



Instructions for Form 944

Employer's ANNUAL Federal Tax Return

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

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Future Developments

For the latest information about developments related to Form 944 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form944](https://www.irs.gov/Form944).

What's New

Social security and Medicare tax for 2021. The rate of social security tax on taxable wages, including qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, is 6.2% each for the employer and employee or 12.4% for both. Qualified sick leave wages and qualified

family leave wages for leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2%. The social security wage base limit is \$142,800.

The Medicare tax rate is 1.45% (0.0145) each for the employee and employer, unchanged from 2020. There is no wage base limit for Medicare tax.

Social security and Medicare taxes apply to the wages of household workers you pay \$2,300 or more in cash wages in 2021. Social security and Medicare taxes apply to election workers who are paid \$2,000 or more in cash or an equivalent form of compensation in 2021.

The COVID-19 related credit for qualified sick and family leave wages has been extended and amended. The Families First Coronavirus Response Act (FFCRA) was amended by recent legislation. The FFCRA requirement that employers provide paid sick and family leave for reasons related to COVID-19 (the employer mandate) expired on December 31, 2020; however, the COVID-related Tax Relief Act of 2020 extends the periods for which employers providing leave that otherwise meets the requirements of the FFCRA may continue to claim tax credits for qualified sick and family leave wages paid for leave taken before April 1, 2021.

The American Rescue Plan Act of 2021 (the ARP) adds new sections 3131, 3132, and 3133 to the Internal Revenue Code to provide credits for qualified sick and family leave wages similar to the credits that were previously enacted under the FFCRA and amended and extended by the COVID-related Tax Relief Act of 2020. The credits under sections 3131 and 3132 are available for qualified leave wages paid for leave taken after March 31, 2021, and before October 1, 2021. Below are the major changes made under the ARP.

- The ARP keeps the daily wage thresholds that previously existed. The aggregate cap on qualified sick leave wages remains at 80 hours (10 days), but the limitation on the number of days resets with respect to leave taken by employees beginning on April 1, 2021. The aggregate cap on qualified family leave wages increases to \$12,000 from the previous cap of \$10,000, and the aggregate cap resets with respect to leave taken by employees beginning on April 1, 2021.
- The ARP also created a new category of leave under the Emergency Paid Sick Leave Act (EPSLA) and the Expanded Family and Medical Leave Act (Expanded FMLA) to include the time the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 (and the employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis), or the employee is obtaining or accompanying an individual who is obtaining immunizations related to COVID-19 or recovering from or caring for an individual recovering from an injury,

disability, illness, or condition related to such immunization. Additionally, employers may provide employees with paid family leave if the employee is unable to work due to any of the conditions for which eligible employers may provide paid sick leave under the EPSLA.

- The credits are still increased by the qualified health plan expenses allocable to the qualified sick and family leave wages, but the credits are now also increased, subject to the qualified leave wage limitations, by certain amounts paid under collective bargaining agreements that are properly allocable to the qualified leave wages. The collectively bargained contributions paid by an eligible employer that are eligible for the credit are collectively bargained defined benefit pension plan contributions and collectively bargained apprenticeship program contributions that are properly allocable to qualified leave wages.
- Under section 3133, the credits are increased by the amount of the employer share of social security tax and Medicare tax on the qualified sick and family leave wages.
- Governmental employers (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) may now claim the credits.
- Generally, the same wages can't be used as both qualified sick leave wages and qualified family leave wages. Additionally, you may not benefit from both the credit for qualified sick and family leave wages and the employee retention credit with respect to the same wages. The credit for qualified sick leave wages and qualified family leave wages doesn't apply to wages taken into account as payroll costs for a Small Business Interruption Loan under the Paycheck Protection Program (PPP) that is forgiven or in connection with shuttered operator grants and restaurant revitalization grants.
- The credit for qualified sick and family leave wages isn't allowed if the employer provides the leave in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure. See [Highly compensated employee](#), later, for the definition.

How you report qualified sick and family leave wages and the credit for qualified sick and family leave wages has changed. Taxable qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, are included on line 4a and taxed at 12.4% for social security tax purposes. However, if you're reporting any qualified sick and family leave wages for leave taken before April 1, 2021, these wages are reported on lines 4a(i) and 4a(ii), respectively, and taxed at 6.2% for social security tax purposes. For leave taken before April 1, 2021, the credit for qualified sick and family leave wages is reported on line 8b (nonrefundable portion) and, if applicable, line 10d (refundable portion). For leave taken after March 31, 2021, and before October 1, 2021, the credit for qualified sick and family leave wages is reported on line 8d (nonrefundable portion) and, if applicable, line 10f (refundable portion); and the nonrefundable portion of the credit is against the employer share of Medicare tax. For more information, see the instructions for [line 8b](#), [line 8d](#), [line 10d](#), and [line 10f](#), later.

Use [Worksheet 1](#) to figure the credit for leave taken before April 1, 2021. Use [Worksheet 3](#) to figure the credit

for leave taken after March 31, 2021, and before October 1, 2021. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

The COVID-19 related employee retention credit has been extended and amended. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was amended by recent legislation. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 modifies the calculation of the employee retention credit and extends the date through which the credit may be claimed to qualified wages paid before July 1, 2021.

The ARP adds new section 3134 to the Internal Revenue Code to provide an employee retention credit similar to the credit that was previously enacted under the CARES Act and amended and extended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020. Generally, the rules for the employee retention credit for qualified wages paid before July 1, 2021, and qualified wages paid after June 30, 2021, are substantially similar. However, the Infrastructure Investment and Jobs Act (Infrastructure Act) amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), later, for more information about a recovery startup business.

Qualified wages for the employee retention credit under section 3134 don't include wages taken into account for credits under sections 41, 45A, 45P, 45S, 51, 1396, 3131, and 3132. Additionally, qualified wages for the employee retention credit can't include amounts used as payroll costs for a Small Business Interruption Loan under the PPP that is forgiven or amounts used as payroll costs for shuttered operator grants and restaurant revitalization grants.

For wages paid before July 1, 2021, the nonrefundable portion of the employee retention credit is against the employer share of social security tax. However, for wages paid after June 30, 2021, the nonrefundable portion of the employee retention credit is against the employer share of Medicare tax. The nonrefundable portion of the credit is still claimed on line 8c and, if applicable, the refundable portion of the credit is still claimed on line 10e. For more information, see the instructions for [line 8c](#) and [line 10e](#), later. Use [Worksheet 2](#) to figure the credit for wages paid before July 1, 2021. Use [Worksheet 4](#) to figure the credit for wages paid after June 30, 2021, and before January 1, 2022.

See Notice 2021-23, 2021-16 I.R.B. 1113, available at [IRS.gov/irb/2021-16_IRB#NOT-2021-23](#), for guidance on the employee retention credit provided under section 2301 of the CARES Act, as amended by section 207 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, for qualified wages paid after December 31, 2020, and before July 1, 2021. See Notice 2021-49, 2021-34 I.R.B. 316, available at [IRS.gov/irb/2021-34_IRB#NOT-2021-49](#), for guidance on the employee retention credit provided under the ARP for

wages paid after June 30, 2021, and before January 1, 2022. Notice 2021-49 also discusses miscellaneous issues that apply to all of 2021. See Notice 2021-65, 2021-51 I.R.B. 880, available at [IRS.gov/2021-51_IRB#NOT-2021-65](https://www.irs.gov/2021-51_IRB#NOT-2021-65), for modifications to Notice 2021-49 under the Infrastructure Act. For more information about the employee retention credit, go to [IRS.gov/ERC](https://www.irs.gov/ERC).

New credit for COBRA premium assistance payments. Section 9501 of the ARP provides for COBRA premium assistance in the form of a full reduction in the premium otherwise payable by certain individuals and their families who elect COBRA continuation coverage due to a loss of coverage as the result of a reduction in hours or an involuntary termination of employment (assistance eligible individuals). This COBRA premium assistance is available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. Some multiemployer plans and insurers don't normally file an employment tax return but will need to file one if they want to claim the COBRA premium assistance credit. In those cases, the insurers may not seek the COBRA premium assistance credit using a Form 944 and must do so using Form 941.

Section 9501(b) of the ARP adds new section 6432 to the Internal Revenue Code that allows a credit (COBRA premium assistance credit) against the employer share of Medicare tax in an amount equal to the premiums not paid by assistance eligible individuals for COBRA continuation coverage by reason of section 9501(a)(1) of the ARP. The nonrefundable portion of the credit is reported on line 8e and, if applicable, the refundable portion of the credit is reported on line 10g. If you claim this credit, you must also report the number of individuals provided COBRA premium assistance on line 8f. Use [Worksheet 5](#) to figure the credit. For more information, see the instructions for [line 8e](#), [line 8f](#), and [line 10g](#), later. For more information on COBRA premium assistance payments and the credit, see Notice 2021-31, 2021-23 I.R.B. 1173, available at [IRS.gov/irb/2021-23_IRB#NOT-2021-31](https://www.irs.gov/irb/2021-23_IRB#NOT-2021-31), and Notice 2021-46, 2021-33 I.R.B. 303, available at [IRS.gov/irb/2021-33_IRB#NOT-2021-46](https://www.irs.gov/irb/2021-33_IRB#NOT-2021-46).

Advance payment of COVID-19 credits extended. Based on the extensions of the credit for qualified sick and family leave wages and the employee retention credit, and the new credit for COBRA premium assistance payments, discussed above, Form 7200, Advance Payment of Employer Credits Due to COVID-19, may be filed to request an advance payment. For more information, including information on which employers are eligible to request an advance payment, the deadlines for requesting an advance, and the amount that can be advanced, see the Instructions for Form 7200.

The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). See [Recovery startup business](#), later, for more information about a recovery startup business. Some employers that are no longer eligible to claim the employee retention

credit for the fourth quarter of 2021 may have already submitted Form 7200 to request an advance payment of the employee retention credit for the fourth quarter of 2021. If the Form 7200 hasn't been processed, the IRS will use the employer's indication of whether it is a recovery startup business (Form 7200, Part 1, line H) as part of the determination regarding whether the Form 7200 claiming the employee retention credit in the fourth quarter of 2021 should be accepted or rejected. A refund or credit of any portion of the employee retention credit to a taxpayer in excess of the amount to which the taxpayer is entitled is an erroneous refund that the employer must repay, regardless of whether the refund or credit is advanced. Accordingly, if an employer requested and received an advance payment of the employee retention credit for the fourth calendar quarter of 2021, and the employer isn't a recovery startup business, the employer isn't eligible for an employee retention credit and must repay the amount of the advance. Employers who need to repay excess advance payments of the employee retention credit must do so by January 31, 2022, by including the advance payment on their 2021 Form 944, Part 1, [line 10i](#), and paying any balance due by January 31, 2022.

Deferral of the employer share of social security tax expired. The CARES Act allowed employers to defer the deposit and payment of the employer share of social security tax. The deferred amount of the employer share of social security tax was only available for deposits 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 on or after March 27, 2020, and before January 1, 2021. Therefore, the line previously used for the employer deferral has been "Reserved for future use." One-half of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. 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). See [Paying the deferred amount of the employer share of social security tax](#) and [How to pay the deferred amount of the employer and employee share of social security tax](#), later, for information about paying the deferred amount of the employer share of social security tax.

Deferral of the employee share of social security tax expired. The Presidential Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster, issued on August 8, 2020, directed the Secretary of the Treasury to defer the withholding, deposit, and payment of the employee share of social security tax on wages paid during the period from September 1, 2020, through December 31, 2020. The deferral of the withholding and payment of the employee share of social security tax was available for employees whose social security wages paid for a biweekly pay period were less than \$4,000, or the equivalent threshold

amount for other pay periods. The line previously used for the employee deferral has been "Reserved for future use." The COVID-related Tax Relief Act of 2020 defers the due date for the withholding and payment of the employee share of social security tax until the period beginning on January 1, 2021, and ending on December 31, 2021. For more information about the deferral of employee social security tax, 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). Also see [Paying the deferred amount of the employee share of social security tax](#) and [How to pay the deferred amount of the employer and employee share of social security tax](#), later, for information about paying the deferred amount of the employee share of social security tax.

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 will be claimed on new Form 5884-D (not on Form 944). Form 5884-D is filed after the Form 944 for the year for which the credit is being claimed has been filed. If you will claim this credit on Form 5884-D for 2021 and you're also claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, and/or the employee retention credit for qualified wages paid before July 1, 2021, you must include any credit that will be claimed on Form 5884-D on [Worksheet 1](#) and/or [Worksheet 2](#), respectively. For more information about this credit, go to [IRS.gov/Form5884D](https://www.irs.gov/Form5884D).

Reminders

Paying the deferred amount of the employer share of social security tax. One-half of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. 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 example, if your employer share of social security tax for 2020 was \$20,000 and you deposited \$5,000 of the \$20,000 during 2020 and deferred \$15,000 on Form 944, line 10b, then you must pay \$5,000 by December 31, 2021, and \$10,000 by December 31, 2022. However, if your employer share of social security tax for 2020 was \$20,000 and you deposited \$15,000 of the \$20,000 during 2020 and deferred \$5,000 on Form 944, line 10b, then you don't need to pay any deferred amount by December 31, 2021, because 50% of the amount that could have been deferred (\$10,000) has already been paid and is first applied against your payment that would be due on December 31, 2021. Accordingly, you must pay the \$5,000 deferral by December 31, 2022. Payment of the deferral isn't reported on Form 944. For additional information, go to [IRS.gov/ETD](https://www.irs.gov/ETD).

