



Instructions for Form 941-SS

(Rev. October 2008)

Employer's QUARTERLY Federal Tax Return—American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands

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

What's New

Paid preparers must sign Form 941-SS. The paid preparer's section of Form 941-SS is no longer optional and is included in Part 5 of Form 941-SS. See *Paid preparers* on page 7.

Social security wage base for 2008. Do not withhold social security tax after an employee reaches \$102,000 in social security wages. There is no limit on the amount of wages subject to Medicare tax.

Social security wage base for 2009. Do not withhold social security tax after an employee reaches \$106,800 in social security wages in 2009.

New employment tax adjustment process in 2009. If you discover an error on a previously filed Form 941-SS after December 31, 2008, make the correction using new Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund. Currently, taxpayers make corrections to a previously filed Form 941-SS using Form 941c that is filed with Form 941-SS. Form 941-X is a stand-alone form, meaning taxpayers can file Form 941-X when an error is discovered, rather than waiting until the end of the quarter to file Form 941c with Form 941-SS. Lines 7e and 7g will be deleted from Form 941-SS, beginning with the first calendar quarter of 2009. Adjustments now made on those lines will be made on the new Form 941-X. For more information, visit the IRS website at www.irs.gov and enter the keyword *Correcting Employment Taxes*.

Disregarded entities and qualified subchapter S subsidiaries (QSubs). The IRS has published final regulations (Treasury Decision 9356) under which QSubs and eligible single-owner disregarded entities are treated as separate entities for employment tax purposes. The final regulations do not apply until January 1, 2009. For more information, see *Disregarded entities and qualified subchapter S subsidiaries* in the introduction to Publication 15 (Circular E), Employer's Tax Guide.

Reminders

Annual employment tax filing for small employers. Certain small employers must file Form 944-SS, Employer's ANNUAL Federal Tax Return, rather than Form 941-SS, Employer's QUARTERLY Federal Tax Return, to report their employment taxes. The IRS will notify employers who must file Form 944-SS in February of each year. For more information, get the Instructions for Form 944-SS.

Correcting Form 941-SS. If you discover an error in 2008 on a previously filed Form 941-SS, make the correction using Form 941-SS for the quarter in which you discovered the error and attach Form 941c, Supporting Statement to Correct Information. For example, in October 2008, you

discover that you underreported \$10,000 in social security and Medicare wages on your 2007 fourth quarter Form 941-SS. Correct the error by showing \$1,530 (15.3% × \$10,000) on line 7e of your 2008 fourth quarter Form 941-SS and attaching a completed Form 941c. Be sure to include the \$1,530 in any required deposit.

Electronic filing and payments. Now, more than ever before, businesses can enjoy the benefits of filing and paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, IRS offers you convenient programs to make filing and paying easier. Spend less time and worry on taxes and more time running your business. Use e-file and the Electronic Federal Tax Payment System (EFTPS) to your benefit.

- For e-file, visit www.irs.gov for additional information.
- For EFTPS, visit www.eftps.gov or call EFTPS Customer Service at 1-800-555-4477 (U.S. Virgin Islands only), 303-967-5916 (toll call), or 1-800-733-4829 (TDD).

Electronic funds withdrawal (EFW). If you file Form 941-SS electronically, you can e-file and e-pay (electronic funds withdrawal) the balance due in a single step using tax preparation software or through a tax professional. However, **do not** use EFW to make federal tax deposits. For more information on paying your taxes using EFW, visit the IRS website at www.irs.gov and click on the *electronic IRS* link. A fee may be charged to file electronically.

Credit card payments. Employers can pay the balance due shown on Form 941-SS by credit card. **Do not** use a credit card to make federal tax deposits. For more information on paying your taxes with a credit card, visit the IRS website at www.irs.gov and click on the *electronic IRS* link.

Employer's liability. Employers are responsible to ensure that tax returns are filed and deposits and payments are made, even if the employer contracts with a third-party. The employer remains liable if the third party fails to perform a required action.

Where can you get telephone help? You can call the IRS toll free at 1-800-829-4933 (U.S. Virgin Islands only) or 215-516-2000 (toll call) on Monday through Friday from 7:00 a.m. to 10:00 p.m. local time (Alaska and Hawaii follow Pacific time) to order tax deposit coupons (Form 8109) and for answers to your questions about completing Form 941-SS, tax deposit rules, or obtaining an employer identification number (EIN).

