

# Instructions for Form 944-X



Department of the Treasury  
Internal Revenue Service

(Rev. February 2023)

## Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund

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

Contents	Page
Future Developments	1
What's New	1
Reminders	2
General Instructions: Understanding Form 944-X	3
What Is the Purpose of Form 944-X?	3
Where Can You Get Help?	4
When Should You File Form 944-X?	4
Is There a Deadline for Filing Form 944-X?	5
Where Should You File Form 944-X?	6
How Should You Complete Form 944-X?	6
Overview of the Process	7
Specific Instructions:	7
Part 1: Select ONLY One Process	7
Part 2: Complete the Certifications	8
Part 3: Enter the Corrections for the Calendar Year You're Correcting	9
Part 4: Explain Your Corrections for the Calendar Year You're Correcting	24
Part 5: Sign Here	25
Worksheet 1. Adjusted Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021	26
Worksheet 2. Adjusted Employee Retention Credit for Qualified Wages Paid After March 12, 2020, and Before January 1, 2021, for a 2020 Form 944, or Qualified Wages Paid After December 31, 2020, and Before July 1, 2021, for a 2021 Form 944	27
Worksheet 3. Adjusted Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021	28
Worksheet 4. Adjusted Employee Retention Credit for Qualified Wages Paid After June 30, 2021, and Before January 1, 2022	29
Worksheet 5. Adjusted COBRA Premium Assistance Credit	30
How Can You Get Forms, Instructions, and Publications From the IRS?	30

### Future Developments

For the latest information about developments related to Form 944-X and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form944X](https://www.irs.gov/Form944X).



**TIP** Before you proceed with these instructions and completing Form 944-X, you'll need a copy of the Instructions for Form 944 because these

instructions don't repeat all of the information included in the Instructions for Form 944. For example, these instructions don't discuss who is eligible to claim the credit for qualified sick and family leave wages, the employee retention credit, or the COBRA premium assistance credit. The current Instructions for Form 944 are available at [IRS.gov/Form944](https://www.irs.gov/Form944). If you need a prior revision of the Instructions for Form 944, select the link for "All Revisions for Form 944" under "Other Items You May Find Useful."

### What's New

**The COVID-19 related credit for qualified sick and family leave wages is limited to leave taken after March 31, 2020, and before October 1, 2021.** The credit for qualified sick and family leave wages, as enacted under the Families First Coronavirus Response Act (FFCRA) and amended and extended by the COVID-related Tax Relief Act of 2020, is for leave taken after March 31, 2020, and before April 1, 2021, and the credit for qualified sick and family leave wages under sections 3131, 3132, and 3133 of the Internal Revenue Code, as enacted under the American Rescue Plan Act of 2021 (the ARP), is for leave taken after March 31, 2021, and before October 1, 2021. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Corrections to amounts reported on Form 944, lines 4a(i), 4a(ii), 8b, 10d, 15, and 16, for the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form 944-X, lines 9, 10, 16, 25, 28, and 29, respectively. Corrections to amounts reported on Form 944, lines 8d, 10f, 19, 20, 21, 22, 23, and 24, for the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, are reported on Form 944-X, lines 17b, 26b, 33, 34, 35, 36, 37, and 38, respectively.

**The COVID-19 related employee retention credit has expired.** The employee retention credit enacted under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and amended and extended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 was limited to qualified wages paid after March 12, 2020, and before July 1, 2021. The employee retention credit under section 3134 of the Internal Revenue Code, as enacted by the ARP and amended by the Infrastructure Investment and Jobs Act, was limited to qualified wages paid after June 30, 2021, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for qualified wages paid after September 30, 2021, and before January 1, 2022. For more information about the employee retention credit, including the dates for which the credit may be claimed, go to [IRS.gov/ERC](https://www.irs.gov/ERC).

Corrections to amounts reported on Form 944, lines 8c, 10e, 17, and 18, for the employee retention credit are reported on Form 944-X, lines 17a, 26a, 30, and 31, respectively. However, how you figure the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, is different from how you figure the credit for qualified wages paid after June 30, 2021, and before January 1, 2022. For corrections to qualified wages paid after June 30, 2021, you may need to complete line 39 to tell us if you're eligible for the employee retention credit solely because your business is a recovery startup business. For corrections to qualified wages paid after September 30, 2021, you may need to complete line 40 to tell us if you're eligible for the employee retention credit solely because your business is a recovery startup business.

**Credit for COBRA premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021.** Section 9501 of the ARP provides for COBRA premium assistance in the form of a full reduction in the premium otherwise payable by certain individuals and their families who elect COBRA continuation coverage due to a loss of coverage as the result of a reduction in hours or an involuntary termination of employment (assistance eligible individuals). This COBRA premium assistance is available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. A premium payee is entitled to the COBRA premium assistance credit at the time an eligible individual elects coverage. Therefore, other than in rare circumstances, due to the COBRA notice and election period requirements (generally, employers have 60 days to provide notice and assistance eligible individuals have 60 days to elect coverage), January 2022 was generally the end of the period in which an assistance eligible individual would have elected coverage. Under some rare circumstances, it may be possible for a premium payee to become entitled to the COBRA premium assistance credit after January 2022. In these rare instances, the credit was still claimed on Form 944 filed for 2022 and an adjustment, if needed, can be made on Form 944-X for 2022.

For more information on COBRA premium assistance payments and the credit, see Notice 2021-31, 2021-23 I.R.B. 1173, available at [IRS.gov/irb/2021-23\\_IRB#NOT-2021-31](https://www.irs.gov/irb/2021-23_IRB#NOT-2021-31); and Notice 2021-46, 2021-33 I.R.B. 303, available at [IRS.gov/irb/2021-33\\_IRB#NOT-2021-46](https://www.irs.gov/irb/2021-33_IRB#NOT-2021-46).

Corrections to amounts reported on Form 944, lines 8e, 8f, and 10g, for the COBRA premium assistance credit are reported on Form 944-X, lines 17c, 17d, and 26c, respectively.



**CAUTION** *If you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, and you make any corrections on Form 944-X to amounts used to figure this credit, you'll need to refigure the amount of this credit using [Worksheet 1](#). You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X. If you claimed the credit for qualified sick and*

*family leave wages for leave taken after March 31, 2021, and before October 1, 2021, and you make any corrections on Form 944-X to amounts used to figure this credit, you'll need to refigure the amount of this credit using [Worksheet 3](#). You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X. If you claimed the employee retention credit for wages paid after March 12, 2020, and before July 1, 2021, and you make any corrections on Form 944-X to amounts used to figure this credit, you'll need to refigure the amount of this credit using [Worksheet 2](#). You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X. If you claimed the employee retention credit for wages paid after June 30, 2021, and before January 1, 2022, and you make any corrections on Form 944-X to amounts used to figure this credit, you'll need to refigure the amount of this credit using [Worksheet 4](#). You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X. If you claimed the COBRA premium assistance credit and you make any corrections on Form 944-X to amounts used to figure this credit, you'll need to refigure the amount of this credit using [Worksheet 5](#). You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.*

## Reminders



**TIP** *If a line on Form 944-X doesn't apply to you, leave it blank. If you're correcting a year before 2020, you must leave blank lines 9, 10, 16, 17a, 23, 24, 25, 26a, 28, 29, 30, 31, and 32. If you're correcting a year before 2021, you must leave blank lines 17b, 17c, 17d, 26b, 26c, 33, 34, 35, 36, 37, 38, 39, and 40. If you're correcting a year after 2021, you must leave blank lines 17a, 26a, 30, 31, 39, and 40.*

**Payroll tax credit for certain tax-exempt organizations affected by qualified disasters.** Section 303(d) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 allows for a payroll tax credit for certain tax-exempt organizations affected by certain qualified disasters not related to COVID-19. This credit is claimed on Form 5884-D. If applicable to the year that you're correcting, you'll enter the credit claimed on Form 5884-D on [Worksheet 1](#) to figure your credit for qualified sick and family leave wages for leave taken before April 1, 2021, or [Worksheet 2](#) to figure the employee retention credit for wages paid after March 12, 2020, and before July 1, 2021. For more information about this credit, go to [IRS.gov/Form5884D](https://www.irs.gov/Form5884D).

**Employee consents to support a claim for refund.** Rev. Proc. 2017-28, 2017-14 I.R.B. 1061, available at [IRS.gov/irb/2017-14\\_IRB#RP-2017-28](https://www.irs.gov/irb/2017-14_IRB#RP-2017-28), provides guidance to employers on the requirements for employee consents used by an employer to support a claim for refund of overcollected social security tax and Medicare tax. The revenue procedure clarifies the basic requirements for both a request for employee consent and for the employee consent, and permits a consent to be requested, furnished, and retained in an electronic format as an alternative to a paper format. The revenue procedure also contains guidance concerning when an

employer may claim a refund of only the employer share of overcollected social security tax and Medicare tax. The revenue procedure requires that any request for consent include an Additional Medicare Tax notice indicating that any claim on the employees' behalf won't include a claim for overpaid Additional Medicare Tax.

**Qualified small business payroll tax credit for increasing research activities.** For tax years beginning after 2015 and before 2023, a qualified small business may elect to claim up to \$250,000 of its credit for increasing research activities as a payroll tax credit against the employer share of social security tax. The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). Any election to take the payroll tax credit may be revoked only with the consent of the IRS. The portion of the credit used against the employer share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business filed its income tax return. The election and determination of the credit amount that will be used against the employer share of social security tax are made on Form 6765, Credit for Increasing Research Activities. The amount from Form 6765, line 44, must then be reported on Form 8974, Qualified Small Business Payroll Tax Credit for Increasing Research Activities. Form 8974 is used to determine the amount of the credit that can be used in the current quarter. The amount from Form 8974, line 12, is reported on Form 944, line 8a (line 8 for years prior to 2020). Any corrections to Form 944, line 8a (line 8 for years prior to 2020), are reported on Form 944-X, line 15. If you make a correction on Form 944-X, line 15, you must attach a corrected Form 8974. For more information about the payroll tax credit, go to [IRS.gov/ResearchPayrollTC](https://www.irs.gov/ResearchPayrollTC).

The Inflation Reduction Act of 2022 (the IRA) makes changes to the qualified small business payroll tax credit for increasing research activities for tax years beginning after December 31, 2022. The changes made under the IRA will be discussed in the 2023 Instructions for Form 944 and in Pub. 15, Employer's Tax Guide.

**Correcting federal income tax withheld.** Generally, you may only correct administrative errors to federal income tax withholding (that is, errors in which the amount reported on Form 944, line 2, isn't the amount you actually withheld from an employee's wages) and errors for which section 3509 rates apply. See section 13 of Pub. 15 for more information about corrections during the calendar year and about administrative errors. See section 2 of Pub. 15 for more information about section 3509. If section 3509 rates apply, see the instructions for [lines 18–21](#), later.



*Only transposition or math errors involving the inaccurate reporting of the amount actually withheld are "administrative errors."*

You can't file a Form 944-X to correct federal income tax withholding for prior years for nonadministrative errors. In other words, you can't correct federal income tax actually withheld from an employee in a prior year if you discover that you didn't withhold the right amount. For example, you can't correct federal income tax withheld in a prior year because you used the wrong income tax

withholding table or you didn't treat a payment correctly as taxable or nontaxable. Similarly, if you paid federal income tax in a prior year on behalf of your employee, rather than deducting it from the employee's pay (which resulted in additional wages subject to tax), and in a subsequent year you determine that you incorrectly calculated the amount of tax, you can't correct the federal income tax withholding. However, you must still make any necessary corrections to the amount of wages you reported on Form 944 and Form W-2, Wage and Tax Statement, for a prior year by filing Form 944-X and Form W-2c, Corrected Wage and Tax Statement, respectively. You'll report the correct wages on Form 944-X, line 6, column 1.



*The amount actually withheld is reflected on payroll information or on Form W-2 which can be used by the employee to claim a credit for withholding for individual income tax return purposes.*

**Correcting Additional Medicare Tax withholding and wages and tips subject to Additional Medicare Tax withholding.** Wages and tips subject to Additional Medicare Tax withholding are reported on Form 944, line 4d. Certain errors discovered on a previously filed Form 944 are corrected on Form 944-X, line 13. However, you can't file a Form 944-X to correct the wrong amount of Additional Medicare Tax actually withheld from an employee in a prior year, including any amount you paid on behalf of your employee rather than deducting it from the employee's pay (which resulted in additional wages subject to tax). See the instructions for [line 13](#), later, for more information on the types of errors that can be corrected and how the correction is reported on Form 944-X. For more information about Additional Medicare Tax withholding, see the Instructions for Form 944 or go to [IRS.gov/ADMTfaqs](https://www.irs.gov/ADMTfaqs).

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## General Instructions: Understanding Form 944-X

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### What Is the Purpose of Form 944-X?

Use Form 944-X to correct errors on a previously filed Form 944. Use Form 944-X to correct:

- Wages, tips, and other compensation;
- Federal income tax withheld from wages, tips, and other compensation;
- Taxable social security wages;
- Taxable social security tips;
- Taxable Medicare wages and tips;
- Taxable wages and tips subject to Additional Medicare Tax withholding;
- Deferred amount of the employer share of social security tax;
- Deferred amount of the employee share of social security tax;
- Qualified small business payroll tax credit for increasing research activities;
- Amounts reported on Form 944 for the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, including

adjustments to Form 944, lines 4a(i), 4a(ii), 8b, 10d, 15, and 16;

- Amounts reported on Form 944 for the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, including adjustments to Form 944, lines 8d, 10f, 19, 20, 21, 22, 23, and 24;
- Amounts reported on Form 944 for the employee retention credit, including adjustments to Form 944, lines 8c, 10e, 17, 18, 25, and 26; and
- Amounts reported on Form 944 for the COBRA premium assistance credit for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021, including adjustments to Form 944, lines 8e, 8f, and 10g.

