

Social Security  
Administration

Internal  
Revenue Service

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# Reporter

Winter 2011

A Newsletter for Employers

## Retirement News for Employers – We’re Glad You Asked!

### Should our plan administrator withhold 20% for federal income tax from all retirement plan distributions?

No. The plan administrator should only withhold 20% for federal income tax from [eligible rollover distributions](#). A plan administrator doesn't have to apply withholding if expected distributions to an individual are less than \$200 for the year. The 20% withholding generally only applies to any previously untaxed amount of the eligible rollover distribution (not to any already taxed amount – [cost](#)). However, no withholding is required if the plan directly rolls over (in a trustee-to-trustee transfer) the amount to another qualified retirement plan or IRA.

Distributions that are [not eligible rollover distributions](#) are subject to different withholding rates depending on whether they are **periodic** or **nonperiodic** payments.

■ **Periodic payments** are made at regular intervals for more than 1 year (for example, an annuity).

- Generally, the plan administrator must withhold at the rate for a married individual with 3 withholding exemptions. However, the plan administrator must notify the recipient of his or her right to:
  - elect no withholding or elect to have a different amount withheld, by filing [Form W-4P](#), *Withholding Certificate for Pension or Annuity Payments*, with the plan administrator; and
  - revoke the election at any time.
- The plan administrator must withhold 10% from any required minimum distributions and 20% from any excess amount distributed that is an eligible rollover distribution.

■ **Nonperiodic payments** are distributions that usually aren't made at regular intervals and are not eligible rollover distributions, for example:

- distributions of excess annual additions;

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## SOCIAL SECURITY NEWS

### 2012 Social Security Wage Base Information

The Social Security wage base for 2012 will be \$110,100. Beginning January 1, 2012, employers should withhold Social Security taxes (6.2 percent) from employees' wages up to \$110,100 and withhold the Medicare tax (1.45 percent) on all wages.

In 2012, employees will earn one Social Security credit for each \$1,130 in earnings, up to a maximum of four credits for the year.

Get more information from the Social Security press release at [www.socialsecurity.gov](http://www.socialsecurity.gov).

### Changes to W-2 Online

On December 5, 2011, Social Security's W-2 Online filing application became available to employers and third-party practitioners who wish to begin filing their tax year 2011 Forms W-2/W-3. This *free* online filing option provides everything you will need to meet your filing requirements with Social Security and your employees. No additional software or forms are required.

For returning users, two *new features* are available on W-2 Online for tax 2011. The number of W-2s you can file per W-3 has increased from 20 to 50. In addition, for the first time, W-2 Online can be used for a delinquent tax year — it can be used for tax years 2011 and 2010.

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## SOCIAL SECURITY NEWS

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### Use AccuWage to Test Your Wage Reports Before Filing with Social Security

AccuWage is Social Security's *free* software that allows you to test your wage reports before uploading them to Social Security. Using one of two versions, Visual Basic and Java, download and install AccuWage software on your PC and specify the directory where your W2REPORT file is located. AccuWage reads the file and informs you of any errors it detects. Knowing what errors exist and fixing them before submitting your file can save time and eliminate the need for W-2Cs/W-3Cs.

In addition to the AccuWage software, Social Security also offers AccuW2C, which is also free. This software checks W-2C wage reports before uploading them to Social Security. For more information about AccuWage and AccuW2C, visit the [AccuWage Information and Software](#) or our [Troubleshooting](#) webpage for downloading problems. Submit all feedback at [accuwage.help@ssa.gov](mailto:accuwage.help@ssa.gov).

### Update Your Business Services Online Account Now

Has it been a while since you've used Business Services Online (BSO) or registered to use BSO at any of the IRS Tax Forums? Now is a good time to visit the web site to make sure your password is updated. If you requested access to the Social Security Number Verification Service or receive Social Security Number Error Reports, you must also enter your Activation Code before you can use this service.

Register to use BSO now and avoid the rush during filing season. You can register from the comfort of your home or office to use the free BSO services!