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. 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 941-SS

Use Form 941-SS, Employer's QUARTERLY Federal Tax Return, to report social security and Medicare taxes for workers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

Pub. 80 (Circular SS), Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, explains the requirements for withholding, depositing, and paying social security and Medicare taxes. It explains the forms you must give your employees, those your employees must give you, and those you must send to the IRS. See Pub. 15-A, Employer's Supplemental Tax Guide, for specialized employment tax information supplementing the basic information provided in Pub. 80 (Circular SS).

Who Must File Form 941-SS?

Generally, you must file a return for the first quarter in which you pay wages subject to social security and Medicare taxes, and for each quarter thereafter until you file a final return. Use Form 941-SS if your principal place of business is in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands, or if you have employees who are subject to income tax withholding for these jurisdictions.

Once you have filed a return, a preaddressed Form 941-SS will be sent to you every 3 months. You must file a return each quarter, even if you have no tax liability to report unless you file a final return. However, see *Seasonal Employers and Agricultural and Household Employers* below. If the form fails to reach you, request one in time to file. See *Where Can You Obtain Forms?* on page 2.

Seasonal Employers

Seasonal employers are not required to file for quarters when they regularly have no tax liability because they have paid no wages. To alert the IRS that you will not have to file a return for one or more quarters during the year, check the box in line 17 on Form 941-SS. The IRS will mail you two Forms 941-SS once a year after March 1. The preprinted information will not include the date the quarter ended. You must enter the date the quarter ended when you file the return. The IRS generally will not inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the box in line 17 on every quarterly return you file. Otherwise, the IRS will expect a return to be filed for each quarter.

Final Return

If you go out of business or stop paying wages to your employees, you must file a **final return**. To tell the IRS that Form 941-SS for a particular quarter is your final return, check the box on line 16 and enter the date you last 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.

See the Instructions for Form W-3SS for information about earlier dates for the expedited furnishing and filing of Forms W-2AS, W-2CM, W-2GU, or W-2VI when a final Form 941-SS is filed.

Agricultural and Household Employers

Agricultural employers. Agricultural wages must be reported on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees, not on Form 941-SS.

Household employers. Employers who report wages for household employees should see Pub. 80 (Circular SS) and Pub. 926, Household Employer's Tax Guide.

When Must You File?

File Form 941-SS for each quarter of the calendar year, as follows:

Quarter	Due Date
Jan.-Feb.-Mar.	April 30
Apr.-May-June	July 31
July-Aug.-Sept.	Oct. 31
Oct.-Nov.-Dec.	Jan. 31

If you made deposits on time in full payment of the taxes for a quarter, you have 10 more calendar days after the above due dates to file your return for that quarter. If the due date for filing a return falls on a Saturday, Sunday, or legal holiday, you may file the return on the next business day.

If we receive Form 941-SS after the due date, we will treat Form 941-SS as filed on time if the envelope containing Form 941-SS 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 on or before the due date. If you do not follow these guidelines, we will consider Form 941-SS filed when it is actually received. See Pub. 80 (Circular SS) for more information on IRS-designated private delivery services.

Where Should You File?

Mail Form 941-SS to:

Form 941-SS with payment	Form 941-SS without payment
Internal Revenue Service P.O. Box 105273 Atlanta, GA 30348-5273	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409

Where Can You Obtain Forms?

See Pub. 80 (Circular SS) for information on ordering IRS forms by telephone, mail, or online. You may also be able to get some IRS forms at the addresses listed below.

American Samoa. Department of Treasury, Income Tax Division, Government of American Samoa, Executive Office Bldg., First Floor, Pago Pago, AS 96799.

Commonwealth of the Northern Mariana Islands. Administrator, CNMI Social Security System, Saipan, MP 96960.

Guam. Department of Revenue and Taxation, Government of Guam, Building 13-1 Mariner Avenue, Tiyjan Barrigada, GU 96913.

U.S. Virgin Islands. V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802.

How Should You Complete Form 941-SS?

Preprinted Name and Address Information

If your preprinted name, EIN, or address information on Form 941-SS is not correct, cross it out and type or print the correct information. However, do not change any of the preprinted information on your Form 941-V(SS), Payment Voucher.