Use Form 843, Claim for Refund and Request for Abatement, to request a refund or abatement of assessed interest or penalties. Don't request a refund or abatement of assessed interest or penalties on Form 944 or Form 944-X.



*We use the terms “correct” and “corrections” on Form 944-X and in these instructions to include interest-free adjustments under sections 6205 and 6413 and claims for refund and abatement under sections 6402, 6414, and 6404. See Rev. Rul. 2009-39 for examples of how the interest-free adjustment and claim for refund rules apply in 10 different situations. You can find Rev. Rul. 2009-39, 2009-52 I.R.B. 951, at [IRS.gov/irb/2009-52\\_IRB#RR-2009-39](https://www.irs.gov/irb/2009-52_IRB#RR-2009-39).*

When you discover an error on a previously filed Form 944, you must:

- Correct that error using Form 944-X;
- File a separate Form 944-X for each Form 944 that you're correcting; and
- Generally, file Form 944-X separately. Don't file Form 944-X with Form 944. However, if you didn't previously file Form 944 because you mistakenly treated your employees as nonemployees, you may have to file Form 944-X with Form 944. See the instructions for [line 42](#), later.

If you didn't file a Form 944 for 1 or more years for which you should have filed Form 944, don't use Form 944-X. Instead, file Form 944 for each of those years. Also, see [When Should You File Form 944-X](#), later. However, if you didn't file Forms 944 because you improperly treated workers as independent contractors or nonemployees and are now reclassifying them as employees, see the instructions for [line 42](#), later.



*Unless otherwise specified in these instructions, an underreported employment tax credit or social security tax deferral should be treated like an overreported tax amount. An overreported employment tax credit or social security tax deferral should be treated like an underreported tax amount. For more information, including which process to select on lines 1 and 2, see [Correcting an employment tax credit or social security tax deferral](#), later.*

Report the correction of underreported and overreported tax amounts for the same year on a single Form 944-X, unless you're requesting a refund or

abatement. If you're requesting a refund or abatement and you're correcting both underreported and overreported tax amounts, file one Form 944-X correcting the underreported tax amounts only and a second Form 944-X correcting the overreported tax amounts.

You'll use the adjustment process if you underreported employment taxes and are making a payment, or if you overreported employment taxes and will be applying the credit to Form 944 for the period during which you file Form 944-X. However, see the [Caution](#) under *Is There a Deadline for Filing Form 944-X*, later, if you're correcting overreported tax amounts during the last 90 days of a period of limitations. You'll use the claim process if you overreported employment taxes and are requesting a refund or abatement of the overreported tax amount. Follow the chart on page 6 of Form 944-X for help in choosing whether to use the adjustment process or the claim process. Be sure to give us a detailed explanation on line 43 for each correction that you show on Form 944-X.

Continue to report current year adjustments for fractions of cents, third-party sick pay, tips, and group-term life insurance on Form 944, line 6.

You have additional requirements to complete when filing Form 944-X, such as certifying that you filed (or will file) all applicable Forms W-2 and Forms W-2c. For corrections of overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax, you must make any certifications that apply to your situation.



*Don't use Form 944-X to correct Form CT-1, 941, 941-SS, 943, or 945. Instead, use the “X” form that corresponds to those forms (Form CT-1 X, 941-X, 943-X, or 945-X).*

## Where Can You Get Help?

For help filing Form 944-X or for questions about federal employment taxes and tax corrections, you can:

- Go to [IRS.gov/EmploymentTaxes](https://www.irs.gov/EmploymentTaxes) and [IRS.gov/CorrectingEmploymentTaxes](https://www.irs.gov/CorrectingEmploymentTaxes);
- See Pub. 15 or Pub. 80, Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; or
- Call the IRS Business and Specialty Tax Line toll free at 800-829-4933 or 800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability), Monday–Friday from 7:00 a.m. to 7:00 p.m. local time (Alaska and Hawaii follow Pacific time).

See also [How Can You Get Forms, Instructions, and Publications From the IRS](#), later.

## When Should You File Form 944-X?

File Form 944-X when you discover an error on a previously filed Form 944.

However, if your only errors on Form 944 relate to federal tax liabilities reported in Part 2 of Form 944 or on Form 945-A, Annual Record of Federal Tax Liability, don't file Form 944-X. To correct federal tax liabilities reported

in Part 2 of Form 944, file Form 945-A, but only enter the monthly totals. The daily entries aren't required. For more information about correcting federal tax liabilities reported on Form 945-A, see the Form 945-A instructions.

**Due dates.** The due date for filing Form 944-X depends on when you discover an error and if you underreported or overreported tax. If you underreported tax, see [Underreported tax](#) next. For overreported tax amounts, you may choose to either make an interest-free adjustment or file a claim for refund or abatement. If you're correcting overreported tax amounts, see [Overreported tax—Adjustment process](#) and [Overreported tax—Claim process](#), later.

If any due date falls on a Saturday, Sunday, or legal holiday, you may file Form 944-X on the next business day. If we receive Form 944-X after the due date, we will treat Form 944-X as filed on time if the envelope containing Form 944-X is properly addressed, contains sufficient postage, and is postmarked by the U.S. Postal Service on or before the due date, or sent by an IRS-designated private delivery service (PDS) on or before the due date. If you don't follow these guidelines, we will consider Form 944-X filed when it is actually received. See Pub. 15 or Pub. 80 for more information on legal holidays. For more information about PDSs, see [Where Should You File Form 944-X](#), later.

**Underreported tax.** If you're correcting underreported tax, you must file Form 944-X by the due date of the return for the return period in which you discovered the error (January 31 of the following year) and **pay** the amount you owe **by the time you file**. Doing so will generally ensure that your correction is interest free and not subject to failure-to-pay (FTP) or failure-to-deposit (FTD) penalties. See [What About Penalties and Interest](#), later. For details on how to make a payment, see the instructions for [line 27](#), later.

If Form 944-X is filed late (after the due date of the return for the return period in which you discovered the error), you must attach an amended Form 945-A to Form 944-X. Otherwise, the IRS may assess an "averaged" FTD penalty. See *"Averaged" FTD penalty* in section 11 of Pub. 15 or section 8 of Pub. 80 for more information about "averaged" FTD penalties. The total tax reported on Form 945-A, line M, must match the corrected tax (Form 944, line 9, combined with any correction entered on Form 944-X, line 22) for the year, less any previous abatements and interest-free tax assessments.

**Example—You owe tax.** On February 16, 2023, you discovered that you underreported \$1,000 of social security and Medicare wages on your 2022 Form 944. File Form 944-X and pay the amount you owe by January 31, 2024, because you discovered the error in 2023 and January 31, 2024, is the due date for that year. If you file Form 944-X before January 31, 2024, pay the amount you owe by the time you file.



*Form 944-X can't be used to correct underreported amounts of Additional Medicare Tax unless the amounts were withheld from employee wages.*

**Overreported tax—Adjustment process.** If you overreported tax and choose to apply the credit on Form 944 or Form 941, file an adjusted return on Form 944-X soon after you discover the error but more than 90 days before the period of limitations on the credit or refund for Form 944 expires. See [Is There a Deadline for Filing Form 944-X](#), later.



*Form 944-X can't be used to correct overreported amounts of Additional Medicare Tax unless the amounts were not withheld from employee wages.*

**Example—You want your credit applied to Form 944.** You filed your 2022 Form 944 on January 31, 2023, and payments were timely made. On May 1, 2023, you discover that you overreported tax on your 2022 Form 944. You file Form 944-X on June 2, 2023, and check the box on line 1 to indicate you want to use the adjustment process. The IRS treats your credit as a tax deposit made on January 1, 2023. When you file your 2023 Form 944, include the amount from Form 944-X, line 27, on the "Total deposits" line of your 2023 Form 944.

**Overreported tax—Claim process.** If you overreported tax on Form 944, you may choose to file a claim for refund or abatement on Form 944-X any time before the period of limitations on credit or refund expires. If you also need to correct any underreported tax amounts, you must file another Form 944-X reporting only corrections to the underreported tax amounts. See [Is There a Deadline for Filing Form 944-X](#) next.



*You may not file a refund claim to correct federal income tax or Additional Medicare Tax actually withheld from employees.*

## Is There a Deadline for Filing Form 944-X?

Generally, you may correct overreported taxes on a previously filed Form 944 if you file Form 944-X within 3 years of the date Form 944 was filed or 2 years from the date you paid the tax reported on Form 944, whichever is later. You may correct underreported taxes on a previously filed Form 944 if you file Form 944-X within 3 years of the date the Form 944 was filed. We call each of these time frames a period of limitations. For purposes of the period of limitations, Form 944 is considered filed on April 15 of the succeeding year if filed before that date.

**Example.** You filed your 2019 Form 944 on January 28, 2020, and payments were timely made. The IRS treats the return as if it were filed on April 15, 2020. On January 18, 2023, you discovered that you overreported social security and Medicare wages on that form by \$350. To correct the error, you must file Form 944-X by April 18, 2023, and use the claim process.



*If you file Form 944-X to correct overreported tax amounts in the last 90 days of a period of limitations, you must use the claim process. You can't use the adjustment process. If you're also correcting underreported tax amounts, you must file another Form 944-X to correct the underreported tax amounts using the adjustment process and pay any tax due.*

## Where Should You File Form 944-X?

Send your completed Form 944-X to the address shown next.

IF you're in . . .	THEN use this address . . .
Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Department of the Treasury Internal Revenue Service Cincinnati, OH 45999-0044
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0044
No legal residence or principal place of business in any state	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409
<b>Special filing address</b> for exempt organizations; federal, state, and local governmental entities; and Indian tribal governmental entities, regardless of location	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0044

PDSs can't deliver to P.O. boxes. You must use the U.S. Postal Service to mail an item to a P.O. box address. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of PDSs. If you file Form 944-X using a PDS, send it to the following address.

Ogden - Internal Revenue Submission Processing Center  
1973 Rulon White Blvd.  
Ogden, UT 84201

Use this address even if your business is located in a state that files in Cincinnati.

## How Should You Complete Form 944-X?

### Use a Separate Form 944-X for Each Year You're Correcting

Use a separate Form 944-X for each Form 944 you're correcting. For example, if you found errors on your Forms 944 for 2021 and 2022, file one Form 944-X to correct the 2021 Form 944. File a second Form 944-X to correct the 2022 Form 944.

## Employer Identification Number (EIN), Name, and Address

Enter your EIN, name, and address in the spaces provided. Also enter your name and EIN on the tops of pages 2, 3, 4, and 5, and on any attachments. If your address has changed since you filed your Form 944, enter the corrected information and the IRS will update your address of record. Be sure to write your name, EIN, "Form 944-X," and the calendar year you're correcting on the top of any attachments.

### Return You're Correcting

Enter the calendar year of the Form 944 you're correcting in the box at the top of page 1. Enter the same calendar year on pages 2, 3, 4, and 5, and on any attachments.

### Enter the Date You Discovered Errors

You **must** enter the date you discovered errors. You discover an error when you have enough information to be able to correct the error. If you're reporting several errors you discovered at different times, enter the earliest date you discovered an error here. Report any subsequent dates and related errors on line 43.

### Must You Make an Entry on Each Line?

You must provide all of the information requested at the top of Form 944-X, page 1. You must check one box (but not both) in Part 1. In Part 2, you must check the box on line 3 and any applicable boxes on lines 4 and 5. In Part 3, if any line doesn't apply, leave it blank. Complete Parts 4 and 5 as instructed.

### How Should You Report Negative Amounts?

Form 944-X uses negative numbers to show reductions in tax (credits) and positive numbers to show additional tax (amounts you owe).

When reporting a negative amount in columns 3 and 4, use a minus sign instead of parentheses. For example, enter "-10.59" instead of "(10.59)." However, if you're completing the return on your computer and your software only allows you to use parentheses to report negative amounts, you may use them.

### How Should You Make Entries on Form 944-X?

You can help the IRS process Form 944-X timely and accurately if you follow these guidelines.

- Type or print your entries.
- Use Courier font (if possible) for all typed or computer-generated entries.
- Omit dollar signs. You may use commas and decimal points, if desired. Enter dollar amounts to the left of any preprinted decimal point and cents to the right of it.
- Always show an amount for cents, even if it is zero. Don't round entries to whole dollars.
- Complete all five pages and sign Form 944-X on page 5.
- Staple multiple sheets in the upper-left corner.

### What About Penalties and Interest?

Generally, your correction of an underreported tax amount won't be subject to an FTP penalty, FTD penalty, or interest if you:

- File on time (by the due date of Form 944 for the year in which you discover the error),
- **Pay** the amount shown on line 27 **by the time you file** Form 944-X,
- Enter the date you discovered the error, and
- Explain in detail the grounds and facts relied on to support the correction.

No correction will be eligible for interest-free treatment if any of the following apply.

- The amounts underreported relate to an issue that was raised in an examination of a prior period.
- You knowingly underreported your employment tax liability.
- You received a notice and demand for payment.
- You received a notice of determination under section 7436.

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

## Overview of the Process

To correct a previously filed Form 944, use Form 944-X to file either an adjusted employment tax return or a claim for refund or abatement. The adjustment process and the claim process are outlined below.

