Form 941 for 2017: All You Need to Know

Presented on Thursday, September 28, 2017
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Our Focus For Today

- What’s new for 2017
- Line by line review of the form
- Tips for completing the Schedule B
- Tips for balancing and reconciling the forms
- Due dates
- Penalties
- Correcting the form
Vicki M. Lambert, CPP, is President and Academic Director of *The Payroll Advisor™*, a firm specializing in payroll education and training. The company’s website [www.thepayrolladvisor.com](http://www.thepayrolladvisor.com) offers a subscription payroll news service which keeps payroll professionals up-to-date on the latest rules and regulations.

As an adjunct faculty member at Brandman University, Ms. Lambert is the creator of and instructor for the *Practical Payroll Online* payroll training program, which is approved by the APA for recertification credits.
The IRS Form 941 was created to report and reconcile the payments made to the IRS for the income tax and FICA taxes during a quarter period.

The Form 941 requires that the employer calculate the amount of tax due, and then demonstrate that the payment for the tax liability was made on time.
Who Should Complete the Form

Each quarter, all employers who pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or Social Security and Medicare taxes must file Form 941, Employer's Quarterly Federal Tax Return, by the last day of the month that follows the end of period.
Exceptions to Filing Form 941

- Seasonal employers who no longer file for quarters when they regularly have no tax liability because they have paid no wages.

- Household Employers Reporting Social Security And Medicare Taxes and/or Withheld Income Tax.

- Employers Reporting Wages For Employees In American Samoa, Guam, The Commonwealth Of The Northern Mariana Islands, The U.S. Virgin Islands, Or Puerto Rico.

- Agricultural Employers Reporting Social Security, Medicare, And Withheld Income Taxes.

- Smaller employers designated by the IRS.
Penalties

- For each whole or part month a return is not filed when required, there is a failure-to-file penalty of 5% of the unpaid tax due with that return. The maximum penalty is 25% of the tax due.
- Also, for each whole or part month the tax is paid late a failure-to-pay penalty of 0.5% per month of the amount of tax generally applies.
- Reduced to 0.25% per month if installment agreement is in effect--must have filed their return on or before the due date of the return to qualify for the reduced penalty.
- The maximum for this penalty is also 25% of the tax due. The penalties will not be charged if there is a reasonable cause for failing to file or pay.
- If both penalties apply an any month, the failure-to-file penalty is reduced by the amount of the failure-to-pay penalty.
Penalties

Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that tax returns are filed and all taxes are paid or deposited correctly and on time.
Where and When to File

- If an employer made deposits on time in full payment of the taxes for a quarter, the employer has 10 more days after the above due date to file.
- The return will be considered timely filed if it is properly addressed and mailed first class or sent by an IRS designated delivery service on or before the due date. See Circular E for more information on IRS designated delivery services.
- If the due date for filing a return falls on a Saturday, Sunday, or legal holiday, then the return may be filed on the next business day.
Completing the Form 941

- Omit dollar signs and decimal points. Commas are optional. (Report dollars to the left of the preprinted decimal point and cents to the right of it.)
- Leave blank any data field (except lines 1, 2 and 12) with a value of zero.
- Enter negative amounts with a minus sign if possible otherwise use parentheses.
- Enter your name and EIN on all pages and attachments. (Filers using the IRS-preaddressed Form 941 are not required to enter their name and EIN on page 2.)
- Form on IRS website can be completed and saved online.
Form 941 for 2017

- Added 2 new lines for new tax credit on increasing research activities for small businesses
- These are now lines 11 and 12
- This moves all lines after 10 down two lines
Top of Form

Make sure you have the right version

This is marked each quarter as appropriate

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Part 1 Lines 1, 2, 3 & 4

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of employees who received wages, tips, or other compensation for the quarter</td>
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</tr>
<tr>
<td>2</td>
<td>Wages, tips, and other compensation</td>
<td></td>
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<tr>
<td>3</td>
<td>Federal income tax withheld from wages, tips, and other compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>If no wages, tips, and other compensation are subject to social security or Medicare tax</td>
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</tbody>
</table>

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Lines 5 a-e: Calculating FICA

Additional Medicare Taxable Wages and Withholding is line 5d

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>5a</td>
<td>x 0.124 =</td>
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<tr>
<td>5b</td>
<td>x 0.124 =</td>
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<tr>
<td>5c</td>
<td>x 0.029 =</td>
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<tr>
<td>5d</td>
<td>x 0.009 =</td>
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</tbody>
</table>