Paying the deferred amount of the employee share of social security tax. The due date for the withholding and payment of the employee share of social security tax is postponed until the period beginning on January 1, 2021, and ending on December 31, 2021. The employer must withhold and pay the total deferred employee share of social security tax ratably from wages paid to the employee between January 1, 2021, and December 31, 2021. If necessary, the employer may make arrangements to otherwise collect the total deferred taxes from the employee. The employer is liable to pay the deferred taxes 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. Payment of the deferral isn't reported on Form 944. For more information about the deferral of the employee share of social security tax, see [Notice 2020-65](#) and [Notice 2021-11](#).

How to pay the deferred amount of the employer and employee share of social security tax. You may pay the amount you owe electronically using the Electronic Federal Tax Payment System (EFTPS), by credit or debit card, or by a check or money order. The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](https://www.eftps.gov), or call 800-555-4477 or 800-733-4829 (TDD). To pay the deferred amount using EFTPS, select Form 944, calendar year 2020, and the option to pay the deferred amount.

To pay by credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/PayByCard). If you pay by check or money order, include a 2020 Form 944-V, Payment Voucher. The 2020 Form 944-V is on page 5 of Form 944 and is available at [IRS.gov/Form944](https://www.irs.gov/Form944) (select the link for "All Form 944 Revisions" under "Other Items You May Find Useful"). Make the check or money order payable to "United States Treasury." Enter your EIN, "Form 944," and "2020" on your check or money order.

Payments should be sent to:

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

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

Send your payment to the address above that is in the same state as the address to which you would mail returns filed without a payment, as shown under [Where Should You File](#), later. For more information about the deferral of social security tax, go to [IRS.gov/ETD](https://www.irs.gov/ETD) and see [Notice 2020-65](#) and [Notice 2021-11](#).

Qualified small business payroll tax credit for increasing research activities. For tax years beginning after 2015, a qualified small business may elect to claim up to \$250,000 of its credit for increasing research activities as a payroll tax credit against the employer share of social security tax. The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). The portion of the credit used against the employer share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business

filed its income tax return. The first Form 944 that you could claim this credit on was Form 944 filed for calendar year 2017. The election and determination of the credit amount that will be used against the employer share of social security tax are made on Form 6765, Credit for Increasing Research Activities. The amount from Form 6765, line 44, must then be reported on Form 8974, Qualified Small Business Payroll Tax Credit for Increasing Research Activities. Form 8974 is used to determine the amount of the credit that can be used in the current year. The amount from Form 8974, line 12, is reported on Form 944, line 8a. If you're claiming the research payroll tax credit on your Form 944, you must attach Form 8974 to Form 944. For more information about the payroll tax credit, see Notice 2017-23, 2017-16 I.R.B. 1100, available at [IRS.gov/irb/2017-16_IRB#NOT-2017-23](https://www.irs.gov/irb/2017-16_IRB#NOT-2017-23), and [IRS.gov/ResearchPayrollTC](https://www.irs.gov/ResearchPayrollTC). Also see [Adjusting tax liability for nonrefundable credits claimed on lines 8a, 8b, 8c, 8d, and 8e](#), later.

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

Employers can request to file Forms 941, 941-SS, or 941-PR instead of Form 944. Employers required to file Form 944, who want to file Forms 941, 941-SS, or 941-PR instead, must contact the IRS to request to file quarterly Forms 941, 941-SS, or 941-PR and opt out of filing Form 944. See [What if You Want To File Forms 941, 941-SS, or 941-PR Instead of Form 944](#), later.

Correcting a previously filed Form 944. If you discover an error on a previously filed Form 944, make the correction using Form 944-X. Form 944-X is filed separately from Form 944. For more information, see the Instructions for Form 944-X, section 13 of Pub. 15, or go to [IRS.gov/CorrectingEmploymentTaxes](https://www.irs.gov/CorrectingEmploymentTaxes).

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

For more information on making federal tax deposits, see section 11 of Pub. 15; section 8 of Pub. 80, Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; or section 11 of Pub. 179, Guía Contributiva Federal para Patronos Puertorriqueños. To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](https://www.eftps.gov) or call one of the following numbers.

- 800-555-4477
- 800-733-4829 (TDD)
- 800-244-4829 (Spanish)

- 303-967-5916 if you're outside the United States (toll call)

Additional information about EFTPS is also available in Pub. 966 or Pub. 966 (SP).



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

Same-day wire payment option. If you fail to submit a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, you can still make your deposit on time by using the Federal Tax Collection Service (FTCS) to make a same-day wire payment. To use the same-day wire payment method, you will need to make arrangements with your financial institution ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution may charge you a fee for payments made this way. To learn more about the information you will need to give your financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).

Timeliness of federal tax deposits. If a deposit is required to be made on a day that isn't a business day, the deposit is considered timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday. The term "legal holiday" for deposit purposes includes only those legal holidays in the District of Columbia. Legal holidays in the District of Columbia are provided in Pub. 15, Pub. 80, and Pub. 179.

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

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



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

Electronic funds withdrawal (EFW). If you file Form 944 electronically, you can e-file and use EFW to pay the balance due in a single step using tax preparation software or through a tax professional. However, don't use EFW to make federal tax deposits. For more information on paying your taxes using EFW, go to [IRS.gov/EFW](https://www.irs.gov/EFW).

Credit or debit card payments. You can pay the balance due shown on Form 944 by credit or debit card. Your payment will be processed by a payment processor who will charge a processing fee. Don't use a credit or debit card to make federal tax deposits. For more information on paying your taxes with a credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/PayByCard).

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

Paid preparers. If you use a paid preparer to complete Form 944, the paid preparer must complete and sign the paid preparer's section of the form.

Outsourcing payroll duties. You're responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action. Before you choose to outsource any of your payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) to a third-party payer, such as a payroll service provider or reporting agent, go to [IRS.gov/OutsourcingPayrollDuties](https://www.irs.gov/OutsourcingPayrollDuties) for helpful information on this topic. For more information on the different types of third-party payer arrangements, see section 16 of Pub. 15.

Where can you get telephone help? For answers to your questions about completing Form 944 or tax deposit rules, call the IRS at one of the numbers listed below.

- 800-829-4933 (Business and Specialty Tax Line) 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; employers in Puerto Rico receive service from 8:00 a.m. to 8:00 p.m. local time).
- 267-941-1000 if you're outside the United States (toll call), Monday–Friday from 6:00 a.m. to 11:00 p.m. Eastern time.

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

General Instructions

Purpose of Form 944

Form 944 is designed so the smallest employers (those whose annual liability for social security, Medicare, and withheld federal income taxes is \$1,000 or less) will file and pay these taxes only once a year instead of every quarter. These instructions give you some background information about Form 944. They tell you who must file Form 944, how to complete it line by line, and when and where to file it.

If you want more in-depth information about payroll tax topics relating to Form 944, see Pub. 15, Pub. 80, or Pub. 179, and go to [IRS.gov/EmploymentTaxes](https://www.irs.gov/EmploymentTaxes).

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



References to federal income tax withholding don't apply to employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico, unless you have employees who are subject to U.S. income tax withholding.

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

For more information about annual employment tax filing and tax deposit rules, see Treasury Decision 9566, 2012-8 I.R.B. 389, at [IRS.gov/irb/2012-08_IRB#TD-9566](https://www.irs.gov/irb/2012-08_IRB#TD-9566).

Who Must File Form 944?

In general, if the IRS has notified you to file Form 944, you must file Form 944 instead of Forms 941, 941-SS, or 941-PR to report the following amounts.

- Wages you have paid.
- Tips your employees reported to you.
- Federal income tax you withheld.
- Both the employer and the employee share of social security and Medicare taxes.
- Additional Medicare Tax withheld from employees.
- Current year's adjustments to social security and Medicare taxes for fractions of cents, sick pay, tips, and group-term life insurance.
- Qualified small business payroll tax credit for increasing research activities.
- Credit for qualified sick and family leave wages.
- Employee retention credit.
- COBRA premium assistance credit.
- Total advances received from filing Form(s) 7200.

If you received notification to file Form 944, you must file Form 944 to report your social security, Medicare, and withheld federal income taxes for the 2021 calendar year unless you called the IRS between January 1, 2021, and April 1, 2021, or sent a written request postmarked between January 1, 2021, and March 15, 2021, to request to file Forms 941, 941-SS, or 941-PR quarterly instead and received written confirmation that your filing requirement was changed. You must file Form 944 even if you have no taxes to report (or you have taxes in excess of \$1,000 to report) unless you filed a final return for the prior year. See [If Your Business Has Closed...](#), later. Also see [What if You Want To File Forms 941, 941-SS, or 941-PR Instead of Form 944](#), later.



If the IRS notified you in writing to file Form 944, you must file Form 944 (and not Forms 941, 941-SS, or 941-PR) even if your tax liability for 2021 exceeds \$1,000. Once your annual tax liability exceeds \$1,000, the IRS will notify you that you're no longer eligible to file Form 944 in future years and that you must file Form 941, 941-SS, or 941-PR quarterly. However, until you receive the notice, continue to file Form 944 annually. If you're unsure of your current filing requirement, call 800-829-4933. If you're outside the United States, call 267-941-1000 (toll call).

What if You Want To File Form 944 in Future Years Instead of Forms 941, 941-SS, or 941-PR?

If you haven't received notification to file Form 944 for 2022 but estimate your employment tax liability for calendar year 2022 will be \$1,000 or less and would like to file Form 944 instead of Forms 941, 941-SS, or 941-PR, you can contact the IRS to request to file Form 944 for 2022. To file Form 944 for calendar year 2022, you must call the IRS at 800-829-4933 (267-941-1000 (toll call) if you're outside the United States) between January 1, 2022, and April 1, 2022, or send a written request postmarked between January 1, 2022, and March 15, 2022. The mailing addresses for written requests are provided under [What if You Want To File Forms 941, 941-SS, or 941-PR Instead of Form 944](#), later. The IRS will send you a written notice that your filing requirement has been changed to Form 944. If you don't receive this notice, you must file Forms 941, 941-SS, or 941-PR for calendar year 2022.

New Employers

New employers are also eligible to file Form 944 if they will meet the eligibility requirements. New employers filing Form SS-4, Application for Employer Identification Number, or Form SS-4PR, Solicitud de Número de Identificación Patronal (EIN), must complete line 13 of Form SS-4 or SS-4PR, indicating the highest number of employees expected in the next 12 months, and must check the box on line 14 of Form SS-4 or SS-4PR to indicate whether they expect to have \$1,000 or less in employment tax liability for the calendar year and would like to file Form 944. Based on current tax rates, if you pay \$5,000 or less in wages subject to social security and Medicare taxes and federal income tax withholding during the calendar year, you're generally likely to pay \$1,000 or less in employment taxes. Generally, if you're an employer in Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands and you pay \$6,536 or less in wages subject to social security and Medicare taxes during the calendar year, you're likely to pay \$1,000 or less in employment taxes. New employers are advised of their employment tax filing requirement when they are issued their EINs.

What if You Want To File Forms 941, 941-SS, or 941-PR Instead of Form 944?

You must file Form 944 if the IRS has notified you to do so, unless the IRS notifies you to file quarterly Forms 941, 941-SS, or 941-PR instead, or you contact the IRS to

request to file those forms. To request to file quarterly Forms 941, 941-SS, or 941-PR to report your social security, Medicare, and withheld federal income taxes for the 2022 calendar year, call the IRS at 800-829-4933 (267-941-1000 (toll call) if you're outside the United States) between January 1, 2022, and April 1, 2022, or send a written request postmarked between January 1, 2022, and March 15, 2022. Written requests should be sent to:

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0038

Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0038

If you would mail your return filed without a payment to Ogden, as shown under [Where Should You File](#), later, send your request to the Ogden address shown above. If you would mail your return filed without a payment to Kansas City, send your request to the address for Cincinnati shown above. After you contact the IRS, the IRS will send you a written notice that your filing requirement has been changed. If you don't receive this notice, you must file Form 944 for calendar year 2022. For more information about these procedures, see Rev. Proc. 2009-51, 2009-45 I.R.B. 625, available at [IRS.gov/irb/2009-45_IRB#RP-2009-51](#).

Who Can't File Form 944?

The following employers can't file Form 944.

- **Employers who aren't notified.** If the IRS doesn't notify you to file Form 944, don't file Form 944. If you would like to file Form 944 instead of Forms 941, 941-SS, or 941-PR, see [What if You Want To File Form 944 in Future Years Instead of Forms 941, 941-SS, or 941-PR](#), earlier.
- **Household employers.** If you employ only household employees, don't file Form 944. For more information, see Pub. 926 and Schedule H (Form 1040), or Pub. 179 and Schedule H-PR.
- **Agricultural employers.** If you employ only agricultural employees, don't file Form 944. For more information, see Pub. 51 and Form 943, or Pub. 179 and Form 943-PR.