**If you underreported the tax.** If you underreported the tax on a previously filed Form 944, check the box on line 1 and **pay** any additional amount you owe **by the time you file** Form 944-X. For details on how to make a payment, see the instructions for [line 27](#), later.

**Example—You underreported employment taxes.** On June 21, 2023, you discovered an error that results in additional tax on your 2022 Form 944. File Form 944-X by January 31, 2024, and pay the amount you owe by the time you file. See [When Should You File Form 944-X](#), earlier. Don't attach Form 944-X to your 2023 Form 944.

**If you overreported the tax.** If you overreported the tax on a previously filed Form 944, **choose** one of the following options.

- **Use the adjustment process.** Check the box on line 1 to apply any credit (negative amount) from line 27 to Form 944 for the year during which you file Form 944-X.
- **Use the claim process.** Check the box on line 2 to file a claim on Form 944-X requesting a refund or abatement of the amount shown on line 27.

**TIP** To ensure the IRS has enough time to process a credit for an **overreporting tax adjustment** in the year in which you file Form 944-X, you're encouraged to file Form 944-X correcting the overreported tax amount in the first 11 months of a year. For example, if you discover an overreported tax amount in December, you may want to file Form 944-X during the first 11 months of the next year. However, there must be 90 days remaining on the period of limitations when you file Form 944-X. See the [Caution](#) under Is There a Deadline for Filing Form 944-X, earlier. This should ensure the IRS will have enough time to process the Form 944-X so the credit will be posted before you file Form 944, thus avoiding an erroneous balance due notice from the IRS. See the example below.

If you currently file Form 941 instead of Form 944 and will claim a credit on Form 941, file Form 944-X in the first 2 months of a quarter in any quarter before the expiration of the period of limitations on Form 944. In the year of the expiration of the period of limitations on Form 944, file Form 944-X at least 90 days before the expiration date.

**Example—You want your overreported tax applied as a credit on Form 944.** On December 20, 2023, you discover you overreported your tax on your 2022 Form 944 and want to choose the adjustment process. To allow the IRS enough time to process the credit, you file Form 944-X on January 4, 2024, and take the credit on your 2024 Form 944.

## Specific Instructions:

### Part 1: Select ONLY One Process

Because Form 944-X may be used to file either an adjusted employment tax return or a claim for refund or abatement, you **must** check one box on either line 1 or line 2. Don't check both boxes.

**Correcting an employment tax credit or social security tax deferral.** For lines 1 and 2, if you underreported an employment tax credit or the amount of social security tax deferred, treat it like you overreported a tax amount. If you overreported an employment tax credit or the amount of social security tax deferred, treat it like you underreported a tax amount. If you're filing Form 944-X to adjust only an employment tax credit and/or the amount of social security tax deferred and you're not correcting any overreported taxes on Form 944-X, lines 6–13, skip lines 4 and 5.

#### 1. Adjusted Employment Tax Return

Check the box on line 1 if you're correcting underreported tax amounts or overreported tax amounts and you would like to use the adjustment process to correct the errors.

If you're correcting both underreported tax amounts and overreported tax amounts on this form, you **must** check this box. If you check this box, any negative amount shown on line 27 will be applied as a credit (tax deposit) to your Form 944 or Form 941 for the period in which you're filing this form. See [Example—You want your overreported tax applied as a credit on Form 944](#), earlier.



**Form 944-X can't be used to correct overreported amounts of Additional Medicare Tax unless the amounts were not withheld from employee wages.**

**If you owe tax.** **Pay** the amount shown on line 27 **by the time you file** Form 944-X. Generally, you won't be charged interest if you file on time, pay on time, enter the date you discovered the error, and explain the correction on line 43.

**If you have a credit.** You overreported employment taxes (you have a negative amount on line 27) and want the IRS to apply the credit on Form 944 (or Form 941) for the period during which you filed Form 944-X. The IRS will apply your credit on the first day of the Form 944 year (or Form 941 quarter) during which you filed Form 944-X. However, the credit you show on Form 944-X, line 27,

may not be fully available on your Form 944 (or Form 941) if the IRS corrects it during processing or you owe other taxes, penalties, or interest. The IRS will notify you if your claimed credit changes or if the amount available as a credit on Form 944 or Form 941 was reduced because of unpaid taxes, penalties, or interest.



*Don't check the box on line 1 if you're correcting overreported tax amounts and the period of limitations on credit or refund for Form 944 will expire within 90 days of the date you file Form 944-X. See [Is There a Deadline for Filing Form 944-X](#), earlier.*

## 2. Claim

Check the box on line 2 to use the claim process if you're correcting **overreported tax amounts only** and you're claiming a refund or abatement for the negative amount (credit) shown on line 27. Don't check this box if you're correcting any underreported tax amounts on this form.

You must check the box on line 2 if you have a credit (a negative amount on line 27) and the period of limitations on credit or refund for Form 944 will expire within 90 days of the date you file Form 944-X. See [Is There a Deadline for Filing Form 944-X](#), earlier.

The IRS usually processes claims shortly after they are filed. The IRS will notify you if your claim is denied, accepted as filed, or selected to be examined. See Pub. 556, Examination of Returns, Appeal Rights, and Claims for Refund, for more information.

Unless the IRS corrects Form 944-X during processing or you owe other taxes, penalties, or interest, the IRS will refund the amount shown on line 27, plus any interest that applies.



*You may not file a refund claim to correct federal income tax or Additional Medicare Tax actually withheld from employees.*

## Part 2: Complete the Certifications

You must complete all certifications that apply by checking the appropriate boxes. If all of your corrections relate to underreported tax amounts, complete line 3 only; skip lines 4 and 5 and go to Part 3. If your corrections relate to overreported tax amounts, other than corrections related to underreported employment tax credits and social security tax deferrals, you have a duty to ensure that your employees' rights to recover overpaid employee social security and Medicare taxes that you withheld are protected. The certifications on lines 4 and 5 address the requirement to:

- Repay or reimburse your employees for the overcollection of employee social security and Medicare taxes, or
- Obtain consents from your employees to file a claim on their behalf. See [Rev. Proc. 2017-28](#) for guidance on the requirements for both a request for employee consent and for the employee consent.

## 3. Filing Forms W-2 or Forms W-2c

Check the box on line 3 to certify that you filed or will file Forms W-2 or Forms W-2c, with the Social Security Administration (SSA), as required, showing your

employees' correct wage and tax amounts. See the General Instructions for Forms W-2 and W-3 for detailed information about filing requirements. References to Form W-2 on Form 944-X and in these instructions also apply to Forms W-2AS, W-2CM, W-2GU, and W-2VI, unless otherwise noted.

You must check the box on line 3 to certify that you filed Forms W-2 or Forms W-2c even if your corrections on Form 944-X don't change amounts shown on those forms. For example, if your only correction to Form 944 involves misstated tax adjustments, which don't impact the amounts reported on your employee's Form W-2 (see the instructions for [line 14](#), later), check the box on line 3 to certify that you already filed all required Forms W-2 and W-2c with the SSA. In this situation, you're certifying that you don't need to file Form W-2c because you already filed a correct Form W-2.

## 4. Certifying Overreporting Adjustments

If you overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax and checked the box on line 1, check the appropriate box on line 4. You may need to check more than one box. If you obtained written statements from some employees but you couldn't locate employees or secure the statements of the remaining employees, check all applicable boxes. Provide a summary on line 43 of the amount of the corrections for the employees who provided written statements and for those who didn't.



*You may not use Form 944-X to correct overreported amounts of Additional Medicare Tax unless the amounts weren't withheld from employee wages.*

**4a.** Check the box on line 4a if your overreported amount includes each affected employee share of overcollected taxes. You're certifying that you repaid or reimbursed the employee share of prior year taxes and you received written statements from the employees stating that they didn't and won't receive a refund or credit for the prior year taxes. Don't send these statements to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Records related to qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, and records related to qualified wages for the employee retention credit paid after June 30, 2021, should be kept for at least 6 years. Copies must be submitted to the IRS if requested.

**4b.** Check the box on line 4b to certify that your overreported amount is only for the employer share of taxes on those employees who you were unable to find or those who didn't give you a statement described on line 4a.

**4c.** Check the box on line 4c to certify that your overreported amount is only for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that you didn't withhold from your employees.

## 5. Certifying Claims

If you're filing a claim for refund or abatement of overreported federal income tax, social security tax,



Medicare tax, or Additional Medicare Tax and checked the box on line 2, check the appropriate box on line 5. You may need to check more than one box. If you obtained written statements or consents from some employees but you couldn't locate employees or secure the statements of the remaining employees, check all applicable boxes. Provide a summary on line 43 of the amount of the corrections for the employees who provided statements or consents and for those who didn't.



*You may not file a refund claim to correct the incorrect amount of federal income tax or Additional Medicare Tax actually withheld from employees. If you request their consent to file a claim for social security tax or Medicare tax, you must tell your employees that you can't claim a refund of any Additional Medicare Tax on their behalf. See [Rev. Proc. 2017-28](#) for sample language to use in your request.*

**5a.** Check the box on line 5a if your overreported tax includes each affected employee share of prior year social security and Medicare tax. You're certifying that you repaid or reimbursed to the employees their share of prior year social security and Medicare tax and you received written statements from those employees stating that they didn't and won't receive a refund or credit for the prior year taxes. Don't send these statements to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Records related to qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, and records related to qualified wages for the employee retention credit paid after June 30, 2021, should be kept for at least 6 years. Copies must be submitted to the IRS if requested.

**5b.** Check the box on line 5b if your overreported tax includes each affected employee share of prior year social security and Medicare tax and you haven't yet repaid or reimbursed the employee share of taxes. You're certifying that you received consent from each affected employee to file a claim on the employee share of those taxes and you received written statements from those employees stating that they didn't and won't receive a refund or credit for the prior year taxes.

An employee consent must:

- Contain the name, address, and social security number (or truncated taxpayer identification number, when appropriate) of the employee;
- Contain the name, address, and EIN of the employer;
- Contain the tax period(s), type of tax, and the amount of tax for which the consent is provided;
- Affirmatively state that the employee authorizes the employer to claim a refund for the overpayment of the employee share of tax;
- Include the employee's written statement certifying that the employee hasn't made any previous claims (or the claims were rejected) and won't make any future claims for refund or credit of the amount of the overcollection;
- Identify the basis of the claim; and
- Be dated and contain the employee's signature under penalties of perjury. The penalties of perjury statement should be located immediately above the required signature.

Don't send these statements and consents to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Records related to qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, and records related to qualified wages for the employee retention credit paid after June 30, 2021, should be kept for at least 6 years. Copies must be submitted to the IRS if requested.

In certain situations, you may not have repaid or reimbursed your employees or obtained their consents before filing a claim, such as in cases where the period of limitations on credit or refund is about to expire. In those situations, file Form 944-X but don't check a box on line 5. Tell us on line 43 that you haven't repaid or reimbursed employees or obtained consents at the time you file the claim. However, you must repay or reimburse your employees and certify that you have done so before the IRS can allow the claim.

**5c.** Check the box on line 5c to certify that your overreported tax is only for the employer share of social security and Medicare tax. This applies when affected employees didn't give you consent to file a claim for refund for the employee share of social security and Medicare tax, they couldn't be found, or they didn't give you a statement described on line 5b.

**5d.** Check the box on line 5d to certify that your overreported amount is only for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that you didn't withhold from your employees.

## Part 3: Enter the Corrections for the Calendar Year You're Correcting

### What Amounts Should You Report in Part 3?

On lines 6–13, columns 1 and 2, for each line you're correcting, show amounts for **all** of your employees, not just for those employees whose amounts you're correcting.

If a correction you report in column 4 includes both underreported and overreported amounts (see the instructions for [line 41](#), later), give us details for each error on line 43.

Because special circumstances apply for lines 14–21, 23–26c, and 28–40, read the instructions for each line carefully before entering amounts in the columns.

If any line doesn't apply to you, leave it blank.



*If you previously adjusted or amended Form 944 using Form 944-X or because of an IRS examination change, show amounts in column 2 that include those previously reported corrections.*

### 6. Wages, Tips, and Other Compensation

If you're correcting the wages, tips, and other compensation you reported on Form 944, line 1, enter the total corrected amount for **all** employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

If you or the IRS previously corrected the amount reported on Form 944, line 1, enter in column 2 the amount after any previous corrections.

line 6 (column 1)

- line 6 (column 2)

line 6 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

**Example—Wages, tips, and other compensation increased.** You reported \$900 as total wages, tips, and other compensation on line 1 of your 2022 Form 944. In July of 2023, you discover that you had overlooked \$100 in tips for one of your part-time employees. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	1,000.00
Column 2 (Form 944, line 1)	- 900.00
Column 3 (difference)	100.00

**Example—Wages, tips, and other compensation decreased.** You reported \$900 as wages, tips, and other compensation on line 1 of your 2022 Form 944. In December of 2023, you discover that you included \$200 in wages for one of your employees twice. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	700.00
Column 2 (Form 944, line 1)	- 900.00
Column 3 (difference)	-200.00

**Example—Auto allowance; wages, tips, and other compensation increased.** You paid one of your employees a \$50 monthly auto allowance from October–December 2022 and didn't treat the payments as taxable wages. In February 2023, you realized that the payments were wages because they weren't reimbursements of deductible business expenses that were substantiated and paid under an accountable plan. You correct the error by treating the auto allowance as wages subject to income, social security, and Medicare taxes. Report the additional \$150 of wages on Form 944-X, lines 6, 8, 12, and, if applicable, line 13.

Be sure to explain the reasons for the corrections on line 43.