Remember, your personal ID is not a company ID and should not be shared. It is equivalent to your electronic signature. You are responsible for all transactions associated with its use.

#### Learn More Online:

- [Learn How to E-File Using Business Services Online](#)
- [Business Services Online Users Guide](#)

### Business Services Online Videos and Tutorial

Social Security has two new videos on how to register for Business Services Online (BSO) and how to use W-2 Online.

- [How to Register for Business Services Online \(Video\)](#)
- [How to File W-2s Online \(Video\)](#)

We also offer a detailed tutorial that introduces our free BSO services. Go to [www.ssa.gov/employer](http://www.ssa.gov/employer) to get more information.

### Social Security is on Facebook, Twitter and YouTube

If you use social media, we'd like you to connect with us! Facebook is a great way to stay informed about Social Security and give us your feedback. What better place than Facebook to join Social Security's network and stay in the know. Social Security has started *tweeting*. Our news and information is now in easily digestible, 140-character bits! Whether you are a fan of Facebook or Twitter, these electronic vehicles will help reach more users who can benefit from our online information and services.

- [Follow us on Facebook](#) and select Like.
- [Follow us on Twitter](#) and select Follow Social Security

Visit [Social Security's web site](#) and look for the Facebook and Twitter icons. While you're there, open the link to our YouTube page to watch Social Security videos, including public service announcements featuring rock-n-roll icon Chubby Checker and academy award winning actress Patty Duke.

### Answers on the Run

These days, people seem busier than ever. Thanks to smart phones and mobile devices, you can stay in the know even when you're on the run. If you have a question about Social Security, it's easy to get a quick answer using our mobile-friendly Frequently Asked Questions page. Just go to [www.socialsecurity.gov/faq](http://www.socialsecurity.gov/faq) from your mobile device. You can now turn that delayed flight or wait in a grocery store line into productive time and get answers to your Social Security and wage reporting questions. SSA

## New IRS Voluntary Classification Settlement Program

### Allows Tax Relief for Reclassifying Workers as Employees

**O**n September 21, 2011, the IRS announced the new Voluntary Classification Settlement Program (VCSP) in [Announcement 2011-64](#). This program allows eligible taxpayers to voluntarily reclassify workers as employees for future tax periods with partial relief from federal employment taxes for the past nonemployee treatment.

The program applies to taxpayers, including exempt organizations and Government entities, who are currently treating their workers (or a class or group of workers) as independent contractors or other nonemployees and want to prospectively treat the workers as employees.

Taxpayers who have consistently treated the workers as nonemployees, and who have filed all required Forms 1099 for the workers for the previous three years are eligible as long as they are not currently under any audit by the IRS or under audit concerning the classification of workers by the Department of Labor or by a state government agency.

Taxpayers apply using [Form 8952, Application for Voluntary Classification](#)

*Settlement Program* at least 60 days from the date they want to begin treating their workers as employees. The IRS will review applications and verify eligibility. Eligible taxpayers will be asked to enter into a closing agreement, prepared by the IRS, in which the taxpayer will agree to prospectively treat the class or classes of workers as employees for future tax periods.

With the closing agreement, payment will be due based on 10% of the amount of employment taxes calculated under the reduced rates of section 3509(a) for compensation paid to the workers being reclassified for the most recent tax year, with no penalties or interest. In addition, as a result of entering into this agreement, taxpayers will not be subject to an employment tax audit with respect to the worker classification of the workers being reclassified for prior years.

More information about VCSP is on the [VCSP pages of IRS.gov](#), including [VCSP Frequently Asked Questions](#). IRS

## Self Check Expanded — Available in More Areas

**U.S.** Citizenship and Immigration Services (USCIS) recently expanded the availability of Self Check. This free, online service of E-Verify lets workers check their own employment eligibility status. Self Check is now available in Spanish and to residents of certain U.S. states and the District of Columbia. Self Check, available online at [www.USCIS.gov/SelfCheck](http://www.USCIS.gov/SelfCheck) and [www.USCIS.gov/SelfCheck/Español](http://www.USCIS.gov/SelfCheck/Español), was initially launched in March 2011 to residents of just five states and D.C. It is gradually expanding across the country. Visit [www.USCIS.gov/SelfCheck](http://www.USCIS.gov/SelfCheck) to find out if Self Check is available in your state.