**5e** Add Column 2 from lines 5a, 5b, 5c, and 5d

SS wages for quarter

Medicare wages for quarter

Both employee and employer rates are used

Add the SS and Medicare amounts together

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Enter the tax due from a Section 3121(q) Notice and Demand on this line. This notice will advise the employer the amount of tips received by employees who either failed to report or underreported tips to the employer as determined by the IRS. Employers are not liable for the employer share of FICA taxes until the Notice and Demand is received. Do not wait to deposit taxes until the Form 941 is due unless the employer normally makes their tax deposit with the Form 941. Deposit the tax within the normal deposit schedule for the employer.
Line 6: Total taxes before adjustments

Add the total federal income tax withheld from wages, tips, and other compensation (line 3) and the total social security and Medicare taxes before adjustments (line 5d) plus line 5e if needed

The math: line 3 + line 5e + line 5f = Line 6
The small difference between your payroll totals for FICA and your calculated totals for FICA are known by the IRS as “fractions-of-cents adjustments.”

The amounts on the Schedule B are not adjustable. These are the amounts of the actual liability. The Form 941 is calculated so it can be adjusted. Complete the Schedule B and compare to the Form 941. Adjust on line 7…
Schedule B (Form 941):
Report of Tax Liability for Semweekly Schedule Depositors

Use this schedule to show your TAX LIABILITY for the quarter; don't use it to show your deposits. When you file this form with Form 941 or Form 944-S, don't change your tax liability by adjustments reported on any Forms 941-X or 544-X. You must fill this form and attach it to Form 941 or Form 944-S if you're a semweekly schedule depositor or became one because your accumulated tax liability on any day was $100,000 or more. Write your daily tax liability on the numbered space that corresponds to the data wages were paid. See Section 11 in Pub. 15 for details.

| Month 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
|---------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Tax liability for Month 1 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |

| Month 2 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
|---------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Tax liability for Month 2 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |

| Month 3 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
|---------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Tax liability for Month 3 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |

Total liability for the quarter:

For Paperwork Reduction Act Notice, see separate instructions.

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If you are a semiweekly depositor you will need to complete a Schedule B to accompany your Form 941.

Schedule B will list the dates of your payroll liabilities or paydays and the amount of the taxes that were due.

New form for 2017 but no changes other than updating the revised date.
Schedule B (Form 941): Report of Tax Liability for Semiweekly Schedule Depositors

Use this schedule to show your TAX LIABILITY for the quarter; don’t use it to show your deposits. When you file this form with Form 941 or Form 941-S, don’t change your tax liability by adjustments reported on any Forms 941-X or 941-Y. You must fill out this form and attach it to Form 941 or Form 941-S if you’re a semiweekly schedule depositor or because one because your accumulated tax liability on any day was $100,000 or more. Write your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 for details.

<table>
<thead>
<tr>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Total Liability for the Quarter</th>
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Total taxes for each payroll
Total taxes or liability for each month
Total of the 3 months for the quarter

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Balancing to the Penny...

- The amounts on the Form 941 and the Schedule B must balance to the penny
- No rounding
- Close enough won’t get it
Adjustments on Line 7

There will always be adjustments for line 7

When you calculate the FICA taxes payroll by payroll you will arrive at a different answer than when you calculate the taxes as one lump sum times the rate. There will always be penny differences. This is what fractions of cents is for. From $0.01 to $1.00 is usually normal.
Line 8 is used for adjusting FICA for third party sick pay. Enter the adjustment for the employee share of social security and Medicare taxes that were withheld and deposited by the third-party sick pay payer. These wages are included on lines 5a and 5c. Third party sick payer will enter the adjustment for any employer share of these taxes required to be paid by the employer.
Enter adjustments for:

- Any uncollected employee share of social security and Medicare taxes on tips and the uncollected employee share of social security and Medicare taxes on group-term life insurance premiums paid for former employees.