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 9-digit employer identification number (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 are not sure which one to use, write to the IRS office where you file your returns (using the "Form 941-SS without payment" address on page 2) or call the IRS at 1-800-829-4933 (U.S. Virgin Islands only) or 215-516-6999 (toll call). TTY/TDD users in the U.S. Virgin Islands can call 1-800-829-4059.

If you do not have an EIN, you may apply for one online. Go to the IRS website at www.irs.gov and click on the *More Online Tools* link, then the *Online Employer Identification Number (EIN)* link. You may also apply for an EIN by calling 1-800-829-4933 (U.S. Virgin Islands) or 215-516-6999 (toll call), or you can fax or mail Form SS-4 to the IRS. If you have applied for an EIN but do not have your EIN by the time a return is due, write "Applied For" and the date you applied in the space shown for the number.

TIP Always be sure the EIN on the form you file exactly matches the EIN the IRS assigned to your business. Do not use your social security number on forms that ask for an EIN. Filing a Form 941-SS with an incorrect EIN or using another business's EIN may result in penalties and delays in processing your return.

Check the Box for the Quarter

Under *Report for this Quarter of 2008* at the top of Form 941-SS, check the appropriate box of the quarter for which you are filing. Make sure the quarter checked is the same as shown on any attached Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors.

Completing and Filing Form 941-SS

Make entries on Form 941-SS as follows to enable accurate processing.

- Use 12-point Courier font (if possible) for all entries if you are typing or using a computer to fill out your form.
- Omit 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.
- Leave blank any data field (except lines 1 or 8) with a value of zero.
- Enter negative amounts using a minus sign (if possible). Otherwise, use parentheses.
- Enter your name and EIN on all pages and attachments. Filers using the IRS-preaddressed Form 941-SS do not have to enter their name and EIN on page 2.

- Staple multiple sheets in the upper left corner when filing.

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, using EFTPS if required.
- File your fully completed Form 941-SS on time.
- Report your tax liability accurately.
- Submit valid checks for tax payments.
- Furnish accurate Forms W-2AS, W-2CM, W-2GU, or W-2VI to employees.
- File Form W-3SS and Copies A of Form W-2AS, W-2CM, W-2GU, or W-2VI with the Social Security Administration (SSA) on time and accurately.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See section 8 of Pub. 80 (Circular SS) for details.



A trust fund recovery penalty may apply if social security and Medicare taxes that must be withheld are not withheld or are not paid. Under this penalty, responsible persons become personally liable for payment of the taxes and are penalized an amount equal to the unpaid taxes. A responsible person can be an officer or employee of a corporation, a partner or employee of a partnership, an accountant, a volunteer director/trustee, an employee of a sole proprietorship, or any other person or entity that is responsible for collecting, accounting for, and paying over trust fund taxes. See section 8 of Pub. 80 (Circular SS) for details.

Reconciling Forms 941-SS and W-3SS

The IRS matches amounts reported on your four quarterly Forms 941-SS with Form W-2AS, W-2CM, W-2GU, or W-2VI amounts totaled on your yearly Form W-3SS, Transmittal of Wage and Tax Statements. If the amounts do not agree, you may be contacted by the IRS or SSA. The following amounts are reconciled.

- Social security wages.
- Social security tips.
- Medicare wages and tips.

Use Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations, to explain certain wage, tax, and payment discrepancies between Forms 941-SS and Forms W-2AS, W-2CM, W-2GU, W-2VI, W-3SS, and W-2c that were caused by acquisitions, statutory mergers, or consolidations. For more information, get the instructions for Schedule D (Form 941). Also see Rev. Proc. 2004-53 for more information. You can find Rev. Proc. 2004-53 on page 320 of Internal Revenue Bulletin 2004-34 at www.irs.gov/pub/irs-irbs/irb04-34.pdf.

Adjustment of Tax on Tips

If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. Report the entire amount of these tips on lines 5b (Taxable social security tips) and 5c (Taxable Medicare wages and tips). Include as an adjustment on line 7c the total uncollected employee share of the social security and Medicare taxes.

Depositing Your Taxes: When Must You Deposit Your Taxes?


Determine if you are a monthly or semiweekly schedule depositor for the quarter.

The IRS uses two different sets of deposit rules to determine when businesses must deposit their social security, and Medicare taxes. These schedules tell you when a deposit is due after you have a payday.