### Self Check Benefits U.S. Citizens and Non-Citizens

Self Check offers citizens and non-citizens of the United States the opportunity to securely check their work eligibility status. Regardless of citizenship or immigration status, this empowers workers by allowing them the opportunity to see what employers would see in E-Verify. This gives workers the opportunity to update information in their SSA and DHS records that may cause mismatches in E-Verify, even before their next employer does.

Mismatches may exist in even U.S. citizens' records, due to name changes, naturalization, etc. If mismatches are found, Self Check offers instructions to help users update their information with the appropriate agency. As such, non-citizens, American born citizens, and naturalized citizens can use

Self Check to save time, by resolving errors before an employer finds them in E-Verify.

### First E-Verify Service for Employees

Self Check is the first online service offered directly to U.S. workers by E-Verify. *E-Verify*, a Department of Homeland Security program administered by USCIS in partnership with the Social Security Administration, is used by nearly 300,000 employers at more than 950,000 worksites in the United States. Enrolled employers use the free, internet-based E-Verify service to quickly check new employee's eligibility to work in the United States, using the information reported in their Form I-9 (*Employment Eligibility Verification Form*).

While E-Verify is an employer tool, Self Check is a voluntary service for employees only. As an employer, you must not require your employees or job applicants to use Self Check, or require anyone to present the results of their Self Check. And even if your new hires use Self Check, you still must verify their employment eligibility. In the United States, employers must conduct employment eligibility verification for each new hire, using a Form I-9 (*Employment Eligibility Verification*) and, if enrolled, electronically verify their work eligibility using E-Verify. Now employees — both citizens and non-citizens — can use Self Check even before you use E-Verify.

To learn more about E-Verify, please visit [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify). **DHS**

## Retirement News for Employers continued from page 1

- distributions of excess contributions and excess aggregate contributions from most plans if made within 2½ months after the end of the plan year;
- hardship distributions; and
- loans treated as distributions.

The plan administrator must withhold 10% from nonperiodic payments. However, the recipient may elect no withholding or have a different amount withheld by filing a Form W-4P with the plan administrator.

### Special Situations

- Distributions made because of recognized [disasters](#).
- Special withholding rules apply to certain noncash distributions, including:
  - employer securities; and
  - a participant's accrued benefit offset because of a defaulted loan. (see Treas. Reg. [§31-3405\(c\)-1](#).)
- Distributions delivered outside the U.S. or U.S. possessions.
- Distributions from [designated Roth accounts](#) in 401(k), 403(b) or 457(b) plans:
  - [Qualified distribution](#) — no withholding because the distribution is not taxable.
  - [Nonqualified distribution](#) — withholding required only from any distributed earnings that the recipient must include in gross income.

### Penalties

A plan administrator may be subject to penalties for failing to:

- properly withhold, deposit or report taxes; and
- electronically deposit withheld taxes. (see for example, Code §§ [6656](#) and [6672](#), [6721](#), [6722](#) and Treas. Reg. [§31.6302-1\(h\)](#))

### Additional Resources

- [Publication 15-A](#), *Employer's Supplemental Tax Guide*
- [Publication 505](#), *Tax Withholding and Estimated Tax*
- [Publication 575](#), *Pension and Annuity Income*

### How do you define a partner's "compensation" for retirement plan purposes?

A partnership makes annual contributions to a partner's retirement plan account based on her net earned income.

### Net Earned Income

For a partner, this is calculated in the same way as for most other [self-employed plan participants](#) by starting with the partner's earned income and then subtracting:

- plan contributions for the partner, and
- half of her self-employment tax.

Pub. 560 has [tables and worksheets](#) to calculate the deduction for contributions to a qualified plan for a partner.