- If by the 10th of the month after the month the employee’s report on tips is received if you don’t have enough funds to withhold the employee share of social security you are no longer required to collect it. Report the entire amount of these tips on lines 5b and 5c. Include negative adjustment on line 9 for the total uncollected employee share of social security and Medicare taxes.
Line 10: Total Taxes After Adjustment

Add lines 6 through 9 together.
New Line for 2017: Line 11

- For “Qualified small business payroll tax credit for increasing research activities”
- If using, must attach Form 8974
Line 12: Total Taxes After Adjustments and credits

Subtract line 11 from line 10. This amount should match your deposits if no error has been made.
This is the amount you actually paid in tax deposits throughout the quarter. Again this is why you adjust lines 7-9 & 11 to this figure.
If you made an error and over-deposited or under-deposited what was due in taxes for the quarter, this is where it will show. Once again no fractions of cents should be here. Use Line 7 to adjust for that.
If you are a monthly depositor you will fill in that section. If you are semiweekly you will do a schedule B.
Part 3 Lines 17 & 18

If it applies complete it, if not leave it blank.
The person who signs the form is the one who the IRS will speak to. If the payroll clerk needs to contact the IRS then the name goes here.
Part 5 Sign Here

Needs to be signed by someone who is authorized for the company such as controller, VP of Finance, or President. Listed on the Form SS-4 for example.
Other Forms for Other Employers

- There are several other types of Forms 941 in the series
- Form 941PR—Puerto Rico
- Form 941SS—Guam, VI, American Samoa etc.
- Form 943—Agriculture (Annual)
- Form 944—Designated small employers (Annual)
Background

- IRS introduced 941X Form in 2009
- Stand alone forms do not attach to 941
- Discontinue using Form 941c as of Dec 31, 2008.
- Use corresponding 94X series for Forms 941, 943, 944, 945, and CT-1
- Latest version April, 2017

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Form 941-X: Adjusted Employer’s QUARTERLY Federal Tax Return or Claim for Refund

Department of the Treasury – Internal Revenue Service

OMB No. 1545-0029

Return You’re Correcting on:
Check the type of return you’re correcting.

☐ 941
☐ 941-SS

Check the Q4 quarter you’re correcting.
1. January, February, March
2. April, May, June
3. July, August, September
4. October, November, December

Enter the calendar year of the quarter you’re correcting.

[YYYY]

Enter the date you discovered errors.

[MM/DD/YYYY]

Part 1: Select ONLY one process. See page 4 for additional guidance.

☐ 1. Adjusted employment tax return. Check this box if you understated amounts. Also check the box if you overstated amounts and you would like to use the adjustment process to correct the errors. You must check this box if you’re correcting both understated and overstated amounts on this form. The amount shown on line 21, if less than zero, may be applied as a credit to your Form 941, Form 941-SS, or Form 944 for the tax period in which you’re filing this form.

☐ 2. Claim. Check this box if you overstated amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 21. Don’t check this box if you’re correcting ANY understated amounts on this form.

Part 2: Complete the certifications.

☐ 5. I certify that I filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2s, Corrected Wages and Tax Statement, as required. Note: If you’re correcting understated amounts only, go to Part 3 on page 2 and skip lines 4 and 5. If you’re correcting overstated amounts, for purposes of the certifications on lines 4 and 5, Medicare tax doesn’t include Additional Medicare tax. Form 941-X can’t be used to correct overstated amounts of Additional Medicare Tax unless the amounts weren’t withheld from employee wages or an adjustment is being made for Employee wages for the current year.

☐ 5. If you checked line 1 because you’re adjusting overstated amounts, check all that apply. You must check at least one box.

☐ a. I repaid or reimbursed each affected employee for the overcollected federal income tax or Additional Medicare Tax for the current year and the overcollected social security tax and Medicare tax for current and prior years. For adjustments of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she didn’t claim (or the claim was rejected) and won’t claim a refund or credit for the overcollection.

☐ b. The adjustments of social security tax and Medicare tax are for the employee’s share only. I couldn’t find the affected employees or each affected employee didn’t give me a written statement that he or she didn’t claim (or the claim was rejected) and won’t claim a refund or credit for the overcollection.

☐ c. The adjustment is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn’t withhold from employee wages.

☐ 5. If you checked line 2 because you’re claiming a refund or abatement of overstated employment taxes, check all that apply. You must check at least one box.

☐ a. I repaid or reimbursed each affected employee for the overcollected social security tax and Medicare tax for the current year and the overcollected social security tax and Medicare tax for current and prior years. I have a written statement from each affected employee stating that he or she didn’t claim (or the claim was rejected) and won’t claim a refund or credit for the overcollection.

