

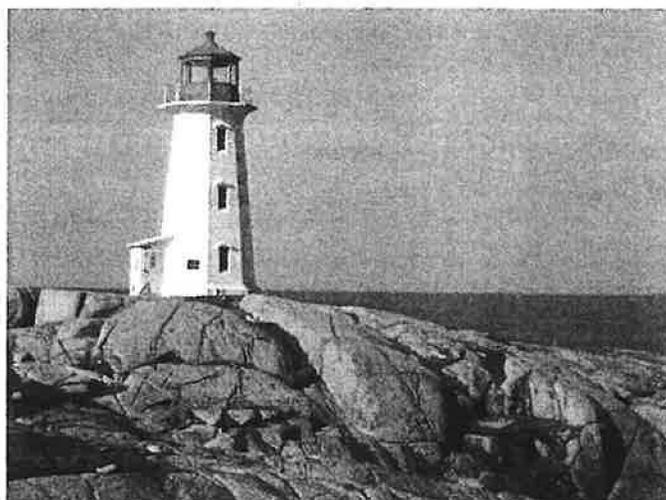
# Clergy Tax Handbook for Church Treasurers

*Prepared by*

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Income Tax Preparation, Tax Planning, and Bookkeeping

Licensed to practice before the Internal Revenue Service



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*The opinions expressed in this communication are for general guidance only. They are not intended as recommendations for specific situations. As always, consult your independent tax advisor for advice based on your specific situation.*

## Clergy Taxes for the Treasurer

Clergy are a very special kind of person for many reasons, not the least of which is taxes. Often church treasurers and bookkeepers may have finally mastered the payroll aspects of their job: the 941s, the w-2s, the ever changing laws regarding benefits and reporting, and all the state forms, but there is often a lot of doubt as to whether the pastor's payroll reporting is done correctly. And, phone calls to the IRS with a question about clergy will likely result in being switched from department to department and several different answers because they aren't sure how to deal with clergy payroll issues either!

Ministers are a special category of worker:

- Part of their compensation is taxable, and part of their compensation is not taxable.
- Ministers are treated as *employees* for income tax purposes, and as self-employed for Social Security and Medicare taxes.
- They receive a W-2 at the end of the year, NOT a 1099-misc.
- They are employees for benefit purposes- health insurance, pension, reimbursements, etc. If they were **contractors**, *all these benefits would be taxable income to them.*
- Ministers receive housing either in the form of a manse (parsonage, rectory, etc) or in the form of cash that they can use to provide their own housing. If this same housing benefit were paid to (or provided for) a non-clergy employee, it would be 100% taxable in most cases, but to a minister, it is tax free.

So to illustrate the correct way to report a minister's compensation, look at the 2013 reporting documents for a hypothetical church, Main Street United Church, Your Town, NM. Main Street Church has two employees: the minister, Rev. Wesley Calvin, and the organist, Mrs. Mary Widow.

- Mrs. Widow receives \$ 500 a month for being the organist. Her monthly paycheck looks like this:

Item	Monthly	Quarterly	Annually
<b>Gross Pay</b>	\$500	\$1500	\$6000
<b>Federal Withholding</b>	\$25	\$75	\$300
<b>Social Security</b>	\$31	\$93	\$372
<b>Medicare</b>	\$7.25	\$21.75	\$87
<b>Net Pay</b>	436.75	\$1310.25	5241

She does not make enough to have any New Mexico withholding.

● Rev. Calvin is ordained clergy, whose terms of call to Main Street United Church are as follows:

Salary	\$40,000 per year
Housing Allowance	\$12,000 per year
SECA Allowance	\$ 3978 per year
Board of Pensions- pension paid by the church	\$10,400 per year
Board of Pensions- Health Insurance paid by the church	\$ 6,000 per year
Additional pre-tax pension contribution paid by minister	\$1,200 per year withheld from paycheck
Minister's share of Health insurance (pre-tax)	\$ 451/year withheld from paycheck
Love Gift at Christmas time, collected from members but paid from church to minister	\$ 1,093

**Salary:** this is the cash wages paid to the minister every month. But, there are significant differences between a clergy employee and a non-clergy employee. Here are the key points:

1. The church **MUST NOT** withhold Social Security Tax and Medicare Tax.
2. The church **MAY** withhold federal and state income tax IF the minister requests that you withhold those taxes.
3. The church **MUST NOT** pay the employer's half of Social Security and Medicare taxes for clergy to the U S Treasury.

**Housing Allowance:** This is the amount paid to the pastor every month for housing, or in some cases, the fair rental value of the manse provided for the pastor to live in. Here are the key points:

1. This is NOT considered wages for tax purposes.
2. The minister will not have to pay *income* taxes on this amount, to the extent that it is spent to provide housing. The minister will have to pay Social Security and Medicare taxes on this amount, whether or not it is used for housing.
3. This amount will NOT be included on the church's quarterly form 941, and it will NOT be included in box 1 wages on the minister's W-2.
4. The amount of Housing Allowance will be shown on the W-2 in box 14.