### Partner's Earned Income

A partner's earned income is the income she receives for her services to materially help produce that income (see Code §§ [1402](#) and [401\(c\)\(2\)](#).) A partner must separately calculate her earned income for each trade or business. Not every partner may have earned income (for example, a limited partner who does not provide services to the partnership and is merely an investor). Also, all of a partner's income from the partnership may not be earned income (for example, investment income that is passed through the partnership to the partners).

### Reporting a Partner's Earned Income

Each partner's earned income or loss is listed on [Schedule K-1](#) (Form 1065), *Partner's Share of Income, Deductions, Credits, etc.* The partnership must give a Schedule K-1 to each partner by the filing due date (including extensions) of the partnership's [Form 1065](#), *U.S. Return of Partnership Income* ([instructions](#)).

### Additional Resources:

- [Publication 541](#), *Partnerships*
- [Publication 560](#), *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)*

**Note:** Subscribe to the [Retirement News for Employers](#) to see these questions and more. **IRS**

## American Payroll Association's Preparing for Year-End and Into 2012



In 2010, the IRS assessed employers \$13 billion in additional tax and penalties for noncompliance with payroll tax and information reporting law requirements. Do not let this happen to you! The American Payroll Association (APA) offers the following proven checklist to help you complete a penalty-free year-end processing. Many of the items contained in this checklist come from our most popular seminar, *Preparing for Year-End and 2012*, which also can be viewed as a webinar. To view this time saving and educational information, visit [www.americanpayroll.org/product/7/60](http://www.americanpayroll.org/product/7/60) and enroll today. If you are involved in payroll processing for the government, public sector, or Canadian payroll, the APA also has you covered by offering year-end courses for these topics. Visit [www.americanpayroll.org/product/7/40](http://www.americanpayroll.org/product/7/40) and [www.americanpayroll.org/product/7/15](http://www.americanpayroll.org/product/7/15) to learn more. The following checklist provides a broad overview of common year-end topics for payroll administrators. In addition to this checklist, each state has separate regulations affecting payroll and also should be consulted.

### In December

- Remind employees to review all information (i.e., name, address) on their pay stub to verify that it is correct. This will help reduce returned Forms W-2.
- Before issuing an employee's original Form W-2, inform employees if you intend to charge a fee for a replacement Form W-2.
- Remind employees to review the marital status and number of withholding allowances claimed on Form W-4 and to make changes if needed, (i.e., employee gets married, employee gets divorced, or employee needs to change number of dependents).
- Remind employees claiming "exempt" from withholding to submit a new Form W-4 in time for the processing of paychecks dated after February 15, 2012, if the employee wants to continue to claim "exempt" and is qualified to do so.
- Notify employees who have no income tax withheld that they may be able to claim an income tax refund because of the Earned Income Credit (EIC).
- Collect benefit and payroll adjustment information and post to employees' payroll, including relocation assistance, educational assistance, group-term life insurance, third-party sick pay, company cars, manual checks, and void checks.

- Schedule any special bonus payrolls for the current year.
- Order Forms W-2 and Forms 1099-MISC from the IRS (<http://www.irs.gov/businesses/page/0,,id=23108,00.html>) for all employees and independent contractors who have worked for your company this year, as well as some extra to allow for any mistakes. Also consider preparing, printing, and filing your Forms W-2 online at [www.ssa.gov/bsa](http://www.ssa.gov/bsa). Remember that electronic filing is required if you have 250 or more Forms W-2 to file.
- Verify your employees' names and Social Security Numbers (SSNs) at [www.ssa.gov/employer/ssnv.htm](http://www.ssa.gov/employer/ssnv.htm).

