

# Employer's Monthly Federal Tax Return

OMB No. 1545-0718 Expires 8-31-92

Return for (enter month and year) . . . . . ▶

Name, address, ZIP code, and employer identification number

For IRS Use Only	
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If not correct, please change.

<b>1</b>	<b>For March Only:</b> Number of employees (except household) employed in the pay period that includes March 12th. ▶	<b>1</b>	
<b>2</b>	Total wages and tips subject to withholding, plus other employee compensation. . . . . ▶	<b>2</b>	
<b>3</b>	Total income tax withheld from wages, tips, pensions, annuities, sick pay, gambling winnings, etc..	<b>3</b>	
<b>4</b>	Adjustment of withheld income tax for preceding months of calendar year . . . . .	<b>4</b>	
<b>5</b>	Adjusted total of income tax withheld (line 3 as adjusted by line 4) . . . . .	<b>5</b>	
<b>6a</b>	Taxable social security wages. ( <b>Complete</b> ) . . . . . \$ . . . . . × 12.4% (.124) =	<b>6a</b>	
<b>b</b>	Taxable social security tips. ( <b>line 7.</b> ) . . . . . \$ . . . . . × 12.4% (.124) =	<b>6b</b>	
<b>7</b>	Taxable Medicare wages and tips . . . . . \$ . . . . . × 2.9% (.029) =	<b>7</b>	
<b>8</b>	Total social security and Medicare taxes (add lines 6a, 6b, and 7). . . . . ▶	<b>8</b>	
<b>9</b>	Adjustment of social security and Medicare taxes (see instructions) . . . . .	<b>9</b>	
<b>10</b>	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9) . . . . . ▶	<b>10</b>	
<b>11</b>	Total taxes (add lines 5 and 10) . . . . .	<b>11</b>	
<b>12</b>	Advance earned income credit (EIC) payments made to employees, if any (see instructions) . . . . .	<b>12</b>	
<b>13</b>	Net taxes (subtract line 12 from line 11) . . . . .	<b>13</b>	

Check only if you are a first-time 3-banking-day depositor. (See Specific Instructions on page 4.) ▶

Record of Federal Tax Liability and Deposits (See Instructions on page 4.)		(a) Tax liability	(b) Date of deposit	(c) Amount deposited
		Date wages paid:		
Overpayment from previous month . . . . .				
<b>A</b> 1st through 3rd day . . . . .				
<b>B</b> 4th through 7th day . . . . .				
<b>C</b> 8th through 11th day . . . . .				
<b>D</b> 12th through 15th day . . . . .				
<b>E</b> 16th through 19th day . . . . .				
<b>F</b> 20th through 22nd day . . . . .				
<b>G</b> 23rd through 25th day . . . . .				
<b>H</b> 26th through last day . . . . .				
<b>I</b> Total for the month . . . . .				
<b>J</b> Final deposit made for month. (Enter -0- if included in item I)				

<b>14</b>	Total deposits for month. Add items I and J, column c, including overpayment from previous month	<b>14</b>	
<b>15</b>	Undeposited taxes due (subtract line 14 from line 13). Enter here and pay to Internal Revenue Service . . . ▶	<b>15</b>	
<b>16</b>	If line 14 is more than line 13, enter overpayment here ▶ \$ . . . . . and check if to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded.		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature ▶ Print Your Name and Title ▶ Date ▶

**Paperwork Reduction Act Notice.**—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping** 14 hrs., 21 min.; **Learning about the law or the form** 12 min.; **Preparing, copying, assembling, and sending the form to the IRS** 26 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0718), Washington, DC 20503. **DO NOT** send this tax form to either of these offices. Instead, use the preaddressed envelope furnished to you.

## Highlights

**Important Reminder.**—The wage bases for the two parts of the social security tax (social security and Medicare) are now different. Employers can no longer combine and report the withholding as a single amount. Social security wages must be reported on line 6a, social security tips must be reported on line 6b, and Medicare wages and tips must be reported on line 7. The wage bases are \$55,500 for social security and \$130,200 for Medicare.

The cost of group-term life insurance in excess of \$50,000 provided former employees is subject to both the employer and employee portion of social security and Medicare taxes. Include the cost of the excess coverage on lines 6a and 7. Any uncollected social security and Medicare taxes must be reported as an adjustment on line 9.