**TIP** The amount on line 6, column 1, should be used on your Forms W-2 or Forms W-2c. This amount should also generally be used for any business expense deduction on your income tax return (or amended return) for wages paid.

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

If you're correcting the federal income tax withheld from wages, tips, and other compensation you reported on Form 944, line 2, enter the total corrected amount in column 1. In column 2, enter the amount you originally

reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 7 (column 1)

- line 7 (column 2)

line 7 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.



Generally, you may only correct administrative errors to federal income tax withholding (that is, errors in which the amount reported on Form 944, line 2, isn't the amount you actually withheld from an employee's wages) and errors for which section 3509 rates apply. Only transposition or math errors involving the inaccurate reporting of the amount withheld are "administrative errors." The administrative error adjustment corrects the amount reported on Form 944 to agree with the amount actually withheld from employees. See section 2 of Pub. 15 for more information about section 3509. If section 3509 rates apply, see the instructions for [lines 18–21](#), later.

You can't file a Form 944-X to correct federal income tax withholding for prior years for nonadministrative errors. In other words, you can't correct federal income tax actually withheld from an employee in a prior year if you discover that you didn't withhold the right amount. For example, you can't correct federal income tax withheld in a prior year because you used the wrong income tax withholding table or you didn't treat a payment correctly as taxable or nontaxable. Similarly, if you paid federal income tax in a prior year on behalf of your employee rather than deducting it from the employee's pay (which resulted in additional wages subject to tax), and in a subsequent year you determine that you incorrectly calculated the amount of tax, you can't correct the federal income tax withholding.

**Example—Prior year nonadministrative error (failure to withhold federal income tax when required).** You were required to withhold \$400 of federal income tax from an employee's bonus that was paid in December of 2022 but you withheld nothing. You discovered the error on March 17, 2023. You can't file Form 944-X to correct federal income tax withheld reported on your 2022 Form 944 because the error involves a previous year and the amount previously reported for the employee represents the actual amount withheld from the employee during 2022.

**Example—Prior year administrative error (incorrectly reported amount of federal income tax actually withheld).** You had three employees. In 2022, you withheld \$100 of federal income tax from Nathan Black, \$200 from Leah Green, and \$600 from Becky Lee. The total amount of federal income tax you withheld was \$900. You mistakenly reported \$600 on line 2 of your 2022 Form 944. You discovered the error on March 17, 2023. This is an example of an administrative error that may be corrected in a later calendar year because the amount actually withheld from employees' wages isn't the

amount reported on Form 944. Use Form 944-X to correct the error. Enter \$900 in column 1 and \$600 in column 2. Subtract the amount in column 2 from the amount in column 1.

Column 1 (corrected amount)	900.00
Column 2 (Form 944, line 2)	<u>- 600.00</u>
Column 3 (difference)	300.00

Report the \$300.00 as a tax correction in column 4.

Be sure to explain the reasons for this correction on line 43.

**Example—Nonadministrative error reporting income tax because of repayment of wages paid in prior year.** You prepaid Jack Brown \$4,000 of wages for 2 months of work in September 2022. You withheld \$400 of federal income tax at the time you paid Jack. These amounts were reported on your 2022 Form 944. Jack left employment in October 2022 (after only 1 month of service). In February 2023, Jack repaid \$2,000 to you for the 1 month Jack didn't work. You can't file Form 944-X to reduce the federal income tax withheld because you actually withheld the federal income tax from wages. You also can't file Form 944-X to reduce wages because the wages were income to Jack for the prior year. These amounts were correctly reported on Form 944.

## 8. Taxable Social Security Wages

**TIP** *Qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, were included on Form 944, line 4a, column 1, and can be adjusted only on Form 944-X, line 8.*

If you're correcting the taxable social security wages you reported on Form 944, line 4a, column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 8 (column 1)	
- line 8 (column 2)	
<u>line 8 (column 3)</u>	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.124 (12.4% tax rate) and enter the result in column 4.

line 8 (column 3)	
x 0.124	
<u>line 8 (column 4)</u>	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 944-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to social security wages, use 0.062 (6.2%) when multiplying the amount shown in

column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, enter the properly calculated amount in column 4. Be sure to show your calculations on line 43.

**Example—Social security wages decreased.** Following [Example—Wages, tips, and other compensation decreased](#) in the instructions for line 6, earlier, the wages that you counted twice were also taxable social security wages. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	700.00
Column 2 (Form 944, line 4a, column 1)	<u>- 900.00</u>
Column 3 (difference)	-200.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-200.00
Tax rate (12.4%)	<u>x 0.124</u>
Column 4 (tax correction)	-24.80

Be sure to explain the reasons for this correction on line 43.

## 9. Qualified Sick Leave Wages (For Leave Taken After March 31, 2020, and Before April 1, 2021)

**TIP** *Adjustments to the social security tax on qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form 944-X, lines 9 and 10, respectively. Adjustments to the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form 944-X, line 16, and adjustments to the refundable portion of the credit are reported on Form 944-X, line 25. Adjustments to qualified health plan expenses allocable to qualified sick leave wages and to qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form 944-X, lines 28 and 29, respectively. For corrections to a 2020 Form 944, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. If you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, on your original Form 944, and you make any corrections on Form 944-X to amounts used to figure this credit, you'll need to refigure the amount of this credit using [Worksheet 1](#). You'll also use this worksheet to figure this credit if you're claiming the credit for the first time on Form 944-X. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).*

Qualified sick leave wages paid with respect to leave taken after March 31, 2020, and before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). For more information about qualified sick leave wages, see

[Definition of qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021](#), later, and go to [IRS.gov/PLC](#). If you're correcting the qualified sick leave wages you reported on Form 944, line 4a(i), column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 9 (column 1)	
- line 9 (column 2)	
line 9 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 and enter that result in column 4.

line 9 (column 3)	
x 0.062	
line 9 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you erroneously reported qualified sick leave wages for leave taken after March 31, 2020, and before April 1, 2021, on Form 944, line 4a, instead of on line 4a(i), you'll need to make a correction on Form 944-X, lines 8 and 9, and enter the properly calculated amount in column 4 for each line.

**Example—Qualified sick leave wages increased.**

You paid \$2,000 of qualified sick leave wages to only one of your employees in 2020. In March 2023, you discover that you only reported \$1,000 of qualified sick leave wages on your 2020 Form 944. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 944, line 4a(i), column 1)	- 1,000.00
Column 3 (difference)	1,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	1,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	62.00

Be sure to explain the reasons for this correction on line 43.

**10. Qualified Family Leave Wages (For Leave Taken After March 31, 2020, and Before April 1, 2021)**

Qualified family leave wages paid with respect to leave taken after March 31, 2020, and before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). For

more information about qualified family leave wages, see [Definition of qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021](#), later, and go to [IRS.gov/PLC](#). If you're correcting the qualified family leave wages you reported on Form 944, line 4a(ii), column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 10 (column 1)	
- line 10 (column 2)	
line 10 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 and enter that result in column 4.

line 10 (column 3)	
x 0.062	
line 10 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you erroneously reported qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, on Form 944, line 4a, instead of on line 4a(ii), you'll need to make a correction on Form 944-X, lines 8 and 10, and enter the properly calculated amount in column 4 for each line.

**Example—Qualified family leave wages decreased.** You paid \$1,000 of qualified family leave wages to only one of your employees in 2020. In March 2023, you discover that you erroneously reported \$3,000 of qualified family leave wages on your 2020 Form 944. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	1,000.00
Column 2 (Form 944, line 4a(ii), column 1)	- 3,000.00
Column 3 (difference)	-2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	-124.00

Be sure to explain the reasons for this correction on line 43.

**11. Taxable Social Security Tips**

If you're correcting the taxable social security tips you reported on Form 944, line 4b, column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected.

In column 3, enter the difference between columns 1 and 2.

line 11 (column 1)	
- line 11 (column 2)	
line 11 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.124 (12.4% tax rate) and report the result in column 4.

line 11 (column 3)	
x 0.124	
line 11 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 944-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to social security tips, use 0.062 (6.2%) when multiplying the amount shown in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, report the properly calculated amount in column 4. Be sure to show your calculations on line 43.

**Example—Social security tips increased.** Following [Example—Wages, tips, and other compensation increased](#) in the instructions for line 6, earlier, the tips that you overlooked were also taxable social security tips. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	1,000.00
Column 2 (Form 944, line 4b, column 1)	- 900.00
Column 3 (difference)	100.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	100.00
Tax rate (12.4%)	x 0.124
Column 4 (tax correction)	12.40

Be sure to explain the reasons for this correction on line 43.

## 12. Taxable Medicare Wages & Tips

If you're correcting the taxable Medicare wages and tips you reported on Form 944, line 4c, column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 12 (column 1)	
- line 12 (column 2)	
line 12 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.029 (2.9% tax rate) and enter the result in column 4.

line 12 (column 3)	
x 0.029	
line 12 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Note.** If you checked the box on Form 944-X, line 4b or line 5c, because you're correcting only the employer share of tax on a decrease to Medicare wages and tips, use 0.0145 (1.45%) when multiplying the amount in column 3. If you're correcting both shares of tax for some employees and only the employer share for other employees, enter the properly calculated amount in column 4. Be sure to explain your calculations on line 43.

**Example—Medicare wages and tips decreased.** Following [Example—Wages, tips, and other compensation decreased](#) in the instructions for line 6, earlier, the wages that you counted twice were also taxable Medicare wages and tips. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	700.00
Column 2 (Form 944, line 4c, column 1)	- 900.00
Column 3 (difference)	-200.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-200.00
Tax rate (2.9%)	x 0.029
Column 4 (tax correction)	-5.80

Be sure to explain the reasons for this correction on line 43.

## 13. Taxable Wages & Tips Subject to Additional Medicare Tax Withholding

You may use Form 944-X to correct errors to Additional Medicare Tax withholding for prior years if the amount reported on Form 944, line 4d, column 2, isn't the amount you actually withheld. This type of error is an administrative error. The administrative error adjustment corrects the amount reported on Form 944 to agree with the amount actually withheld from employees.

You may also correct errors to Additional Medicare Tax withholding for prior years if section 3509 rates apply. If section 3509 rates apply, see the instructions for [lines 18–21](#), later.

If a prior year error was a nonadministrative error, you may correct only the **wages and tips** subject to Additional Medicare Tax withholding that were originally reported on Form 944, line 4d, column 1, or previously corrected on Form 944-X. You can't correct the tax reported on Form 944, line 4d, column 2.

**Prior year administrative errors.** If you're correcting the taxable wages and tips subject to Additional Medicare Tax withholding that you reported on Form 944, line 4d, column 1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)	
- line 13 (column 2)	
line 13 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.009 (0.9% tax rate) and enter that result in column 4.

line 13 (column 3)	
x 0.009	
line 13 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

**Example—Prior year administrative error (incorrectly reported amount of Additional Medicare Tax actually withheld).** Nathan Black's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2022. The total wages paid to Nathan for 2022 were \$230,000. You withheld \$270 (\$30,000 x 0.009) from Nathan's wages. However, on your 2022 Form 944 you mistakenly reported \$3,000 on line 4d, column 1, and Additional Medicare Tax withheld of \$27 on line 4d, column 2. You discover the error on March 15, 2023. This is an example of an administrative error that may be corrected in a later calendar year because the amount actually withheld isn't the amount reported on your 2022 Form 944. Use Form 944-X, line 13, to correct the error as shown below.

Column 1 (corrected amount)	30,000.00
Column 2 (Form 944, line 4d, column 1)	- 3,000.00
Column 3 (difference)	27,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	27,000.00
Tax rate (0.9%)	x 0.009
Column 4 (tax correction)	243.00

Be sure to explain the reasons for this correction on line 43.

**Prior year nonadministrative errors.** You may correct **only** the taxable wages and tips subject to Additional Medicare Tax withholding that you reported on Form 944, line 4d, column 1. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)	
- line 13 (column 2)	
line 13 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Don't multiply the amount in column 3 by 0.009 (0.9% tax rate). Leave column 4 blank and explain the reasons for this correction on line 43.

**Example—Prior year nonadministrative error (failure to withhold Additional Medicare Tax when required).** Leah Green's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2022. The total wages paid to Leah for 2022 were \$220,000. You were required to withhold \$180 (\$20,000 x 0.009) but you withheld nothing and didn't report an amount on line 4d of your 2022 Form 944. You discover the error on March 15, 2023. File Form 944-X to correct wages and tips subject to Additional Medicare Tax withholding for your 2022 Form 944, but you may not correct the Additional Medicare Tax withheld (column 4) because the error involves a previous year and the amount previously reported for the employee represents the actual amount withheld from the employee during 2022.

**Combination of prior year administrative and nonadministrative errors.** If you're reporting both administrative errors and nonadministrative errors for the same prior year, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. However, multiply only the amount of wages and tips reported in column 3 that are related to administrative errors by 0.009 (0.9% tax rate). Don't multiply any wages and tips reported in column 3 that are related to nonadministrative errors by 0.009 (0.9% tax rate). Use line 43 to explain in detail your corrections. The explanation must include the reasons for the corrections and a breakdown of the amount reported in column 3 into the amounts related to administrative errors and nonadministrative errors.

**Example—Combination of prior year administrative and nonadministrative errors.** Nathan Black's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in November 2022. The total wages paid to Nathan for 2022 were \$230,000. You withheld \$270 (\$30,000 x 0.009) from Nathan's wages. However, on your 2022 Form 944 you mistakenly reported \$3,000 on line 4d, column 1, and Additional Medicare Tax withheld of \$27 on line 4d, column 2. The difference in wages subject to Additional Medicare Tax related to this administrative error is \$27,000 (\$30,000 - \$3,000).