### In December and January

- Obtain new forms, withholding tables, and publications from the IRS.
- Review the new Social Security Wage base (current – \$106,800 for 2011), deferred compensation limits, mileage rates (as of July 1, 55.5 cents per mile), and state unemployment wage bases (<http://www.americanpayroll.org/members/stateui/state-ui-2>).
- Notify employees of applicable changes and any actions they must take.
- Verify the employer's state unemployment insurance tax rate and taxable wage limit for each state where the employer has workers.
- Compute uncollected Social Security and Medicare taxes for retirees and former employees.
- Check to see if the Social Security withholding tax rate has been adjusted. The tax is currently 4.2% but is scheduled to return to 6.2% for both employee and employer in 2012. This may change if new legislation is enacted.

### In January

- Reconcile W-2 and W-3 totals against Form 941 totals for 2011.
- Run a report to verify W-2 information before printing the forms for each employee.
- Verify that you have a SSN for each employee.
- Review employees' Forms W-2 who have wages higher than the Social Security wage base (\$106,800 for 2011), who have benefits that must be reported in box 10 or box 12, or who have statuses that must be checked in box 13.

- Purchase postage for mailing Forms W-2 and 1099-MISC.
- If your company offers any pre-tax deductions, prepare a notice for delivery to employees that explains the calculations of the numbers in boxes 1, 3, and 5 on Form W-2.

### By January 31

- Deliver or mail Forms W-2, *Wage and Tax Statement*, to all 2011 employees and Forms 1099-MISC to all 2011 independent contractors.
- File Form 941, *Employer's Quarterly Federal Tax Return*, Form 943, *Employer's Annual Federal Tax Return for Agricultural Employees*, or Form 944, *Employer's Annual Federal Tax Return*.
- File Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*.
- The normal deadline for filing Forms 940, 941, 943, and 944 is January 31. If all taxes have been deposited when due, the deadline for filing is extended to February 10.

### February 16

- For any employee who claimed "exempt" from withholding in 2011, but has not submitted an exempt 2012 W-4, begin withholding based on the most recent, valid, non-exempt W-4 from that employee. If you do not have one, withhold based on marital status of "single" and zero withholding allowances.

### By February 29

- File Forms W-2 (Copy A) and Forms W-3 with the Social Security Administration by February 29, 2012. If you file electronically, the deadline for submitting these forms is extended to April 2, 2012.

**Editor's Note:** The American Payroll Association's strong partnership with the IRS and SSA allows it to prepare its classes and publications, such as *The Payroll Source*®, with the most accurate and up-to-date information to educate employers. More APA information is available at [www.americanpayroll.org](http://www.americanpayroll.org). APA

## IRS and HHS Announce New Round of Outreach to Small Businesses and Practitioners

As the upcoming filing extension tax deadlines approach, the Internal Revenue Service, in partnership with the Department of Health and Human Services, is announcing a new round of outreach to small employers and the professional service providers they rely on to encourage them to review the new Small Business Health Care Tax Credit to see if they are eligible.

The small business health care tax credit was included in the Affordable Care Act enacted last year. Small employers that pay at least half of the premiums for employee health insurance coverage under a qualifying arrangement may be eligible for the small business health care tax credit. The credit is specifically targeted to help small businesses and tax-exempt organizations that primarily employ 25 or fewer workers with average income of \$50,000 or less.

Small employers faced two important tax filing deadlines:

- September 15 – Corporations that file on a calendar year basis and requested an extension to file to September 15 can calculate the small employer health care credit on Form 8941 and claim it as part of the general business credit on Form 3800, which they would include with their corporate income tax return.
- October 17 – Sole proprietors who file Form 1040 and partners and S-corporation shareholders who report their income on Form 1040 and request an extension have until October 17 to complete their returns. They would also use Form 8941 to calculate the small employer health care credit and claim it as a general business credit on Form 3800, reflected on line 53 of Form 1040.

In addition, tax-exempt organizations that file on a calendar year basis and requested an extension to file to November 15 can use [Form 8941](#) and then claim the credit on Form 990-T, Line 44f.

As these 2010 tax return deadlines approach and businesses begin planning for the end of 2011 and 2012, the IRS's new outreach campaign will focus on working with our partners:


- The tax software industry to improve access to educational information and to help alert small employers and practitioners when taxpayers may be eligible for the credit.
- Insurance agents, brokers and carriers who work with small businesses to help ensure

that participants in the health insurance marketplace understand the features and benefits of the credit. The Department of Health and Human Services today sent an email to 2,000 agents and brokers alerting them to the credit for their small business clients.