Your deposit schedule is not determined by how often you pay your employees. Your deposit schedule depends on the total tax liability you reported on Form 941-SS during the previous four-quarter **lookback period** (July 1 of the second preceding calendar year through June 30 of last year). See section 8 of Pub. 80 (Circular SS) for details. If you filed Form 944-SS in either 2006 or 2007, your lookback period is the 2006 calendar year.

Before the beginning of each calendar year, determine which type of deposit schedule you must use. If you reported:


- \$50,000 or less in taxes during the lookback period, you are a **monthly schedule depositor**. Check the appropriate box on line 15 and, if your tax liability for the quarter was \$2,500 or more, fill out the tax liability for each month in the quarter.
- more than \$50,000 of taxes for the lookback period, you are a **semiweekly schedule depositor**. Check the appropriate box on line 15 and, if your tax liability for the quarter was \$2,500 or more, fill out Schedule B (Form 941) and attach it to Form 941-SS when you submit it.

 See \$100,000 Next-Day Deposit Rule in section 8 of Pub. 80 (Circular SS) if you have taxes of \$100,000 or more accumulated on any day during the deposit period.

How Must You Deposit Your Taxes?

You may have to deposit both the employer and employee social security taxes and Medicare taxes. If your total taxes after adjustments (line 8) are:

- **Less than \$2,500 for the quarter.** You do not have to make a deposit. To avoid a penalty, you must pay the amount in full with a timely filed return or you must deposit the amount timely. However, if you are unsure that your taxes will be less than \$2,500 for the quarter, deposit your taxes using the appropriate rules (above) to avoid failure to deposit penalties.
- **\$2,500 or more for the quarter.** You must deposit your taxes by using EFTPS or by depositing them at a financial institution that is authorized to accept federal tax deposits (that is, authorized depository) with Form 8109, Federal Tax Deposit Coupon. See section 8 of Pub. 80 (Circular SS).

 EFTPS is an easy, safe, and convenient way for all employers to make their tax deposits. Using EFTPS helps eliminate errors commonly made on federal tax deposit (FTD) coupons. **Some taxpayers are required to use EFTPS to deposit their taxes.** See section 8 of Pub. 80 (Circular SS) for details.

Specific Instructions:


Part 1: Answer these questions for this quarter.

Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands are not required to complete lines 2, 3, 6, 7d, 7f, 9, 10, and 14.

1. Number of employees who received wages, tips, or other compensation for the pay period including:


Enter the number of employees on your payroll for the pay period including March 12, June 12, September 12, or December 12 for the quarter indicated at the top of the return. Do not include:

- household employees,
- employees in nonpay status for the pay period,
- farm employees,
- pensioners, or
- active members of the Armed Forces.

 If you enter "250" or more on line 1, you must file Forms W-2 electronically. For details, call the SSA at 1-800-772-6270 or visit SSA's Employer W-2 Filing Instructions & Information website at www.socialsecurity.gov/employer.

4. If no wages, tips, and other compensation are subject to social security or Medicare tax . . .

If no wages, tips, and compensation are subject to social security or Medicare tax, check the box on line 4. If this question does not apply to you, leave the box blank. For more information about exempt wages, see section 12 of Pub. 80 (Circular SS) and section 4 of Pub. 15-A.

 If you are a government employer, wages you pay are not automatically exempt from social security and Medicare taxes. Your employees may be covered by law or by a voluntary Section 218 Agreement with the SSA. For more information, see Pub. 963, Federal-State Reference Guide.

5. Taxable social security and Medicare wages and tips

5a. Taxable social security wages. Report the total wages, sick pay, and fringe benefits subject to social security taxes that you paid to your employees during the quarter. 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 in Pub. 15-A for more information about sick pay reporting.

Enter the amount before deductions. **Do not** include tips on this line. For information on types of wages subject to social security taxes, see section 4 of Pub. 80 (Circular SS).

The rate of social security tax on taxable wages is 6.2 percent (.062) each for the employer and employee or 12.4 percent (.124) for both. Stop paying social security tax on and reporting an employee's wages on line 5a when the employee's taxable wages (including tips) reach \$102,000 during 2008. However, continue to withhold Medicare taxes for the whole year on wages and tips even when the social security wage base of \$102,000 has been reached.

$$\begin{array}{r} \text{line 5a (column 1)} \\ \times .124 \\ \hline \text{line 5a (column 2)} \end{array}$$

5b. Taxable social security tips. Enter all tips your employees reported to you during the quarter until the total of the tips and wages for an employee reach \$102,000 in 2008. Do this even if you were unable to withhold the employee tax of 6.2%.