Leah Green's wages exceeded the \$200,000 withholding threshold for Additional Medicare Tax in December 2022. The total wages paid to Leah for 2022 were \$220,000. You were required to withhold \$180 (\$20,000 x 0.009) but you withheld nothing and didn't report Leah's \$20,000 in wages subject to Additional Medicare Tax withholding on line 4d of your 2022 Form 944.

You discover both errors on March 15, 2023. Use Form 944-X, line 13, to correct the errors as shown below.

Column 1 (corrected amount)	50,000.00
Column 2 (Form 944, line 4d, column 1)	- 3,000.00
Column 3 (difference)	47,000.00

Determine the portion of wages and tips reported in column 3 that is related to the administrative error (\$47,000 - \$20,000 (nonadministrative error) = \$27,000 (administrative error)). Multiply this portion of column 3 by 0.009 (0.9% tax rate) to determine your tax correction.

Difference related to administrative error	27,000.00
Tax rate (0.9%)	x 0.009
Column 4 (tax correction)	243.00

Be sure to explain the reasons for these corrections on line 43. You must also report that \$20,000 of the amount shown in column 3 was related to the correction of a prior year nonadministrative error and \$27,000 of the amount shown in column 3 was related to the correction of an administrative error.

## 14. Tax Adjustments

**TIP** For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave wages."

Don't enter an amount on line 14 unless you need to correct any adjustments reported on Form 944, line 6. Amounts reported on line 14 reflect corrections of amounts misstated on Form 944, line 6. See [Example—Third-party sick pay underreported](#), later.

Enter in column 1 the total **corrected** amount for Form 944, line 6. Enter in column 2 the total originally reported or previously corrected amount from Form 944, line 6. In column 3, enter the difference between columns 1 and 2.

line 14 (column 1)
-line 14 (column 2)
line 14 (column 3)

**TIP** You may need to report negative numbers in any column. Make sure that the difference you enter in column 3 accurately represents the change to adjustments originally reported or previously corrected on Form 944, line 6.

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.

On line 43, describe what you misreported on Form 944. Tell us if your adjustment is for fractions of cents, third-party sick pay, tips, or group-term life insurance.

**Example—Third-party sick pay underreported.** You reported \$690 (shown as "-690.00") as a third-party sick pay adjustment (reduction to tax) on your 2022 Form 944, line 6. Your third-party sick pay adjustment should have been \$960 (shown as "-960.00") because your third-party sick pay payer withheld that amount of social security and Medicare taxes from your employees. You discover the error in April of 2023. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	-960.00
Column 2 (Form 944, line 6)	- (690.00)
Column 3 (difference)	-270.00

Here is how you would enter the numbers on Form 944-X.

Column 1 (corrected amount)	Column 2 (Form 944, line 6)	Column 3 (difference)
-960.00	-690.00	-270.00

Report "-270.00" as your correction in column 4.

In this example, you're claiming a credit for \$270 in overreported tax for your 2022 Form 944. Always enter the same amount in column 4 (including any minus sign) that you enter in column 3.

Be sure to explain the reasons for this correction on line 43.

## 15. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

**CAUTION** The payroll tax credit election must be made on or before the due date of the originally filed income tax return (including extensions). Any election to take the payroll tax credit may be revoked only with the consent of the IRS.

If you're correcting the qualified small business payroll tax credit for increasing research activities that you reported on Form 944, line 8a (line 8 for years prior to 2020), enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4.

You must attach a corrected Form 8974 and explain the reasons for this correction on line 43.

## 16. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021

**TIP** Form 944-X and these instructions use the terms “nonrefundable” and “refundable” when discussing credits. The term “nonrefundable” means the portion of the credit which is limited by law to certain taxes. The term “refundable” means the portion of the credit which is in excess of those taxes.

If you’re correcting the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 8b, enter the total corrected amount from [Worksheet 1](#), Step 2, line 2j, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4.

For corrections to a 2020 Form 944, line 8b, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. For corrections to a 2021 or 2022 Form 944, line 8b, the credit for qualified sick and family leave wages is only available for wages paid in 2021 or 2022 with respect to any leave taken after March 31, 2020, and before April 1, 2021. If you’re correcting a year before 2020, don’t enter any amount on line 16.

**Definition of qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.** For purposes of the credit for qualified sick and family leave wages, qualified sick and family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the Emergency Paid Sick Leave Act (EPSLA) or the Emergency Family and Medical Leave Expansion Act (Expanded FMLA), as enacted under the FFCRA and amended by the COVID-related Tax Relief Act of 2020. However, don’t include any wages otherwise excluded under sections 3121(b)(1)–(22) when reporting qualified sick and family leave wages on your employment tax return and when figuring the credit on [Worksheet 1](#), Step 2, lines 2a and 2a(i), and on Step 2, lines 2e and 2e(i). Instead, include qualified sick leave wages and qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22) separately on Step 2, lines 2a(iii) and/or line 2e(iii), respectively, before you figure your total credit on Step 2, line 2d (credit for qualified sick leave wages), or Step 2, line 2h (credit for qualified family leave wages).

The 2020 Instructions for Form 944 were released before the COVID-related Tax Relief Act of 2020 was

enacted on December 27, 2020; therefore, Worksheet 1, in the 2020 Instructions for Form 944, didn’t include lines to add the wages that meet an exclusion under sections 3121(b)(1)–(22) when figuring the credit for qualified sick and family leave wages. If your Form 944 for 2020 didn’t claim the correct amount of the credit for qualified sick and family leave wages because you paid qualified sick leave wages and/or qualified family leave wages that meet an exclusion under sections 3121(b)(1)–(22), you may file Form 944-X and complete [Worksheet 1](#) to claim the correct amount of the credit. You’ll also include on Form 944-X, lines 28 and 29, and on Worksheet 1 any qualified health plan expenses allocable to those wages. The appropriate lines related to the exclusions under sections 3121(b)(1)–(22) were added to Worksheet 1 in the 2021 Instructions for Form 944.

**Example—Nonrefundable portion of credit for qualified sick and family leave wages increased.** You originally reported a \$1,000 nonrefundable portion of the credit for qualified sick and family leave wages on Form 944, line 8b, for 2020. In March 2023, you discover that you made an error when figuring the credit. You use [Worksheet 1](#) to refigure the nonrefundable portion of the credit for qualified sick and family leave wages and you determine that the correct credit is \$2,000. To correct the error, figure the difference on Form 944-X as shown.

Column 1 (corrected amount)	2,000.00
Column 2 (Form 944, line 8b)	- 1,000.00
Column 3 (difference)	1,000.00

To properly show the credit increase as a reduction to your tax balance, enter the positive number in column 3 as a negative number in column 4. Here is how you would enter the numbers on Form 944-X, line 16.

Column 1 (corrected amount)	Column 2 (Form 944, line 8b)	Column 3 (difference)	Column 4 (tax correction)
2,000.00	1,000.00	1,000.00	-1,000.00

Be sure to explain the reasons for this correction on line 43.

## 17a. Nonrefundable Portion of Employee Retention Credit

Use line 17a only for corrections to a 2020 or 2021 Form 944.

**TIP** Section 206(c) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 removed the restriction on an employer who has received a Small Business Interruption Loan under the Paycheck Protection Program (PPP) from claiming the employee retention credit. The eligible employer can claim the employee retention credit on any qualified wages that aren’t counted as payroll costs in obtaining PPP loan forgiveness. Any wages that could count toward eligibility for the employee retention credit or PPP loan forgiveness can be applied to either of these two programs, but not both. If your Form 944 for 2020 didn’t claim the correct



amount for the employee retention credit because you received a Small Business Interruption Loan under the PPP, you may file Form 944-X and complete [Worksheet 2](#) to claim the correct amount of the credit. For more information, see Notice 2021-20, 2021-11 I.R.B. 922, available at [IRS.gov/irb/2021-11\\_IRB#NOT-2021-20](#); and Rev. Proc. 2021-33, 2021-34 I.R.B. 327, available at [IRS.gov/irb/2021-34\\_IRB#REV-PROC-2021-33](#).


## Instructions for Qualified Wages Paid After March 12, 2020, and Before July 1, 2021

If you're correcting the nonrefundable portion of the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, that you reported on Form 944, line 8c, enter the total corrected amount from [Worksheet 2](#), Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#). See Notice 2021-23, 2021-16 I.R.B. 1113, available at [IRS.gov/irb/2021-16\\_IRB#NOT-2021-23](#), for more information about the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021. Also see section IV of Notice 2021-49, 2021-34 I.R.B. 316, available at [IRS.gov/irb/2021-34\\_IRB#NOT-2021-49](#); and [Rev. Proc. 2021-33](#).

Be sure to explain the reasons for this correction on line 43.

 For corrections to a 2020 Form 944, the employee retention credit is only available for qualified wages paid after March 12, 2020, and before January 1, 2021. For corrections to a 2021 Form 944, the employee retention credit is only available for qualified wages paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for wages paid after September 30, 2021, and before January 1, 2022. Adjustments to the nonrefundable portion of the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, are reported on Form 944-X, line 17a, and adjustments to the refundable portion of the credit are reported on Form 944-X, line 26a. Adjustments to qualified wages for the employee retention credit are reported on Form 944-X, line 30. Adjustments to qualified health plan expenses allocable to the employee retention credit are reported on Form 944-X, line 31. If you claimed the employee retention credit on your original 2020 Form

944 or your original 2021 Form 944 for qualified wages paid before July 1, 2021, and you make any corrections on Form 944-X for the year to amounts used to figure this credit, you'll need to refigure the amount of the credit using [Worksheet 2](#). You'll also use this worksheet to figure the credit for qualified wages paid after March 12, 2020, and before July 1, 2021, if you're claiming the credit for the first time on Form 944-X.

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




*The Infrastructure Investment and Jobs Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for wages paid after September 30, 2021, and before January 1, 2022, only the wages paid by recovery startup businesses can be qualified wages. See the 2021 revision of the Instructions for Form 944 for more information about a recovery startup business.*

If you're correcting the nonrefundable portion of the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, that you reported on Form 944, line 8c, enter the total corrected amount from [Worksheet 4](#), Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

For more information about the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#) and [Rev. Proc. 2021-33](#). See Notice 2021-65, 2021-51 I.R.B. 880, available at [IRS.gov/irb/2021-51\\_IRB#NOT-2021-65](#), for modifications to Notice 2021-49.

Be sure to explain the reasons for this correction on line 43.

 For corrections to a 2021 Form 944, the employee retention credit is only available for qualified wages paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for wages paid after September 30, 2021, and before January 1, 2022. Adjustments to the nonrefundable portion of the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, are reported on Form 944-X, line 17a, and adjustments to the refundable portion of the credit are reported on Form 944-X, line 26a. Adjustments to

qualified wages for the employee retention credit are reported on Form 944-X, line 30. Adjustments to qualified health plan expenses allocable to the employee retention credit are reported on Form 944-X, line 31. If you claimed the employee retention credit on your original 2021 Form 944 and you make any corrections on Form 944-X to amounts used to figure the credit for qualified wages paid after June 30, 2021, and before January 1, 2022, you'll need to refigure the amount of the credit using [Worksheet 4](#). You'll also use this worksheet to figure this credit if you're claiming the credit for the first time on Form 944-X.

### 17b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 8d, enter the total corrected amount from [Worksheet 3](#), Step 2, line 2r, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

For corrections to 2021 or 2022 Form 944, line 8d, the credit for qualified sick and family leave wages is only available for wages paid in 2021 or 2022 with respect to any leave taken after March 31, 2021, and before October 1, 2021. If you're correcting a year before 2021, don't enter any amount on line 17b.

**Definition of qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.** For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA, as enacted under the FFCRA and amended for purposes of the ARP. Taxable qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, were included on Form 944, line 4a, column 1, and can be adjusted only on Form 944-X, line 8. Total qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, including any qualified sick and family leave wages that were above the social security wage base and any qualified sick and family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22), were included on Form 944, lines 19 and 22, respectively,

and can be adjusted only on Form 944-X, lines 33 and 36, respectively. Use [Worksheet 3](#) to figure your credit.

Be sure to explain the reasons for this correction on line 43.

### 17c. Nonrefundable Portion of COBRA Premium Assistance Credit

The COBRA premium assistance was available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. For more information, see [Credit for COBRA premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021](#), under *What's New*, earlier. Use line 17c only for corrections to a 2021 or 2022 Form 944.

**TIP** Premium payees that receive an election from an assistance eligible individual are entitled to the COBRA premium assistance credit for premiums not paid during the quarter in which the election is received. Premium payees don't file a Form 944-X for premium assistance even if the coverage is retroactive to a prior quarter. See [Notice 2021-31](#) for more information.

If you're correcting the nonrefundable portion of the COBRA premium assistance credit that you reported on Form 944, line 8e, enter the total corrected amount from [Worksheet 5](#), Step 2, line 2g, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

Be sure to explain the reasons for this correction on line 43.

### 17d. Number of Individuals Provided COBRA Premium Assistance

Use line 17d only for corrections to a 2021 or 2022 Form 944.

If you're correcting the number of individuals provided COBRA premium assistance that you reported on Form 944, line 8f, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Be sure to explain the reasons for this correction on line 43.

