

Fiscal Employer Agents

Employment Tax
Responsibilities

Form 2678

- Starting point to act as Agent
- Redesigned
- Also filed to revoke Agent designation
- Agent's EIN
- Entity Codes

Form 941

- Quarterly Return
- Requires proper worker classification based on common law test
- Aggregate for all employees
- Deposit requirements based on aggregate liabilities
- New Schedule R required for 2010

Form 941 (Schedule R)

- Agent information
- Employer by employer information
 - Wages
 - Taxes
 - Advanced EIC
 - Cobra subsidy
 - Deposits/payments
- Continuation Sheets
- Totals (including own employees)

Form 940

- Currently, no technical authority for non government parties (other than their subagents) to act as Agent for 940 purposes
- Aggregate filing practice
- Resulting difficulties

Other Items

- Guidance Plan
- Form 940 (Schedule R)
- 501(c)(3) issue
- Adjustments to prior returns – use Form 941-X

Questions?

- Janine Cook
 - 202-622-0047
- Judy Davis
 - 810-342-6135

Answers to Questions

- IRS does not recognize co-employer
- For FICA Refunding, adjust the quarter in which the FICA was withheld using a Form 941X. File a Form 941X for each applicable quarter where FICA was withheld but not ultimately owed.
- To get funds back for overpaid FICA, Agent has option to apply the credit to a future/current quarter Form's 941 or the agent can request a refund

Answers to Questions

- IRS working with SUTA certification section of IRS to ensure SUTA certification gets sufficient information with a Form 940 Schedule R to reconcile to individual SUTA deposits and returns. This will support the Service to reconcile the SUTA/FUTA credit at the individual participant employer level.

Answers to Questions

- Common paymaster is a technical provision that deals with related corporations when two entities employ the same person.
- In general, it does not apply to Fiscal/Employer Agents and it is not synonymous with an 80-4 Government Fiscal/Employer Agent designation.

Answers to Questions

- When there is a 3504 Agent in place for a Household Employer, the Agent nor the Household Employer are required to file a Schedule H with Form 1040.
- When a participant is served by more than one agent in a calendar year, and the participant's worker earns less than the FICA threshold with one agent, but more than the FICA threshold when wages for both