What if You Reorganize or Close Your Business?

If You Sell or Transfer Your Business...

If you sell or transfer your business during the year, you and the new owner must each file a Form 944, 941, 941-SS, or 941-PR, whichever is required, for the year in which the transfer occurred. Report only the wages you paid.

When two businesses merge, the continuing firm must file a return for the year in which the change took place and the other firm should file a final return.

Changing from one form of business to another—such as from a sole proprietorship to a partnership or corporation—is considered a transfer. If a transfer occurs, you may need a new EIN. See Pub. 1635 and section 1 of Pub. 15 for more information.

Attach a statement to your return with all the following information.

- The new owner's name (or the new name of the business).
- Whether the business is now a sole proprietorship, partnership, or corporation.
- The kind of change that occurred (a sale or transfer).
- The date of the change.
- The name of the person keeping the payroll records and the address where those records will be kept.

If Your Business Has Closed...

If you permanently go out of business or stop paying wages to your employees, you must file a final return. To tell the IRS that Form 944 for a particular year is your final return, check the box on line 14 and enter the final date you paid wages. Also attach a statement to your return showing the name of the person keeping the payroll records and the address where those records will be kept.

If you participated in a statutory merger or consolidation, or qualify for predecessor-successor status due to an acquisition, you should generally file Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations. See the Instructions for Schedule D (Form 941) to determine whether you should file Schedule D (Form 941) and when you should file it.

When Must You File?

For 2021, file Form 944 by January 31, 2022. However, if you made deposits on time in full payment of the taxes due for the year, you may file the return by February 10, 2022.

File Form 944 only once for each calendar year. If you filed Form 944 electronically, don't file a paper Form 944. For more information about filing Form 944 electronically, see [Electronic filing and payment](#), earlier.

If we receive Form 944 after the due date, we will treat Form 944 as filed on time if the envelope containing Form 944 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 generally consider Form 944 filed when it is actually received. For more information about PDSs, see [Where Should You File](#), later.

How Should You Complete Form 944?

Enter your EIN, name, and address in the spaces provided. Also enter your name and EIN at the top of pages 2 and 3. Don't use your social security number (SSN) or individual taxpayer identification number (ITIN). Generally, enter the business (legal) name that you used when you applied for your EIN. For example, if you're a sole proprietor, enter "Tyler Smith" on the *Name* line and "Tyler's Cycles" on the *Trade name* line. Leave the *Trade name* line blank if it is the same as your *Name* line.

If you use a tax preparer to complete Form 944, make sure the preparer uses your correct business name and EIN.

Employer identification number (EIN). To make sure that businesses comply with federal tax laws, the IRS monitors tax filings and payments by using a numerical system to identify taxpayers. A unique nine-digit EIN is assigned to all corporations, partnerships, and some sole proprietors. Businesses needing an EIN must apply for a number and use it throughout the life of the business on all tax returns, payments, and reports.

Your business should have only one EIN. If you have more than one and aren't sure which one to use, write to the IRS office where you file your returns (using the *Without a payment* address under [Where Should You File](#), later) or call the IRS at 800-829-4933. If you're outside the United States, call 267-941-1000 (toll call).

If you don't have an EIN, you may apply for one online by visiting [IRS.gov/EIN](#). You may also apply for an EIN by faxing or mailing Form SS-4 or SS-4PR to the IRS. If the principal business was created or organized outside of the United States or U.S. territories, you may also apply for an EIN by calling 267-941-1099 (toll call). If you have applied for an EIN but don't have your EIN by the time a return is due, file a paper return and write "Applied For" and the date you applied in the space shown for the number.



If you're filing your tax return electronically, a valid EIN is required at the time the return is filed. If a valid EIN isn't provided, the return won't be accepted. This may result in penalties.



Always be sure the EIN on the form you file exactly matches the EIN the IRS assigned to your business. Don't use your SSN or ITIN on forms that ask for an EIN. If you used an EIN (including a prior owner's EIN) on Form 944 that is different from the EIN reported on Form W-3, see Box h—Other EIN used this year in the General Instructions for Forms W-2 and W-3. Filing a Form 944 with an incorrect EIN or using another business's EIN may result in penalties and delays in processing your return.

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

- Write to the IRS office where you file your returns (using the *Without a payment* address under [Where Should You File](#), later) to notify the IRS of any business name change. See Pub. 1635 to see if you need to apply for a new EIN.
- Complete and mail Form 8822-B to notify the IRS of a business address or responsible party change. Don't mail Form 8822-B with your Form 944. For a definition of "responsible party," see the Instructions for Form SS-4.

Completing and Filing Form 944

Make entries on Form 944 as follows to enable accurate processing.

- Use 12-point Courier font (if possible) for all entries if you're typing or using a computer to complete Form 944. Portable Document Format (PDF) forms on IRS.gov have fillable fields with acceptable font specifications.

- Don't enter dollar signs and decimal points. Commas are optional. Report dollars to the left of the preprinted decimal point and cents to the right of it. Don't round entries to whole dollars. Always show an amount for cents, even if it is zero.
- Leave blank any data field with a value of zero (except line 9).
- Enter negative amounts using a minus sign (if possible). Otherwise, use parentheses.
- Enter your name and EIN on all pages.
- Enter your name, EIN, "Form 944," and tax period on all attachments.
- Staple multiple sheets in the upper left corner when filing.

Complete all three pages. You must complete all three pages of Form 944 and sign on page 3. Failure to do so may delay processing of your return.

Required Notice to Employees About the Earned Income Credit (EIC)

To notify employees about the EIC, employers in the United States must give the employees one of the following items.

- Form W-2 which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on the back of Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

For more information, see section 10 of Pub. 15, Pub. 596, and [IRS.gov/EIC](https://www.irs.gov/EIC).

Reconciling Form 944 and Form W-3, W-3SS, or W-3PR

The IRS matches amounts reported on your Form 944 with Form W-2, W-2AS, W-2GU, W-2CM, W-2VI, or Form 499R-2/W-2PR amounts totaled on your Form W-3 or W-3SS, Transmittal of Wage and Tax Statements, or Form W-3PR, Informe de Comprobantes de Retención. If the amounts don't agree, you may be contacted by the IRS or the SSA. The following amounts are reconciled.

- Federal income tax withholding, if applicable.
- Social security wages.
- Social security tips.
- Medicare wages and tips.

For more information, see section 12 of Pub. 15.

Where Should You File?

You're encouraged to file Form 944 electronically. Go to [IRS.gov/EmploymentEfile](https://www.irs.gov/EmploymentEfile) for more information on electronic filing. If you file a paper return, where you file depends on whether you include a payment with Form 944. Mail your return to the address listed for your location in the table that follows.

PDSs can't deliver to P.O. boxes. You must use the U.S. Postal Service to mail an item to a P.O. box address. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of PDSs. For the

IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSstreetAddresses](https://www.irs.gov/PDSstreetAddresses). Select the mailing address listed on the webpage that is in the same state as the address to which you would mail returns filed without a payment, as shown next.

If you're in . . .		Without a payment . . .	With a payment . . .
Connecticut	New Jersey	Department of the Treasury	Internal Revenue Service
Delaware	New York	Treasury	P.O. Box 806532
District of Columbia	North Carolina	Internal Revenue Service	Cincinnati, OH
Georgia	Ohio	Kansas City, MO	45280-6532
Illinois	Pennsylvania	64999-0044	
Indiana	Rhode Island		
Kentucky	South Carolina		
Maine	Tennessee		
Maryland	Vermont		
Massachusetts	Virginia		
Michigan	West Virginia		
Mississippi	Wisconsin		
	New Hampshire		
Alabama	Missouri	Department of the Treasury	Internal Revenue Service
Alaska	Montana	Treasury	P.O. Box 932100
Arizona	Nebraska	Internal Revenue Service	Louisville, KY
Arkansas	Nevada	Ogden, UT	40293-2100
California	New Mexico	84201-0044	
Colorado	North Dakota		
Florida	Oklahoma		
Hawaii	Oregon		
Idaho	South Dakota		
Iowa	Texas		
Kansas	Utah		
Louisiana	Washington		
Minnesota	Wyoming		
Mississippi			
No legal residence or principal place of business in any state		Internal Revenue Service P.O. Box 409101 Ogden, UT 84409	Internal Revenue Service P.O. Box 932100 Louisville, KY 40293-2100

Special filing address 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 84201-0044	Internal Revenue Service P.O. Box 932100 Louisville, KY 40293-2100
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Your filing address may have changed from that used to file your employment tax return in prior years. Don't send Form 944 or any payments to the Social Security Administration (SSA).

Must You Deposit Your Taxes?

If your liability for withheld federal income tax and social security and Medicare taxes (Form 944, line 9) is less than \$2,500 for the year, you can pay the taxes with your return. To avoid a penalty, you should pay in full and file on time. You don't have to deposit the taxes. However, you may choose to make deposits of these taxes even if your liability is less than \$2,500. If your liability for these taxes is \$2,500 or more, you're generally required to deposit the taxes instead of paying them when you file Form 944. See the [Federal Tax Deposit Requirements for Form 944 Filers](#) chart, later. If you don't deposit the taxes when required, you may be subject to penalties and interest.

The \$2,500 threshold at which federal tax deposits must be made is different from the amount of annual tax

liability (\$1,000 or less) that makes an employer eligible to file Form 944. Form 944 filers whose businesses grow during the year may be required to make federal tax deposits (see chart next), but they will still file Form 944 for the year.

Federal Tax Deposit Requirements for Form 944 Filers

If your tax liability is:	Your deposit requirement is:
Less than \$2,500 for the year	No deposit required. You may pay the tax with your return. If you're unsure that your tax liability for the year will be less than \$2,500, deposit under the rules below.
\$2,500 or more for the year, but less than \$2,500 for the quarter	You can deposit by the last day of the month after the end of a quarter. However, if your fourth quarter tax liability is less than \$2,500, you may pay the fourth quarter's tax liability with Form 944.
\$2,500 or more for the quarter	You must deposit monthly or semiweekly depending on your deposit schedule. But, if you accumulate \$100,000 or more of taxes on any day, you must deposit the tax by the next business day. See section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179.

See section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for information about payments made under the accuracy of deposits rule.

Note. When you make deposits depends on your deposit schedule, which is either monthly or semiweekly, depending on the amount of your tax liability during the lookback period. The lookback period for Form 944 filers is different from the lookback period for Form 941, 941-SS, and 941-PR filers, so your deposit schedule may have changed. For more information, see section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. If you're a monthly schedule depositor and accumulate a \$100,000 tax liability on any day during the deposit period, you become a semiweekly schedule depositor on the next day and remain so for at least the rest of the calendar year and for the following calendar year. If you become a semiweekly schedule depositor under this rule solely as a result of the relief provided in Notice 2021-65 regarding the early termination of the employee retention credit for the fourth quarter of 2021, you may be converted back to a monthly schedule depositor by contacting the IRS. You may continue to deposit in accordance with your status as a monthly schedule depositor, but you may receive a system-generated failure-to-deposit (FTD) penalty notice after you file your Form 944 for 2022. Contact the IRS at the toll-free number on your FTD penalty notice to request abatement of the FTD penalty and to be converted back to a monthly schedule depositor. Aside from this exception, ordinary rules for determining deposit frequency will continue to apply. The \$100,000 tax liability threshold

requiring a next-day deposit is determined before you consider any reduction of your liability for nonrefundable credits. For more information, including an example, see frequently asked question 17 at [IRS.gov/ETD](https://www.irs.gov/ETD).

Reducing your deposits for COVID-19 credits.

Employers eligible to claim the credit for qualified sick and family leave wages, the employee retention credit, and/or the COBRA premium assistance credit can reduce their deposits by the amount of their anticipated credits. You may reduce your deposits of federal employment taxes in anticipation of the COBRA premium assistance credit with regard to a period of coverage as of the date you are entitled to the credit. Employers won't be subject to an FTD penalty for reducing their deposits if certain conditions are met. See the instructions for [line 8b](#), [line 8c](#), [line 8d](#), and [line 8e](#) for more information on these credits. For more information on reducing deposits, see Notice 2020-22, 2020-17 I.R.B. 664, available at [IRS.gov/irb/2020-17_IRB#NOT-2020-22](https://www.irs.gov/irb/2020-17_IRB#NOT-2020-22), and Notice 2021-24, 2021-18 I.R.B. 1122, available at [IRS.gov/irb/2021-18_IRB#NOT-2021-24](https://www.irs.gov/irb/2021-18_IRB#NOT-2021-24). See the instructions for [line 13](#), later, for instructions on how to adjust your tax liabilities reported on line 13 or Form 945-A for nonrefundable credits.

Due to the termination of the employee retention credit for the fourth quarter of 2021 for employers that aren't recovery startup businesses, the IRS will no longer waive FTD penalties for employers that reduce deposits in anticipation of the employee retention credit after December 20, 2021, unless the employer is a recovery startup business. Some employers that are no longer eligible to claim the employee retention credit for the fourth quarter of 2021 may have already reduced their employment tax deposits in anticipation of claiming the employee retention credit for the fourth quarter of 2021. For deposits due on or before December 20, 2021, with respect to wages paid on or after October 1, 2021, an employer that isn't a recovery startup business won't be subject to an FTD penalty for the fourth quarter of 2021 if the employer:

- Reduced its deposits in anticipation of the employee retention credit, consistent with the rules provided by section 3.b. of [Notice 2021-24](#);
- Deposits the amounts initially retained in anticipation of the employee retention credit on or before the due date of the deposit for wages paid on December 31, 2021 (regardless of whether wages are actually paid on that date); and
- Reports the tax liability associated with the termination of the employer's employee retention credit on their 2021 Form 944, line 13l, or, if a semiweekly schedule depositor, on Form 945-A for the applicable day or days in December. For more information, see the [line 13](#) instructions, later.