### 18–21. Special Additions to Wages for Federal Income Tax, Social Security Taxes, Medicare Taxes, and Additional Medicare Tax

Section 3509 provides special rates for the employee share of social security tax, Medicare tax, Additional Medicare Tax, and federal income tax withholding when

workers are reclassified as employees in certain circumstances. The applicable rate depends on whether you filed required information returns. An employer can't recover any tax paid under this provision from the employees. The full employer share of social security tax and Medicare tax is due for all reclassifications.

**Note.** Section 3509 rates aren't available if you intentionally disregarded the requirements to withhold taxes from the employee, or if you withheld federal income tax but didn't withhold social security and Medicare tax. Section 3509 rates are also not available for certain statutory employees.

On lines 18–21, enter **only** corrections to wages resulting from reclassifying certain workers as employees when section 3509 rates are used to calculate the taxes.

If the employer issued the required information returns, use the section 3509 rates as follows.

- For social security taxes, use the employer rate of 6.2% plus 20% of the employee rate of 6.2%, for a total rate of 7.44% of wages.
- For Medicare taxes, use the employer rate of 1.45% plus 20% of the employee rate of 1.45%, for a total rate of 1.74% of wages.
- For Additional Medicare Tax, 0.18% (20% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For federal income tax withholding, the rate is 1.5% of wages.

If the employer didn't issue the required information returns, use the section 3509 rates as follows.

- For social security taxes, use the employer rate of 6.2% plus 40% of the employee rate of 6.2%, for a total rate of 8.68% of wages.
- For Medicare taxes, use the employer rate of 1.45% plus 40% of the employee rate of 1.45%, for a total rate of 2.03% of wages.
- For Additional Medicare Tax, 0.36% (40% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For federal income tax withholding, the rate is 3.0% of wages.

Unlike some other lines on Form 944-X, enter in column 1 only the corrected wages for workers being reclassified, not the amount paid to **all** employees. Enter in column 2 previously reported wages (if any) to reclassified employees. To get the amount for column 4, use the applicable section 3509 rates. If you filed the required information returns for some employees but didn't file them for other employees, be sure to use the applicable rates for each employee when calculating the amounts in column 4 and show your calculations on line 43. The tax correction in column 4 will be a positive number if you increased the amount of wages you previously reported. See the instructions for [line 42](#), later, for more information.

## 22. Subtotal

Combine the amounts on lines 7–21 of column 4 and enter the total on line 22.

**Example.** You entered "1,400.00" in column 4 of line 7, "-500.00" in column 4 of line 8, and "-100.00" in

column 4 of line 12. Combine these amounts and enter "800.00" in column 4 of line 22.

Line 7 (column 4)	1400.00
Line 8 (column 4)	-500.00
Line 12 (column 4)	-100.00
Line 22 (column 4)	<u>800.00</u>

## 23. Deferred Amount of the Employer Share of Social Security Tax

Use Form 944-X, line 23, if you need to correct the deferred amount of the employer share of social security tax that you reported on your 2020 Form 944, line 10b. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employer share of social security tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the employer share of social security tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

If you're filing Form 944-X to increase the amount of social security wages paid on or after March 27, 2020, and before January 1, 2021, so that there is an additional amount of social security tax that hasn't yet been paid, and hasn't yet been deferred, then you may use Form 944-X to increase the amount of the deferred employer share of social security tax originally reported on Form 944, line 10b. If you're filing Form 944-X to decrease the amount of social security wages paid on or after March 27, 2020, and before January 1, 2021, so that there is a decrease in the amount of social security tax that is eligible for deferral, then you must use Form 944-X to decrease the amount of the deferred employer share of social security tax originally reported on Form 944, line 10b, if the decrease in wages causes the amount you originally deferred to exceed the amount that is now eligible for deferral. Otherwise, you may only correct the amount of the deferred employer share of social security tax if the amount originally reported on Form 944, line 10b, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the employer share of social security tax during the payroll tax deferral period, you may not subsequently defer the payment by filing Form 944-X. See [IRS.gov/ETD](https://www.irs.gov/ETD) for more information about the interaction of credits and the deferral of employment tax deposits and payments.

The deferred amount of the employer share of social security tax was only available for deposits and payments due on or after March 27, 2020, and before January 1, 2021, as well as deposits and payments due after January 1, 2021, that were required for wages paid during the

applicable period. One-half of the deferred amount of the employer share of social security tax was due by December 31, 2021, and the remainder was due by December 31, 2022. Because both December 31, 2021, and December 31, 2022, were nonbusiness days, payments made on the next business day were considered timely. Any payments or deposits you made before December 31, 2021, were first applied against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For more information about the deferral of employment tax deposits, go to [IRS.gov/ETD](https://www.irs.gov/ETD) and see the Instructions for Form 944, available at [IRS.gov/Form944](https://www.irs.gov/Form944).

Be sure to explain the reasons for any corrections on line 43.

## 24. Deferred Amount of the Employee Share of Social Security Tax

Use Form 944-X, line 24, if you need to correct the deferred amount of the employee share of social security tax that you reported on your 2020 Form 944, line 10c. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of the employee share of social security tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the employee share of social security tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

You may only correct the amount of the deferred employee share of social security tax if the amount originally reported on Form 944, line 10c, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the employee's share of social security tax, you may not subsequently defer the payment by filing Form 944-X.

The deferred amount of the employee share of social security tax was only available for social security wages of less than \$4,000 paid to an employee in any biweekly pay period (or the equivalent threshold amount for other pay periods) paid on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020. The due date for withholding and payment of the deferred employee share of social security tax was postponed until the period beginning on January 1, 2021, and ending on December 31, 2021. The employer was liable to pay the deferred employee share of social security tax to the IRS and was required to do so before January 1, 2022, to avoid interest, penalties, and additions to tax on those amounts. Because January 1, 2022, was a nonbusiness day, payments made on January 3, 2022, were considered timely. For more information about the deferral of the employee share of

social security tax, see Notice 2020-65, 2020-38 I.R.B. 567, available at [IRS.gov/irb/2020-38\\_IRB#NOT-2020-65](https://www.irs.gov/irb/2020-38_IRB#NOT-2020-65); and Notice 2021-11, 2021-06 I.R.B. 827, available at [IRS.gov/irb/2021-06\\_IRB#NOT-2021-11](https://www.irs.gov/irb/2021-06_IRB#NOT-2021-11).

Be sure to explain the reasons for any corrections on line 43.

## 25. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021

If you're correcting the refundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 10d, enter the total corrected amount from [Worksheet 1](#), Step 2, line 2k, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).


Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

For corrections to a 2020 Form 944, line 10d, the credit for qualified sick and family leave wages is only available for wages paid with respect to leave taken after March 31, 2020, and before January 1, 2021. For corrections to a 2021 or 2022 Form 944, line 10d, the credit for qualified sick and family leave wages is only available for wages paid in 2021 or 2022 with respect to any leave taken after March 31, 2020, and before April 1, 2021. If you're correcting a year before 2020, don't enter any amount on line 25.

Be sure to explain the reasons for this correction on line 43.

## 26a. Refundable Portion of Employee Retention Credit

Use line 26a only for corrections to a 2020 or 2021 Form 944.

 *For corrections to a 2020 Form 944, the employee retention credit is only available for qualified wages paid after March 12, 2020, and before January 1, 2021. For corrections to a 2021 Form 944, the employee retention credit is only available for qualified wages paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for wages paid after September 30, 2021, and before January 1, 2022.*

## Instructions for Qualified Wages Paid After March 12, 2020, and Before July 1, 2021

If you're correcting the refundable portion of the employee retention credit that you reported on Form 944, line 10e,

for qualified wages paid after March 12, 2020, and before July 1, 2021, enter the total corrected amount from [Worksheet 2](#), Step 2, line 2i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#). See [Notice 2021-23](#) for more information about the employee retention credit for qualified wages paid after December 31, 2020, and before July 1, 2021. Also see section IV of [Notice 2021-49](#), and [Rev. Proc. 2021-33](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

Be sure to explain the reasons for this correction on line 43.

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

If you're correcting the refundable portion of the employee retention credit that you reported on Form 944, line 10e, for qualified wages paid after June 30, 2021, and before January 1, 2022, enter the total corrected amount from [Worksheet 4](#), Step 2, line 2i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#) and [Rev. Proc. 2021-33](#). See [Notice 2021-65](#) for modifications to Notice 2021-49.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

Be sure to explain the reasons for this correction on line 43.

### **26b. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the refundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 10f, enter the total corrected amount from [Worksheet 3](#), Step 2, line 2s, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference

between columns 1 and 2. For more information about the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

For corrections to 2021 or 2022 Form 944, line 10f, the credit for qualified sick and family leave wages is only available for wages paid in 2021 or 2022 with respect to any leave taken after March 31, 2021, and before October 1, 2021. If you're correcting a year before 2021, don't enter any amount on line 26b.

Be sure to explain the reasons for this correction on line 43.

### **26c. Refundable Portion of COBRA Premium Assistance Credit**

The COBRA premium assistance was available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. For more information, see [Credit for COBRA premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021](#), under *What's New*, earlier. Use line 26c only for corrections to a 2021 or 2022 Form 944.

If you're correcting the refundable portion of the COBRA premium assistance credit that you reported on Form 944, line 10g, enter the total corrected amount from [Worksheet 5](#), Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for [line 16](#), earlier.

Be sure to explain the reasons for this correction on line 43.

### **Corrections to Form 944, Line 10g (For 2020) or Line 10i (For 2021)**

Form 944-X doesn't include a line to correct amounts reported on Form 944, line 10g (10i), for the total advances received from filing Form(s) 7200 for the year. If a discrepancy exists between the amount reported on Form 944 and the amount of advance payments issued, the IRS will generally correct the amount reported on Form 944, line 10g (10i), to match the amount of advance payments issued.

### **27. Total**

Combine the amounts from column 4 on lines 22–26c and enter the result on line 27.

**Your credit.** If the amount entered on line 27 is less than zero, for example, “-115.00,” you have a credit because you overreported your federal employment taxes.

- If you checked the box on line 1, include this amount on the “Total deposits” line of Form 944 for the year during which you filed Form 944-X. If you currently file Form 941 or Form 941-SS because your filing requirement changed, include this amount on the “Total deposits” line of Form 941 or Form 941-SS for the quarter during which you filed Form 944-X. Don’t make any changes to your record of federal tax liability reported on Form 944, line 13, or Form 945-A, unless you were assessed an FTD penalty. For more information, see the Form 945-A instructions.
- If you checked the box on line 2, you’re filing a claim for refund or abatement of the amount shown.

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

**Amount you owe.** If the amount entered on line 27 is a positive number, you must **pay** the amount you owe **by the time you file** Form 944-X. You may not use any credit that you show on another Form 944-X to pay the amount you owe, even if you filed for the amount you owe and the credit at the same time.

If you owe tax and are filing a timely Form 944-X, don’t file an amended Form 945-A unless you were assessed an FTD penalty caused by an incorrect, incomplete, or missing Form 945-A. Don’t include the tax increase reported on Form 944-X on any amended Form 945-A you file.

If you owe tax and are filing a late Form 944-X, that is, after the due date of Form 944 for the year in which you discovered the error, you must file an amended Form 945-A with the Form 944-X. Otherwise, the IRS may assess an “averaged” FTD penalty. The total tax reported on Form 945-A, line M, must match the corrected tax (Form 944, line 9, combined with any correction reported on Form 944-X, line 22) for the year, less any previous abatements and interest-free tax assessments.

**Payment methods.** You may pay the amount you owe on line 27 electronically using the Electronic Federal Tax Payment System (EFTPS), by credit or debit card, or by a check or money order.

- The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](https://www.irs.gov/eftps) or call EFTPS Customer Service at 800-555-4477. To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number above or 800-733-4829. Additional information about EFTPS is also available in Pub. 966.
- To pay by credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/paybycard). Your payment will be processed by a payment processor who will charge a processing fee.
- If you pay by check or money order, make it payable to “United States Treasury.” On your check or money order, be sure to write your EIN, “Form 944-X,” and the year corrected.

You don’t have to pay if the amount you owe is less than \$1.

## Lines 28–40

For lines 28–40, you’ll only enter amounts in columns 1, 2, and 3. These lines don’t have an entry space for column 4 because these adjustments don’t directly result in an increase or decrease to your tax. The amounts entered on lines 28–38 are amounts that you use in Worksheets 1–5, as applicable, to figure your credits. If you reported an incorrect amount on lines 15–26 on your original Form 944, then you’ll use lines 28–40 of Form 944-X to report the correction. Use Worksheets 1–5, as applicable, to refigure your credits based on the corrected amounts reported in column 1. Be sure to explain the reasons for your corrections to lines 28–40 on line 43.

### 28. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021

If you’re correcting the qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 15, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 1](#), Step 2, line 2b.

### 29. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021

If you’re correcting the qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form 944, line 16, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 1](#), Step 2, line 2f.

### 30. Qualified Wages for the Employee Retention Credit

Use line 30 only for corrections to a 2020 or 2021 Form 944.

If you’re correcting the qualified wages for the employee retention credit that you reported on Form 944, line 17, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 2](#), Step 2, line 2a, for qualified wages paid after March 12, 2020, and before July 1, 2021. Enter the corrected amount from column 1 on [Worksheet 4](#), Step 2, line 2a, for qualified wages paid after June 30, 2021, and before January 1, 2022.

### 31. Qualified Health Plan Expenses for the Employee Retention Credit

Use line 31 only for corrections to a 2020 or 2021 Form 944.