An employee must report cash tips to you, including tips you paid the employee for charge customers, totaling \$20 or more in a month by the 10th of the next month. Employees may use Form 4070, Employee's Report of Tips to Employer, or submit a written statement or electronic tip record.

Do not include allocated tips on this line. Instead, report them on Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips. Allocated tips are not reportable on Form 941-SS and are not subject to social security or Medicare taxes.

$$\begin{array}{r} \text{line 5b (column 1)} \\ \times .124 \\ \hline \text{line 5b (column 2)} \end{array}$$

5c. Taxable Medicare wages and tips. Report all wages, 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.

Include all tips your employees reported during the quarter, even if you were unable to withhold the employee tax of 1.45%.

$$\begin{array}{r} \text{line 5c (column 1)} \\ \times .029 \\ \hline \text{line 5c (column 2)} \end{array}$$

For more information, see sections 4, 5, and 7 of Pub. 80 (Circular SS).

5d. Total social security and Medicare taxes. Add social security tax, social security tips tax, and Medicare tax.

$$\begin{array}{r} \text{line 5a(column 2)} \\ \text{line 5b(column 2)} \\ + \text{line 5c(column 2)} \\ \hline \text{line 5d} \end{array}$$

7. TAX ADJUSTMENTS

Enter tax amounts on lines 7a, b, c, e, and 7g that result from current or prior period adjustments. Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 5d, instead of parentheses. Doing so enhances the accuracy of our scanning software. For example, report "-10.59" instead of "(10.59)." However, if your software only allows for parentheses in reporting negative amounts, you may use them. **Do not** enter an amount on line 7g unless the IRS has sent you a notice instructing you to do so.

Current period adjustments. In certain cases, you must adjust the amounts you reported as social security and Medicare taxes in column 2 of lines 5a, 5b, and 5c to figure your correct tax liability for this quarter's Form 941-SS. See section 8 of Pub. 80 (Circular SS). **Do not** attach Form 941c or an equivalent statement for current period adjustments.

If you need to adjust any amount previously reported on lines 7a–7c, use line 7e to report the adjustment and attach Form 941c or an equivalent statement with an explanation.

7a. Current quarter's 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 (one-half) of amounts shown

in column 2 of lines 5a–5c may differ slightly from amounts actually withheld from employees' paychecks due to the rounding of social security and Medicare taxes based on statutory rates.

7b. Current quarter's sick pay. Enter the adjustment for the employee share of social security and Medicare taxes that were withheld by your third-party sick pay payer.

7c. Current quarter's adjustments for tips and group-term life insurance. Enter adjustments 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.

Prior period adjustments. Use lines 7e and 7g to adjust amounts reported on **previous returns**. If you need to report both an increase and a decrease for the same line, show only the difference.

Adjustments you report here change your tax liability and your tax deposits. You will have to take these adjustments into account on line 15 as Tax liability: Month 1; Month 2; Month 3 or on Schedule B (Form 941). **You must explain any prior period adjustments that you make on Form 941c** or in an equivalent statement.

Form 941c is **not** an amended return but is a statement providing the necessary information and certifications for adjustments shown on lines 7e and 7g. **Do not** file Form 941c separately from Form 941-SS. See also section 9 of Pub. 80 (Circular SS).



For errors discovered after 2008, make corrections to a previously filed Form 941-SS on Form 941-X. Lines 7e and 7g will be deleted from the 2009 Form 941-SS.

7e. Prior quarters' social security and Medicare taxes. Enter adjustments for prior quarters' social security and Medicare taxes. For example, if you made a mistake when reporting social security and Medicare taxes on previously filed Forms 941-SS, adjust it here. If you need to report both an underpayment and an overpayment, show only the net difference.



If you are adjusting an employee's social security wages, social security tips, or Medicare wages and tips for a prior year, you must also file Form W-2c, Corrected Wage and Tax Statement, and Form W-3c, Transmittal of Corrected Wage and Tax Statements.

7g. Special additions to social security and Medicare. This line is reserved for employers with special circumstances. Use this line **only** if the IRS has sent you a notice instructing you to do so. You **must** attach Form 941c explaining the tax increase.

7h. Total adjustments. Combine all adjustments shown on lines 7a, b, c, e, and 7g and enter the result here.