Example. Reducing deposits for COBRA premium assistance. Maple Co. has a semimonthly payroll period. Sophie Rose elected COBRA premium assistance on May 17, 2021. Maple Co. became entitled to a COBRA premium assistance credit as of May 17, 2021, for the premiums not paid by Sophie (an assistance eligible individual) for the periods of coverage of April 1, 2021, through April 30, 2021, and May 1, 2021, through May 31,

2021. Maple Co. could have reduced its federal employment tax deposits as of May 17, 2021, in anticipation of the credit to which Maple Co. became entitled.

What About Penalties and Interest?

Avoiding Penalties and Interest

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

- Deposit or pay your taxes when they are due, unless you meet the requirements discussed in [Notice 2020-22](#) and [Notice 2021-24](#). See [Notice 2021-65](#) for modifications to Notice 2021-24 under the Infrastructure Act.
- File your fully completed Form 944 on time.
- Report your tax liability accurately.
- Submit valid checks for tax payments.
- Give accurate Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or Form 499R-2/W-2PR to employees.
- File Form W-3, W-3SS, or W-3PR and Copies A of Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or Form 499R-2/W-2PR with the SSA on time and accurately. Go to [SSA.gov/employer](https://ssa.gov/employer) for information on how to file Forms W-2 electronically.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See sections 11 and 12 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for details. Use Form 843 to request abatement of assessed penalties or interest. Don't request abatement of assessed penalties or interest on Form 944, 944-X, 944-X (SP), 941-X, or 941-X (PR).

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



If federal income, social security, and Medicare taxes that must be withheld (that is, trust fund taxes) aren't withheld or aren't deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is 100% of the unpaid trust fund tax. If these unpaid taxes can't be immediately collected from the employer or business, the trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so. For more information, see section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. The trust fund recovery penalty won't apply to any amount of trust fund taxes an employer holds back in anticipation of any credits they are entitled to. It also won't apply to applicable taxes properly deferred under section 2302 of the CARES Act or applicable taxes deferred under [Notice 2020-65](#) and [Notice 2021-11](#) if paid by the due date.

Specific Instructions

Part 1: Answer These Questions for This Year



Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico may skip lines 1 and 2, unless you have employees who are subject to U.S. income tax withholding.



For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages" that are reported on line 4a(i) for leave taken before April 1, 2021, or reported on line 4a for leave taken after March 31, 2021, and before October 1, 2021.

1. Wages, Tips, and Other Compensation

Enter amounts on line 1 that would also be included in box 1 of your employees' Forms W-2. See *Box 1—Wages, tips, other compensation* in the General Instructions for Forms W-2 and W-3 for details. Include sick pay paid by your agent. Also include sick pay paid by a third party that isn't your agent (for example, an insurance company) if you were given timely notice of the payments and the third party transferred liability for the employer's taxes to you.

If you're a third-party payer of sick pay and not an agent of the employer, don't include sick pay that you paid to policyholders' employees here if you gave the policyholders timely notice of the payments. See section 6 of Pub. 15-A, *Employer's Supplemental Tax Guide*, for more information about sick pay reporting and the procedures for transferring the liability to the employer.

2. Federal Income Tax Withheld From Wages, Tips, and Other Compensation

Enter the federal income tax that you withheld (or were required to withhold) from your employees on this year's wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit; tips; taxable fringe benefits; and supplemental unemployment compensation benefits. Don't include any income tax withheld by a third-party payer of sick pay even if you reported it on Forms W-2. You will reconcile this difference on Form W-3. For information on the employment tax treatment of fringe benefits, see Pub. 15-B, *Employer's Tax Guide to Fringe Benefits*. For information about supplemental unemployment compensation benefits, see section 5 of Pub. 15-A.

If you're a third-party payer of sick pay, enter the federal income tax you withheld (or were required to withhold) on third-party sick pay here.



References to federal income tax withholding don't apply to employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico, unless you have employees who are subject to U.S. income tax withholding.

3. If No Wages, Tips, and Other Compensation Are Subject to Social Security or Medicare Tax . . .

If no wages, tips, and other compensation on line 1 are subject to social security or Medicare tax, check the box on line 3 and go to line 5. If this question doesn't apply to you, leave the box blank. For more information about exempt wages, see section 15 of Pub. 15, section 12 of Pub. 80, or section 15 of Pub. 179. For religious exemptions, see section 4 of Pub. 15-A. For information on the employment tax treatment of fringe benefits, see Pub. 15-B.

4a–4e. Taxable Social Security and Medicare Wages and Tips

4a. Taxable social security wages. Enter the total wages, including qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021; qualified wages (other than qualified health plan expenses) for the employee retention credit; sick pay; and taxable fringe benefits subject to social security taxes that you paid to your employees during the year. Don't include the qualified sick leave wages reported on line 4a(i) or qualified family leave wages reported on line 4a(ii) for leave taken before April 1, 2021. For this purpose, sick pay includes payments made by an insurance company to your employees for which you received timely notice from the insurance company. See section 6 of Pub. 15-A for more information about sick pay reporting. See the instructions for [line 6](#) for an adjustment that you may need to make on Form 944 for sick pay.

Enter the amount before payroll deductions. Don't include tips on this line. For information on types of wages subject to social security taxes, see section 5 of Pub. 15, section 4 of Pub. 80, or section 5 of Pub. 179.

For 2021, the rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages for leave taken before April 1, 2021, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Stop paying social security tax on and entering an employee's wages on line 4a when the employee's taxable wages, including qualified sick leave wages reported on line 4a(i), qualified family leave wages reported on line 4a(ii), and tips, reach \$142,800 for the year. However, continue to withhold income and Medicare taxes for the whole year on all wages, including qualified sick leave wages, qualified family leave wages, and tips, even when the social security wage base of \$142,800 has been reached.

For purposes of the credit for qualified sick and family leave wages, qualified sick leave 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 sections 3121(b)(1)–(22),

that an employer pays that otherwise meet the requirements of the EPSLA or the Expanded FMLA, as enacted under the FFCRA and amended for purposes of the ARP. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified sick and family leave wages on lines 4a, 4a(i), 4a(ii), 4c, and, if applicable, 4d. See the instructions for [line 8d](#) for information about the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.

$$\begin{array}{r} \text{line 4a (column 1)} \\ \times \quad 0.124 \\ \hline \text{line 4a (column 2)} \end{array}$$

EPSLA. Employers with fewer than 500 employees and, for leave taken after March 31, 2021, and before October 1, 2021, certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA. Under the EPSLA, as amended for purposes of the ARP, wages are qualified sick leave wages if paid to employees that are unable to work or telework before October 1, 2021, because the employee:

1. Is subject to a federal, state, or local quarantine or isolation order related to COVID-19;
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. Is experiencing symptoms of COVID-19 and seeking a medical diagnosis; or, for leave taken after March 31, 2021, and before October 1, 2021, is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 (and the employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis), or the employee is obtaining immunizations related to COVID-19 or recovering from an injury, disability, illness, or condition related to such immunization;
4. Is caring for an individual subject to an order described in (1) or who has been advised as described in (2);
5. Is caring for a son or daughter because the school or place of care for that child has been closed, or the childcare provider for that child is unavailable, due to COVID-19 precautions; or
6. Is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services, which for leave taken after March 31, 2021, and before October 1, 2021, includes to accompany an individual to obtain immunization related to COVID-19, or to care for an individual who is recovering from any injury, disability, illness, or condition related to the immunization.

Son or daughter. A son or daughter must generally have been under 18 years of age or incapable of self-care because of a mental or physical disability. A son or daughter includes a biological child, adopted child, stepchild, foster child, legal ward, or child for whom the

employee assumes parental status and carries out the obligations of a parent.

Limits on qualified sick leave wages. The EPSLA, as amended for purposes of the ARP, provides different limitations for different circumstances under which qualified sick leave wages are paid. For paid sick leave qualifying under (1), (2), or (3) above, the amount of qualified sick leave wages is determined at the employee's regular rate of pay, but the wages may not exceed \$511 for any day (or portion of a day) for which the individual is paid sick leave. For paid sick leave qualifying under (4), (5), or (6) above, the amount of qualified sick leave wages is determined at two-thirds the employee's regular rate of pay, but the wages may not exceed \$200 for any day (or portion of a day) for which the individual is paid sick leave. The EPSLA also limits each individual to a maximum of up to 80 hours of paid sick leave in total for leave taken after March 31, 2020, and before April 1, 2021. The ARP resets this limit at 80 hours of paid sick leave for leave taken after March 31, 2021, and before October 1, 2021. Therefore, for leave taken after March 31, 2020, and before April 1, 2021, the maximum amount of paid sick leave wages can't exceed \$5,110 for an employee for leave under (1), (2), or (3), and it can't exceed \$2,000 for an employee for leave under (4), (5), or (6). These maximum amounts also reset and apply to leave taken after March 31, 2021, and before October 1, 2021.

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

Expanded FMLA. Employers with fewer than 500 employees and, for leave taken after March 31, 2021, and before October 1, 2021, certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit under the FFCRA, as amended for purposes of the ARP, if they provide paid family leave to employees that otherwise meets the requirements of the Expanded FMLA. For leave taken before April 1, 2021, wages are qualified family leave wages if paid to an employee who has been employed for at least 30 calendar days when an employee is unable to work or telework due to the need to care for a son or daughter under 18 years of age or incapable of self-care because of a mental or physical disability because the school or place of care for that child has been closed, or the childcare provider for that child is unavailable, due to a public health emergency. See [Son or daughter](#), earlier, for more information. For leave taken after March 31, 2021, and before October 1, 2021, the leave can be granted for any other reason provided by the EPSLA, as amended for purposes of the ARP.

For leave taken before April 1, 2021, the first 10 days for which an employee takes leave may be unpaid. During this period, employees may use other forms of paid leave, such as qualified sick leave, accrued sick leave, annual leave, or other paid time off. After an employee takes leave for 10 days, the employer provides the employee paid leave (that is, qualified family leave wages) for up to 10 weeks. For leave taken after March 31, 2021, and before October 1, 2021, the 10-day rule discussed above doesn't apply and the paid leave can be provided for up to 12 weeks.

Rate of pay and limit on wages. The rate of pay must be at least two-thirds of the employee's regular rate of pay (as determined under the Fair Labor Standards Act of 1938), multiplied by the number of hours the employee otherwise would have been scheduled to work. For leave taken after March 31, 2020, and before April 1, 2021, the total qualified leave wages can't exceed \$200 per day or \$10,000 in the aggregate per employee. For leave taken after March 31, 2021, and before October 1, 2021, the limit resets and the total qualified leave wages can't exceed \$200 per day or \$12,000 in the aggregate per employee.

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

4a(i). Qualified sick leave wages. Enter the qualified taxable (subject to social security tax) sick leave wages you paid to your employees during the year for leave taken before April 1, 2021. Qualified sick leave wages for leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 4a(i) when the employee's taxable wages, including wages reported on line 4a, qualified sick leave wages reported on line 4a(i), qualified family leave wages reported on line 4a(ii), and tips, reach \$142,800 for the year. See the instructions for [line 4c](#) for reporting Medicare tax on qualified sick leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified sick leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA, 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 leave wages on lines 4a(i), 4c, and, if applicable, 4d. See the instructions for [line 8b](#) for information about the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

$$\begin{array}{r} \text{line 4a(i) (column 1)} \\ \times \quad 0.062 \\ \hline \text{line 4a(i) (column 2)} \end{array}$$

4a(ii). Qualified family leave wages. Enter the qualified taxable (subject to social security tax) family leave wages you paid to your employees during the year for leave taken before April 1, 2021. Qualified family leave wages for leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 4a(ii) when the employee's taxable wages, including wages reported on line 4a, qualified sick leave wages reported on line 4a(i), qualified family leave wages reported on line 4a(ii), and tips, reach \$142,800 for the year. See the instructions for [line 4c](#) for reporting

Medicare tax on qualified family leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the Expanded FMLA, 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 family leave wages on lines 4a(ii), 4c, and, if applicable, 4d. See the instructions for [line 8b](#) for information about the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

$$\begin{array}{r} \text{line 4a(ii) (column 1)} \\ \times \quad 0.062 \\ \hline \text{line 4a(ii) (column 2)} \end{array}$$

4b. Taxable social security tips. Enter all tips your employees reported to you during the year until the total of the tips and taxable wages, including wages reported on line 4a, qualified sick leave wages reported on line 4a(i), and qualified family leave wages reported on line 4a(ii), for an employee reach \$142,800 for the year. Include all tips your employees reported to you even if you were unable to withhold the 6.2% employee share of social security tax. You will reduce your total taxes by the amount of any uncollected employee share of social security and Medicare taxes on tips later on line 6; see [Adjustments for tips and group-term life insurance](#), later. Don't include service charges on line 4b. For details about the difference between tips and service charges, see Rev. Rul. 2012-18, 2012-26 I.R.B. 1032, available at [IRS.gov/irb/2012-26_IRB#RR-2012-18](https://www.irs.gov/irb/2012-26_IRB#RR-2012-18).