**Reconciliation of Forms 941-M and W-3.**—Amounts reported on the monthly Forms 941-M for the year must agree with the totals reported on **Form W-3**, Transmittal of Income and Tax Statements, which summarize the **Forms W-2**, Wage and Tax Statement, given to employees, and which you file with the Social Security Administration or with information filed on equivalent magnetic media reports. The amounts that should agree are: social security wages, social security tips, Medicare wages and tips, and the advance earned income credit. If the totals do not agree, IRS will require you to explain the differences and correct any errors. You can avoid this by making sure that correct amounts are reported on Forms 941-M and W-3.

**Forms W-4.**—You are required to send to IRS copies of any Forms W-4 received during the quarter from employees still employed by you at the end of the quarter (1) claiming more than 10 withholding allowances or (2) claiming exemption from income tax withholding if their wages are expected to usually exceed \$200 a week. For details, see Circular E, Employer's Tax Guide. Do not send any Forms W-4P or W-4S to IRS.

**Backup Withholding.**—If you have any backup withholding, file Form 941 instead of this form. Modify the Form 941 by reporting only one month's taxes and completing the Record of Federal Tax Liability for the one month only. File Form 941 with the office with whom you file Form 941-M.

**Sick Pay.**—See Circular E for details on how to report social security and Medicare taxes on sick pay.

## General Instructions

**Purpose of Form.**—Use this form to report monthly the: (1) income tax you withheld from wages, tips, pensions, annuities, supplemental unemployment compensation benefits, certain gambling winnings, and third-party payments of sick pay; and (2) social security and Medicare taxes. If you report just one kind of tax, fill in only the lines that apply.

**Who Must File.**—File Form 941-M if you are required to report income taxes withheld, social security taxes, and

Medicare taxes on a monthly basis. The District Director may require monthly returns on this form and payments of tax from any employer who has not complied with the requirements for the filing of returns or the paying or depositing of taxes reported on quarterly returns. You are not required to file monthly returns unless you receive written notification from the District Director or his or her delegate to do so. A preaddressed Form 941-M will be mailed to you before your first monthly return is due and for each month thereafter. If you no longer expect to pay amounts subject to tax reportable on Form 941-M, write "Final Return" at the top of your last return and attach an explanation of the reason you are no longer liable.

**When To File.**—Form 941-M for any month is due by the 15th day of the following month. If the due date for filing a return falls on a Saturday, Sunday, or legal holiday, you may file the return on the first day afterward that is not a Saturday, Sunday, or legal holiday.

**Where To File.**—File Form 941-M, with any payment due, using the preaddressed envelope furnished to you. Keep the duplicate Form 941-M for your records.

**Form W-2.**—By the last day of February, or when filing a final return on Form 941-M if you make final payments before the end of the year, send Copy A of all Forms W-2 issued for the year with a Form W-3 to the Social Security Administration. However, this does not extend the due date for filing Form 941-M, which is due by the 15th day of the month following the period for which the return is filed.

By January 31, give Forms W-2 to employees who worked for you the previous year. If an employee stops working for you before the end of the year, you may give him or her Form W-2 any time after employment ends. However, if the employee asks you for Form W-2, give him or her the completed form within 30 days after the request or the final wage payment, whichever is later.

**Form W-3.**—Form W-3 must be filed by employers and other payers as a transmittal for Copy A of Form W-2. Form W-3 will be mailed to you during the last quarter of the calendar year. If you file a final return before the end of the year, ask your District Director for Form W-3. Instructions for filing are printed on Form W-3.

**Penalties and Interest.**—There are penalties for filing a return late and paying or depositing taxes late unless there is reasonable cause. If you are late, please attach an explanation to your return.

There are also penalties for willful failure to file returns and pay taxes when due, collect tax, furnish statements to employees, or keep records, and for filing false or fraudulent returns or submitting bad checks.

**Caution:** *A 100% penalty may apply where income, social security, and Medicare taxes that should be withheld are not withheld or are not paid to the IRS. Under this penalty, certain officers or employees of a corporation, or certain members or employees of a partnership becomes personally liable for the payments of the taxes and are penalized an equal amount.*

Interest is charged on tax paid late at the rate set by law.