☐ b. I have a written consent from each affected employee stating that may file the claim for the employee’s share of social security tax and Medicare tax. For refunds of employee social security tax and Medicare tax overcollected in prior years, I also have a written statement from each affected employee stating that he or she didn’t claim (or the claim was rejected) and won’t claim a refund or credit for the overcollection.

☐ c. The claim for social security tax and Medicare tax is for the employee’s share only. I couldn’t find the affected employees; or each affected employee didn’t give me a written consent to file a claim for the employee’s share of social security tax and Medicare tax; or each affected employee didn’t give me a written statement that he or she didn’t claim (or the claim was rejected) and won’t claim a refund or credit for the overcollection.

☐ d. The claim is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn’t withhold from employee wages.

For Paperwork Reduction Act Notice, see the instructions. www.irs.gov/Form941X
Cat. No. 1702aJ
Form 941-X (Rev. 4–2017)
Use Form 941-X to correct:

- Wages, tips, and other compensation;
- 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;
- Credits for COBRA premium assistance payments;
New for 2017

- Provides guidance on getting the certificates from the employee [https://www.irs.gov/irb/2017-14_IRB/ar09.html](https://www.irs.gov/irb/2017-14_IRB/ar09.html)

- Adds line to make corrections for Qualified small business payroll tax credit that is new for 2017 on Form 941

- Reminds us that the period of limitations to correct social security tax for 2011 and 2015 have expired for most employers so they are dropped from the instructions
General Filing Rules

- Do not use Form 941-X to correct other forms such as 944 or 945—use that form’s version such as 944-X or 945-X
- Report the correction of underreported and over-reported amounts for the same tax period on a single Form 941-X
- Exception: If requesting a refund or abatement
The due date for filing depends on two factors:
- When the error is discovered
- If the employer underreported or over-reported tax

The process used depends on when the Form 941-X is filed.

There is a 90 day period of limitations.

If any due date falls on a Saturday, Sunday or legal holiday, the form may be filed on the next business day.
Due Date—Underreported Tax

If correcting underreported tax the form must be filed by the due date of the return for the period in which the error was discovered and must pay the amount owed by the time of filing.

<table>
<thead>
<tr>
<th>If the error is discovered in</th>
<th>Form 941-X is due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. January, February, March</td>
<td>April 30</td>
</tr>
<tr>
<td>2. April, May, June</td>
<td>July 31</td>
</tr>
<tr>
<td>3. July, August, September</td>
<td>October 31</td>
</tr>
<tr>
<td>4. October, November, December</td>
<td>January 31</td>
</tr>
</tbody>
</table>

The dates shown in this table apply only to corrections of underreported amounts.
Due Date Over-reported Taxes

For over-reported taxes there are two choices:

- **Credit**: If you choose to apply the credit to a Form 941 file the Form 941-X soon after the error is discovered but more than 90 days before the period of limitations on the credit or refund for the Form 941 expires.

- **Claim**: if you choose to file a claim must do so before the period of limitations on credit or refund expires for Form 941.
Completing the Form

- It is a five-section form plus the employer information area
- 23 lines are available for completion
- Part 1– Selecting the Process lines 1 and 2
- Part 2: The Certifications Lines 3 - 5
- Part 3: Corrections Lines 6 – 21
- Part 4: Explanations of corrections Lines 22 – 24
- Part 5: Signature
Completing the Form

- All of the information concerning the employer must be provided
- In Part 1 one box (but not both) must be checked
- Part 2 the box on line 3 must be checked and any applicable boxes on line 4 and 5
- Part 3: if any line does not apply leave it blank
- Show negative amounts or reductions with minus sign (-) and positive amounts to show additional tax
Enter the EIN, name and address of the employer
Also enter on the top of pages 2 and 3 and any attachments
If the address has changed enter the new address and the IRS will update the records
Info Area

- Indicate the return being corrected
- Check the appropriate box for the one quarter being corrected
- Enter the calendar year of the Form 941 being corrected
- Enter the date the error is discovered
Part 1: Select ONLY one process

- Because Form 941-X may be used to file either an adjusted employment tax return or a claim for refund or abatement one box must be checked in Part 1
- Do not check both boxes
Part 1: Select ONLY one process

- Check the box on line 1 if correcting underreported amounts or over-reported amounts and the adjustment process will be used to correct the errors
- Box 1 must be checked if correcting both underreported and over-reported amounts
Part 1: Select ONLY one process