Your employee must report cash tips to you by the 10th day of the month after the month the tips are received. Cash tips include tips paid by cash, check, debit card, and credit card. The report should include charged tips (for example, credit and debit card charges) you paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. Both directly and indirectly tipped employees must report tips to you. No report is required for months when tips are less than \$20. Employees may use Form 4070 (available only in Pub. 1244) or Form 4070-PR (available only in Pub. 1244-PR), or submit a written statement or electronic tip record.

$$\begin{array}{r} \text{line 4b (column 1)} \\ \times \quad 0.124 \\ \hline \text{line 4b (column 2)} \end{array}$$

For more information on tips, see section 6 of Pub. 15, section 5 of Pub. 80, or section 6 of Pub. 179.

4c. Taxable Medicare wages and tips. Enter all wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding

qualified health plan expenses) for the employee retention credit; tips; sick pay; and taxable fringe benefits that are subject to Medicare tax. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax. See the instructions for [line 6](#) for an adjustment that you may need to make on Form 944 for sick pay.

The rate of Medicare tax is 1.45% (0.0145) each for the employer and employee or 2.9% (0.029) for both. Include all tips your employees reported during the year, even if you were unable to withhold the employee tax of 1.45%.

$$\begin{array}{r} \text{line 4c (column 1)} \\ \times \quad 0.029 \\ \hline \text{line 4c (column 2)} \end{array}$$

4d. Taxable wages & tips subject to Additional Medicare Tax withholding. Enter all wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit; tips; sick pay; and taxable fringe benefits that are subject to Additional Medicare Tax withholding. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on what wages are subject to Medicare tax, see the chart, *Special Rules for Various Types of Services and Payments*, in section 15 of Pub. 15. For more information on Additional Medicare Tax, go to [IRS.gov/ADMT](https://www.irs.gov/ADMT). See the instructions for [line 6](#) for an adjustment that you may need to make on Form 944 for sick pay.

Once wages and tips exceed the \$200,000 withholding threshold, include all tips your employees reported during the year, even if you were unable to withhold the employee tax of 0.9%.

$$\begin{array}{r} \text{line 4d (column 1)} \\ \times \quad 0.009 \\ \hline \text{line 4d (column 2)} \end{array}$$

4e. Total social security and Medicare taxes. Add the column 2 amounts on lines 4a–4d. Enter the result on line 4e.

5. Total Taxes Before Adjustments

Add the total federal income tax withheld from wages, tips, and other compensation from line 2 and the total social security and Medicare taxes before adjustments from line 4e. Enter the result on line 5.

6. Current Year's Adjustments

Enter tax amounts that result from current period adjustments. Use a minus sign (if possible) to show an

adjustment that decreases the total taxes shown on line 5. Otherwise, use parentheses.

In certain cases, you must adjust the amounts you entered as social security and Medicare taxes in column 2 of lines 4a–4d to figure your correct tax liability for this year's Form 944. See section 13 of Pub. 15, section 9 of Pub. 80, or section 12 of Pub. 179.

Adjustment for fractions of cents. Enter adjustments for fractions of cents (due to rounding) relating to the employee share of social security and Medicare taxes withheld. The employee share of amounts shown in column 2 of lines 4a–4d may differ slightly from amounts actually withheld from employees' pay due to rounding social security and Medicare taxes based on statutory rates. This adjustment may be a positive or a negative adjustment.

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

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

Adjustments for tips and group-term life insurance. Enter a negative adjustment for:

- Any uncollected employee share of social security and Medicare taxes on tips, and
- The uncollected employee share of social security and Medicare taxes on group-term life insurance premiums paid for former employees.

See the General Instructions for Forms W-2 and W-3 for information on how to report the uncollected employee share of social security and Medicare taxes on tips and group-term life insurance on Form W-2.

Prior year's adjustments. If you need to adjust any amount reported on line 6 from a previously filed Form 944, complete and file Form 944-X. Form 944-X is an adjusted return or claim for refund and is filed separately from Form 944. See section 13 of Pub. 15 or section 9 of Pub. 80.

7. Total Taxes After Adjustments

Combine the amounts shown on lines 5 and 6 and enter the result on line 7.

8a. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

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



If you enter an amount on line 8a, you must attach Form 8974. The December 2017 revision of Form 8974 instructs you to enter the amount from Form 8974, line 12, on Form 944, line 8. For 2021, the amount from Form 8974, line 12, should be entered on Form 944, line 8a.



Form 944 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 certain taxes. The term “refundable” means the portion of the credit which is in excess of those taxes.

8b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken Before April 1, 2021

Certain private employers with fewer than 500 employees that provide paid sick leave under the [EPSLA](#) and/or provide paid family leave under the [Expanded FMLA](#) are eligible to claim the credit for qualified sick and family leave wages for leave taken before April 1, 2021. For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2j. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the [qualified health plan expenses](#) allocable to those wages, and the employer share of Medicare tax allocable to those wages. The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 944, lines 4a and 4b, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, any credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans, and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations.



If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the credit for qualified sick and family leave wages for amounts paid to your own employees, the amount of the employer share of social security tax reported on line 4a must be reduced by any adjustment you make on line 6 for the employer share of

social security tax transferred to your client. See [Worksheet 1](#) to figure your credit.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 944, line 10d. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

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

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

8c. Nonrefundable Portion of Employee Retention Credit

TIP Certain government entities are entitled to the credit for 2021, including (1) federal instrumentalities described in section 501(c)(1) and exempt from tax under section 501(a); and (2) any government, agency, or instrumentality that is a college or university or the principal purpose or function of the entity is providing medical or hospital care.

Instructions for Qualified Wages Paid After December 31, 2020, and Before July 1, 2021

Enter the nonrefundable portion of the employee retention credit from [Worksheet 2](#), Step 2, line 2h. The employee retention credit is 70% of the qualified wages you paid to your employees after December 31, 2020, and before July 1, 2021. Qualified wages include [qualified health plan expenses for the employee retention credit](#). The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 944, lines 4a and 4b, after that share is first reduced by any credit claimed on Form 8974 for the qualified small business payroll tax credit for increasing research activities, any credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans, any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations, and/or any credit

claimed for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021.



If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the employee retention credit for amounts paid to your own employees, the amount of the employer share of social security tax reported on line 4a must be reduced by any adjustment you make on line 6 for the employer share of social security tax transferred to your client. See [Worksheet 2](#) to figure your credit.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 944, line 10e. For more information on the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021, see [Notice 2021-23](#).

Qualified wages for the employee retention credit paid after December 31, 2020, and before July 1, 2021. The tax credit is equal to 70% of qualified wages paid to employees after December 31, 2020, and before July 1, 2021. Qualified wages, including qualified health plan expenses, are limited to a maximum of \$10,000 for each employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total). Qualified wages are wages for social security and Medicare tax purposes (for government entities, determined without regard to section 3121(b)(5), (6), (7), (10), or (13), except for services performed by an inmate at a penal institution) paid to certain employees during any period in a quarter in which your business operations are fully or partially suspended due to a governmental order or during a quarter in which your gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019.

The wages and qualified health plan expenses considered in calculating your credit depend on the size of your workforce. Eligible employers that had an average number of 500 or fewer full-time employees during 2019 count wages paid to all their employees and the qualified health plan expenses paid or incurred for all employees during any period in the first and second quarters of 2021, in which business operations are fully or partially suspended due to a governmental order or during a quarter in which gross receipts are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019. Eligible employers that had an average number of more than 500 full-time employees in 2019 may count only wages paid to employees for time that the employees weren't providing services, and qualified health plan expenses paid or incurred by the employer allocable to the time those employees weren't providing services, due to the suspension or decline in gross receipts.

Qualified wages don't include wages for which the employer receives a credit for qualified sick and family leave, and any wages taken into account in determining the employee retention credit can't be taken into account as wages for purposes of the credits under sections 41, 45A, 45P, 45S, 51, and 1396. Employers can receive both

a Small Business Interruption Loan under the PPP and the employee retention credit; however, employers can't receive both loan forgiveness and a credit for the same wages.

Qualified health plan expenses for the employee retention credit. Qualified wages for the employee retention credit include qualified health plan expenses. Qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses taken into account in determining the amount of qualified wages generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, the qualified health plan expenses shouldn't include amounts that the employee paid for with after-tax contributions. Generally, qualified health plan expenses are those which are allocable to an employee (and to a period) in which your business operations are fully or partially suspended due to a governmental order or experience a decline in gross receipts. The allocation will be treated as proper if made on the basis of being pro rata among periods of coverage.



If you complete Worksheet 2 because you paid qualified wages for the employee retention credit after December 31, 2020, and before July 1, 2021, and you also complete Worksheet 4 because you paid qualified wages for the employee retention credit after June 30, 2021, and before January 1, 2022, you must add the amounts from Worksheet 2, Step 2, line 2h, and Worksheet 4, Step 2, line 2h, together and report the total on Form 944, line 8c.

Instructions for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022



The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), later, for more information about a recovery startup business.

Enter the nonrefundable portion of the employee retention credit from [Worksheet 4](#), Step 2, line 2h. The employee retention credit is 70% of the qualified wages you paid to your employees after June 30, 2021, and before January 1, 2022. Qualified wages include [qualified health plan expenses for the employee retention credit](#). The nonrefundable portion of the credit is limited to the employer share of Medicare tax reported on Form 944, line 4c, after that share is first reduced by any credit claimed for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021.



If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the employee retention credit for amounts paid to your own employees, the amount of the employer share of Medicare tax reported on line 4c must be reduced by any adjustment you make on line 6 for the employer share of Medicare tax transferred to your client. See [Worksheet 4](#) to figure your credit.

Any credit in excess of the remaining amount of the employer share of Medicare tax is refundable and reported on Form 944, line 10e. For more information on the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#).

Qualified wages for the employee retention credit paid after June 30, 2021, and before January 1, 2022.

The tax credit is equal to 70% of qualified wages paid to employees after June 30, 2021, and before January 1, 2022. Qualified wages, including qualified health plan expenses, are limited to a maximum of \$10,000 for each employee in each of the third quarter and the fourth quarter of 2021 (\$20,000 in total). Qualified wages are wages for social security and Medicare tax purposes (for government entities, determined without regard to section 3121(b)(5), (6), (7), (10), or (13), except for services performed by an inmate at a penal institution) paid to certain employees during any period in the third and fourth quarters of 2021 in which your business operations are fully or partially suspended due to a governmental order or during a quarter in which your gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) are less than 80% of the gross receipts for the same calendar quarter in calendar year 2019; or wages paid by a recovery startup business. See [Recovery startup business](#), later, for more information about a recovery startup business. A recovery startup business must enter the total of any amounts included in lines 8c and 10e on lines 25 and 26, as applicable, for wages paid after June 30, 2021, and before January 1, 2022. The recovery startup business is limited to a \$50,000 employee retention credit in each of the third quarter and fourth quarter of 2021 (\$100,000 in total for the year). For more information, see the instructions for [line 25](#) and [line 26](#), later.

Unless you're a severely financially distressed employer, the wages and qualified health plan expenses considered in calculating your credit depend on the size of your workforce. Eligible employers that had an average number of 500 or fewer full-time employees during 2019 count wages paid to all their employees and the qualified health plan expenses paid or incurred for all employees during any period in the third and fourth quarters of 2021, in which business operations are fully or partially suspended due to a governmental order or during a quarter in which gross receipts are less than 80% of the gross receipts in the same calendar quarter in calendar year 2019. Eligible employers that had an average number of more than 500 full-time employees in 2019 may count only wages paid to employees for time that the employees weren't providing services, and qualified health plan expenses paid or incurred by the employer

allocable to the time those employees weren't providing services, due to the suspension or decline in gross receipts.

Qualified wages under section 3134 for the employee retention credit don't include wages taken into account for credits under sections 41, 45A, 45P, 45S, 51, 1396, 3131 (qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021), and 3132 (qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021). Qualified wages also don't include wages that were used as payroll costs in connection with a Shuttered Venue Operator Grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; or a restaurant revitalization grant under section 5003 of the ARP. Employers can receive both a Small Business Interruption Loan under the PPP and the employee retention credit; however, employers can't receive both loan forgiveness and a credit for the same wages.

Severely financially distressed employer. Severely financially distressed employers are eligible employers during the third quarter of 2021 whose gross receipts are less than 10% of the gross receipts for the same calendar quarter in calendar year 2019.

Recovery startup business. A recovery startup business is an employer that:

- Began carrying on a trade or business after February 15, 2020;
- Had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the calendar quarter in which the employee retention credit is claimed; and
- Only for credit claimed in the third quarter of 2021, isn't otherwise eligible for the employee retention credit because business operations weren't fully or partially suspended due to a governmental order or because gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) weren't less than 80% of the gross receipts for the same calendar quarter in calendar year 2019.