**SECA Allowance:** Not every church in every denomination provides this benefit. The rationale is that if the minister were a “regular” employee, the church would withhold Social Security and Medicare tax from the minister’s paycheck, and then the church would pay the *employer’s* half of Social Security and Medicare tax. As previously stated, the church CANNOT pay the employer’s half, therefore some churches will pay their half directly to the minister. Here are the key points:

1. THIS IS ADDITIONAL COMPENSATION TO THE MINISTER.
2. This is optional.

**Board of Pensions- Church Contribution for Pension:** The church is often required to pay a contribution to the minister’s pension. This amount is not income to the minister, and is generally not reported on the minister’s W-2. However, box 13 is checked to indicate that the minister is a participant in a retirement plan.

**Board of Pensions-Church Contribution for Medical Insurance:** The church is often required to pay for health insurance for the minister. This is not income to the minister, and is not in Box 1 of the minister’s W-2. However, the Patient Protection and Affordable Care Act requires that the value of employer provided health insurance be reported on the W-2 in box 12, code DD.

**Deferred Compensation Contribution withheld from the minister’ paycheck:** The minister may want to contribute to his/her deferred compensation plan as well in order to boost retirement savings. For the Presbyterian Church, this is currently the Fidelity 403b plan. The amount withheld from the minister’s paycheck is reported on the W-2 in box 12, code E, since this would be a contribution to a 403b plan.

**Minister’s Share of Health Insurance Premiums:** In some denominations, the minister is required to pay the employee’s share of health insurance premiums. If this is a requirement for your denomination, this amount will be subtracted from taxable wages for income tax purposes because medical insurance premiums are generally pre-tax.

**Love Offerings, Christmas bonuses, retirement gifts, other “gifts”:** These are all additional compensation to the minister. It doesn’t matter whether it was intended to be a gift. If it comes from the church it is compensation. This should be included in Box 1 wages on the W-2.

### **Where to find more information:**

[Tax Guide for Ministers](#), prepared by Richard R. Hammar JD, LLM, CPA, found on the PCUSA Website

[IRS Publication 517: Social Security and Other Information for Members of the Clergy and Other Religious Workers](#)

[IRS Minister Audit Technique Guide](#)

**Quarterly Reporting on form 941:** All these subtle differences make for confusing reporting on the 941 unless the church either uses a professional payroll service that understands clergy taxes, or uses payroll software that understands clergy taxes and the treasurer has the minister's payroll items set up correctly in the software.

What will Rev. Calvin's monthly, quarterly and annual wages look like for reporting purposes?

	Monthly	Quarterly	Annually
<b>Form 941, line 2 wages</b>	Salary +3333.33 Less pretax medical -37.58 Less pretax 403b -100.00 Plus SECA +331.50 = \$3527.25	Salary 10,000.00 Medical -112.75 403b -300.00 SECA 994.50 = \$10581.75	Salary 40,000.00 Medical -451.00 403b -1200.00 SECA 3978.00 Love Gift 1093.00 = \$43,420.00
<b>Form 941 line 5a Social Security wages</b>	0	0	0
<b>Form 941 line 5c Medicare Wages</b>	0	0	0

The following pages have sample forms showing the correct way to show the income for both Rev. Calvin and Mary Widow.

- Form 941 (which would be the same for the first three quarters) for both Mary Widow and Rev. Calvin.
- Form 941 for the fourth quarter, which includes the "love gift" that the church paid Rev. Calvin at Christmas time.
- Forms W-2 for both Mary Widow and Rev. Calvin
- Form W-3 for the year

Always double check before submitting the W-2 and W-3 to the Social Security administration to insure that the totals on the W-3 match the combined totals of the quarterly 941s. Does this match in this example?

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total	Per W-3
<b>Line 2 wages</b>	12081.75	12081.75	12081.75	13174.75	49420.00	49420.00
<b>Line 5a Social Security wages</b>	1500.00	1500.00	1500.00	1500.00	6000.00	6000.00
<b>Line 5c Medicare Wages</b>	1500.00	1500.00	1500.00	1500.00	6000.00	6000.00
<b>Line 3 Federal Tax</b>	75.00	75.00	75.00	75.00	300.00	300.00

Form **941 for 2017: Employer's QUARTERLY Federal Tax Return**  
 (Rev. January 2017) Department of the Treasury — Internal Revenue Service

750117  
 OMB No. 1545-0029

Employer identification number (EIN)   -

Name (not your trade name)

Trade name (if any)

Address   
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

**Report for this Quarter of 2017**  
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Instructions and prior year forms are available at [www.irs.gov/form941](http://www.irs.gov/form941).