## Specific Instructions

*Circular E explains the rules for withholding, paying, depositing, and reporting Federal income tax, social security and Medicare taxes, and Federal unemployment tax (FUTA) on wages and fringe benefits. Circular A, Agricultural Employer's Tax Guide, explains the rules for employers who have agricultural workers. These rules are different, so please ask for this circular if you have agricultural workers. You can get these circulars free from IRS offices.*

These instructions follow the line numbers on the form. Specific instructions for most of the lines have been provided. Those lines that do not appear in these instructions are self-explanatory.

**Line 1—(March Only) Number of employees.**—Do not include household employees, persons who receive no pay during the pay period, pensioners, or members of the Armed Forces. If you have only household employees in the pay period, enter -0-. An entry of 250 or more on line 1 indicates a need to file wage reports on magnetic media. You should immediately request Publication TIB-4 from SSA if not already a magnetic media filer.

**Line 2.**—Enter the total of all wages you paid, tips reported to you, and other compensation you paid to your employees even if you do not have to withhold income or social security and Medicare taxes on it. Do not include pensions, annuities, supplemental unemployment compensation benefits, or gambling winnings even if you withheld income tax on them.

**Line 3.**—Enter the total income tax you withheld on wages, tips, pensions, annuities, sick pay, supplemental unemployment compensation benefits, and gambling winnings.

**Line 4—Adjustment of withheld income tax.**—Use line 4 to correct errors in income tax withheld from wages paid in earlier months of the same calendar year. Attach a statement that shows:

- What the error was.
- The return period or periods to which the error relates.
- The amount of the error for each period.
- The tax-return period in which you found the error.
- How you and your employee(s) have settled any overcollection or undercollection.

Do not use this line if you (1) did not withhold enough tax in an earlier year (ask the District Director for instructions), or (2) withheld too much in an earlier year (no need to correct).

**Line 5—Adjusted total of income tax withheld.**—Add line 4 to line 3 if you are reporting additional withheld income tax for an earlier period in this calendar year. Subtract line 4 from line 3 if you are reducing the amount of withheld income tax reported for an earlier period in this calendar year.

**Line 6a—Taxable social security wages.**—Enter the total wages subject to social security taxes that you paid your employees during the month. Also include any sick pay subject to social security and Medicare taxes.

# Employer's Monthly Federal Tax Return

Return for (enter month and year) . . . . . ▶

Type or print in this space your name, address, ZIP code and employer identification number as shown on original.

# YOUR COPY

<b>1</b>	<b>For March Only:</b> Number of employees (except household) employed in the pay period that includes March 12th. ▶	<b>1</b>	
<b>2</b>	Total wages and tips subject to withholding, plus other employee compensation. . . . . ▶	<b>2</b>	
<b>3</b>	Total income tax withheld from wages, tips, pensions, annuities, sick pay, gambling winnings, etc..	<b>3</b>	
<b>4</b>	Adjustment of withheld income tax for preceding months of calendar year . . . . .	<b>4</b>	
<b>5</b>	Adjusted total of income tax withheld (line 3 as adjusted by line 4) . . . . .	<b>5</b>	
<b>6a</b>	Taxable social security wages. ( <b>Complete</b> ) . . . . . \$ . . . . . × 12.4% (.124) =	<b>6a</b>	
<b>b</b>	Taxable social security tips. ( <b>line 7.</b> ) . . . . . \$ . . . . . × 12.4% (.124) =	<b>6b</b>	
<b>7</b>	Taxable Medicare wages and tips . . . . . \$ . . . . . × 2.9% (.029) =	<b>7</b>	
<b>8</b>	Total social security and Medicare taxes (add lines 6a, 6b, and 7). . . . . ▶	<b>8</b>	
<b>9</b>	Adjustment of social security and Medicare taxes (see instructions) . . . . .	<b>9</b>	
<b>10</b>	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9) . . . . . ▶	<b>10</b>	
<b>11</b>	Total taxes (add lines 5 and 10) . . . . .	<b>11</b>	
<b>12</b>	Advance earned income credit (EIC) payments made to employees, if any (see instructions) . . . .	<b>12</b>	
<b>13</b>	Net taxes (subtract line 12 from line 11) . . . . .	<b>13</b>	

Check only if you are a first-time 3-banking-day depositor. (See Specific Instructions on page 4.) ▶