8d. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the [EPSLA](#), as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the [Expanded FMLA](#), as amended for purposes of the ARP, for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that

otherwise meet the requirements of the EPSLA or Expanded FMLA, as enacted under the FFCRA and amended for purposes of the ARP. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from [Worksheet 3](#), Step 2, line 2r.

The credit for qualified sick and family leave wages consists of the:

- Qualified sick leave wages and/or qualified family leave wages;
- [Qualified health plan expenses allocable to qualified sick and family leave wages](#);
- [Collectively bargained defined benefit pension plan contributions](#), subject to the qualified leave wage limitations, allocable to the qualified sick and family leave wages;
- [Collectively bargained apprenticeship program contributions](#), subject to the qualified leave wage limitations, allocable to the qualified sick and family leave wages; and
- Employer share of social security and Medicare tax allocable to the qualified sick and family leave wages.

The nonrefundable portion of the credit is limited to the employer share of Medicare tax reported on Form 944, line 4c. You can't claim the credit if you provide the leave in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure when making qualified sick and/or family leave available to employees. See [Highly compensated employee](#), later, for the definition.

For qualified sick and family leave wages paid before July 1, 2021, for leave taken after March 31, 2021, and before July 1, 2021, the credit for qualified sick and family leave wages is reduced by the amount of the credit allowed under section 2301 of the CARES Act (for the employee retention credit) or under section 41 (for the credit for increasing research activities) with respect to wages taken into account for determining both the credit under section 2301 of the CARES Act or section 41 and the credit for qualified sick and family leave wages; and any wages taken into account in determining the credit for qualified sick and family leave wages can't be taken into account as wages for purposes of the credits under sections 45A, 45P, 45S, and 51. For leave taken after June 30, 2021, the credit for qualified sick and family leave wages is reduced by the amount of the credit allowed under section 41 (for the credit for increasing research activities) with respect to wages taken into account for determining the credit for qualified sick and family leave wages; and any wages taken into account in determining the credit for qualified sick and family leave wages can't be taken into account as wages for purposes of the credits under sections 45A, 45P, 45S, 51, and 3134. For leave taken after March 31, 2021, and before October 1, 2021, qualified wages also don't include wages that were used as payroll costs in connection with a Shuttered Venue Operator Grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; or a restaurant revitalization grant under section 5003 of the ARP. Employers can receive both a Small Business Interruption Loan under the PPP and the credit for qualified sick and family leave

wages; however, employers can't receive both loan forgiveness and a credit for the same wages. The same wages can't be treated as both qualified sick leave wages and qualified family leave wages.



If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company) and you're claiming the credit for qualified sick and family leave wages for amounts paid to your own employees, the amount of the employer share of Medicare tax reported on line 4c must be reduced by any adjustment you make on line 6 for the employer share of Medicare tax transferred to your client. See [Worksheet 3](#) to figure your credit.

Any credit in excess of the remaining amount of the employer share of Medicare tax is refundable and reported on Form 944, line 10f. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

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

Collectively bargained defined benefit pension plan contributions. For purposes of qualified sick and family leave wages, collectively bargained defined benefit pension plan contributions are contributions during the quarter for which you're claiming the credit that are:

- Paid or incurred by an employer on behalf of its employees to a defined benefit plan, as defined in section 414(j), which meets the requirements of section 401(a);
- Made based on a pension contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter for which you're claiming the credit.

Pension contribution rate. The pension contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement to a defined benefit plan, as the rate is applied to contribution base units, as defined by section 4001(a)(11) of the Employee Retirement Income Security Act of 1974 (ERISA).

Allocation rules. The amount of collectively bargained defined benefit pension plan contributions allocated to qualified sick leave wages and/or qualified family leave wages during the quarter for which you're claiming the credit is the pension contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages

were provided to employees covered under the collective bargaining agreement during the quarter for which you're claiming the credit.

Collectively bargained apprenticeship program contributions. For purposes of qualified sick and family leave wages, collectively bargained apprenticeship program contributions are contributions during the quarter for which you're claiming the credit that are:

- Paid or incurred by an employer on behalf of its employees to a registered apprenticeship program, which is an apprenticeship registered under the National Apprenticeship Act of August 16, 1937, and meets the standards of Federal Regulations under subpart A of Part 29 and Part 30 of title 29;
- Made based on an apprenticeship program contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter for which you're claiming the credit.

Apprenticeship program contribution rate. The apprenticeship program contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement for benefits under a registered apprenticeship program, as the rate is applied to contribution base units, as defined by section 4001(a)(11) of ERISA.

Allocation rules. The amount of collectively bargained apprenticeship program contributions allocated to qualified sick leave wages and/or qualified family leave wages during the quarter for which you're claiming the credit is the apprenticeship program contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter for which you're claiming the credit.

Highly compensated employee. A highly compensated employee is an employee who meets either of the following tests.

1. The employee was a 5% owner at any time during the year or the preceding year.
2. The employee received more than \$130,000 in pay for the preceding year.

You can choose to ignore test (2) if the employee wasn't also in the top 20% of employees when ranked by pay for the preceding year.

8e. Nonrefundable Portion of COBRA Premium Assistance Credit

Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. You can claim the credit for a period of coverage once the individual elects COBRA continuation coverage, and for any period of coverage beginning after the election, as of the beginning of such period of coverage for which the individual doesn't pay the premiums for the coverage. Don't include any amount that was included as qualified wages for the employee retention credit or included as qualified health plan expenses allocable to qualified sick and family leave

wages. Enter the nonrefundable portion of the COBRA premium assistance credit from [Worksheet 5](#), Step 2, line 2g. See [COBRA background](#) next for more information about COBRA.

COBRA background. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. COBRA generally covers multiemployer health plans and health plans maintained by private-sector employers (other than churches) with 20 or more full- and part-time employees. Parallel requirements apply to these plans under ERISA. Under the Public Health Service Act, COBRA requirements also apply to health plans covering state or local government employees. Similar requirements apply under some state laws.

8f. Number of Individuals Provided COBRA Premium Assistance

Enter the number of individuals provided COBRA premium assistance for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. Count each assistance eligible individual that received assistance as one individual, whether or not the COBRA coverage was for insurance that covered more than one assistance eligible individual. For example, if the coverage was for a former employee, spouse, and two children, you would include one individual on line 8f. Further, each individual is reported only once per year. For example, an assistance eligible individual that received assistance monthly is only reported as one individual.

8g. Total Nonrefundable Credits

Add lines 8a, 8b, 8c, 8d, and 8e. Enter the total on line 8g.

9. Total Taxes After Adjustments and Nonrefundable Credits

Subtract line 8g from line 7 and enter the result on line 9. The amount entered on line 9 can't be less than zero.

- **If line 9 is less than \$2,500**, you may pay the amount with Form 944 or you may deposit the amount.
- **If line 9 is \$2,500 or more**, you must generally deposit your tax liabilities by EFT. However, if you deposited all taxes accumulated in the first 3 quarters of the year and your fourth quarter liability is less than \$2,500, you may pay taxes accumulated during the fourth quarter with Form 944. Also see section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179 for information about payments made under the accuracy of deposits rule. The amount shown on line 9 must equal the amount shown on line 13m or the "Total tax liability for the year" shown on line M of Form 945-A, Annual Record of Federal Tax Liability. For more information, see the [line 13](#) instructions, later.

For more information and rules about federal tax deposits, see [Must You Deposit Your Taxes](#), earlier, and section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. See [Notice 2020-22](#) and [Notice 2021-24](#) for information on reducing deposits for certain credits.



If you're a semiweekly schedule depositor, you must complete Form 945-A. If you fail to complete and submit Form 945-A, the IRS may assess deposit penalties based on available information.

10a. Total Deposits for This Year

Enter your deposits for this year, including any overpayment that you applied from filing Form 944-X, 944-X (SP), 941-X, or 941-X (PR) in the current year. Also include in the amount shown any overpayment from a previous period that you applied to this return. Don't include any amount you didn't deposit because you reduced your deposits in anticipation of the credit for qualified sick and family leave wages, the employee retention credit, and/or the COBRA premium assistance credit, as discussed in [Notice 2020-22](#) and [Notice 2021-24](#).

10d. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken Before April 1, 2021

Certain private employers with fewer than 500 employees that provided paid sick leave under the [EPSLA](#) and/or provided paid family leave under the [Expanded FMLA](#) are eligible to claim the credit for qualified sick and family leave wages. Enter the refundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2k. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the [qualified health plan expenses](#) allocable to those wages, and the employer share of Medicare tax allocable to those wages. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits that are applied against the employer share of social security tax.

10e. Refundable Portion of Employee Retention Credit



If you complete [Worksheet 2](#) because you paid qualified wages for the employee retention credit after December 31, 2020, and before July 1, 2021, and you also complete [Worksheet 4](#) because you paid qualified wages for the employee retention credit after June 30, 2021, and before January 1, 2022, you must add the amounts from [Worksheet 2](#), Step 2, line 2i, and [Worksheet 4](#), Step 2, line 2i, together and report the total on Form 944, line 10e.

Credit for qualified wages paid after December 31, 2020, and before July 1, 2021. Enter the refundable portion of the employee retention credit from [Worksheet 2](#), Step 2, line 2i. The employee retention credit is 70% of the [qualified wages for the employee retention credit paid after December 31, 2020, and before July 1, 2021](#). The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits that are applied against the employer share of social security tax



The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee

retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), earlier, for more information about a recovery startup business.

Credit for qualified wages paid after June 30, 2021, and before January 1, 2022. Enter the refundable portion of the employee retention credit from [Worksheet 4](#), Step 2, line 2i. The employee retention credit is 70% of the [qualified wages for the employee retention credit paid after June 30, 2021, and before January 1, 2022](#). The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

10f. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the [EPSLA](#), as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the [Expanded FMLA](#), as amended for purposes of the ARP, for leave taken after March 31, 2021, and before October 1, 2021. Enter the refundable portion of the credit for qualified sick and family leave wages from [Worksheet 3](#), Step 2, line 2s. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

10g. Refundable Portion of COBRA Premium Assistance Credit

Enter the refundable portion of the COBRA premium assistance credit from [Worksheet 5](#), Step 2, line 2h. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

10h. Total Deposits and Refundable Credits

Add lines 10a, 10d, 10e, 10f, and 10g. Enter the total on line 10h.

10i. Total Advances Received From Filing Form(s) 7200 for the Year

Enter the total advances received from filing Form(s) 7200 for the year. If you filed Form 7200 but you haven't received the advance before filing Form 944, don't include that amount. Employers were eligible to file Form 7200 if they paid qualified sick leave wages, qualified family leave

wages, or qualified wages for the employee retention credit, and/or provided COBRA premium assistance and the amount of employment tax deposits they retained wasn't sufficient to cover their anticipated credits. Include on line 10i any advance payment of the employee retention credit that you received for the fourth quarter of 2021 even if you're no longer eligible for the employee retention credit because you're not a recovery startup business. See [Advance payment of COVID-19 credits extended](#), earlier, for more information.



Form 7200 may be filed up to the earlier of January 31, 2022, or the filing of Form 944 for the year. However, if you file Form 7200 after the end of the year, it's possible that it may not be processed prior to the processing of the filed Form 944. Advance payment requests on Form 7200 won't be paid after your Form 944 is processed. When the IRS processes Form 944, we will correct the amount reported on line 10i to match the amount of advance payments issued or contact you to reconcile the difference before we finish processing Form 944.

10j. Total Deposits and Refundable Credits Less Advances

Subtract line 10i from line 10h. Enter the result on line 10j.

11. Balance Due

If line 9 is more than line 10j, enter the difference on line 11. Otherwise, see [Overpayment](#), later. **Never make an entry on both lines 11 and 12.**

You don't have to pay if line 11 is less than \$1. Generally, you should have a balance due only if your total taxes after adjustments and nonrefundable credits (line 9) are less than \$2,500. However, see *If line 9 is \$2,500 or more* under the instructions for line 9, [Total Taxes After Adjustments and Nonrefundable Credits](#), earlier, for exceptions.

If you were required to make federal tax deposits, pay the amount shown on line 11 by EFT. If you weren't required to make federal tax deposits (see the [Federal Tax Deposit Requirements for Form 944 Filers](#) chart, earlier) or you're a monthly schedule depositor making a payment under the accuracy of deposits rule, you may pay the amount shown on line 11 by EFT, credit card, debit card, check, money order, or EFW. For more information on electronic payment options, go to [IRS.gov/Payments](#).

If you pay by EFT, credit card, or debit card, file your return using the *Without a payment* address under [Where Should You File](#), earlier. Don't file Form 944-V, Payment Voucher.

If you pay by check or money order, make it payable to "United States Treasury." Enter your EIN, "Form 944," and the tax period on your check or money order. Complete Form 944-V and enclose it with Form 944.



If you're required to make deposits and instead pay the taxes with Form 944, you may be subject to a penalty.

What if you can't pay in full? If you can't pay the full amount of tax you owe, you can apply for an installment

agreement online. You can apply for an installment agreement online if:

- You can't pay the full amount shown on line 11,
- The total amount you owe is \$25,000 or less, and
- You can pay the liability in full in 24 months.

