021-20](https://www.irs.gov/irb/2021-11_IRB#NOT-2021-20).
- Corrections to the deferred amount of the employer share of social security tax reported on Form 943, line 14b, are reported on Form 943-X, line 21. For more information about the deferral of employment tax deposits, including the dates that deposits were allowed to be deferred and when they must be paid, go to [IRS.gov/ETD](https://www.irs.gov/ETD).
- Corrections to the deferred amount of the employee share of social security tax reported on Form 943, line 14c, are reported on Form 943-X, line 22. For more information about the deferral of the employee share of social security tax, including the dates that the taxes were allowed to be deferred and when they must be paid, see Notice 2020-65, 2020-38 I.R.B. 567, available at [IRS.gov/irb/2020-38\\_IRB#NOT-2020-65](https://www.irs.gov/irb/2020-38_IRB#NOT-2020-65), and Notice 2021-11, 2021-06

I.R.B. 827, available at [IRS.gov/irb/2021-06\\_IRB#NOT-2021-11](https://www.irs.gov/irb/2021-06_IRB#NOT-2021-11).

**Note.** If a line on Form 943-X doesn't apply to you, leave it blank. If you're correcting a year before 2020, you must leave blank the new lines 7, 8, 14, 15, 21, 22, 23, 24, 26, 27, 28, 29, and 30.



If you claimed the credit for qualified sick and family leave wages and/or the employee retention credit on your original 2020 Form 943, and you make any corrections on Form 943-X for 2020 to amounts used to figure these credits, you will need to refigure the amount of these credits using [Worksheet 1](#). You will also use this worksheet to figure these credits if you're claiming them for the first time on Form 943-X.

**New payroll tax credit for certain tax-exempt organizations affected by qualified disasters.** Section 303(d) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 allows for a new payroll tax credit for certain tax-exempt organizations affected by certain qualified disasters not related to COVID-19. This new credit is claimed on new Form 5884-D. You will enter the credit claimed on Form 5884-D on [Worksheet 1](#) to figure your credit for qualified sick and family leave wages and/or the employee retention credit. For more information about this credit, go to [IRS.gov/Form5884D](https://www.irs.gov/Form5884D).

**COBRA premium assistance credit for employees who were involuntarily terminated from employment between September 1, 2008, and May 31, 2010.** The COBRA premium assistance credit lines have been removed from Form 943-X. The 2008–2010 COBRA premium assistance credit was available to an employer for premiums paid on behalf of employees who were involuntarily terminated from employment between September 1, 2008, and May 31, 2010; it isn't available for individuals who were involuntarily terminated after May 31, 2010. The IRS previously kept these lines available on Form 943-X because, in rare circumstances, such as instances where COBRA eligibility was delayed as a result of employer-provided health insurance coverage following termination, the credit was still available. It is extremely unlikely that any employers would still be providing health insurance coverage for an employee terminated between September 1, 2008, and May 31, 2010. Therefore, the IRS is no longer accepting claims for the 2008–2010 COBRA premium assistance credit. However, if you need to correct a previously claimed COBRA premium assistance credit for a year in which the statute of limitations on corrections hasn't expired, you can file the February 2018 revision of Form 943-X and make the corrections on lines 17a and 17b.

### Reminders

**Employee consents to support a claim for refund.** Rev. Proc. 2017-28, 2017-14 I.R.B. 1061, available at [IRS.gov/irb/2017-14\\_IRB#RP-2017-28](https://www.irs.gov/irb/2017-14_IRB#RP-2017-28), provides guidance to employers on the requirements for employee consents used by an employer to support a claim for refund of overcollected social

security tax and Medicare tax. The revenue procedure clarifies the basic requirements for both a request for employee consent and for the employee consent, and permits a consent to be requested, furnished, and retained in an electronic format as an alternative to a paper format. The revenue procedure also contains guidance concerning when an employer may claim a refund of only the employer share of overcollected social security tax and Medicare tax. The revenue procedure requires that any request for consent include an Additional Medicare Tax notice indicating that any claim on the employees' behalf won't include a claim for overpaid Additional Medicare Tax.

**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). Any election to take the payroll tax credit may be revoked only with the consent of the IRS. 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 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 quarter. The amount from Form 8974, line 12, is reported on Form 943, line 12a (line 12 for years prior to 2020). Any corrections to Form 943, line 12a (line 12 for years prior to 2020), are reported on Form 943-X, line 13. If you make a correction on Form 943-X, line 13, you must attach a corrected Form 8974. For more information about the payroll tax credit, go to [IRS.gov/ResearchPayrollTC](https://www.irs.gov/ResearchPayrollTC).

**Correcting federal income tax withheld.** Generally, you may only correct administrative errors to federal income tax withholding (that is, errors in which the amount reported on Form 943, line 8, isn't the amount you actually withheld from an employee's wages) and errors for which section 3509 rates apply. See section 9 of Pub. 51, Agricultural Employer's Tax Guide, for more information about corrections during the calendar year and about administrative errors. See section 2 of Pub. 15, Employer's Tax Guide, for more information about section 3509. If section 3509 rates apply, see the instructions for [lines 16–19](#), later.



*Only transposition or math errors involving the inaccurate reporting of the amount actually withheld are “administrative errors.”*

You can't file a Form 943-X to correct federal income tax withholding for prior years for nonadministrative errors. In other words, you can't correct federal income tax actually withheld from an employee in a prior year if you discover that you didn't withhold the right amount. For example, you can't correct federal income tax withheld in a prior year because you used the wrong income tax withholding table or you didn't treat a payment correctly as taxable or nontaxable. Similarly, if you paid federal income tax in a prior year on behalf of your employee rather than deducting it from the employee's pay (which resulted in additional wages subject to tax), and in a subsequent year you determine that you

incorrectly calculated the amount of tax, you can't correct the federal income tax withholding. However, you must still make any necessary corrections to the amount of wages you reported on Form 943 and Form W-2, Wage and Tax Statement, for a prior year by filing Form 943-X and Form W-2c, Corrected Wage and Tax Statement.



*The amount actually withheld is reflected on payroll information or on Form W-2, which can be used by the employee to claim a credit for withholding for individual income tax return purposes.*

**Correcting Additional Medicare Tax withholding and wages subject to Additional Medicare Tax withholding.** Wages subject to Additional Medicare Tax withholding are reported on Form 943, line 6, and the withholding is reported on line 7. Certain errors discovered on a previously filed Form 943 are corrected on Form 943-X, line 10. However, you can't file a Form 943-X to correct the wrong amount of Additional Medicare Tax actually withheld from an employee in a prior year, including any amount you paid on behalf of your employee rather than deducting it from the employee's pay (which resulted in additional wages subject to tax). See the instructions for [line 10](#), later, for more information on the types of errors that can be corrected and how the correction is reported on Form 943-X. For more information about Additional Medicare Tax withholding, see the Instructions for Form 943 or go to [IRS.gov/ADMT](https://www.irs.gov/ADMT).

**You may need to attach Schedule R (Form 943) to your Form 943-X.** If you were required to file Schedule R (Form 943), Allocation Schedule for Aggregate Form 943 Filers, when you filed Form 943, you must complete Schedule R (Form 943) when correcting an aggregate Form 943. Schedule R (Form 943) is completed only for those clients and customers who have corrections reported on Form 943-X. Schedule R (Form 943) is filed as an attachment to Form 943-X.

Approved section 3504 agents and certified professional employer organizations (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. 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.

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 the employee share of social security tax. If you're an other third-party payer that didn't file Schedule R (Form 943) with Form 943 because you didn't meet these requirements, but are now filing Form 943-X to report these credits or the deferral of the employer or the employee share of social security tax for your clients, then you must now file Schedule R (Form 943) and attach it to Form 943-X.


# General Instructions: Understanding Form 943-X

## What Is the Purpose of Form 943-X?

Use Form 943-X to correct errors on a previously filed Form 943. Use Form 943-X to correct:

- Wages subject to social security tax;
- Wages subject to Medicare tax;
- Wages subject to Additional Medicare Tax withholding;
- Federal income tax withheld from wages;
- Deferred amount of the employer share of social security tax;
- Deferred amount of the employee share of social security tax;
- Qualified small business payroll tax credit for increasing research activities;
- Amounts reported on Form 943 for the credit for qualified sick and family leave wages, including adjustments to Form 943, lines 2a, 2b, 12b, 14d, 18, and 19; and
- Amounts reported on Form 943 for the employee retention credit, including adjustments to Form 943, lines 12c, 14e, 20, and 21.


Use Form 843, Claim for Refund and Request for Abatement, to request a refund or abatement of assessed interest or penalties. Don't request a refund or abatement of assessed interest or penalties on Form 943 or Form 943-X.

 We use the terms "correct" and "corrections" on Form 943-X and in these instructions to include interest-free adjustments under sections 6205 and 6413 and claims for refund and abatement under sections 6402, 6414, and 6404. See Rev. Rul. 2009-39 for examples of how the interest-free adjustment and claim for refund rules apply in 10 different situations. You can find Rev. Rul. 2009-39, 2009-52 I.R.B. 951, at [IRS.gov/irb/2009-52\\_IRB#RR-2009-39](https://www.irs.gov/irb/2009-52_IRB#RR-2009-39).

