

## **Don't Let Your Employees Down**

You reported more employee wages to the Internal Revenue Service (IRS) than you reported to the Social Security Administration (SSA) on your Form(s) W-2.

As an employer you are required to report your employees' wage totals to IRS and report individual employee wage data to SSA on Form W-3 and Form(s) W-2, either electronically or on paper.

SSA and IRS compare the data reported to each agency and ask employers to resolve any differences in amounts reported.

While most employer earnings reports filed yearly with SSA match IRS tax reports, some employers report more Federal Insurance Contributions Act (FICA) wages to IRS than to SSA. FICA wages are wages subject to Social Security and/or Medicare taxes.

Your wage reports submitted to SSA did not match IRS records for the year shown on the enclosed questionnaire.

If the tax amount you reported to IRS is correct, it means some of your employees did not receive credit to their Social Security earnings records.

If the amount reported to SSA is correct, then you may have overpaid FICA taxes.

### **About the enclosed questionnaire**

Enclosed with this pamphlet is one of two questionnaires.

- Employers that IRS has received an employment tax return from but SSA has no corresponding wage report receive an “**SSA HAS NO RECORDS OF EMPLOYEES’ EARNINGS**” questionnaire; or
- Employers that reported a larger Social Security and/or Medicare tax amount to IRS than they reported wages to SSA receive a “**DISCREPANCY BETWEEN IRS AND SSA RECORDS**” questionnaire.

#### **If SSA has no record**

If you received a **NO RECORDS** questionnaire, check your submission for these errors:

- You reported using the correct version of Form W-3 and W-2 for the tax year being reported; or, if you filed electronically, that you entered the correct tax year. If not, provide SSA with a Form W-3c, along with a Form W-2c for each employee showing the correct wage information.
- You have not resubmitted a correction for a returned rejected report. If so, please send it for processing.
- You showed your correct employer name and/or employer identification number (EIN) on your report. If you omitted or incorrectly input the employer name or EIN, explain this on the

questionnaire. Please include the correct and incorrect employer name and EIN.

If any of these errors occurred and you are providing copies of Form(s) W-2 to correct the records, send them for processing to the address shown on the questionnaire. If none of the reasons listed above identify the problem, please return a copy of your wage report(s) to us for reprocessing.

**If your report is discrepant**

If you received a **DISCREPANCY** questionnaire, check your submission to see if you completed any Form(s) W-2 incorrectly and if any of the following errors were occurred:

- Void box checked in error (if so, send us a new Form W-2);
- Amount shown in the Social Security wages, Social Security tips and/or the Medicare wages/tips field for Forms W-2 is incorrect;
- You incorrectly deducted from or added to the reported FICA wage amount for the employer portion of the FICA taxes;
- Social Security wage field is incomplete.

Prepare Form W-3c and Form(s) W-2c to correct any errors listed above.

**If none of these errors apply**

If none of these errors seems to apply, check further to see if any of these occurred and follow the associated instructions:

- Household employees were included in your IRS tax report, but you did not include Form(s) W-2 for them in your wage report to SSA. If so, provide us with these forms;
- The EIN you used to report taxes to IRS was different from the EIN you used to report wages to SSA. Please explain this on the questionnaire and show all EINs used;
- SSA did not receive Form(s) W-2 for all your employees. Return only the missing Forms W-2 with the questionnaire.
- The Form(s) 941 was completed incorrectly.

If you made any of the errors listed above but the amounts reported to SSA are correct, file corrected tax forms with the IRS.

If none of the errors listed above caused tax reporting differences in IRS and SSA wage records, return the questionnaire with duplicate copies of your wage and tax reports for our further investigation.

### **Completing the questionnaire**

Check the appropriate boxes and include any additional information which will help us understand your explanation. Use the back of the questionnaire for this purpose.

## **Returning the wage report**

Double check these items:

- The tax year preprinted on all Form(s) W-2 and W-3 you are returning is for the year in question;
- You submitted clean, clear copies of Form(s) W-2 showing the name, Social Security number (SSN), EIN, and Social Security wages, Social Security tips and Medicare wage/tip amounts;