Record of Federal Tax Liability and Deposits (See Instructions on page 4.)	Date wages paid:			
	(a) Tax liability	(b) Date of deposit	(c) Amount deposited	
Overpayment from previous month . . . . .				
<b>A</b> 1st through 3rd day . . . . .				
<b>B</b> 4th through 7th day . . . . .				
<b>C</b> 8th through 11th day . . . . .				
<b>D</b> 12th through 15th day . . . . .				
<b>E</b> 16th through 19th day . . . . .				
<b>F</b> 20th through 22nd day . . . . .				
<b>G</b> 23rd through 25th day . . . . .				
<b>H</b> 26th through last day . . . . .				
<b>I</b> Total for the month . . . . .				
<b>J</b> Final deposit made for month. (Enter -0- if included in item I)				

<b>14</b>	Total deposits for month. Add items I and J, column c, including overpayment from previous month	<b>14</b>	
<b>15</b>	Undeposited taxes due (subtract line 14 from line 13). Enter here and pay to Internal Revenue Service . . . ▶	<b>15</b>	
<b>16</b>	If line 14 is more than line 13, enter overpayment here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded.		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature ▶ \_\_\_\_\_ Print Your Name and Title ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Enter the amount before deductions. Do not include tips on this line. Stop reporting when an employee's wages (including tips) reach \$55,500 for 1992. See line 7 instructions below for Medicare tax. However, continue to withhold income tax for the whole year on wages and tips even when the limit of \$55,500 is reached.

**Line 6b—Taxable social security tips.—**

Enter all tips your employees reported during the month until tips and wages for each employee reach \$55,500 in 1992. Do this even if you were not able to withhold the employee tax (6.2%). However, see line 9 instructions below. An employee must report to you cash tips totaling \$20 or more in a month by the 10th day of the next month. This report must include tips you paid the employee for charge customers. The employee may use **Form 4070**, Employee's Report of Tips to Employer, to report tips or give you a written statement. Do not include allocated tips. They are not reportable on this form and not subject to withholding of income or social security taxes.

**Line 7—Taxable Medicare wages and tips.—**

Use this line to report all wages and tips subject to the Medicare portion of social security. Stop reporting when an employee's wages and tips reach \$130,200 for 1992. If none of the payments are subject to Medicare tax, enter -0-. Include all tips your employees reported during the quarter, even if you were not able to withhold the employee tax (1.45%). However, see line 9 instructions below.

**Line 9—Adjustment of social security and Medicare taxes.—**

Consult your District Director before claiming a credit or adjustment.

**Line 10—Adjusted total of social security and Medicare taxes.—**Add line 9 to line 8 if you are reporting additional taxes for an earlier period in this calendar year. Subtract line 9 from line 8 if you are reducing the amount of taxes reported for an earlier period in this calendar year.

**Line 12—Advance EIC payments, if any.—**

Enter the total advance earned income credit (EIC) payments made to employees during the month.

**Special Deposit Account.—** Do not use **Form 8109**, Federal Tax Deposit Coupon and do not complete lines A through J of the Record of Federal Tax Liability and Deposits if you are required to have a special deposit account under section 7512(b) of the Internal Revenue Code. If you have received, by hand delivery, **Form 2481**, Notice To Make Special Deposits of Taxes (section 7512 of the Internal Revenue Code), you are required to deposit in a separate account in a bank any taxes collected or required by law to be collected. Your deposit must be made not later than the end of the second banking day after any taxes were required to be collected from your employees. The taxes deposited must be kept in the account until paid to the Internal Revenue Service with any employer tax that may be due. The account must be designated as a special fund in trust for the United States, payable to the Internal Revenue Service by you as trustee. For the definition of the term "bank," please see **Form 2481**.

**Federal Tax Deposits.—**If you are not required to have a special deposit account, then, in general, you must deposit withheld

income tax and both the employer and employee social security taxes with an authorized financial institution or a Federal Reserve bank or branch that serves your area. Use **Form 8109**, which must be included with each deposit, to indicate the type of tax being deposited. To avoid a possible penalty, do not mail your deposit directly to IRS. Records of your deposits will be sent to IRS for crediting to your business accounts.

There are no periodic mailouts of Federal tax deposit forms. If you need additional coupons, use the FTD Reorder Form (**Form 8109A**) included in the coupon book. If you do not have a coupon book, please request one from your IRS district office. There are coupons and a reorder form in each book and the coupons can be used to deposit any type of tax for any tax year. Please see the instructions in the coupon book for additional information.