When you discover an error on a previously filed Form 943, you must:

- Correct that error using Form 943-X;
- File a separate Form 943-X for each Form 943 that you're correcting; and
- Generally, file Form 943-X separately. Don't file Form 943-X with Form 943. However, if you didn't previously file Form 943 because you mistakenly treated your employees as nonemployees, you may have to file Form 943-X with Form 943. See the instructions for [line 32](#), later.

If you didn't file a Form 943 for 1 or more years, don't use Form 943-X. Instead, file Form 943 for each of those years. See also [When Should You File Form 943-X](#), later. However, if you didn't file Forms 943 because you improperly treated workers as independent contractors or nonemployees and are now reclassifying them as employees, see the instructions for [line 32](#), later.


 Unless otherwise specified in these instructions, an underreported employment tax credit or social security tax deferral should be treated like an overreported tax amount. An overreported employment tax credit or social security tax deferral should be treated like an underreported tax amount. For more information, including which process to select on lines 1 and 2, see [Correcting an employment tax credit or social security tax deferral](#), later.

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

You'll use the adjustment process if you underreported employment taxes and are making a payment, or if you overreported employment taxes and will be applying the credit to Form 943 for the period during which you file Form 943-X. However, see the [Caution](#) under *Is There a Deadline for Filing Form 943-X*, later, if you're correcting overreported tax amounts during the last 90 days of a period of limitations. You'll use the claim process if you overreported employment taxes and are requesting a refund or abatement of the overreported tax amount. Follow the chart on page 5 of Form 943-X for help in choosing whether to use the adjustment process or the claim process. Be sure to give us a detailed explanation on line 33 for each correction that you show on Form 943-X.

Continue to report current year adjustments for fractions of cents, third-party sick pay, and group-term life insurance on Form 943, line 10.

You have additional requirements to complete when filing Form 943-X, such as certifying that you filed (or will file) all applicable Forms W-2 and Forms W-2c. For corrections of overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax, you must make any certifications that apply to your situation.

 Don't use Form 943-X to correct Form CT-1, 941, 941-SS, 944, or 945. Instead, use the "X" form that corresponds to those forms (Form CT-1 X, 941-X, 944-X, or 945-X).

## Where Can You Get Help?

For help filing Form 943-X or for questions about federal employment taxes and tax corrections, you can:

- Go to [IRS.gov/EmploymentTaxes](https://www.irs.gov/EmploymentTaxes) and [IRS.gov/CorrectingEmploymentTaxes](https://www.irs.gov/CorrectingEmploymentTaxes);
- See Pub. 51; or
- 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).

See also [How Can You Get Forms, Instructions, and Publications From the IRS](#), later.

## When Should You File Form 943-X?

File Form 943-X when you discover an error on a previously filed Form 943.

However, if your only errors on Form 943 relate to the number of employees (Form 943, line 1) or to federal tax liabilities reported on your Monthly Summary of Federal Tax Liability on Form 943 or on Form 943-A, Agricultural Employer's Record of Federal Tax Liability, don't file Form 943-X. For more information about correcting federal tax liabilities reported on your Monthly Summary of Federal Tax Liability on Form 943 or on Form 943-A, see the Form 943-A instructions.

**Due dates.** The due date for filing Form 943-X depends on when you discover an error and if you underreported or overreported tax. If you underreported tax, see [Underreported tax](#), later. For overreported tax amounts, you may choose to either make an interest-free adjustment or file a claim for refund or abatement. If you're correcting overreported tax amounts, see [Overreported tax—Adjustment process](#) and [Overreported tax—Claim process](#), later.

If any due date falls on a Saturday, Sunday, or legal holiday, you may file Form 943-X on the next business day. If we receive Form 943-X after the due date, we will treat Form 943-X as filed on time if the envelope containing Form 943-X 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. If you don't follow these guidelines, we will consider Form 943-X filed when it is actually received. See Pub. 51 for more information on legal holidays. For more information about PDSs, see [Where Should You File Form 943-X](#), later.

**Underreported tax.** If you're correcting underreported tax, you must file Form 943-X by the due date of the return for the return period in which you discovered the error (January 31 of the following year) and **pay** the amount you owe **by the time you file**. Doing so will generally ensure that your correction is interest free and not subject to failure-to-pay (FTP) or failure-to-deposit (FTD) penalties. See [What About Penalties and Interest](#), later. For details on how to make a payment, see the instructions for [line 25](#), later.

If Form 943-X is filed late (after the due date of the return for the return period in which you discovered the error), you must attach an amended Form 943-A to Form 943-X. Otherwise, the IRS may assess an "averaged" FTD penalty. See *"Averaged" FTD penalty* in section 7 of Pub. 51 for more information about "averaged" FTD penalties. The total tax reported on Form 943-A, line M, must match the corrected tax (Form 943, line 13, combined with any correction reported on Form 943-X, line 20) for the year, less any previous abatements and interest-free tax assessments.

**Example—You owe tax.** On February 16, 2021, you discovered that you underreported \$1,000 of social security and Medicare wages on your 2020 Form 943. File Form 943-X and pay the amount you owe by January 31, 2022, because you discovered the error in 2021 and January 31, 2022, is the due date for that year. If you file Form 943-X before January 31, 2022, pay the amount you owe when you file.



*Form 943-X can't be used to correct underreported amounts of Additional Medicare Tax unless the amounts were withheld from employee wages.*

**Overreported tax—Adjustment process.** If you overreported tax and choose to apply the credit to Form 943, file an adjusted return on Form 943-X soon after you discover the error but more than 90 days before the period of

limitations on the credit or refund for Form 943 expires. See [Is There a Deadline for Filing Form 943-X](#), later.



*Form 943-X can't be used to correct overreported amounts of Additional Medicare Tax unless the amounts weren't withheld from employee wages.*

**Example—You want your credit applied to Form 943.**

You filed your 2020 Form 943 on February 1, 2021, and payments were timely made. On May 1, 2021, you discover that you overreported tax on your 2020 Form 943. You file Form 943-X on June 4, 2021, and check the box on line 1 to indicate you want to use the adjustment process. The IRS treats your credit as a tax deposit made on January 1, 2021. When you file your 2021 Form 943, include the amount from Form 943-X, line 25, on the "Total deposits" line of your 2021 Form 943.

**Overreported tax—Claim process.** If you overreported tax on Form 943, you may choose to file a claim for refund or abatement on Form 943-X any time before the period of limitations on the credit or refund expires. If you also need to correct any underreported tax amounts, you must file another Form 943-X reporting only corrections to the underreported tax amounts. See [Is There a Deadline for Filing Form 943-X](#), later.



*You may not file a refund claim to correct federal income tax or Additional Medicare Tax actually withheld from employees.*

## Is There a Deadline for Filing Form 943-X?

Generally, you may correct overreported taxes on a previously filed Form 943 if you file Form 943-X within 3 years of the date Form 943 was filed or 2 years from the date you paid the tax reported on Form 943, whichever is later. You may correct underreported taxes on a previously filed Form 943 if you file Form 943-X within 3 years of the date the Form 943 was filed. We call each of these time frames a "period of limitations." For purposes of the period of limitations, Form 943 is considered filed on April 15 of the succeeding calendar year if filed before that date.

**Example.** You filed your 2018 Form 943 on January 28, 2019, and payments were timely made. The IRS treats the return as if it were filed on April 15, 2019. On January 20, 2022, you discovered that you overreported social security and Medicare wages on that form by \$350. To correct the error, you must file Form 943-X by April 18, 2022, and use the claim process.



*If you file Form 943-X to correct overreported tax amounts in the last 90 days of a period of limitations, you must use the claim process. You can't use the adjustment process. If you're also correcting underreported tax amounts, you must file another Form 943-X to correct the underreported tax amounts using the adjustment process and pay any tax due.*

## Where Should You File Form 943-X?

Send your completed Form 943-X to the address shown below.

IF you're in . . .	THEN use this address . . .
Connecticut, Delaware, District of Columbia, Florida, 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 Cincinnati, OH 45999-0008
Alabama, Alaska, Arizona, Arkansas, California, Colorado, 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
No legal residence or principal place of business in any state	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409
<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

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://www.irs.gov/PDS) for the current list of PDSs. If you file Form 943-X using a PDS, send it to the following address.

Ogden - Internal Revenue Submission Processing  
Center  
1973 Rulon White Blvd.  
Ogden, UT 84201

Use this address even if your business is located in a state that files in Cincinnati.

## How Should You Complete Form 943-X?

### Use a Separate Form 943-X for Each Year You're Correcting

Use a separate Form 943-X for each Form 943 that you're correcting. For example, if you found errors on your Forms 943 for 2019 and 2020, file one Form 943-X to correct the 2019 Form 943. File a second Form 943-X to correct the 2020 Form 943.

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

Enter your EIN, name, and address in the spaces provided. Also enter your name and EIN on the top of pages 2, 3, and 4, and on any attachments. If your address has changed since you filed your Form 943, enter the corrected information and the IRS will update your address of record.