8. Total taxes after adjustments

Combine the amounts shown on lines 5d and 7h and enter the result here.

- **If line 8 is less than \$2,500**, you may pay the amount with Form 941-SS or you may deposit the amount. To avoid a penalty, you must pay the amount in full with a timely filed return or you must deposit the amount timely. See section 8 of Pub. 80 (Circular SS) for information and rules about federal tax deposits.

- **If line 8 is \$2,500 or more**, you must deposit the amount by using the Electronic Federal Tax Payment System (EFTPS) or at an authorized financial institution with Form 8109. The amount shown on line 8 **must** equal the "Total liability for quarter" shown on Form 941-SS, line 15 or the

“Total liability for the quarter” shown on Schedule B (Form 941).



If you are a **semiweekly depositor**, you **must** complete Schedule B (Form 941). If you fail to complete and submit Schedule B (Form 941), IRS will assert deposit penalties based on available information.

11. Total deposits for this quarter...

Enter your deposits for this quarter, including any deposits that you were required to make to cover prior period liabilities resulting from adjustments shown on line 7. Also include in the amount shown any overpayment from a previous period that you applied to this return.

12. Balance Due

If line 8 is more than line 11, write the difference in line 12. Otherwise, see *Overpayment* below.

You do not have to pay if line 12 is under \$1.

Generally, you should have a balance due only if your total taxes for the quarter (line 8) are less than \$2,500. However, see section 8 of Pub. 80 (Circular SS) for information about payments made under the *Accuracy of Deposits Rule*.

You may pay the amount shown on line 12 using EFTPS, a credit card, a check or money order, or electronic funds withdrawal (EFW). **Do not** use a credit card or EFW to pay taxes that were required to be deposited. For more information on paying your taxes with a credit card or EFW visit the IRS website at www.irs.gov and click on the *electronic IRS* link.

If you pay by EFTPS or credit card, file your return using the “Form 941-SS without payment” address on page 2 under *Where Should You File?* and **do not** file Form 941-V(SS), Payment Voucher.

If you pay by check or money order, make it payable to the *United States Treasury*. Enter your EIN, Form 941-SS, and the tax period on your check or money order. Complete Form 941-V(SS) and enclose with Form 941-SS.

If line 8 is \$2,500 or more and you have deposited all taxes when due, the balance due on line 12 should be zero.



If you do not deposit as required and instead pay the taxes with Form 941-SS, you may be subject to a penalty.

13. Overpayment

If line 11 is more than line 8, write the difference in line 13. **Never** make an entry in both lines 12 and 13.

If you deposited more than the correct amount for a quarter, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check the appropriate box in line 13. If you do not check either box, we will automatically refund the overpayment. We may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 13 is under \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

Complete both pages.

You **must** complete both pages of Form 941-SS and sign on page 2. Failure to do so may delay processing of your return.

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

15. Check one:

- If line 8 is less than \$2,500, check the appropriate box in line 15 and go to Part 3.
- If you reported \$50,000 or less in taxes during the lookback period (see below), you are a **monthly schedule depositor** unless the *\$100,000 Next-Day Deposit Rule* discussed in section 8 of Pub. 80 (Circular SS) applies. Check the appropriate box on line 15 and enter your tax liability for each month in the quarter. Add the amounts for each month. Enter the result in the *Total liability for quarter* box.

Note that your total tax liability for the quarter must equal your total taxes shown on line 8. If it does not, your tax deposits and payments may not be counted as timely.

You are a **monthly schedule depositor** for the calendar year if the amount of your Form 941-SS taxes reported for the lookback period is \$50,000 or less. The **lookback period** is the four consecutive quarters ending on June 30 of the prior year. For 2008, the lookback period begins July 1, 2006, and ends June 30, 2007. For details on the deposit rules, see section 8 of Pub. 80 (Circular SS). If you filed Form 944-SS in either 2006 or 2007, your lookback period is the 2006 calendar year.



This is a summary of your monthly **tax liability**, not a summary of deposits you made. If you do not properly report your liabilities when required or if you are a **semiweekly schedule depositor** and report your liabilities on line 15 instead of on Schedule B (Form 941), you may be assessed an “averaged” failure-to-deposit (FTD) penalty. See *Deposit Penalties* in section 8 of Pub. 80 (Circular SS) for more information.