If you're correcting the qualified health plan expenses allocable to wages reported on Form 944, line 17, that you reported on Form 944, line 18, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 2](#), Step 2, line 2b, for qualified health plan expenses allocable to qualified wages paid after March 12, 2020, and before July 1, 2021. Enter the corrected amount from column 1 on [Worksheet 4](#), Step 2, line 2b, for qualified health plan expenses allocable to qualified wages paid after June 30, 2021, and before January 1, 2022.

### **32. Credit From Form 5884-C, Line 11, for the Year**

Use line 32 only for corrections to a 2020 Form 944.

If you're correcting the credit from Form 5884-C, line 11, for the year, that you reported on 2020 Form 944, line 19, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 1](#), Step 1, line 1i. Entering an amount here is strictly for purposes of figuring the credit for qualified sick and family wages for leave taken after March 31, 2020, and before April 1, 2021, on Worksheet 1. For purposes of figuring the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021, enter the corrected amount from column 1 on [Worksheet 2](#), Step 1, line 1j, unless you also completed Worksheet 1 and you're bringing the amount from Worksheet 1, Step 1, line 1i, forward to Worksheet 2, Step 1, line 1a. Reporting a correction on this line doesn't correct the credit claimed on Form 5884-C.

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

If you're correcting the qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 19, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 3](#), Step 2, line 2a.

Be sure to explain the reasons for this correction on line 43.

### **34. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 20, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference

between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 3](#), Step 2, line 2b.

Be sure to explain the reasons for this correction on line 43.

### **35. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 21, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 3](#), Step 2, line 2c.

Be sure to explain the reasons for this correction on line 43.

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

If you're correcting the qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 22, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 3](#), Step 2, line 2g.

Be sure to explain the reasons for this correction on line 43.

### **37. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 23, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 3](#), Step 2, line 2h.

Be sure to explain the reasons for this correction on line 43.

### **38. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**

If you're correcting the amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form 944, line 24, enter the total corrected amount for all employees in

column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on [Worksheet 3](#), Step 2, line 2i.

Be sure to explain the reasons for this correction on line 43.



*Recovery startup businesses are limited to a maximum employee retention credit of \$50,000 per quarter. Don't enter more than \$50,000 per quarter in total on lines 17a and 26a.*

### 39. If You're Eligible for the Employee Retention Credit in the Third Quarter of 2021 Solely Because Your Business Is a Recovery Startup Business . . .

Whether you complete line 39 to tell us if you're eligible for the employee retention credit in the third quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and whether you originally reported an amount on your 2021 Form 944, line 25.

- If you reported the total of any amounts included on lines 8c and 10e on line 25 for the third quarter on your originally filed 2021 Form 944 but that is no longer accurate, explain in detail on line 43 why you no longer think that you're a recovery startup business and the reasons that you still qualify for the employee retention credit.
- If you didn't report the total of any amounts included on lines 8c and 10e on line 25 for the third quarter on your originally filed 2021 Form 944 and this still doesn't apply, don't complete line 39.
- If you didn't report the total of any amounts included on lines 8c and 10e for the third quarter on your originally filed 2021 Form 944 but you're now claiming the employee retention credit as a recovery startup business, complete line 39 with the total of the corrected amounts included on Form 944-X, lines 17a and 26a.

**Recovery startup business.** For the third quarter of 2021, a recovery startup business is an employer that:

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

### 40. If You're Eligible for the Employee Retention Credit in the Fourth Quarter of 2021 Solely Because Your Business Is a Recovery Startup Business . . .

For the fourth quarter of 2021, only a recovery startup business may claim the employee retention credit. Whether you complete line 40 to tell us if you're eligible for

the employee retention credit in the fourth quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and whether you originally reported an amount on your 2021 Form 944, line 26.

- If you reported the total of any amounts included on lines 8c and 10e on line 26 for the fourth quarter on your originally filed 2021 Form 944 but that is no longer accurate, explain in detail on line 43 why you no longer think that you're a recovery startup business and the reasons that you still qualify for the employee retention credit.
- If you didn't report the total of any amounts included on lines 8c and 10e on line 26 for the fourth quarter on your originally filed 2021 Form 944 and this still doesn't apply, don't complete line 40.
- If you didn't report the total of any amounts included on lines 8c and 10e for the fourth quarter on your originally filed 2021 Form 944 but you're now claiming the employee retention credit as a recovery startup business, complete line 40 with the total of the corrected amounts included on Form 944-X, lines 17a and 26a.

For the fourth quarter of 2021, a recovery startup business is an employer that began carrying on a trade or business after February 15, 2020, and had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the calendar quarter in which the employee retention credit is claimed.

## Part 4: Explain Your Corrections for the Calendar Year You're Correcting

### 41. Corrections of Both Underreported and Overreported Amounts

Check the box on line 41 if any corrections you entered on lines 7–21, lines 23–26c, or lines 28–40, in column 3 reflect both underreported and overreported amounts.

**Example.** If you had an increase to social security wages of \$1,500 for Nathan Black and a decrease to social security wages of \$500 for Leah Green, you would enter \$1,000 on line 8, column 3. That \$1,000 represents the net change from offsetting corrections.

On line 43, you must explain the reason for both the \$1,500 increase and the \$500 decrease.

### 42. Did You Reclassify Any Workers?

Check the box on line 42 if you reclassified any workers to be independent contractors or nonemployees. Also check this box if the IRS or you determined that workers you treated as independent contractors or nonemployees should be classified as employees. On line 43, give us a detailed reason why any worker was reclassified and, if you used section 3509 rates on [lines 18–21](#) for any worker reclassified as an employee, explain why section 3509 rates apply and what rates you used.

**Return not filed because you didn't treat any workers as employees.** If you didn't previously file Form 944 because you mistakenly treated workers as independent contractors or as nonemployees, file a Form 944 for each delinquent year.



On each Form 944 for which you're entitled to use section 3509 rates, complete the following steps.

- Write "**Misclassified Employees**" in bold letters across the top margin of page 1.
- Enter a zero on line 9.
- Complete the signature area.
- Attach a completed Form 944-X (see instructions next).

On each Form 944-X, complete the following steps.

- Complete the top of Form 944-X, including the date you discovered the error.
- Enter the wage amounts on lines 18–21, column 1.
- Enter zeros on lines 18–21, column 2.
- Complete columns 3 and 4 as instructed in Part 3.
- Provide a detailed statement on line 43.
- Complete the signature area.



*If you can't use section 3509 rates (for example, because the workers you treated as nonemployees were certain statutory employees), file a Form 944 for each delinquent year. Write "**Misclassified Employees**" in bold letters across the top margin of page 1 of each Form 944. Complete Form 944 using the Instructions for Form 944. Attach a Form 944-X to each Form 944. Complete the top of Form 944-X, including the date you discovered the error, and provide a detailed explanation on line 43.*

### 43. Explain Your Corrections

Treasury regulations require you to explain in detail the grounds and facts relied upon to support each correction. On line 43, describe in detail each correction you entered in column 4 on lines 7–21 and lines 23–26c. Also use line 43 to describe in detail corrections made on lines 28–40. If you need more space, attach additional sheets, but be sure to write your name, EIN, "Form 944-X," and the calendar year you're correcting on the top of each sheet.

You must describe the events that caused the underreported or overreported amounts. Explanations such as "social security and Medicare wages were overstated," "administrative/payroll errors were discovered," or "taxes were not withheld" are insufficient and may delay processing your Form 944-X because the IRS may need to ask for a more complete explanation.

Provide the following information in your explanation of each correction.

- Form 944-X line number(s) affected.
- Date you discovered the error.
- Amount of the error.
- Cause of the error.

You may report the information in paragraph form. The following paragraph is an example.

"The \$100 difference shown in column 3 of lines 6, 8, and 12 was discovered on May 15, 2023, during an internal payroll audit. We discovered that we included \$100 of wages for one of our employees twice. This correction removes the reported wages that were never paid."

For corrections shown on lines 18–21, explain why the correction was necessary and attach any notice you received from the IRS.

## Part 5: Sign Here

You must complete all five pages of Form 944-X and sign it on page 5. If you don't sign, processing of Form 944-X will be delayed.

**Who must sign the Form 944-X?** The following persons are authorized to sign the return for each type of business entity.

- **Sole proprietorship**—The individual who owns the business.
- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized member, partner, or officer having knowledge of its affairs.
- **Single-member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary.

Form 944-X 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 944-X by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/2005-28\\_IRB#RP-2005-39](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

### Paid Preparer Use Only

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

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

Generally, you're not required to complete this section if you're filing the return as a reporting agent and have a valid Form 8655 on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its workers are employees or independent contractors for federal tax purposes.

**Worksheet 1. Adjusted Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021**

Keep for Your Records 

You must use this worksheet if you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, on your original Form 944 and you correct any amounts used to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

**Step 1. Determine the corrected employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D**

1a	Enter the amount of social security wages from Form 944, Part 1, line 4a, column 1, or, if corrected, the amount from Form 944-X, line 8, column 1	1a	_____
1b	Enter the amount of social security tips from Form 944, Part 1, line 4b, column 1, or, if corrected, the amount from Form 944-X, line 11, column 1	1b	_____
1c	Add lines 1a and 1b	1c	_____
1d	Multiply line 1c by 6.2% (0.062)	1d	_____
1e	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of social security tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a <b>negative</b> number)	1e	_____
1f	Employer share of social security tax included on Form 944-X, line 19, column 4	1f	_____
1g	<b>Employer share of social security tax.</b> Combine lines 1d, 1e, and 1f	1g	_____
1h	Enter the amount from Form 944, Part 1, line 8a, or, if corrected, the amount from Form 944-X, line 15, column 1 (credit from Form 8974)	1h	_____
1i	Enter the amount from Form 5884-C, line 11, for this year (for 2020, this amount was also included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 32, column 1)	1i	_____
1j	Enter the amount from Form 5884-D, line 12, for the year	1j	_____
1k	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1h, 1i, and 1j	1k	_____
1l	<b>Employer share of social security tax remaining.</b> Subtract line 1k from line 1g	1l	_____

**Step 2. Figure the sick and family leave credit**

2a	Qualified sick leave wages reported on Form 944, Part 1, line 4a(i), column 1, or, if corrected, the amount from Form 944-X, line 9, column 1	2a	_____
2a(i)	Qualified sick leave wages included on Form 944, Part 1, line 4c, or, if corrected, the amount from Form 944-X, line 12, column 1, but not included on Form 944, Part 1, line 4a(i), column 1, or Form 944-X, line 9, column 1, because the wages reported on that line were limited by the social security wage base	2a(i)	_____
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i)	2a(ii)	_____
2a(iii)	Qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)-(22)	2a(iii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 944, Part 3, line 15, or, if corrected, Form 944-X, line 28, column 1)	2b	_____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c	_____
2d	<b>Credit for qualified sick leave wages.</b> Add lines 2a(ii), 2a(iii), 2b, and 2c	2d	_____
2e	Qualified family leave wages reported on Form 944, Part 1, line 4a(ii), column 1, or, if corrected, the amount from Form 944-X, line 10, column 1	2e	_____
2e(i)	Qualified family leave wages included on Form 944, Part 1, line 4c, or, if corrected, the amount from Form 944-X, line 12, column 1, but not included on Form 944, Part 1, line 4a(ii), column 1, or Form 944-X, line 10, column 1, because the wages reported on that line were limited by the social security wage base	2e(i)	_____
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i)	2e(ii)	_____
2e(iii)	Qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)-(22)	2e(iii)	_____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 944, Part 3, line 16, or, if corrected, Form 944-X, line 29, column 1)	2f	_____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g	_____
2h	<b>Credit for qualified family leave wages.</b> Add lines 2e(ii), 2e(iii), 2f, and 2g	2h	_____
2i	<b>Credit for qualified sick and family leave wages.</b> Add lines 2d and 2h	2i	_____
2j	<b>Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.</b> Enter the smaller of line 1l or line 2i. Enter this amount on Form 944-X, line 16, column 1	2j	=====
2k	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.</b> Subtract line 2j from line 2i and enter this amount on Form 944-X, line 25, column 1	2k	=====

**Worksheet 2. Adjusted Employee Retention Credit for Qualified Wages Paid After March 12, 2020, and Before January 1, 2021, for a 2020 Form 944, or Qualified Wages Paid After December 31, 2020, and Before July 1, 2021, for a 2021 Form 944**

Keep for Your Records



You must use this worksheet if you claimed the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, on your original 2020 Form 944 or for qualified wages paid after December 31, 2020, and before July 1, 2021, on your original 2021 Form 944 and you correct any amounts used to figure the employee retention credit. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

**Step 1. Determine the corrected employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D**

- 1a If you completed Worksheet 1 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, enter the amount from Worksheet 1, Step 1, line 1l, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021, continue by completing lines 1b–1m below and then go to Step 2 ..... 1a \_\_\_\_\_
- 1b Enter the amount of social security wages from Form 944, Part 1, line 4a, column 1, or, if corrected, the amount from Form 944-X, line 8, column 1 ..... 1b \_\_\_\_\_
- 1c Enter the amount of social security tips from Form 944, Part 1, line 4b, column 1, or, if corrected, the amount from Form 944-X, line 11, column 1 ..... 1c \_\_\_\_\_
- 1d Add lines 1b and 1c ..... 1d \_\_\_\_\_
- 1e Multiply line 1d by 6.2% (0.062) ..... 1e \_\_\_\_\_
- 1f If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer social security tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a **negative** number) ..... 1f \_\_\_\_\_
- 1g Employer share of social security tax included on Form 944-X, line 19, column 4 ..... 1g \_\_\_\_\_
- 1h **Employer share of social security tax.** Combine lines 1e, 1f, and 1g ..... 1h \_\_\_\_\_
- 1i Enter the amount from Form 944, Part 1, line 8a, or, if corrected, the amount from Form 944-X, line 15, column 1 (credit from Form 8974) ..... 1i \_\_\_\_\_
- 1j Enter the amount from Form 5884-C, line 11, for this year (for 2020, this amount was also included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 32, column 1) ..... 1j \_\_\_\_\_
- 1k Enter the amount from Form 5884-D, line 12, for this year ..... 1k \_\_\_\_\_
- 1l **Total nonrefundable credits already used against the employer share of social security tax.** Add lines 1i, 1j, and 1k ..... 1l \_\_\_\_\_
- 1m **Employer share of social security tax remaining.** Subtract line 1l from line 1h ..... 1m \_\_\_\_\_

**Step 2. Figure the employee retention credit for qualified wages paid after March 12, 2020, and before July 1, 2021**

**Caution:** For qualified wages paid before January 1, 2021, the cumulative total for 2020 that can be claimed on lines 2a and 2b can't exceed \$10,000 per employee. For qualified wages paid after December 31, 2020, and before July 1, 2021, the total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total for purposes of this worksheet).