Be sure to write your name, EIN, "Form 943-X," and the calendar year you're correcting on the top of any attachments.

### Return You're Correcting

Enter the calendar year of the Form 943 you're correcting in the box at the top of page 1. Enter the same calendar year on pages 2, 3, and 4, and on any attachments.

### Enter the Date You Discovered Errors

You **must** enter the date you discovered errors. You discover an error when you have enough information to be able to correct it. If you're reporting several errors that you discovered at different times, enter the earliest date you discovered them here. Report any subsequent dates and related errors on line 33.

### Must You Make an Entry on Each Line?

You must provide all of the information requested at the top of page 1 of Form 943-X. You must check one box (but not both) in Part 1. In Part 2, you must check the box on line 3 and any applicable boxes on lines 4 and 5. In Part 3, if any line doesn't apply, leave it blank. Complete Parts 4 and 5 as instructed.

### How Should You Report Negative Amounts?

Form 943-X uses negative numbers to show reductions in tax (credits) and positive numbers to show additional tax (amounts you owe).

When reporting a negative amount in columns 3 and 4, use a minus sign instead of parentheses. For example, enter "-10.59" instead of "(10.59)." However, if you're completing the return on your computer and your software only allows you to use parentheses to report negative amounts, you may use them.

### How Should You Make Entries on Form 943-X?

You can help the IRS process Form 943-X timely and accurately if you follow these guidelines.

- Type or print your entries.
- Use Courier font (if possible) for all typed or computer-generated entries.
- Omit dollar signs. You may use commas and decimal points, if desired. Enter dollar amounts to the left of any preprinted decimal point and cents to the right of it.
- Always show an amount for cents, even if it is zero. Don't round entries to whole dollars.
- Complete all four pages and sign Form 943-X on page 4.
- Staple multiple sheets in the upper-left corner.

### What About Penalties and Interest?

Generally, your correction of an underreported amount won't be subject to an FTP penalty, FTD penalty, or interest if you:

- File on time (by the due date of Form 943 for the year in which you discover the error),
- **Pay** the amount shown on line 25 **by the time you file** Form 943-X,
- Enter the date you discovered the error, and
- Explain in detail the grounds and facts relied on to support the correction.

No correction will be eligible for interest-free treatment if any of the following apply.

- The amounts underreported relate to an issue that was raised in an examination of a prior period.

- You knowingly underreported your employment tax liability.
- You received a notice and demand for payment.
- You received a notice of determination under section 7436.

If you receive a notice about a penalty after you file this 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.

## Overview of the Process

To correct a previously filed Form 943, use Form 943-X to file either an adjusted employment tax return or a claim for refund or abatement. The adjustment process and the claim process are outlined below.

**If you underreported the tax.** If you underreported the tax on a previously filed Form 943, check the box on line 1 and **pay** any additional amount you owe **by the time you file** Form 943-X. For details on how to make a payment, see the instructions for [line 25](#), later.

**Example—You underreported employment taxes.** On June 21, 2021, you discovered an error that results in additional tax on your 2020 Form 943. File Form 943-X by January 31, 2022, and pay the amount you owe by the time you file. See [When Should You File Form 943-X](#), earlier. Don't attach Form 943-X to your 2021 Form 943.

**If you overreported the tax.** If you overreported the tax on a previously filed Form 943, you may **choose** one of the following options.

- *Use the adjustment process.* Check the box on line 1 to apply any credit (negative amount) from line 25 to Form 943 for the year during which you file Form 943-X.
- *Use the claim process.* Check the box on line 2 to file a claim on Form 943-X requesting a refund or abatement of the amount shown on line 25.

**TIP** To ensure that the IRS has enough time to process a credit for an **overreporting tax adjustment** in the year during which you file Form 943-X, you're encouraged to file Form 943-X correcting the overreported tax amount in the first 11 months of a year. For example, if you discover an overreported tax amount in December, you may want to file Form 943-X during the first 11 months of the next year. However, there must be 90 days remaining on the period of limitations when you file Form 943-X. See the [Caution](#) under [Is There a Deadline for Filing Form 943-X](#), earlier. This should ensure that the IRS will have enough time to process Form 943-X so the credit will be posted before you file Form 943, thus avoiding an erroneous balance due notice from the IRS. See the example below.

**Example—You want your overreported tax applied as a credit to Form 943.** On December 20, 2021, you discover you overreported your tax on your 2020 Form 943 and want to make a correction using the adjustment process. To allow the IRS enough time to process the credit, you file Form 943-X on January 4, 2022, and take the credit on your 2022 Form 943.

## Specific Instructions:

### Part 1: Select ONLY One Process

Because Form 943-X may be used to file either an adjusted employment tax return or a claim for refund or abatement,

you **must** check one box on either line 1 or line 2. Don't check both boxes.

**Correcting an employment tax credit or social security tax deferral.** For lines 1 and 2, if you underreported an employment tax credit or the amount of social security tax deferred, treat it like you overreported a tax amount. If you overreported an employment tax credit or the amount of social security tax deferred, treat it like you underreported a tax amount. If you're filing Form 943-X to adjust only an employment tax credit and/or the amount of social security tax deferred and you're not correcting any overreported taxes on Form 943-X, lines 6–11, skip lines 4 and 5.

### 1. Adjusted Employment Tax Return

Check the box on line 1 if you're correcting underreported tax amounts or overreported tax amounts and you would like to use the adjustment process to correct the errors.

If you're correcting both underreported tax amounts and overreported tax amounts on this form, you **must** check this box. If you check this box, any negative amount shown on line 25 will be applied as a credit (tax deposit) to your Form 943 for the year in which you're filing this form. See [Example—You want your overreported tax applied as a credit to Form 943](#), earlier.

**If you owe tax.** Pay the amount shown on line 25 **by the time you file** Form 943-X. Generally, you won't be charged interest if you file on time, pay on time, enter the date you discovered the error, and explain the correction on line 33.

**If you have a credit.** You overreported employment taxes (you have a negative amount on line 25) and want the IRS to apply the credit to Form 943 for the period during which you filed Form 943-X. The IRS will apply your credit on the first day of the Form 943 year during which you filed Form 943-X. However, the credit you show on Form 943-X, line 25, may not be fully available on your Form 943 if the IRS corrects it during processing or you owe other taxes, penalties, or interest. The IRS will notify you if your claimed credit changes or if the amount available as a credit on Form 943 was reduced because of unpaid taxes, penalties, or interest.

**CAUTION** Don't check the box on line 1 if you're correcting overreported tax amounts and the period of limitations on credit or refund for Form 943 will expire within 90 days of the date you file Form 943-X. See [Is There a Deadline for Filing Form 943-X](#), earlier.

### 2. Claim

Check the box on line 2 to use the claim process if you're correcting **overreported tax amounts only** and you're claiming a refund or abatement for the negative amount (credit) shown on line 25. Don't check this box if you're correcting any underreported tax amounts on this form.

You must check the box on line 2 if you have a credit (a negative amount on line 25) and the period of limitations on credit or refund for Form 943 will expire within 90 days of the date you file Form 943-X. See [Is There a Deadline for Filing Form 943-X](#), earlier.

The IRS usually processes claims shortly after they are filed. The IRS will notify you if your claim is denied, accepted as filed, or selected to be examined. See Pub. 556, Examination of Returns, Appeal Rights, and Claims for Refund, for more information.

Unless the IRS corrects Form 943-X during processing or you owe other taxes, penalties, or interest, the IRS will refund the amount shown on line 25, plus any interest that applies.



*You may not file a refund claim to correct federal income tax or Additional Medicare Tax actually withheld from employees.*

## Part 2: Complete the Certifications

You must complete all certifications that apply by checking the appropriate boxes. If all of your corrections relate to underreported tax amounts, complete line 3 only; skip lines 4 and 5 and go to Part 3. If your corrections relate to overreported tax amounts, other than corrections related to underreported employment tax credits and social security tax deferrals, you have a duty to ensure that your employees' rights to recover overpaid employee social security and Medicare taxes that you withheld are protected. The certifications on lines 4 and 5 address the requirement to:

- Repay or reimburse your employees for the overcollection of employee social security and Medicare taxes, or
- Obtain consents from your employees to file a claim on their behalf. See [Rev. Proc. 2017-28](#) for guidance on the requirements for both a request for employee consent and for the employee consent.

### 3. Filing Forms W-2 or Forms W-2c

Check the box on line 3 to certify that you filed or will file Forms W-2 or Forms W-2c, with the Social Security Administration (SSA), as required, showing your employees' correct wage and tax amounts. See the General Instructions for Forms W-2 and W-3 for detailed information about filing requirements. References to Form W-2 on Form 943-X and in these instructions also apply to Forms W-2AS, W-2CM, W-2GU, and W-2VI unless otherwise noted.

You must check the box on line 3 to certify that you filed Forms W-2 or Forms W-2c even if your corrections on Form 943-X don't change amounts shown on those forms. For example, if your only correction to Form 943 involves misstated tax adjustments, which don't impact the amounts reported on your employee's Forms W-2 (see the instructions for [line 12](#), later), check the box on line 3 to certify that you already filed all required Forms W-2 and W-2c with the SSA. In this situation, you're certifying that you don't need to file Form W-2c because you already filed a correct Form W-2.