If you hand-deliver your deposit to an authorized depository on the due date, be sure to deliver it before the depository closes its business day.

The amount of taxes determines the frequency of deposits. You owe these taxes when you pay the wages, not when your payroll period ends. The rules and examples below will tell you how often to deposit taxes.

**(1) Less than \$500 at end of month.—**If at the end of the month your total tax liability for the month is less than \$500, you do not have to deposit the taxes. You may pay the taxes to IRS with **Form 941-M**, or you may deposit them by the due date of **Form 941-M**.

**(2) \$500 or more but less than \$3,000 at the end of the month.—**If at the end of the month your total tax liability is \$500 or more but less than \$3,000, deposit the taxes within 15 days after the end of the month.

**Example:** *The taxes on wages paid in the month are \$600. Deposit these taxes by the 15th of the next month.*

**(3) \$3,000 or more at the end of any eighth-monthly period but less than \$100,000 at any time during the eighth-monthly period.—**If at the end of any eighth-monthly period your total tax liability is \$3,000 or more but less than \$100,000 at any time during the eighth-monthly period, deposit the taxes within 3 banking days after the end of the eighth-monthly period. Eighth-monthly periods end on the 3rd, 7th, 11th, 15th, 19th, 22nd, 25th, and last day of each month. Do not count as banking days Saturdays, Sundays, legal holidays, and local holidays observed by authorized financial institutions.

**Example:** *The taxes on wages paid from the 1st through the 3rd of a month are \$3,500. Deposit these taxes within 3 banking days after the 3rd.*

**Example:** *The taxes on wages paid from the 4th through the 7th of a month are \$2,500, and the taxes on wages paid from the 8th through the 11th are \$2,000. A separate deposit is not required for the \$2,500 but add it to the \$2,000 and deposit the total*

*(\$4,500) within 3 banking days after the 11th of the month.*

**Exception to rule 3.—**If this is the first time you are required to make a deposit within 3 banking days after the end of an eighth-monthly period, you may deposit the taxes by the 15th day of the next month (instead of within 3 banking days after the eighth-monthly period) if you meet all of the following conditions:

(1) You were not required to deposit taxes for any eighth-monthly period during the last 4 calendar quarters.

(2) You were not required to deposit taxes for any eighth-monthly period during earlier months of this quarter.

(3) Your total undeposited taxes at the end of any eighth-monthly period during this month are less than \$10,000.

If you qualify for this exception, check the box at the top of the Record of Federal Tax Liability and Deposits and attach a statement showing your net taxes for each of the preceding 4 calendar quarters.

**(4) \$100,000 or more during any eighth-monthly period.—**If your payroll taxes are \$100,000 or more during any eighth-monthly period, you are required to deposit the payroll taxes by the close of the next banking day after your tax liability is \$100,000 or more. You also must attach **Schedule B (Form 941)**, Supplemental Record of Federal Tax Liability, and complete the form through line H. The remainder of the form should be left blank.

You will meet these deposit requirements if: (a) you deposit at least 95% of the tax liability following the rules above, and (b) you deposit any underpayment of \$500 or more by the 15th of the next month.

**Record of Federal Tax Liability and Deposits.—**If you have to deposit taxes using the Federal Tax Deposit System, complete all three columns. In column a, enter your total tax liability (income tax withheld plus both the employer and employee social security and Medicare taxes minus advance EIC payments, if any) for each eighth-monthly period in which you had a payday. If your total taxes (minus advance EIC payments, if any) for the month are less than \$3,000, show them in column a of line l. If you made more than one deposit for an eighth-monthly period, please attach a statement to your return showing the amount and date of each deposit.

**Note:** *The total "Tax liability" (column a, line l) must equal "Net taxes" (line 13). Otherwise, you may be charged a penalty based on your average tax liability for failure to make deposits of taxes.*

**Line 14—Total deposits for the month.—**Enter the total deposits for the month including any overpayment applied from the previous month.

**Line 15—Undeposited taxes due.—**If you deposited all taxes when due, any balance on this line will be less than \$500.

**Line 16—Overpayment.—**If you deposited more than the correct amount for a month, you can have the overpayment refunded or applied to your next return. Show any amount applied in the Record on your next return.

**Signature.—**Be sure to sign the return and print your name and title.