- 2a Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, for a 2020 Form 944, or qualified wages paid after December 31, 2020, and before July 1, 2021, for a 2021 Form 944 (these qualified wages are included in the total reported on Form 944, Part 3, line 17, or, if corrected, Form 944-X, line 30, column 1) ..... 2a \_\_\_\_\_
- 2b Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after March 12, 2020, and before January 1, 2021, for a 2020 Form 944, or qualified wages paid after December 31, 2020, and before July 1, 2021, for a 2021 Form 944 (these qualified health plan expenses are included in the total reported on Form 944, Part 3, line 18, or, if corrected, Form 944-X, line 31, column 1) ..... 2b \_\_\_\_\_
- 2c Add lines 2a and 2b ..... 2c \_\_\_\_\_
- 2d **Retention credit.** If you're correcting your 2020 Form 944, multiply line 2c by 50% (0.50). If you're correcting your 2021 Form 944, multiply line 2c by 70% (0.70) ..... 2d \_\_\_\_\_
- 2e Enter the amount of the employer share of social security tax from Step 1, line 1a, or, if applicable, Step 1, line 1m ..... 2e \_\_\_\_\_
- 2f Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021 (this amount may come from Worksheet 1, Step 2, line 2j, in these instructions if you're correcting that credit for the year or you may need to enter the credit claimed on your original Form 944) ..... 2f \_\_\_\_\_
- 2g Subtract line 2f from line 2e ..... 2g \_\_\_\_\_
- 2h **Nonrefundable portion of employee retention credit.** Enter the smaller of line 2d or line 2g. Enter this amount on Form 944-X, line 17a, column 1 ..... 2h \_\_\_\_\_
- 2i **Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 944-X, line 26a, column 1 ..... 2i \_\_\_\_\_

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



You must use this worksheet if you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, on your original Form 944 and you correct any amounts used to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

**Step 1. Determine the corrected employer share of Medicare tax**

- 1a Enter the amount of Medicare wages from Form 944, Part 1, line 4c, column 1, or, if corrected, the amount from Form 944-X, line 12, column 1 . . . . . 1a \_\_\_\_\_
- 1b Multiply line 1a by 1.45% (0.0145) . . . . . 1b \_\_\_\_\_
- 1c If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a **negative** number) . . . . . 1c \_\_\_\_\_
- 1d Employer share of Medicare tax included on Form 944-X, line 20, column 4 . . . . . 1d \_\_\_\_\_
- 1e **Employer share of Medicare tax.** Combine lines 1b, 1c, and 1d . . . . . 1e \_\_\_\_\_

**Step 2. Figure the sick and family leave credit**

- 2a Qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 33, column 1 . . . . . 2a \_\_\_\_\_
- 2a(i) Qualified sick leave wages included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 33, column 1, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, or, if corrected, the amount from Form 944-X, lines 8 and 12, column 1, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)-(22) . . . . . 2a(i) \_\_\_\_\_
- 2a(ii) Subtract line 2a(i) from line 2a . . . . . 2a(ii) \_\_\_\_\_
- 2a(iii) Qualified sick leave wages included on Form 944, Part 3, line 19, or, if corrected, the amount from Form 944-X, line 33, column 1, that were not included as wages reported on Form 944, Part 1, line 4a, or, if corrected, the amount from Form 944-X, line 8, column 1, because the qualified sick leave wages were limited by the social security wage base . . . . . 2a(iii) \_\_\_\_\_
- 2a(iv) Subtract line 2a(iii) from line 2a(ii) . . . . . 2a(iv) \_\_\_\_\_
- 2b Qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 20, or, if corrected, the amount from Form 944-X, line 34, column 1 . . . . . 2b \_\_\_\_\_
- 2c Amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 21, or, if corrected, the amount from Form 944-X, line 35, column 1 . . . . . 2c \_\_\_\_\_
- 2d Employer share of social security tax on qualified sick leave wages. Multiply line 2a(iv) by 6.2% (0.062) . . . . . 2d \_\_\_\_\_
- 2e Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145) . . . . . 2e \_\_\_\_\_
- 2f **Credit for qualified sick leave wages.** Add lines 2a, 2b, 2c, 2d, and 2e . . . . . 2f \_\_\_\_\_
- 2g Qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 22, or, if corrected, the amount from Form 944-X, line 36, column 1 . . . . . 2g \_\_\_\_\_
- 2g(i) Qualified family leave wages included on Form 944, Part 3, line 22, or, if corrected, the amount from Form 944-X, line 36, column 1, that were not included as wages reported on Form 944, Part 1, lines 4a and 4c, or, if corrected, the amount from Form 944-X, lines 8 and 12, column 1, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)-(22) . . . . . 2g(i) \_\_\_\_\_
- 2g(ii) Subtract line 2g(i) from line 2g . . . . . 2g(ii) \_\_\_\_\_
- 2g(iii) Qualified family leave wages included on Form 944, Part 3, line 22, or, if corrected, the amount from Form 944-X, line 36, column 1, that were not included as wages reported on Form 944, Part 1, line 4a, or, if corrected, the amount from Form 944-X, line 8, column 1, because the qualified family leave wages were limited by the social security wage base . . . . . 2g(iii) \_\_\_\_\_
- 2g(iv) Subtract line 2g(iii) from line 2g(ii) . . . . . 2g(iv) \_\_\_\_\_
- 2h Qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 23, or, if corrected, the amount from Form 944-X, line 37, column 1 . . . . . 2h \_\_\_\_\_
- 2i Amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 944, Part 3, line 24, or, if corrected, the amount from Form 944-X, line 38, column 1 . . . . . 2i \_\_\_\_\_
- 2j Employer share of social security tax on qualified family leave wages. Multiply line 2g(iv) by 6.2% (0.062) . . . . . 2j \_\_\_\_\_
- 2k Employer share of Medicare tax on qualified family leave wages. Multiply line 2g(ii) by 1.45% (0.0145) . . . . . 2k \_\_\_\_\_
- 2l **Credit for qualified family leave wages.** Add lines 2g, 2h, 2i, 2j, and 2k . . . . . 2l \_\_\_\_\_
- 2m **Credit for qualified sick and family leave wages.** Add lines 2f and 2l . . . . . 2m \_\_\_\_\_
- 2n Enter any employee retention credit claimed under section 2301 of the CARES Act with respect to qualified wages paid after March 31, 2021, and before July 1, 2021, that were also taken into account for the credit for qualified sick and family leave wages . . . . . 2n \_\_\_\_\_
- 2o Enter any credit claimed under section 41 for increasing research activities with respect to any wages taken into account for the credit for qualified sick and family leave wages . . . . . 2o \_\_\_\_\_
- 2p Add lines 2n and 2o . . . . . 2p \_\_\_\_\_
- 2q **Credit for qualified sick and family leave wages after adjusting for other credits.** Subtract line 2p from line 2m . . . . . 2q \_\_\_\_\_
- 2r **Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.** Enter the smaller of line 1e or line 2q. Enter this amount on Form 944-X, line 17b, column 1 . . . . . 2r \_\_\_\_\_
- 2s **Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.** Subtract line 2r from line 2q and enter this amount on Form 944-X, line 26b, column 1 . . . . . 2s \_\_\_\_\_

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

You must use this worksheet if you claimed the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022, on your original 2021 Form 944 and you correct any amounts used to figure the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

**Step 1. Determine the corrected employer share of Medicare tax**

- 1a If you completed Worksheet 3 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, enter the amount from Worksheet 3, Step 1, line 1e, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, continue by completing lines 1b–1f below and then go to Step 2 ..... 1a \_\_\_\_\_
- 1b Enter the amount of Medicare wages from Form 944, Part 1, line 4c, column 1, or, if corrected, the amount from Form 944-X, line 12, column 1 ..... 1b \_\_\_\_\_
- 1c Multiply line 1b by 1.45% (0.0145) ..... 1c \_\_\_\_\_
- 1d If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a **negative** number) ..... 1d \_\_\_\_\_
- 1e Employer share of Medicare tax included on Form 944-X, line 20, column 4 ..... 1e \_\_\_\_\_
- 1f **Employer share of Medicare tax.** Combine lines 1c, 1d, and 1e ..... 1f \_\_\_\_\_

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


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

- 2a Qualified wages (excluding qualified health plan expenses) for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified wages are included in the total reported on Form 944, Part 3, line 17, or, if corrected, Form 944-X, line 30, column 1) ..... 2a \_\_\_\_\_
- 2b Qualified health plan expenses allocable to qualified wages for the employee retention credit for qualified wages paid after June 30, 2021, and before January 1, 2022 (these qualified health plan expenses are included in the total reported on Form 944, Part 3, line 18, or, if corrected, Form 944-X, line 31, column 1) ..... 2b \_\_\_\_\_
- 2c Add lines 2a and 2b ..... 2c \_\_\_\_\_
- 2d **Retention credit.** Multiply line 2c by 70% (0.70). If you qualify for the employee retention credit **solely** because your business is a recovery startup business, don't enter more than \$50,000 for each of the third quarter and the fourth quarter of 2021 (\$100,000 in total for the year) ..... 2d \_\_\_\_\_
- 2e Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1f ..... 2e \_\_\_\_\_
- 2f Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (this amount may come from Worksheet 3, Step 2, line 2r, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form 944) ..... 2f \_\_\_\_\_
- 2g Subtract line 2f from line 2e ..... 2g \_\_\_\_\_
- 2h **Nonrefundable portion of employee retention credit.** Enter the smaller of line 2d or line 2g. Enter this amount on Form 944-X, line 17a, column 1 ..... 2h \_\_\_\_\_
- 2i **Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 944-X, line 26a, column 1 ..... 2i \_\_\_\_\_

You must use this worksheet if you claimed the COBRA premium assistance credit on your original Form 944 and you correct any amounts used to figure the COBRA premium assistance credit. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 944-X.

<b>Step 1. Determine the corrected employer share of Medicare tax</b>	
1a	If you completed Worksheet 3 or Worksheet 4, enter the amount listed on Worksheet 3, line 1e, or Worksheet 4, line 1a or 1f (as applicable). If you're not claiming either of these credits this year, continue by completing lines 1b–1f below and then go to Step 2
1b	Enter the amount of Medicare wages from Form 944, Part 1, line 4c, column 1, or, if corrected, the amount from Form 944-X, line 12, column 1
1c	Multiply line 1b by 1.45% (0.0145)
1d	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 944, Part 1, line 6, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 944-X, line 14, column 1 (enter as a <b>negative</b> number)
1e	Employer share of Medicare tax included on Form 944-X, line 20, column 4
1f	<b>Employer share of Medicare tax.</b> Combine lines 1c, 1d, and 1e
<b>Step 2. Figure the COBRA premium assistance credit</b>	
2a	Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021
2b	Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1f
2c	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (this amount may come from Worksheet 3, Step 2, line 2r, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form 944)
2d	Enter the amount of the nonrefundable portion of the employee retention credit (this amount may come from Worksheet 4, Step 2, line 2h, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form 944)
2e	<b>Other nonrefundable credits used against the employer share of Medicare tax.</b> Add lines 2c and 2d
2f	Subtract line 2e from line 2b
2g	<b>Nonrefundable portion of the COBRA premium assistance credit.</b> Enter the smaller of line 2a or line 2f. Enter this amount on Form 944-X, line 17c, column 1
2h	<b>Refundable portion of the COBRA premium assistance credit.</b> Subtract line 2g from line 2a and enter this amount on Form 944-X, line 26c, column 1

## How Can You Get Forms, Instructions, and Publications From the IRS?

 You can view, download, or print most of the forms, instructions, and publications you may need at [IRS.gov/Forms](https://www.irs.gov/forms). Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/orderforms) to place an order and have them mailed to you. The IRS will process your order for forms and publications as soon as possible. Don't resubmit requests you've already sent us. You can get forms and publications faster online.

**Paperwork Reduction Act Notice.** We ask for the information on Form 944-X to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes, including federal income tax withholding, on wages. This form is used to determine the amount of taxes you owe. Section 6011 requires you to provide the requested information if the tax applies to you.

You're not required to provide the information requested on a form that is subject to the Paperwork

Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to complete and file Form 944-X will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	38 hr., 15 min.
<b>Learning about the law or the form</b> . . . . .	1 hr., 25 min.
<b>Preparing and sending the form to the IRS</b> . . . . .	4 hr., 30 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 944-X simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can send your comments to: Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 944-X to this address. Instead, see [Where Should You File Form 944-X](#), earlier.