### 4. Certifying Overreporting Adjustments

If you overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax and checked the box on line 1, check the appropriate box on line 4. You may need to check more than one box. If you obtained written statements from some employees but you couldn't locate employees or secure the statements of the remaining employees, check all applicable boxes. Provide a summary on line 33 of the amount of the corrections for the employees who provided written statements and for those who didn't.



*You may not use Form 943-X to correct overreported amounts of Additional Medicare Tax unless the amounts weren't withheld from employee wages.*

**4a.** Check the box on line 4a if your overreported amount includes each affected employee share of overcollected taxes. You're certifying that you repaid or reimbursed the employee share of prior year taxes and you received written statements from the employees stating that they didn't and

won't receive a refund or credit for the prior year taxes. Don't send these statements to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Copies must be submitted to the IRS if requested.

**4b.** Check the box on line 4b to certify that your overreported amount is only for the employer share of taxes on those employees who you were unable to find or those who didn't give you a statement described on line 4a.

**4c.** Check the box on line 4c to certify that your overreported amount is only for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that you didn't withhold from your employees.

### 5. Certifying Claims

If you're filing a claim for refund or abatement of overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax and checked the box on line 2, check the appropriate box on line 5. You may need to check more than one box. If you obtained written statements or consents from some employees but you couldn't locate employees or secure the statements of the remaining employees, check all applicable boxes. Provide a summary on line 33 of the amount of the corrections for the employees who provided statements or consents and for those who didn't.



*You may not file a refund claim to correct the incorrect amount of federal income tax or Additional Medicare Tax actually withheld from employees. If you request their consent to file a claim for social security tax or Medicare tax, you must tell your employees that you can't claim a refund of any Additional Medicare Tax on their behalf. See [Rev. Proc. 2017-28](#) for sample language to use in your request.*

**5a.** Check the box on line 5a if your overreported tax includes each affected employee share of prior year social security and Medicare tax. You're certifying that you repaid or reimbursed to the employees their share of prior year social security and Medicare tax and you received written statements from those employees stating that they didn't and won't receive a refund or credit for the prior year taxes. Don't send these statements to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Copies must be submitted to the IRS if requested.

**5b.** Check the box on line 5b if your overreported tax includes each affected employee share of prior year social security and Medicare tax and you haven't yet repaid or reimbursed the employee share of taxes. You're certifying that you received consent from each affected employee to file a claim on the employee share of those taxes and you received written statements from those employees stating that they didn't and won't receive a refund or credit for the prior year taxes.

An employee consent must:

- Contain the name, address, and social security number (or truncated taxpayer identification number, when appropriate) of the employee;
- Contain the name, address, and EIN of the employer;
- Contain the tax period(s), type of tax, and the amount of tax for which the consent is provided;

- Affirmatively state that the employee authorizes the employer to claim a refund for the overpayment of the employee share of tax;
- Include the employee's written statement certifying that the employee hasn't made any previous claims (or the claims were rejected) and won't make any future claims for refund or credit of the amount of the overcollection;
- Identify the basis of the claim; and
- Be dated and contain the employee's signature under penalties of perjury. The penalties of perjury statement should be located immediately above the required signature.

Don't send these statements and consents to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Copies must be submitted to the IRS if requested.

In certain situations, you may not have repaid or reimbursed your employees or obtained their consents prior to filing a claim, such as in cases where the period of limitations on credit or refund is about to expire. In those situations, file Form 943-X but don't check a box on line 5. Tell us on line 33 that you haven't repaid or reimbursed employees or obtained consents at the time you file the claim. However, you must repay or reimburse your employees and certify that you have done so before the IRS can allow the claim.

**5c.** Check the box on line 5c to certify that your overreported tax is only for the employer share of social security and Medicare tax. This applies when affected employees didn't give you consent to file a claim for refund for the employee share of social security and Medicare tax, they couldn't be found, or they didn't give you a statement described on line 5b.

**5d.** Check the box on line 5d to certify that your overreported amount is only for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that you didn't withhold from your employees.

## Part 3: Enter the Corrections for the Calendar Year You're Correcting


### What Amounts Should You Report in Part 3?

On lines 6–11, columns 1 and 2, for each line you're correcting, show amounts for **all** of your employees, not just for those employees whose amounts you're correcting.

If a correction that you report in column 4 includes both underreported and overreported amounts (see the instructions for [line 31](#), later), give us details for each error on line 33.

Because special circumstances apply for lines 12–19, 21–24, and 26–30, read the instructions for each line carefully before entering amounts in the columns.

If any line doesn't apply to you, leave it blank.

 **CAUTION** If you previously adjusted or amended Form 943 using Form 943-X or because of an IRS examination change, show amounts in column 2 that include those previously reported corrections.

### 6. Wages Subject to Social Security Tax

If you're correcting the taxable social security wages you reported on Form 943, line 2, enter the total corrected amount for all employees in column 1. In column 2, enter the

amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

If you or the IRS previously corrected the amount reported on Form 943, line 2, enter in column 2 the amount after any previous corrections.

line 6 (column 1)	
- line 6 (column 2)	
line 6 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.124 (12.4% tax rate) and enter that result in column 4.

line 6 (column 3)	
x 0.124	
line 6 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 943-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to social security wages, use 0.062 (6.2%) when multiplying the amount shown in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, enter the properly calculated amount in column 4. Be sure to show your calculations on line 33.

**Example—Social security wages decreased.** You reported \$9,000 as social security wages on your 2020 Form 943, line 2. In December of 2021, you discover that you included \$2,000 in social security wages for one of your employees twice. To correct the error, figure the difference on Form 943-X as shown.


Column 1 (corrected amount)	7,000.00
Column 2 (Form 943, line 2)	- 9,000.00
Column 3 (difference)	- 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	- 2,000.00
Tax rate (12.4%)	x 0.124
Column 4 (tax correction)	- 248.00

Be sure to explain the reasons for this correction on line 33.

### 7. Qualified Sick Leave Wages

 **TIP** Adjustments to the social security tax on qualified sick leave wages and qualified family leave wages are reported on Form 943-X, lines 7 and 8, respectively. Adjustments to the nonrefundable portion of the credit for qualified sick and family leave wages are reported on Form 943-X, line 14, and adjustments to the refundable portion of the credit are reported on Form 943-X, line 23. Adjustments to qualified health plan expenses allocable to qualified sick leave wages and to qualified family leave



wages are reported on Form 943-X, lines 26 and 27, respectively. For corrections to a 2020 Form 943, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. Credit for any qualified sick and family leave wages paid in 2021 will be claimed on your 2021 Form 943. If you're correcting a year before 2020, don't enter any amounts on lines 7, 8, 14, 23, 26, and 27. If you claimed the credit for qualified sick and family leave wages on your original 2020 Form 943, and you make any corrections on Form 943-X to amounts used to figure this credit, you will need to refigure the amount of this credit using [Worksheet 1](#). You will also use this worksheet to figure this credit if you're claiming the credit for the first time on Form 943-X. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

For 2020, 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). For more information about qualified sick leave wages, see [Definition of qualified sick and family leave wages](#), later, and go to [IRS.gov/PLC](#). If you're correcting the qualified sick leave wages you reported on Form 943, line 2a, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 7 (column 1)	
- line 7 (column 2)	
line 7 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 and enter that result in column 4.

line 7 (column 3)	
x 0.062	
line 7 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you erroneously reported qualified sick leave wages on Form 943, line 2, instead of on line 2a, you will need to make a correction on Form 943-X, lines 6 and 7, and enter the properly calculated amount in column 4 for each line.

**Example—Qualified sick leave wages increased.** You paid \$2,000 of qualified sick leave wages to only one of your employees in 2020. In March 2021, you discover that you only reported \$1,000 of qualified sick leave wages on your 2020 Form 943. To correct the error, figure the difference on Form 943-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 943, line 2a)	- 1,000.00
Column 3 (difference)	1,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	1,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	62.00

Be sure to explain the reasons for this correction on line 33.

## 8. Qualified Family Leave Wages

For 2020, 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). For more information about qualified family leave wages, see [Definition of qualified sick and family leave wages](#), later, and go to [IRS.gov/PLC](#). If you're correcting the qualified family leave wages you reported on Form 943, line 2b, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 8 (column 1)	
- line 8 (column 2)	
line 8 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 and enter that result in column 4.

line 8 (column 3)	
x 0.062	
line 8 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you erroneously reported qualified family leave wages on Form 943, line 2, instead of on line 2b, you will need to make a correction on Form 943-X, lines 6 and 8, and enter the properly calculated amount in column 4 for each line.

**Example—Qualified family leave wages decreased.** You paid \$1,000 of qualified family leave wages to only one of your employees in 2020. In March 2021, you discover that you erroneously reported \$3,000 of qualified family leave wages on your 2020 Form 943. To correct the error, figure the difference on Form 943-X as shown.