- Check the box on line 2 to use the claim process if correcting over-reported amounts only and claiming a refund or abatement for the negative amount (credit) shown on line 21
- Do not check this box if correcting any underreported amounts on the form

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Part 2: Complete the certifications

3. I certify that I've filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required.

   Note: If you're correcting underreported amounts only, go to Part 3 on page 2 and skip lines 4 and 5. If you're correcting overreported amounts, for purposes of the certifications on lines 4 and 5, Medicare tax doesn't include Additional Medicare Tax. Form 941-X can't be used to correct overreported amounts of Additional Medicare Tax unless the amounts weren't withheld from employee wages or an adjustment is being made for the current year.

4. If you checked line 1 because you're adjusting overreported amounts, check all that apply. You must check at least one box.
   I certify that:
   a. I repaid or reimbursed each affected employee for the overcollected federal income tax or Additional Medicare Tax for the current year and the overcollected social security tax and Medicare tax for current and prior years. For adjustments of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
   b. The adjustments of social security tax and Medicare tax are for the employer's share only. I couldn't find the affected employees or each affected employee didn't give me a written statement that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
   c. The adjustment is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn't withhold from employee wages.

5. If you checked line 2 because you're claiming a refund or abatement of overreported employment taxes, check all that apply.
   You must check at least one box.
   I certify that:
   a. I repaid or reimbursed each affected employee for the overcollected social security tax and Medicare tax. For claims of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
   b. I have a written consent from each affected employee stating that I may file this claim for the employee's share of social security tax and Medicare tax. For refunds of employee social security tax and Medicare tax overcollected in prior years, I also have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
   c. The claim for social security tax and Medicare tax is for the employer's share only. I couldn't find the affected employees; or each affected employee didn't give me a written consent to file a claim for the employee's share of social security tax and Medicare tax; or each affected employee didn't give me a written statement that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.
   d. The claim is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn't withhold from employee wages.
Part 3: Enter the Corrections for this Quarter

- This is where the corrections are entered
- Enter all the amounts for all of the employees not just the amounts being corrected
- Enter both over-reported amounts and under-reported amounts—explain the details on line 24
Column 1 is the total corrected amount

Column 2 is the amount originally reported

Column 3 is the difference between the two

Column 4 is the tax correction
Were any workers reclassified? This box is checked
Part 4: Line 24

- You must explain all corrections made
- And no “made an error” will no longer work
- Must give details including all the facts relied upon to support each correction entered on lines 6 – 21
- Attach additional sheets if more space is needed
- Must describe the events that caused the overpayment or underpayment
24. You must give us a detailed explanation of how you determined your corrections. See the instructions.

There was an administrative error made. The $1,000.00 difference shown in column 3 on lines 6, 8, and 10 was discovered on May 15, 2017 during an internal payroll audit. We discovered that we included $1,000.00 of wages for one of our employees twice. This correction removes the reported wages that were never made.

Provide the following for each correction:

- Form 941-X line number(s) affected
- Date error was discovered
- Difference (amount of error)
- Cause of the error
Part 5: Sign here. You must complete all three pages of this form and sign it.

Under penalties of perjury, I declare that I have filed an original Form 941 or Form 941-SS and that I have examined this adjusted return or claim, including accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign your name here

Print your name here
Print your title here

Date

Best daytime phone
Amending Schedule B

- Amended return usually filed when a Failure to Deposit (FTD) penalty has been assessed and correcting the Schedule B will address the issue

- Example: reported a liability of $3,000 on day 1 of month 1 but it should have been for month 3

- Prepare an amended Schedule B showing the correction and enter all other liabilities previously reported correctly

- Write “Amended” at the top of the form
Amending Schedule B with Form 941-X

- Tax decrease: can file an amended Schedule B if both the following apply:
  - There is a tax increase
  - A FTD penalty was assessed
- Tax increase Form 941-X filed on time: usually do not file an amended Schedule B unless it was missing, incorrect, or incomplete
- Tax increase but Form 941-X filed late:
  - Must file an amended Schedule B with Form 941-X
Reconciling Form 941

- Quarterly to the payroll records
- Quarterly to the Form W-2 files
- Annually to the payroll records
- Annually to the Form W-2 prior to filing with the SSA

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Are There Any Questions?
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