- If you reported more than \$50,000 of taxes for the lookback period (see above), you are a **semiweekly schedule depositor**. Check the appropriate box on line 15.

You **must** complete the Schedule B (Form 941) and submit it with your Form 941-SS. **Do not** use Schedule B (Form 941) if you are a monthly schedule depositor.

Reporting adjustments on line 15. If your tax liability for any month is negative (for example, if you are adjusting an overreported liability in a prior period), do not 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.

Here’s an example:

Pine Co. discovered on February 6, 2008, that it overreported social security tax on a prior quarter return by \$2,500. Its Form 941-SS taxes for the first quarter of 2008 were:

January =	\$2,000
February =	\$2,000
March =	\$2,000

Pine Co. reports liabilities on line 15 as follows:

Month 1 =	\$2,000
Month 2 =	0
Month 3 =	+\$1,500
Total	\$3,500

The prior period adjustment (\$2,500) offsets the \$2,000 liability for February and the excess \$500 must be used to offset March liabilities. Since the error was not discovered until February, it does not affect January liabilities reported in Month 1 of line 15.

Using the above example, if the overreported social security tax on a prior quarter return had been \$10,000, Pine Co. could carry the excess negative adjustment of \$6,000 (\$10,000 – \$2,000 – \$2,000) to the next quarter. Pine Co. would only report \$4,000 of the adjustment on line 7e because line 8 must equal the total shown in line 15. See Form 941c for reporting requirements and information on the option of filing a claim for refund of overpaid employment taxes.

Part 3: Tell us about your business.

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

16. If your business has closed . . .

If you go out of business or stop paying wages, you must file a **final return**. To tell IRS that a particular Form 941-SS is your final return, check the box on line 16 and enter the date you last paid wages in the space provided. For additional filing requirements, see *Final Return* on page 2 of these instructions.

17. If you are a seasonal employer . . .

If you hire employees seasonally—such as for summer or winter only—check the box on line 17. Checking the box tells IRS not to expect four Forms 941-SS from you throughout the year because you have not paid wages regularly.

Generally, we will not ask about unfiled returns if you file at least one return showing tax due each year. However, you must check the box **every time** you file a Form 941-SS.

Also, when you fill out Form 941-SS, be sure to check the box on the top of the form that corresponds to the quarter reported.

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 941-SS with the IRS, check the “Yes” box in Part 4. Then tell us the name, phone number, and the five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm who prepared your tax return. The designee may choose any five numbers as his or her PIN.

By checking “Yes,” you authorize the IRS to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to:

- give us any information that is missing from your return,
- call us for information about processing your return, and
- respond to certain IRS notices that you have shared with your designee about math errors and return preparation. IRS will not send notices to your designee.

You are 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, *Practice Before the IRS and Power of Attorney*.

The authorization will automatically expire 1 year from the due date (without regard to extensions) for filing your Form 941-SS. If you or your designee want to terminate the authorization, write to the IRS office for your locality using the “Form 941-SS without a payment” address under *Where Should You File?* on page 2.

Part 5: Sign here

Form 941-SS must be signed as follows.

- **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.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**— A responsible and duly authorized member or officer having knowledge of its affairs.
- **Single member LLC treated as a disregarded entity**— The owner of the LLC.
- **Trust or estate**— The fiduciary.

Form 941-SS may also be signed by a duly authorized agent of the taxpayer if a valid power of attorney has been filed.

Alternative signature method. Corporate officers or duly authorized agents may sign Form 941-SS by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39. You can find Rev. Proc. 2005-39 on page 82 of Internal Revenue Bulletin 2005-28 at www.irs.gov/pub/irs-irbs/irb05-28.pdf.

Paid preparers. A paid preparer must sign Form 941-SS and provide the information in the *Paid preparer’s use only* section of Part 5 if the preparer was paid to prepare Form 941-SS and is not 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 are a paid preparer, write your SSN or your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, write the firm’s name and the EIN of the firm. You can apply for a PTIN using Form W-7P, Application for Preparer Tax Identification Number. You cannot use your PTIN in place of the EIN of the tax preparation firm.

Generally, do not complete this section if you are filing the return as a reporting agent and have a valid Form 8655, Reporting Agent Authorization, 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 Order Forms and Publications from the IRS



Call 1-800-829-3676 (U.S. Virgin Islands only), or 215-516-2000 (toll call).



Visit the IRS website at www.irs.gov.