Column 1 (corrected amount)	1,000.00
Column 2 (Form 943, line 2b)	- 3,000.00
Column 3 (difference)	- 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	- 2,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	- 124.00

Be sure to explain the reasons for this correction on line 33.

## 9. Wages Subject to Medicare Tax

If you're correcting the taxable Medicare wages you reported on Form 943, line 4, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 9 (column 1)	
- line 9 (column 2)	
line 9 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.029 (2.9% tax rate) and enter that result in column 4.

line 9 (column 3)	
x 0.029	
line 9 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 943-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to Medicare wages, use 0.0145 (1.45%) when multiplying the amount in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, enter the properly calculated amount in column 4. Be sure to explain your calculations on line 33.

**Example—Medicare wages decreased.** Following [Example—Social security wages decreased](#) in the instructions for line 6, the wages that you counted twice were also taxable Medicare wages. To correct the error, figure the difference on Form 943-X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form 943, line 4)	- 9,000.00
Column 3 (difference)	- 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	- 2,000.00
Tax rate (2.9%)	x 0.029
Column 4 (tax correction)	- 58.00

Be sure to explain the reasons for this correction on line 33.

## 10. Wages Subject to Additional Medicare Tax Withholding

You may use Form 943-X to correct errors to Additional Medicare Tax withholding for prior years if the amount reported on Form 943, line 7, isn't the amount you actually withheld. This type of error is an administrative error. The administrative error adjustment corrects the amount reported on Form 943 to agree with the amount actually withheld from employees.

You may also correct errors to Additional Medicare Tax withholding for prior years if section 3509 rates apply. If section 3509 rates apply, see the instructions for [lines 16–19](#), later.

If a prior year error was a nonadministrative error, you may correct only the **wages** subject to Additional Medicare Tax withholding that were originally reported on Form 943, line 6, or previously corrected on Form 943-X. You can't correct the tax reported on Form 943, line 7.

**Prior year administrative errors.** If you're correcting the wages subject to Additional Medicare Tax withholding that you reported on Form 943, line 6, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 10 (column 1)	
- line 10 (column 2)	
line 10 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.009 (0.9% tax rate) and enter that result in column 4.

line 10 (column 3)	
x 0.009	
line 10 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Example—Prior year administrative error (incorrectly reported amount of Additional Medicare Tax actually withheld).** Nathan Smith's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2020. The total wages paid to Nathan for 2020 were \$230,000. You withheld \$270 (\$30,000 x 0.009) from Nathan's wages. However, on your 2020 Form 943 you mistakenly reported \$3,000 on line 6, and Additional Medicare Tax withheld of \$27 on line 7. You discover the error on March 16, 2021. This is an example of an administrative error that may be corrected in a later calendar year because the amount actually withheld isn't the amount reported on your 2020 Form 943. Use Form 943-X, line 10, to correct the error as shown below.

Column 1 (corrected amount)	30,000.00
Column 2 (Form 943, line 6)	- 3,000.00
Column 3 (difference)	27,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	27,000.00
Tax rate (0.9%)	x 0.009
Column 4 (tax correction)	243.00

Be sure to explain the reasons for this correction on line 33.

**Prior year nonadministrative errors.** You may correct **only** the taxable wages subject to Additional Medicare Tax

withholding that you reported on Form 943, line 6. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Column 1 (corrected amount)	50,000.00
Column 2 (Form 943, line 6)	- 3,000.00
Column 3 (difference)	47,000.00

line 10 (column 1)	
- line 10 (column 2)	
line 10 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Don't multiply the amount in column 3 by 0.009 (0.9% tax rate). Leave column 4 blank and explain the reasons for this correction on line 33.

**Example—Prior year nonadministrative error (failure to withhold Additional Medicare Tax when required).**

Leah Green's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2020. The total wages paid to Leah for 2020 were \$220,000. You were required to withhold \$180 (\$20,000 x 0.009) but you withheld nothing and didn't report an amount on line 6 or line 7 of your 2020 Form 943. You discover the error on March 16, 2021. File Form 943-X to correct the wages subject to Additional Medicare Tax withholding for your 2020 Form 943, but you may not correct the Additional Medicare Tax withheld (column 4) because the error involves a previous year and the amount previously reported for the employee represents the actual amount withheld from the employee during 2020.

**Combination of prior year administrative and nonadministrative errors.** If you're reporting both administrative errors and nonadministrative errors for the same prior year, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. However, multiply only the amount of wages reported in column 3 that are related to administrative errors by 0.009 (0.9% tax rate). Don't multiply any wages reported in column 3 that are related to nonadministrative errors by 0.009 (0.9% tax rate). Use line 33 to explain in detail your corrections. The explanation must include the reasons for the corrections and a breakdown of the amount reported in column 3 into the amounts related to administrative errors and nonadministrative errors.

**Example—Combination of prior year administrative and nonadministrative errors.** Nathan Smith's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2020. The total wages paid to Nathan for 2020 were \$230,000. You withheld \$270 (\$30,000 x 0.009) from Nathan's wages. However, on your 2020 Form 943 you mistakenly reported \$3,000 on line 6, and Additional Medicare Tax withheld of \$27 on line 7. The difference in wages subject to Additional Medicare Tax related to this administrative error is \$27,000 (\$30,000 - \$3,000).

Leah Green's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2020. The total wages paid to Leah for 2020 were \$220,000. You were required to withhold \$180 (\$20,000 x 0.009) but you withheld nothing and didn't report Leah's \$20,000 in wages subject to Additional Medicare Tax withholding on line 6 of your 2020 Form 943.

You discover both errors on March 16, 2021. Use Form 943-X, line 10, to correct the errors as shown below.

Difference related to administrative error	27,000.00
Tax rate (0.9%)	x 0.009
Column 4 (tax correction)	243.00

Determine the portion of wages reported in column 3 that is related to the administrative error (\$47,000 - \$20,000 (nonadministrative error) = \$27,000 (administrative error)). Multiply this portion of column 3 by 0.009 (0.9% tax rate) to determine your tax correction.

Be sure to explain the reasons for these corrections on line 33. You must also report that \$20,000 of the amount shown in column 3 was related to the correction of a prior year nonadministrative error and \$27,000 of the amount shown in column 3 was related to the correction of an administrative error.

## 11. Federal Income Tax Withheld

If you're correcting the federal income tax withheld from wages that you reported on Form 943, line 8, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 11 (column 1)	
- line 11 (column 2)	
line 11 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.



Generally, you may only correct administrative errors to federal income tax withholding (that is, errors in which the amount reported on Form 943 isn't the amount you actually withheld from an employee's wages) and errors for which section 3509 rates apply. Only transposition or math errors involving the inaccurate reporting of the amount withheld are "administrative errors." The administrative error adjustment corrects the amount reported on Form 943 to agree with the amount actually withheld from employees. See section 9 of Pub. 51 for more information about corrections during the calendar year and about administrative errors. If section 3509 rates apply, see the instructions for [lines 16–19](#), later.

You can't file a Form 943-X to correct federal income tax withholding for prior years for nonadministrative errors. In other words, you can't correct federal income tax actually withheld from an employee in a prior year if you discover that you didn't withhold the right amount. For example, you can't correct federal income tax withheld in a prior year because you used the wrong income tax withholding table or you didn't treat a payment correctly as taxable or nontaxable. Similarly, if you paid federal income tax in a prior year on behalf of your employee, rather than deducting it from the employee's pay (which resulted in additional wages subject to tax), and in a subsequent year you determine that you

incorrectly calculated the amount of tax, you can't correct the federal income tax withholding.

**Example—Prior year nonadministrative error (failure to withhold federal income tax when required).** You were required to withhold \$400 of federal income tax from an employee bonus that was paid in December of 2020 but you withheld nothing. You discovered the error on March 19, 2021. You can't file Form 943-X to correct federal income tax withheld reported on your 2020 Form 943 because the error involves a previous year and the amount previously reported for the employee represents the actual amount withheld from the employee during 2020.

**Example—Prior year administrative error (incorrectly reported amount of federal income tax actually withheld).** You had three employees. In 2020, you withheld \$1,000 of federal income tax from Nathan Smith, \$2,000 from Leah Green, and \$6,000 from Becky Lee. The total amount of federal income tax you withheld was \$9,000. You mistakenly reported \$6,000 on your 2020 Form 943, line 8. You discovered the error on March 19, 2021. This is an example of an administrative error that may be corrected in a later calendar year because the amount actually withheld from employees' wages isn't the amount reported on Form 943. Use Form 943-X to correct the error. Enter \$9,000 in column 1 and \$6,000 in column 2. Subtract the amount in column 2 from the amount in column 1.

Column 1 (corrected amount)	9,000.00
Column 2 (Form 943, line 8)	<u>- 6,000.00</u>
Column 3 (difference)	3,000.00

Report the \$3,000.00 as a tax correction in column 4.

Be sure to explain the reasons for this correction on line 33.