- The small business and tax practitioner community to provide additional webinars and educational opportunities about the credit.

Information will also be available through social media and other venues, including IRS YouTube videos in English, Spanish and American Sign Language. Targeted e-mails and tweets will be sent to the small business community and tax preparers. The IRS's new outreach effort will remind employers about the upcoming extension deadlines and will also provide details on other important information about the credit, including:

- Businesses who have already filed can still claim the credit: For small businesses that have already filed and later determine they are eligible for the credit, they can always file an amended 2010 tax return. Corporations use Form 1120X and individual sole proprietors use Form 1040X.
- Businesses without tax liability this year can still benefit: The Small Business Jobs Act of 2010 provided that for Tax Year 2010, eligible small businesses may carry back unused general business credits (including the small employer health care tax credit) five years. Previously these credits could only be carried back one year. Small businesses that did not have tax liability to offset in 2010 should still evaluate eligibility for the small business health care tax credit in light of this expanded carry back opportunity.
- Businesses that couldn't use the credit in 2010 can claim it in future years: Some businesses that already locked into health insurance plan structures and contributions for 2010 may not have had the opportunity to make any needed adjustments to qualify for the credit for 2010. So these businesses may be eligible to claim the credit on 2011 returns or in years beyond. Small employers can claim the credit for 2010 through 2013 and for two additional years beginning in 2014.

In addition the IRS announcement, HHS posted additional information on this credit to HealthCare.gov at [www.healthcare.gov/news/blog/smallbusiness09072011.html](http://www.healthcare.gov/news/blog/smallbusiness09072011.html). Additional information about eligibility requirements and calculating the credit can be found on the Small Business Health Care Tax Credit for Small Employers page of IRS.gov. 

## Employers Saving with e-IWO!

**Employers that have implemented the Federal Office of Child Support's electronic Income Withholding Order (e-IWO) project are not only getting the child support Income Withholding Orders electronically (i.e. no paper) but they are also saving time, money and resources. In fact one employer saved over \$8,000.00 in postage and processing costs in just the first few weeks they were on e-IWO!**

The e-IWO project enables:


- States to transmit income withholding orders electronically to employers
- Employers to electronically notify states regarding the status of IWOs, including terminations and lump sum payments.

**There is NO cost to employers for participating in the e-IWO project! Employers can choose to implement e-IWO using a "No Programming Option" (NPO) or a "System to System" (SYS) implementation. The NPO requires minimal IT resources and the employers can be receiving e-IWOs in 2-4 weeks. Once on e-IWO, employers receive an image ready PDF of every order along with a prefilled acknowledgement. The SYS requires employers to receive and process the e-IWO documents electronically and generate acknowledgements using a flat file or XML schema. Because the e-IWO documents arrive in a flat file or XML schema employers can**

**automatically upload the withholding order information to their payroll system. This option, because of the programming involved, usually requires 3-5 months to complete.**

**Employers choosing the NPO will receive the incoming IWOs as image ready PDFs. Employers implementing the SYS also have the option to receive the incoming orders as image ready PDFs.**

**As of October 31, 2011, 23 states and 1910 FEINs are using the e-IWO system.**

**For more information about e-IWO please contact William Stuart at [William.stuart@acf.hhs.gov](mailto:William.stuart@acf.hhs.gov) or Sherri Grigsby at [SGrigsby@acf.hhs.gov](mailto:SGrigsby@acf.hhs.gov).** 



## Federal Office of Child Support Enforcement Revises Income Withholding for Support Form

The Federal Office of Child Support Enforcement (OCSE) released the revised Income Withholding for Support (IWO) form and instructions for use by state and tribal child support agencies, the courts, private attorneys, and private individuals. This standard federal form must be used by anyone sending an IWO to an employer or income withholder.