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

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

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

12. Overpayment

If line 10j is more than line 9, enter the amount on line 12. **Never make an entry on both lines 11 and 12.**

If you deposited more than the correct amount for the year, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check only one box on line 12. If you don't check either box or if you check both boxes, we will generally apply the overpayment to your next return. Regardless of any boxes you check or don't check on line 12, we may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 12 is less than \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

Part 2: Tell Us About Your Deposit Schedule and Tax Liability for This Year

13. Tax Liability

If line 9 is less than \$2,500, check the first box on line 13 and go to line 14.

If line 9 is \$2,500 or more, check the second box on line 13. If you're a monthly schedule depositor, enter your tax liability for each month and figure the total liability for the year. The amounts entered on line 13 are a summary of your monthly tax liabilities, not a summary of deposits you made. The IRS gets deposit data from EFTs. Enter your tax liabilities in the month that corresponds to the dates you paid wages to your employees, not the date payroll liabilities were accrued or deposits were made. If you don't enter your tax liability for each month, the IRS won't know when you should have made deposits and may assess an "averaged" FTD penalty. See section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. If your tax liability for any month is negative after accounting for your adjustments reported on line 6, don't enter a negative amount for the month. Instead, enter zero for the month and subtract that negative amount from your tax liability for the next month.



The amount shown on line 13m must equal the amount shown on line 9. If it doesn't, your tax deposits and payments may not be counted as timely. Don't reduce your total liability reported on line 13 by the refundable portion of the credit for qualified sick and family leave wages, the refundable portion of the employee retention credit, or the refundable portion of the COBRA premium assistance credit. Don't change your current year tax liability reported on line 13 by adjustments reported on any Forms 944-X.

If you're a semiweekly schedule depositor or if you became one because you accumulated \$100,000 or more in tax liability on any day in a deposit period, you must complete Form 945-A and file it with Form 944. See *\$100,000 Next-Day Deposit Rule* in section 11 of Pub. 15, section 8 of Pub. 80, or section 11 of Pub. 179. Don't complete lines 13a–13m if you file Form 945-A.

Adjusting tax liability for nonrefundable credits claimed on lines 8a, 8b, 8c, 8d, and 8e. Monthly schedule depositors and semiweekly schedule depositors must account for nonrefundable credits claimed on lines 8a, 8b, 8c, 8d, and 8e when reporting their tax liabilities on line 13 or Form 945-A. The total tax liability for the year must equal the amount reported on line 9. Failure to account for the nonrefundable credits on line 13 or Form 945-A may cause line 13 or Form 945-A to report more than the total tax liability reported on line 9. Don't reduce your monthly tax liability reported on lines 13a through 13l or your daily tax liability reported on Form 945-A below zero.

Qualified small business payroll tax credit for increasing research activities (line 8a). The qualified small business payroll tax credit for increasing research activities is limited to the employer share of social security tax on wages paid during the quarter that begins after the income tax return electing the credit has been filed. In completing line 13 or Form 945-A, you take into account the payroll tax credit against your liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages to your employees subject to social security tax. The credit may be taken to the extent of the employer share of social security tax on wages associated with the first payroll payment, and then to the extent of the employer share of social security tax associated with succeeding payroll payments in the quarter until the credit is used. Consistent with the entries on line 13 or Form 945-A, the payroll tax credit should be taken into account in making deposits of employment tax. If any payroll tax credit is remaining at the end of the quarter that hasn't been used completely because it exceeds the employer share of social security tax for the quarter, the excess credit may be carried forward to the succeeding quarter and allowed as a payroll tax credit for the succeeding quarter. The payroll tax credit may not be taken as a credit against income tax withholding, Medicare tax, or the employee share of social security tax.

Also, the remaining payroll tax credit may not be carried back and taken as a credit against wages paid from preceding quarters that are reported on the same Form 944 or on Forms 944 for preceding years. If an amount of payroll tax credit is unused at the end of the

calendar year because it is in excess of the employer share of social security tax on wages paid during the applicable quarters in the calendar year, the remaining payroll tax credit may be carried forward to the first quarter of the succeeding calendar year as a payroll tax credit against the employer share of social security tax on wages paid in that quarter.

Example. Rose Co. is an employer with a calendar tax year that filed its timely income tax return on April 15, 2021. Rose Co. elected to take the qualified small business payroll tax credit for increasing research activities on Form 6765. The third quarter of 2021 is the first quarter that begins after Rose Co. filed the income tax return making the payroll tax credit election. Therefore, the payroll tax credit applies against Rose Co.'s share of social security tax on wages paid to employees in the third quarter of 2021. Rose Co. is a semiweekly schedule depositor. Rose Co. completes Form 945-A by reducing the amount of liability entered for the first payroll payment in the third quarter of 2021 that includes wages subject to social security tax by the lesser of (1) its share of social security tax on the wages, or (2) the available payroll tax credit. If the payroll tax credit elected is more than Rose Co.'s share of social security tax on the first payroll payment of the quarter, the excess payroll tax credit would be carried forward to succeeding payroll payments in the third quarter until it is used. If the amount of the payroll tax credit exceeds Rose Co.'s share of social security tax on wages paid to its employees in the third quarter, the excess credit would be treated as a payroll tax credit against its share of social security tax on wages paid in the fourth quarter. If the amount of the payroll tax credit remaining exceeded Rose Co.'s share of social security tax on wages paid in the fourth quarter, it could be carried forward and treated as a payroll tax credit for the first quarter of 2022.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 (line 8b). The nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021, is limited to the employer share of social security tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 944, line 8a, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations. In completing line 13 or Form 945-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages for leave taken before April 1, 2021, that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on line 10d as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.

Example. Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2021, Maple Co. had pay dates every Friday of 2021 starting January 1, 2021. Maple Co. paid qualified sick and family leave wages on March 12 and March 19. The nonrefundable portion of the credit for qualified sick and family leave wages for the year is \$300. On line 13, Maple Co. will use the \$300 to reduce the liability for the January 1 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 8 pay date, then the January 15 pay date, and so forth until the entire \$300 is used.

Nonrefundable portion of employee retention credit for wages paid after December 31, 2020, and before July 1, 2021 (line 8c). The nonrefundable portion of the employee retention credit is limited to the employer share of social security tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 944, line 8a, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations; and/or any credit claimed on Form 944, line 8b, for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021. In completing line 13 or Form 945-A, you take into account the nonrefundable portion of the employee retention credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any employee retention credit that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on line 10e as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.

Example. Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2021, Maple Co. had pay dates every Friday of 2021 starting January 1, 2021. Maple Co. paid qualified wages for the employee retention credit on May 7 and May 14. The nonrefundable portion of the employee retention credit for the year is \$300. On line 13, Maple Co. will use the \$300 to reduce the liability for the January 1 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 8 pay date, then the January 15 pay date, and so forth until the entire \$300 is used.



The Infrastructure Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages as described in these instructions. See [Recovery startup business](#), earlier, for more information about a recovery startup business.

If you're no longer eligible to claim the employee retention credit for the fourth quarter of 2021, but you already reduced your employment tax deposits in anticipation of claiming the employee retention credit for the fourth quarter of 2021, you must deposit the amounts initially retained in anticipation of the employee retention credit on or before the due date of the deposit for wages paid on December 31, 2021 (regardless of whether wages are actually paid on that date), based on how you choose to report the tax liability resulting from the termination of the employee retention credit on Form 945-A or, if a monthly depositor, on Form 944, line 13l. In order to obtain the relief under Notice 2021-65 and avoid an FTD penalty, employers must deposit the amounts in accordance with the due date or dates of the applicable day or days the tax liabilities resulting from the termination of the employee retention credit are reported on Form 945-A or Form 944, line 13l, as applicable. However, this relief doesn't apply to deposit payments that were untimely due to any circumstance other than the change in eligibility for the employee retention credit or to employers who reduced deposits after December 20, 2021. See [Notice 2021-65](#) for more information.

Nonrefundable portion of employee retention credit for wages paid after June 30, 2021, and before January 1, 2022 (line 8c). The nonrefundable portion of the employee retention credit is limited to the employer share of Medicare tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 944, line 8d, for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021. In completing line 13 or Form 945-A, you take into account the nonrefundable portion of the employee retention credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any employee retention credit that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 10e as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (line 8d). The nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, is limited to the employer share of Medicare tax on wages paid during the year. In completing line 13 or Form 945-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 10f as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.

Nonrefundable portion of COBRA premium assistance credit (line 8e). The nonrefundable portion of the COBRA premium assistance credit is limited to the employer share of Medicare tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed on Form 944, line 8d, for the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021; and/or any credit claimed on Form 944, line 8c, for the nonrefundable portion of the employee retention credit for wages paid after June 30, 2021, and before January 1, 2022. In completing line 13 or Form 945-A, you take into account the nonrefundable portion of the COBRA premium assistance credit against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment in the year until the nonrefundable portion of the credit is used. Any COBRA premium assistance credit that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 10g as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 13 or Form 945-A.



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

Part 3: Tell Us About Your Business

In Part 3, answer only those questions that apply to your business. If the questions don't apply, leave them blank and go to Part 4.

14. If Your Business Has Closed...

If you permanently go out of business or stop paying wages, you must file a final return. To tell the IRS that a particular Form 944 is your final return, check the box on line 14 and enter the date you last paid wages in the space provided. For additional filing requirements, including information about attaching a statement to your final return, see [If Your Business Has Closed...](#), earlier.

Lines 15 Through 26



The amounts entered on lines 15 through 24 are amounts that you use on the worksheets at the end of these instructions to figure certain credits. If you're claiming these credits, you must enter the applicable amounts. Lines 25 and 26 apply only if you're eligible for the employee retention credit in the third or fourth quarter of 2021 **solely** because your business is a recovery startup business.

15. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken Before April 1, 2021

Enter the [qualified health plan expenses](#) allocable to qualified sick leave wages for leave taken before April 1,

2021. This amount is also entered on [Worksheet 1](#), Step 2, line 2b.

16. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken Before April 1, 2021

Enter the [qualified health plan expenses](#) allocable to qualified family leave wages for leave taken before April 1, 2021. This amount is also entered on [Worksheet 1](#), Step 2, line 2f.



The total amount reported on lines 17 and 18, discussed next, can't exceed \$10,000 per employee each quarter.

17. Qualified Wages for the Employee Retention Credit

Enter the qualified wages for the employee retention credit (excluding the amount of any qualified health plan expenses). For qualified wages paid after December 31, 2020, and before July 1, 2021, the applicable qualified wages from the total entered on line 17 are entered on [Worksheet 2](#), Step 2, line 2a. For qualified wages paid after June 30, 2021, and before January 1, 2022, the applicable qualified wages from the total on line 17 are entered on [Worksheet 4](#), Step 2, line 2a.

18. Qualified Health Plan Expenses for the Employee Retention Credit

Enter the [qualified health plan expenses for the employee retention credit](#). These expenses are generally those which are allocable to an employee (and to a period) in which your business operations are fully or partially suspended due to a governmental order or experience a decline in gross receipts. The allocation will be treated as proper if made on the basis of being pro rata among periods of coverage. For more information, go to [IRS.gov/ERC](#). For qualified health plan expenses allocable to qualified wages paid after December 31, 2020, and before July 1, 2021, the applicable qualified expenses from the total entered on line 18 are entered on [Worksheet 2](#), Step 2, line 2b. For qualified health plan expenses allocable to qualified wages paid after June 30, 2021, and before January 1, 2022, the applicable qualified expenses from the total entered on line 18 are entered on [Worksheet 4](#), Step 2, line 2b.

19. Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Enter the qualified sick leave wages you paid to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified sick leave wages that were above the social security wage base and any qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for [line 8d](#), earlier, for more information about qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2a.

20. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages Reported on Line 19

Enter the [qualified health plan expenses](#) allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2b.

21. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Wages Reported on Line 19

Enter the [collectively bargained defined benefit pension plan contributions](#) and [collectively bargained apprenticeship program contributions](#) allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2c.

22. Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Enter the qualified family leave wages you paid to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified family leave wages that were above the social security wage base and any qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for [line 8d](#), earlier, for more information about qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2g.

23. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages Reported on Line 22

Enter the [qualified health plan expenses](#) allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2h.

24. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Wages Reported on Line 22

Enter the [collectively bargained defined benefit pension plan contributions](#) and [collectively bargained apprenticeship program contributions](#) allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on [Worksheet 3](#), Step 2, line 2i.

25. If You're Eligible for the Employee Retention Credit in the Third Quarter Solely Because Your Business Is a Recovery Startup Business . . .

If you're eligible for the employee retention credit in the third quarter of 2021 **solely** because your business is a [recovery startup business](#), enter the total of any amounts included on lines 8c and 10e that are attributable to qualified wages paid after June 30, 2021, and before October 1, 2021.

26. If You're Eligible for the Employee Retention Credit in the Fourth Quarter Solely Because Your Business Is a Recovery Startup Business . . .

Under the Infrastructure Act, you must be a recovery startup business to claim the employee retention credit for qualified wages paid after September 30, 2021, and before January 1, 2022 (fourth quarter 2021). If you're eligible for the employee retention credit in the fourth quarter of 2021 **solely** because your business is a [recovery startup business](#), enter the total of any amounts included on lines 8c and 10e that are attributable to qualified wages paid after September 30, 2021, and before January 1, 2022.