**Example—Nonadministrative error reporting federal income tax because of repayment of wages paid in prior year.** You prepaid Jack Brown \$4,000 of wages for 2 months of work in September 2020. You withheld \$400 of federal income tax at the time you paid Jack. These amounts were reported on your 2020 Form 943. Jack left employment in October 2020 (after only 1 month of service). In February 2021, Jack repaid \$2,000 to you for the 1 month he didn't work. You can't file Form 943-X to reduce the federal income tax withheld because you actually withheld the federal income tax from wages. You also can't file Form 943-X to reduce wages because the wages were income to Jack for the prior year. These amounts were correctly reported on Form 943.

## 12. Tax Adjustments

**TIP** For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages."

Don't enter an amount on line 12 unless you need to **correct** any adjustments reported on Form 943, line 10. Amounts reported on line 12 reflect corrections of amounts misstated on Form 943, line 10. See [Example—Adjustment for third-party sick pay underreported](#), later.

Enter the corrected amount for tax adjustments in column 1. Enter the originally reported or previously corrected amount from Form 943, line 10, in column 2. In column 3, enter the difference between columns 1 and 2.

line 12 (column 1)  
- line 12 (column 2)  
line 12 (column 3)



You may need to report negative numbers in any column. Make sure that the difference you enter in column 3 accurately represents the change to adjustments originally reported or previously corrected on Form 943, line 10.

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.

On line 33, describe what you misreported on Form 943. Tell us if your adjustment is for fractions of cents, third-party sick pay, or group-term life insurance.

**Example—Adjustment for third-party sick pay underreported.** You reported \$6,900 (shown as "-6,900.00") as a third-party sick pay adjustment (reduction to tax) on your 2020 Form 943, line 10. Your third-party sick pay adjustment should have been \$9,600 (shown as "-9,600.00") because your third-party sick pay payer withheld that amount of social security and Medicare taxes from your employees. You discovered the error in April of 2021. To correct the error, figure the difference on Form 943-X as shown.

Column 1 (corrected amount)	-9,600.00
Column 2 (Form 943, line 10)	<u>- (6,900.00)</u>
Column 3 (difference)	-2,700.00

Here is how you would enter the numbers on Form 943-X.

Column 1 (corrected amount)	Column 2 (Form 943, line 10)	Column 3 (difference)
-9,600.00	-6,900.00	-2,700.00

Report "-2,700.00" as your correction in column 4.

In this example, you're claiming a credit for \$2,700 in overreported tax for your 2020 Form 943. Always enter the same amount in column 4 (including any minus sign) that you enter in column 3.

Be sure to explain the reasons for this correction on line 33.



Only use line 12 to correct adjustments for fractions of cents, third-party sick pay, or group-term life insurance previously reported. File a separate Form 943-X for each year being corrected.

## 13. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

If you're correcting the qualified small business payroll tax credit for increasing research activities that you reported on Form 943, line 12a (line 12 for years prior to 2020), enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in

column 4 or a negative number in column 3 as a positive number in column 4.

You must attach a corrected Form 8974 and explain the reasons for this correction on line 33.



*The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). Any election to take the payroll tax credit may be revoked only with the consent of the IRS.*

## 14. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages



*Form 943-X 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.*

If you're correcting the nonrefundable portion of the credit for qualified sick and family leave wages that you reported on Form 943, line 12b, enter the total corrected amount from [Worksheet 1](#), Step 2, line 2j, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4.

For corrections to a 2020 Form 943, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. Credit for any qualified sick and family leave wages paid in 2021 will be claimed on your 2021 Form 943. If you're correcting a year before 2020, don't enter any amount on line 14.

**Definition of qualified sick and family leave wages.** For purposes of the credit for qualified sick and family leave wages, qualified sick and family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under section 3121(b), that an employer pays that otherwise meet the requirements of the Emergency Paid Sick Leave Act (EPSLA) or the Emergency Family and Medical Leave Expansion Act, as enacted under the FFCRA and amended by the COVID-related Tax Relief Act of 2020. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified sick and family leave wages on your employment tax return and when figuring the credit on [Worksheet 1](#), Step 2, lines 2a and 2a(i), and on Step 2, lines 2e and 2e(i). Instead, include qualified sick leave wages and qualified family leave wages excluded from the definition of employment under section 3121(b) separately in Step 2, lines 2a(iii) and/or line 2e(iii), respectively, before you figure your total credit in Step 2, line 2d (credit for qualified sick leave wages), or Step 2, line 2h (credit for qualified family leave wages).

The 2020 Instructions for Form 943 were released before the COVID-related Tax Relief Act of 2020 was enacted on

December 27, 2020; therefore, Worksheet 1, in the 2020 Instructions for Form 943, didn't include lines to add the wages that meet an exclusion under section 3121(b) when figuring the credits for qualified sick and family leave wages. If your Form 943 for 2020 didn't claim the correct amount of the credit for qualified sick and family leave wages because you paid qualified sick leave wages and/or qualified family leave wages that meet an exclusion under section 3121(b), you may file Form 943-X and complete [Worksheet 1](#) to claim the correct amount of the credit. You will also include on Form 943-X, lines 26 and 27, and on Worksheet 1 any qualified health plan expenses allocable to those wages.

**Example—Nonrefundable portion of credit for qualified sick and family leave wages increased.** You originally reported a \$1,000 nonrefundable portion of credit for qualified sick and family leave wages on Form 943, line 12b, for 2020. In March 2021, you discover that you made an error when figuring the credit. You use [Worksheet 1](#) to refigure the nonrefundable portion of the credit for qualified sick and family leave wages and you determine that the credit is \$2,000. To correct the error, figure the difference on Form 943-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 943, line 12b)	- 1,000.00
Column 3 (difference)	1,000.00

To properly show the credit increase as a reduction to your tax balance, enter the positive number in column 3 as a negative number in column 4. Here is how you would enter the numbers on Form 943-X, line 14.

Column 1 (corrected amount)	Column 2 (Form 943, line 12b)	Column 3 (difference)	Column 4 (tax correction)
2,000.00	1,000.00	1,000.00	-1,000.00

Be sure to explain the reasons for this correction on line 33.

## 15. Nonrefundable Portion of Employee Retention Credit



*Section 206(c) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 removed the restriction on an employer who has received a Small Business Interruption Loan under the Paycheck Protection Program (PPP) from claiming the employee retention credit. The eligible employer can claim the employee retention credit on any qualified wages that aren't counted as payroll costs in obtaining PPP loan forgiveness. Any wages that could count toward eligibility for the employee retention credit or PPP loan forgiveness can be applied to either of these two programs, but not both. If your Form 943 for 2020 didn't claim the correct amount for the employee retention credit because you received a Small Business Interruption Loan under the PPP, you may file Form 943-X and complete [Worksheet 1](#) to claim the correct amount of the credit. For more information, see [Notice 2021-20](#).*

If you're correcting the nonrefundable portion of the employee retention credit that you reported on Form 943, line 12c, enter the total corrected amount from [Worksheet 1](#), Step 3, line 3h, in column 1. In column 2, enter the amount

you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 14](#), earlier.

Be sure to explain the reasons for this correction on line 33.

**TIP** *Adjustments to the nonrefundable portion of the employee retention credit are reported on Form 943-X, line 15, and adjustments to the refundable portion of the credit are reported on Form 943-X, line 24. Adjustments to qualified wages for the employee retention credit are reported on Form 943-X, line 28. Adjustments to qualified health plan expenses allocable to the employee retention credit are reported on Form 943-X, line 29. For corrections to a 2020 Form 943, the employee retention credit is only available for wages paid after March 12, 2020, and before January 1, 2021. Credit for any employee retention credit in 2021 will be claimed on your 2021 Form 943. If you're correcting a year before 2020, don't enter any amounts on lines 15, 24, 28, and 29. If you claimed the employee retention credit on your original 2020 Form 943, and you make any corrections on Form 943-X for the year to amounts used to figure this credit, you will need to refigure the amount of the credit using [Worksheet 1](#). You will also use this worksheet to figure this credit if you're claiming the credit for the first time on Form 943-X. For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#).*

## 16–19. Special Additions to Wages for Federal Income Tax, Social Security Taxes, Medicare Taxes, and Additional Medicare Tax

Section 3509 provides special rates for the employee share of social security tax, Medicare tax, Additional Medicare Tax, and federal income tax withholding when workers are reclassified as employees in certain circumstances. The applicable rate depends on whether you filed required information returns. An employer can't recover any tax paid under this provision from the employees. The full employer share of social security and Medicare tax is due for all reclassifications.

**Note.** Section 3509 rates aren't available if you intentionally disregarded the requirements to withhold taxes from the employee, or if you withheld federal income tax but didn't withhold social security and Medicare tax. Section 3509 rates are also not available for certain statutory employees.

On lines 16–19, enter **only** corrections to wages resulting from reclassifying certain workers as employees when section 3509 rates are used to calculate the taxes.

If the employer issued the required information returns, use the section 3509 rates as follows.

- For social security taxes, use the employer rate of 6.2% plus 20% of the employee rate of 6.2%, for a total rate of 7.44% of wages.

- For Medicare taxes, use the employer rate of 1.45% plus 20% of the employee rate of 1.45%, for a total rate of 1.74% of wages.
- For Additional Medicare Tax, 0.18% (20% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For federal income tax withholding, the rate is 1.5% of wages.