As a result of the input from stakeholders, the following changes have been made to the form and to the withholding process:

- Elimination of shading – Shading made faxed copies of the IWO difficult to read.
- Requirement for the underlying child support order – The child support order that is the basis for income withholding must be attached to the IWO unless it is sent by a state or tribal child support agency or a court.
- Remittance identifier – The remittance or payment identifier has been moved to page one for greater visibility.
- Check box for employer returns – Employers or income withholders must return the IWO if payments are not directed to the SDU or if the IWO is not “regular on its face.” Instructions on page two of the form clarify instances in which an IWO is not “regular on its face.”
- Employment termination section – This section is expanded to allow income withholders to report changes in income status of the obligor.
- Instructions to reject and return invalid IWOs – Instructions are given to indicate circumstances under which an IWO must be returned to the sender.

### Approach for Improving the Income Withholding Process

After discussions with stakeholders including employers, members of the judiciary, and state and federal child support representatives, the Federal Office of Child Support Enforcement

developed the following approach to improve the income withholding process:

For IWOs issued on or after 05/31/11 (i.e., new IWOs):

1. If the IWO does not direct payment to the SDU, the employer or income withholder should reject it and return it to the sender.
2. Effective 5/31/2012, employers or income withholders should reject an IWO that is not on the standard federal form and return it to the sender.

For IWOs issued before 05/31/11 (i.e., IWOs already processed):\*

1. If the IWO does not direct payment to the SDU, the employer or income withholder should contact the state child support enforcement (CSE) agency that issued the underlying child support order on a case-by-case basis to request a revised IWO directing payment to the SDU. The state may redirect the payment to the SDU. Meanwhile, the employer or income withholder should continue sending payments to the non-SDU address until a new IWO is received.
2. If the IWO is not on the standard form and if it presents problems to the employer or income withholder, contact the sender to request the correct IWO form. The employer or income withholder should continue withholding payments until a new IWO form has been received.

**\*Note:** If the underlying support order meets any of the following criteria, there is no requirement for states to process payments through the SDU:

1. Support order initially issued before January 1, 1994 and has never been modified.
2. Support order initially issued before January 1, 1994 and has no arrearages.
3. Support order initially issued before January 1, 1994 and is not associated with a case enforced by the state CSE agency.

# Reporter

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Lanham, MD 20706

**e-mail** (NOT for change of address):

SSA.IRS.REPORTER@irs.gov

### Change of Address? Out of Business?

**Notify the IRS.** Submit Change of Address Form 8822 available at [www.irs.gov/pub/irs-pdf/f8822.pdf](http://www.irs.gov/pub/irs-pdf/f8822.pdf) to the IRS center to which you sent your business returns. Please include your Employer Identification Number (EIN).

**Cincinnati IRS Center** Cincinnati, OH 45999

**Ogden IRS Center** MS:6273, Ogden, UT 84207  
Attn: BMF Entity Control Unit

### Outside US:

Philadelphia IRS Center, Philadelphia, PA 19255

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### IRS and SSA “Help” Phone Numbers, Web Addresses, and Additional Resources Now on IRS.gov

IRS and SSA “Help” telephone numbers, Web addresses, and additional resources are now posted on IRS.gov at [www.irs.gov/businesses/small/article/0%2C%2Cid=109886%2C00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid=109886%2C00.html).

For more on changes to the withholding process and copies of the form with instructions, visit [www.acf.hhs.gov/programs/cse/pol/AT/2011/at-11-05.htm](http://www.acf.hhs.gov/programs/cse/pol/AT/2011/at-11-05.htm).

For a training presentation on the changes to the IWO form, visit [www.acf.hhs.gov/programs/cse/newhire/employer/publication/training/iwo\\_training.pdf](http://www.acf.hhs.gov/programs/cse/newhire/employer/publication/training/iwo_training.pdf).

For detailed information, email Cindy Holdren at [cynthia.holdren@acf.hhs.gov](mailto:cynthia.holdren@acf.hhs.gov) or call on (240) 676-2808. **HHS**