Part 4: May We Speak With Your Third-Party Designee?

If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 944 with the IRS, check the "Yes" box in Part 4. Enter the name, phone number, and five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm that prepared your tax return. The designee may choose any five numbers as his or her PIN.

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

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

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

The authorization will automatically expire 1 year after the due date (without regard to extensions) for filing your Form 944. If you or your designee wants to terminate the authorization, write to the IRS office for your location using the *Without a payment* address under [Where Should You File](#), earlier.

Part 5: Sign Here (Approved Roles)

Complete all information and sign Form 944. 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 944 may 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 944 by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/2005-28_IRB#RP-2005-39](#).

Paid Preparer Use Only

A paid preparer must sign Form 944 and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 944 and isn't an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give you a copy of the return in addition to the copy to be filed with the IRS.

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

Generally, don't complete this section if you're filing 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.

How To Get Forms, Instructions, and Publications



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

Worksheet 1. Credit for Qualified Sick and Family Leave Wages for Leave Taken Before April 1, 2021

Determine how you will complete this worksheet.

If you paid qualified sick leave wages and/or qualified family leave wages for leave taken before April 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 3 to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.

Step 1.		Determine the employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D	
1a	Enter the amount of social security tax from Form 944, Part 1, line 4a , column 2	1a	_____
1b	Enter the amount of social security tax from Form 944, Part 1, line 4b , column 2	1b	_____
1c	Add lines 1a and 1b	1c	_____
1d	Multiply line 1c by 50% (0.50)	1d	_____
1e	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, line 6 (enter as a positive number)	1e	_____
1f	Employer share of social security tax. Subtract line 1e from line 1d	1f	_____
1g	Enter the amount from Form 944, Part 1, line 8a (credit from Form 8974)	1g	_____
1h	Enter the amount to be claimed on Form 5884-C, line 11, for this year	1h	_____
1i	Enter the amount to be claimed on Form 5884-D, line 12, for this year	1i	_____
1j	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1g, 1h, and 1i	1j	_____
1k	Employer share of social security tax remaining. Subtract line 1j from line 1f	1k	_____
Step 2.		Figure the sick and family leave credit	
2a	Qualified sick leave wages reported on Form 944, Part 1, line 4a(i) , column 1	2a	_____
2a(i)	Qualified sick leave wages included on Form 944, Part 1, line 4c, but not included on Form 944, Part 1, line 4a(i), 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 sections 3121(b)(1)–(22)	2a(iii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 944, Part 3, line 15)	2b	_____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c	_____
2d	Credit for qualified sick leave wages. Add lines 2a(ii), 2a(iii), 2b, and 2c	2d	_____
2e	Qualified family leave wages reported on Form 944, Part 1, line 4a(ii) , column 1	2e	_____
2e(i)	Qualified family leave wages included on Form 944, Part 1, line 4c, but not included on Form 944, Part 1, line 4a(ii), 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 sections 3121(b)(1)–(22)	2e(iii)	_____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 944, Part 3, line 16)	2f	_____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g	_____
2h	Credit for qualified family leave wages. Add lines 2e(ii), 2e(iii), 2f, and 2g	2h	_____
2i	Credit for qualified sick and family leave wages. Add lines 2d and 2h	2i	_____
2j	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021. Enter the smaller of line 1k or line 2i. Enter this amount on Form 944, Part 1, line 8b	2j	=====
2k	Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021. Subtract line 2j from line 2i and enter this amount on Form 944, Part 1, line 10d	2k	=====

**Worksheet 2. Employee Retention Credit for Qualified Wages Paid
After December 31, 2020, and Before July 1, 2021**

Determine how you will complete this worksheet.

If you paid qualified wages after December 31, 2020, and before July 1, 2021, for purposes of the employee retention credit, complete Step 1 and Step 2. If you're claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, complete Worksheet 1 before starting this worksheet. **Caution:** Use Worksheet 4 to figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022.

Step 1. Determine the employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D	
1a	If you completed Worksheet 1 to claim a credit for qualified sick and family leave wages for leave taken before April 1, 2021, enter the amount from Worksheet 1, Step 1, line 1k, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, continue by completing lines 1b–1l below and then go to Step 2
1b	Enter the amount of social security tax from Form 944, Part 1, line 4a , column 2
1c	Enter the amount of social security tax from Form 944, Part 1, line 4b , column 2
1d	Add lines 1b and 1c
1e	Multiply line 1d by 50% (0.50)
1f	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, line 6 (enter as a positive number)
1g	Employer share of social security tax. Subtract line 1f from line 1e
1h	Enter the amount from Form 944, Part 1, line 8a (credit from Form 8974)
1i	Enter the amount to be claimed on Form 5884-C, line 11, for this year
1j	Enter the amount to be claimed on Form 5884-D, line 12, for this year
1k	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1h, 1i, and 1j
1l	Employer share of social security tax remaining. Subtract line 1k from line 1g
Step 2. Figure the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021	
Caution: The total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total for purposes of this worksheet).	
2a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021 (these qualified wages are included in the total reported on Form 944, Part 3, line 17)
2b	Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021 (these qualified health plan expenses are included in the total reported on Form 944, Part 3, line 18)
2c	Add lines 2a and 2b
2d	Retention credit. Multiply line 2c by 70% (0.70)
2e	Enter the amount of the employer share of social security tax from Step 1, line 1a, or, if applicable, Step 1, line 1l
2f	Enter the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021, from Worksheet 1, Step 2, line 2j
2g	Subtract line 2f from line 2e
2h	Nonrefundable portion of employee retention credit. Enter the smaller of line 2d or line 2g. Enter this amount on Form 944, Part 1, line 8c
2i	Refundable portion of employee retention credit. Subtract line 2h from line 2d and enter this amount on Form 944, Part 1, line 10e

Worksheet 3. Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Determine how you will complete this worksheet.

If you paid qualified sick leave wages and/or qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 1 to figure the credit for qualified sick and family leave wages for leave taken before April 1, 2021.

Step 1. Determine the employer share of Medicare tax		
1a	Enter the amount of Medicare tax from Form 944, Part 1, line 4c , column 2	1a _____
1b	Multiply line 1a by 50% (0.50)	1b _____
1c	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6 (enter as a positive number)	1c _____
1d	Employer share of Medicare tax. Subtract line 1c from line 1b	1d _____
Step 2. Figure the sick and family leave credit		
2a	Qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 944, Part 3, line 19)	2a _____
2a(i)	Qualified sick leave wages included on Form 944, Part 3, line 19, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2a(i) _____
2a(ii)	Subtract line 2a(i) from line 2a	2a(ii) _____
2a(iii)	Qualified sick leave wages included on Form 944, Part 3, line 19, that were not included as wages reported on Form 944, Part 1, line 4a, because the qualified sick leave wages were limited by the social security wage base	2a(iii) _____
2a(iv)	Subtract line 2a(iii) from line 2a(ii)	2a(iv) _____
2b	Qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 944, Part 3, line 20)	2b _____
2c	Amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 944, Part 3, line 21)	2c _____
2d	Employer share of social security tax on qualified sick leave wages. Multiply line 2a(iv) by 6.2% (0.062)	2d _____
2e	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2e _____
2f	Credit for qualified sick leave wages. Add lines 2a, 2b, 2c, 2d, and 2e	2f _____
2g	Qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 944, Part 3, line 22)	2g _____
2g(i)	Qualified family leave wages included on Form 944, Part 3, line 22, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2g(i) _____
2g(ii)	Subtract line 2g(i) from line 2g	2g(ii) _____
2g(iii)	Qualified family leave wages included on Form 944, Part 3, line 22, that were not included as wages reported on Form 944, Part 1, line 4a, because the qualified family leave wages were limited by the social security wage base	2g(iii) _____
2g(iv)	Subtract line 2g(iii) from line 2g(ii)	2g(iv) _____
2h	Qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 944, Part 3, line 23)	2h _____
2i	Amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 944, Part 3, line 24)	2i _____
2j	Employer share of social security tax on qualified family leave wages. Multiply line 2g(iv) by 6.2% (0.062)	2j _____
2k	Employer share of Medicare tax on qualified family leave wages. Multiply line 2g(ii) by 1.45% (0.0145)	2k _____
2l	Credit for qualified family leave wages. Add lines 2g, 2h, 2i, 2j, and 2k	2l _____
2m	Credit for qualified sick and family leave wages. Add lines 2f and 2l	2m _____
2n	Enter any employee retention credit claimed under section 2301 of the CARES Act (from Worksheet 2, line 2d) with respect to qualified wages paid after March 31, 2021, and before July 1, 2021, that were also taken into account for the credit for qualified sick and family leave wages	2n _____
2o	Enter any credit claimed under section 41 for increasing research activities with respect to any wages taken into account for the credit for qualified sick and family leave wages	2o _____
2p	Add lines 2n and 2o	2p _____
2q	Credit for qualified sick and family leave wages after adjusting for other credits. Subtract line 2p from line 2m	2q _____
2r	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Enter the smaller of line 1d or line 2q. Enter this amount on Form 944, Part 1, line 8d	2r _____
2s	Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Subtract line 2r from line 2q and enter this amount on Form 944, Part 1, line 10f	2s _____

Worksheet 4. Employee Retention Credit for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022

Determine how you will complete this worksheet.

If you paid qualified wages after June 30, 2021, and before January 1, 2022, for purposes of the employee retention credit, complete Step 1 and Step 2. If you're claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2021, complete Worksheet 3 before starting this worksheet. **Caution:** Use Worksheet 2 to figure the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021.

Step 1. Determine the employer share of Medicare tax

- 1a If you completed Worksheet 3 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2021, enter the amount from Worksheet 3, Step 1, line 1d, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2021, continue by completing lines 1b–1e below and then go to Step 2 1a _____
- 1b Enter the amount of Medicare tax from Form 944, Part 1, [line 4c](#), column 2 1b _____
- 1c Multiply line 1b by 50% (0.50) 1c _____
- 1d If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, [line 6](#) (enter as a positive number) 1d _____
- 1e **Employer share of Medicare tax.** Subtract line 1d from line 1c 1e _____

Step 2. Figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022

Caution: Under the Infrastructure Act, you must be a recovery startup business to claim the employee retention credit for qualified wages paid after September 30, 2021, and before January 1, 2022 (fourth quarter 2021). The total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the third quarter and the fourth quarter of 2021 (\$20,000 in total for purposes of this worksheet).

- 2a Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified wages are included in the total reported on Form 944, Part 3, [line 17](#)) 2a _____
- 2b Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified health plan expenses are included in the total reported on Form 944, Part 3, [line 18](#)) 2b _____
- 2c Add lines 2a and 2b 2c _____
- 2d **Retention credit.** Multiply line 2c by 70% (0.70). If you qualify for the employee retention credit **solely** because your business is a recovery startup business, don't enter more than \$50,000 for each of the third quarter and fourth quarter of 2021 (\$100,000 in total for the year) 2d _____
- 2e Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1e 2e _____
- 2f Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, from Worksheet 3, Step 2, line 2r 2f _____
- 2g Subtract line 2f from line 2e 2g _____
- 2h **Nonrefundable portion of employee retention credit.** Enter the smaller of line 2d or line 2g. Enter this amount on Form 944, Part 1, line 8c 2h _____
- 2i **Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 944, Part 1, line 10e 2i _____

Determine how you will complete this worksheet.

If you provided COBRA premium assistance, complete Step 1 and Step 2. If you're claiming the credit for qualified sick and family leave wages for leave taken after March 31, 2021, complete Worksheet 3 before starting this worksheet. If you're also claiming an employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, complete Worksheet 4 before starting this worksheet.

Step 1. Determine the employer share of Medicare tax

- 1a If you completed Worksheet 3 or Worksheet 4, enter the amount listed on Worksheet 3, line 1d, or Worksheet 4, line 1a or 1e (as applicable). If you're not claiming either of these credits this year, continue by completing lines 1b–1e below and then go to Step 2 1a _____
- 1b Enter the amount of Medicare tax from Form 944, Part 1, [line 4c](#), column 2 1b _____
- 1c Multiply line 1b by 50% (0.50) 1c _____
- 1d If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, [line 6](#) (enter as a positive number) 1d _____
- 1e **Employer share of Medicare tax.** Subtract line 1d from line 1c 1e _____

Step 2. Figure the COBRA premium assistance credit

- 2a Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021 2a _____
- 2b Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1e 2b _____
- 2c Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, from Worksheet 3, Step 2, line 2r 2c _____
- 2d Enter the amount of the nonrefundable portion of the employee retention credit from Worksheet 4, Step 2, line 2h 2d _____
- 2e **Other nonrefundable credits used against the employer share of Medicare tax.** Add lines 2c and 2d 2e _____
- 2f Subtract line 2e from line 2b 2f _____
- 2g **Nonrefundable portion of the COBRA premium assistance credit.** Enter the smaller of line 2a or line 2f. Enter this amount on Form 944, Part 1, line 8e 2g _____
- 2h **Refundable portion of the COBRA premium assistance credit.** Subtract line 2g from line 2a and enter this amount on Form 944, Part 1, line 10g 2h _____