If the employer didn't issue the required information returns, use the section 3509 rates as follows.

- For social security taxes, use the employer rate of 6.2% plus 40% of the employee rate of 6.2%, for a total rate of 8.68% of wages.
- For Medicare taxes, use the employer rate of 1.45% plus 40% of the employee rate of 1.45%, for a total rate of 2.03% of wages.
- For Additional Medicare Tax, 0.36% (40% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For federal income tax withholding, the rate is 3.0% of wages.

Unlike some other lines on Form 943-X, enter in column 1 only the corrected wages for workers being reclassified, not the amount paid to **all** employees. Enter in column 2 previously reported wages (if any) to reclassified employees. To get the amount for column 4, use the applicable section 3509 rates. If you filed the required information returns for some employees but didn't file them for other employees, be sure to use the applicable rates for each employee when calculating the amounts in column 4 and show your calculations on line 33. The tax correction in column 4 will be a positive number if you increased the amount of wages you previously reported. See the instructions for [line 32](#), later, for more information.

## 20. Subtotal

Combine the amounts from column 4 on lines 6–19 and enter the result on line 20.

**Example.** You entered “-500.00” in column 4 of line 6, “-100.00” in column 4 of line 9, and “1,400.00” in column 4 of line 11. Combine these amounts and enter “800.00” in column 4 of line 20.

Line 6	-500.00
Line 9	-100.00
Line 11	+ 1,400.00
Line 20	800.00

## 21. Deferred Amount of the Employer Share of Social Security Tax

Use Form 943-X, line 21, if you need to correct the deferred amount of the employer share of social security tax that you reported on your 2020 Form 943, line 14b. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employer share of social security tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the employer share of social security tax decreases the payment you can defer

and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

If you're filing Form 943-X to increase the amount of social security wages paid on or after March 27, 2020, and before January 1, 2021, so that there is an additional amount of social security tax that hasn't yet been paid, and hasn't yet been deferred, then you may use Form 943-X to increase the amount of the deferred employer share of social security tax originally reported on Form 943, line 14b. If you're filing Form 943-X to decrease the amount of social security wages paid on or after March 27, 2020, and before January 1, 2021, so that there is a decrease in the amount of social security tax that is eligible for deferral, then you must use Form 943-X to decrease the amount of the deferred employer share of social security tax originally reported on Form 943, line 14b, if the decrease in wages causes the amount you originally deferred to exceed the amount that is now eligible for deferral. Otherwise, you may only correct the amount of the deferred employer share of social security tax if the amount originally reported on Form 943, line 14b, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the employer share of social security tax during the payroll tax deferral period, you may not subsequently defer the payment by filing Form 943-X. See [IRS.gov/ETD](https://www.irs.gov/ETD) for more information about the interaction of credits and the deferral of employment tax deposits and payments.

The deferred amount of the employer share of social security tax was only available for deposits and payments due on or after March 27, 2020, and before January 1, 2021, as well as deposits and payments due after January 1, 2021, that are required for wages paid during the applicable period. One-half of the deferred amount of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. Because both December 31, 2021, and December 31, 2022, are nonbusiness days, payments made on the next business day will be considered timely. 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 more information about the deferral of employment tax deposits, go to [IRS.gov/ETD](https://www.irs.gov/ETD) and see the instructions for Form 943, available at [IRS.gov/Form943](https://www.irs.gov/Form943).

Be sure to explain the reasons for any correction on line 33.

## 22. Deferred Amount of the Employee Share of Social Security Tax

Use Form 943-X, line 22, if you need to correct the deferred amount of the employee share of social security tax that you reported on your 2020 Form 943, line 14c. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employee share of social security tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column

4. A decrease to the deferred amount of the employee share of social security tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

You may only correct the amount of the deferred employee share of social security tax if the amount originally reported on Form 943, line 14c, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the employee's share of social security tax, you may not subsequently defer the payment by filing Form 943-X.

The deferred amount of the employee share of social security tax was only available for social security wages of less than \$4,000 paid to an employee 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 due date for withholding and payment of the deferred employee share of social security tax is postponed until the period beginning on January 1, 2021, and ending on December 31, 2021. The employer is liable to pay the deferred employee share of social security tax to the IRS and must do so before January 1, 2022, to avoid interest, penalties, and additions to tax on those amounts. Because January 1, 2022, is a nonbusiness day, payments made on January 3, 2022, will be considered timely. For more information about the deferral of the employee share of social security tax, see [Notice 2020-65](https://www.irs.gov/etd/2020-65) and [Notice 2021-11](https://www.irs.gov/etd/2021-11).

Be sure to explain the reasons for any corrections on line 33.

## 23. Refundable Portion of Credit for Qualified Sick and Family Leave Wages

If you're correcting the refundable portion of the credit for qualified sick and family leave wages that you reported on Form 943, line 14d, enter the total corrected amount from [Worksheet 1](#), Step 2, line 2k, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 14](#), earlier.

Be sure to explain the reasons for this correction on line 33.

## 24. Refundable Portion of Employee Retention Credit

If you're correcting the refundable portion of the employee retention credit that you reported on Form 943, line 14e, enter the total corrected amount from [Worksheet 1](#), Step 3, line 3i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified

wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 14](#), earlier.

Be sure to explain the reasons for this correction on line 33.

### Corrections to Form 943, Line 14g

Form 943-X doesn't include a line to correct amounts reported on Form 943, line 14g, for the total advances received from filing Form(s) 7200 for the year. If a discrepancy exists between the amount reported on Form 943 and the amount of advance payments issued, the IRS will generally correct the amount reported on Form 943, line 14g, to match the amount of advance payments issued. However, aggregate filers may need to correct the amount reported on Form 943, line 14g, to reflect the correct advance payments received by their clients or customers. If you're an aggregate filer that needs to correct the amount reported on Form 943, line 14g, include any increase or decrease to the amount in the "Total" reported on Form 943-X, line 25; write "Correction to line 14g" on the dotted line to the left of the entry box on line 25; explain your correction on line 33; and attach Schedule R (Form 943) to Form 943-X to show corrections for your clients or customers.

### 25. Total

Combine the amounts from column 4 on lines 20–24 and enter the result on line 25.

**Your credit.** If the amount entered on line 25 is less than zero, for example, "-115.00," you have a credit because you overreported your federal employment taxes.

- If you checked the box on line 1, include this amount on the "Total deposits" line of Form 943 for the year during which you filed Form 943-X. Don't make any changes to your record of federal tax liability reported on Form 943, line 17, or Form 943-A, unless you were assessed an FTD penalty. For more information, see the Form 943-A instructions.
- If you checked the box on line 2, you're filing a claim for refund or abatement of the amount shown.

If your credit is less than \$1, we will send a refund or apply it only if you ask us in writing to do so.

**Amount you owe.** If the amount on line 25 is a positive number, you must **pay** the amount you owe **by the time you file** Form 943-X. You may not use any credit that you show on another Form 943-X to pay the amount you owe, even if you filed for the amount you owe and the credit at the same time.

If you owe tax and are filing a timely Form 943-X, don't file an amended Form 943-A unless you were assessed an FTD penalty caused by an incorrect, incomplete, or missing Form 943-A. Don't include the tax increase reported on Form 943-X on any amended Form 943-A you file.

If you owe tax and are filing a late Form 943-X, that is, after the due date for the return period in which you discovered the error, you must file an amended Form 943-A with the Form 943-X. Otherwise, the IRS may assess an "averaged" FTD penalty. The total tax reported on Form 943-A, line M, must match the corrected tax (Form 943,

line 13, combined with any correction reported on Form 943-X, line 20) for the year, less any previous abatements and interest-free tax assessments.

**Payment methods.** You may pay the amount you owe on line 25 electronically using the Electronic Federal Tax Payment System (EFTPS), by credit card or debit card, or by a check or money order.

- The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](#), or call EFTPS Customer Service at 800-555-4477 or 800-733-4829 (TDD) toll free. Additional information about EFTPS is also available in Pub. 966.
- To pay by credit or debit card, go to [IRS.gov/PayByCard](#). Your payment will be processed by a payment processor who will charge a processing fee.
- If you pay by check or money order, make it payable to "United States Treasury." On your check or money order, be sure to write your EIN, "Form 943-X," and the year corrected.

You don't have to pay if the amount you owe is less than \$1.

### Lines 26–30

For lines 26–30, you will only enter amounts in columns 1, 2, and 3. These lines don't have an entry space for column 4 because these adjustments don't directly result in an increase or decrease to your tax. The amounts entered on lines 26–30, 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 reported an incorrect amount on lines 18–22 on your original Form 943, then you will use lines 26–30 of Form 943-X to report the correction. Use Worksheet 1 to refigure the credit for qualified sick and family leave wages and/or the employee retention credit based on the corrected amounts reported in column 1. Be sure to explain the reasons for your corrections to lines 26–30 on line 33.

### 26. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages

If you're correcting the qualified health plan expenses allocable to qualified sick leave wages that you reported on Form 943, line 18, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2b.

### 27. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages

If you're correcting the qualified health plan expenses allocable to qualified family leave wages that you reported on Form 943, line 19, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2f.

### 28. Qualified Wages for the Employee Retention Credit

If you're correcting the qualified wages for the employee retention credit that you reported on Form 943, line 20, enter the total corrected amount for all employees in column 1. In



column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 3, line 3a.

## 29. Qualified Health Plan Expenses Allocable to Wages Reported on Form 943, Line 20

If you're correcting the qualified health plan expenses allocable to wages reported on Form 943, line 20, that you reported on Form 943, line 21, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 3, line 3b.

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

If you're correcting the credit from Form 5884-C, line 11, for the year, that you reported on Form 943, line 22, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 1, line 1f. Entering an amount here is strictly for purposes of figuring the credit for qualified sick and family wages and/or the employee retention credit on Worksheet 1. Reporting a correction on this line doesn't correct the credit claimed on Form 5884-C.

## Part 4: Explain Your Corrections for the Calendar Year You're Correcting

### 31. Correction of Both Underreported and Overreported Amounts

Check the box on line 31 if any corrections you entered on lines 6–24, or lines 26–30, column 3, reflect both underreported and overreported amounts.

**Example.** If you had an increase to social security wages of \$15,000 for Nathan Smith and a decrease to social security wages of \$5,000 for Leah Green, you would enter \$10,000 on line 6, column 3. That \$10,000 represents the net change from corrections.

On line 33, you must explain the reason for both the \$15,000 increase and the \$5,000 decrease.

### 32. Did You Reclassify Any Workers?

Check the box on line 32 if you reclassified any workers to be independent contractors or nonemployees. Also check this box if the IRS (or you) determined that workers you treated as independent contractors or nonemployees should be classified as employees. On line 33, give us a detailed reason why any worker was reclassified and, if you used section 3509 rates on [lines 16–19](#) for any worker reclassified as an employee, explain why section 3509 rates apply and what rates you used.

**Return not filed because you didn't treat any workers as employees.** If you didn't previously file Form 943 because you mistakenly treated all workers as independent contractors or as nonemployees, file a Form 943 for each delinquent year.

On each Form 943 for which you're entitled to use section 3509 rates, complete the following steps.

- Write "**Misclassified Employees**" in **bold** letters across the top margin of page 1.
- Enter a zero on line 13.
- Complete the signature area.
- Attach a completed Form 943-X (see instructions next).

On each attached Form 943-X, complete the following steps.

- Complete the top of Form 943-X, including the date you discovered the error.
- Enter the wage amounts on lines 16–19, column 1.
- Enter zeros on lines 16–19, column 2.
- Complete columns 3 and 4 as instructed in Part 3.
- Provide a detailed statement on line 33.
- Complete the signature area.



*If you can't use section 3509 rates (for example, because the workers you treated as nonemployees were certain statutory employees), file a Form 943 for each delinquent year. Write "**Misclassified Employees**" in **bold** letters across the top margin of page 1 of each Form 943. Complete Form 943 using the Instructions for Form 943. Attach a Form 943-X to each Form 943. Complete the top of Form 943-X, including the date you discovered the error, and provide a detailed explanation on line 33.*

### 33. Explain Your Corrections

Treasury regulations require you to explain in detail the grounds and facts relied upon to support each correction. On line 33, describe in detail each correction you entered in column 4 on lines 6–19, and lines 21–24. Also use line 33 to describe corrections made on lines 26–30. If you need more space, attach additional sheets, but be sure to write your name, EIN, "Form 943-X," and the calendar year you're correcting on the top of each sheet.

You must describe the events that caused the underreported or overreported amounts. Explanations such as "social security and Medicare wages were overstated," "administrative/payroll errors were discovered," or "taxes were not withheld" are insufficient and may delay processing your Form 943-X because the IRS may need to ask for a more complete explanation.

Provide the following information in your explanation for each correction.

- Form 943-X line number(s) affected.
- Date you discovered the error.
- Difference (amount of the error).
- Cause of the error.

You may report the information in paragraph form. The following paragraph is an example.

"The \$1,000 difference shown in column 3 of lines 6 and 9 was discovered on May 14, 2021, during an internal audit. We discovered that we included \$1,000 of wages for one of the employees twice. This correction removes the reported wages that were never paid."

For corrections shown on lines 16–19, explain why the correction was necessary and attach any notice you received from the IRS.

## Part 5. Sign Here

You must complete all four pages of Form 943-X and sign it. If you don't sign it on page 4, processing of Form 943-X will be delayed.

**Who must sign the Form 943-X?** 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-X 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-X 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](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

## **Paid Preparer Use Only**

A paid preparer must sign Form 943-X and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 943-X 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](https://www.irs.gov/PTIN). You can't use your PTIN in place of the EIN of the tax preparation firm.

Generally, you're not required to complete this section if you're filing the return 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.

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

You must use this worksheet if you claimed the credit for qualified sick and family leave wages and/or the employee retention credit on your original Form 943 for the year and you correct amounts used to figure these credits on Form 943-X. You will also use this worksheet to figure these credits if you're claiming them for the first time on Form 943-X.


<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 from Form 5884-C, and/or Form 5884-D</b>	
1a	Enter the amount of social security wages from Form 943, line 2, or, if corrected, the amount from Form 943-X, line 6, column 1 . . . . . 1a _____
1b	Multiply line 1a by 6.2% (0.062) . . . . . 1b _____
1c	Employer share of social security tax included on Form 943-X, line 17, column 4 . . . . . 1c _____
1d	<b>Employer share of social security tax.</b> Add lines 1b and 1c . . . . . 1d _____
1e	Enter the amount from Form 943, line 12a, or, if corrected, the amount from Form 943-X, line 13, column 1 (credit from Form 8974) . . . . . 1e _____
1f	Enter the amount from Form 943, line 22, or, if corrected, the amount from Form 943-X, line 30, column 1 (credit from Form 5884-C) . . . . . 1f _____
1g	Enter the amount from Form 5884-D, line 12, for the year . . . . . 1g _____
1h	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1e, 1f, and 1g . . . . . 1h _____
1i	<b>Employer share of social security tax remaining.</b> Subtract line 1h from line 1d . . . . . 1i _____
<b>Step 2. Figure the sick and family leave credit</b>	
2a	Qualified sick leave wages reported on Form 943, line 2a, or, if corrected, the amount from Form 943-X, line 7, column 1 . . . . . 2a _____
2a(i)	Qualified sick leave wages included on Form 943, line 4, or, if corrected, Form 943-X, line 9, column 1, but not included on Form 943, line 2a, or Form 943-X, line 7, column 1, 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) _____
2a(iii)	Qualified sick leave wages excluded from the definition of employment under section 3121(b) . . . . . 2a(iii) _____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 943, line 18, or, if corrected, Form 943-X, line 26, column 1) . . . . . 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), 2a(iii), 2b, and 2c . . . . . 2d _____
2e	Qualified family leave wages reported on Form 943, line 2b, or, if corrected, the amount from Form 943-X, line 8, column 1 . . . . . 2e _____
2e(i)	Qualified family leave wages included on Form 943, line 4, or, if corrected, Form 943-X, line 9, column 1, but not included on Form 943, line 2b, or Form 943-X, line 8, column 1, 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) _____
2e(iii)	Qualified family leave wages excluded from the definition of employment under section 3121(b) . . . . . 2e(iii) _____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 943, line 19, or, if corrected, Form 943-X, line 27, column 1) . . . . . 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), 2e(iii), 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 1i or line 2i. Enter this amount on Form 943-X, line 14, column 1 . . . . . 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-X, line 23, column 1 . . . . . 2k _____

Worksheet 1 continues on the next page.

**Worksheet 1. Adjusted Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit—(continued)**

<b>Step 3. Figure the employee retention credit</b>			
3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 943, line 20, or, if corrected, Form 943-X, line 28, column 1) . . . . .	3a	_____
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 943, line 21, or, if corrected, Form 943-X, line 29, column 1) . . . . .	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 1i . . . . .	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-X, line 15, column 1 . . . . .		3h _____
3i	<b>Refundable portion of employee retention credit.</b> Subtract line 3h from line 3d and enter this amount on Form 943-X, line 24, column 1 . . . . .		3i _____

**How Can You Get Forms, Instructions, and Publications From the IRS?**

 You can view, download, or print most of the forms, instructions, and publications you may need on [IRS.gov/Forms](https://www.irs.gov/Forms). Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have them mailed to you. The IRS will process your order for forms and publications as soon as possible. Don't resubmit requests you've already sent us. You can get forms and publications faster online.

**Paperwork Reduction Act Notice.** We ask for the information on Form 943-X 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, including federal income tax withholding, on wages. This form is used to determine the amount of taxes you owe. Section 6011 requires you to provide the requested information if the tax applies to you.

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 and 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.

The time needed to complete and file Form 943-X will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	23 hr., 40 min.
<b>Learning about the law or the form</b> . . . . .	52 min.
<b>Preparing and sending the form to the IRS</b> . . . . .	2 hr., 29 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](https://www.irs.gov/FormComments). Or you can send your comments to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 943-X to this address. Instead, see [Where Should You File Form 943-X](#), earlier.