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1: Answer these questions for this quarter.**

1	Number of employees who received wages, tips, or other compensation for the pay period including: <i>Mar. 12</i> (Quarter 1), <i>June 12</i> (Quarter 2), <i>Sept. 12</i> (Quarter 3), or <i>Dec. 12</i> (Quarter 4)	1	<input type="text" value="2"/>
2	Wages, tips, and other compensation	2	<input type="text" value="12081.75"/>
3	Federal income tax withheld from wages, tips, and other compensation	3	<input type="text" value="75.00"/>
4	If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/> Check and go to line 6.	
		Column 1	Column 2
5a	Taxable social security wages	<input type="text" value="1500.00"/>	<input type="text" value="186.00"/>
5b	Taxable social security tips	<input type="text" value=""/>	<input type="text" value=""/>
5c	Taxable Medicare wages & tips	<input type="text" value="1500.00"/>	<input type="text" value="43.50"/>
5d	Taxable wages & tips subject to Additional Medicare Tax withholding	<input type="text" value=""/>	<input type="text" value=""/>
5e	Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	<input type="text" value="229.50"/>
5f	Section 3121(g) Notice and Demand — Tax due on unreported tips (see instructions)	5f	<input type="text" value=""/>
6	Total taxes before adjustments. Add lines 3, 5e, and 5f	6	<input type="text" value="304.50"/>
7	Current quarter's adjustment for fractions of cents	7	<input type="text" value=""/>
8	Current quarter's adjustment for sick pay	8	<input type="text" value=""/>
9	Current quarter's adjustments for tips and group-term life insurance	9	<input type="text" value=""/>
10	Total taxes after adjustments. Combine lines 6 through 9	10	<input type="text" value="304.50"/>
11	Qualified small business payroll tax credit for increasing research activities. Attach Form 8974	11	<input type="text" value=""/>
12	Total taxes after adjustments and credits. Subtract line 11 from line 10	12	<input type="text" value=""/>
13	Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter	13	<input type="text" value=""/>
14	Balance due. If line 12 is more than line 13, enter the difference and see instructions	14	<input type="text" value="304.50"/>
15	Overpayment. If line 13 is more than line 12, enter the difference	15	<input type="text" value=""/>

Check one:  Apply to next return.  Send a refund.

▶ You MUST complete both pages of Form 941 and SIGN it.

**Next** ▶

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.

Cat. No. 17001Z

Form **941** (Rev. 1-2017)

Name (not your trade name)

950217

MAIN STREET UNITED CHURCH

Employer identification number (EIN)

85-9999999

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16 Check one: [X] Line 12 on this return is less than \$2,500 or line 12 (line 10 if the prior quarter was the fourth quarter of 2016) on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 (line 10 if the prior quarter was the fourth quarter of 2016) for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

[ ] You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3:

Tax liability: Month 1 [ ]

Month 2 [ ]

Month 3 [ ]

Total liability for quarter [ ]

Total must equal line 12.

[ ] You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

17 If your business has closed or you stopped paying wages [ ] Check here, and enter the final date you paid wages: [ ] / [ ] / [ ]

18 If you are a seasonal employer and you don't have to file a return for every quarter of the year [ ] Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

[ ] Yes. Designee's name and phone number [ ] [ ]

Select a 6-digit Personal Identification Number (PIN) to use when talking to the IRS. [ ] [ ] [ ] [ ] [ ] [ ]

[ ] No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

X

Sign your name here

[ ]

Print your name here

IMA CHRISTIAN

Print your title here

FINANCE CHAIR

Date

[ ] / [ ] / [ ]

Best daytime phone

[ ]

Paid Preparer Use Only

Check if you are self-employed [ ]

Preparer's name

[ ]

PTIN

[ ]

Preparer's signature

[ ]

Date

[ ] / [ ] / [ ]

Firm's name (or yours if self-employed)

[ ]

EIN

[ ]

Address

[ ]

Phone

[ ]

City

[ ]

State

[ ]

ZIP code

[ ]

Form **941 for 2017:** Employer's **QUARTERLY** Federal Tax Return  
 (Rev. January 2017) Department of the Treasury -- Internal Revenue Service

950117  
 OMB No. 1545-0029

Employer identification number (EIN) **8 5 - 9 9 9 9 9 9 9**

Name (not your trade name) **MAIN STREET UNITED CHURCH**

Trade name (if any)

Address **501C3 MAIN STREET**  
 Number Street Suite or room number

**ALBUQUERQUE** **NM** **87112**  
 City State ZIP code

Foreign country name Foreign province/country Foreign postal code

**Report for this Quarter of 2017**  
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Instructions and prior year forms are available at [www.irs.gov/form941](http://www.irs.gov/form941).

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1:** Answer these questions for this quarter.

1	Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)	1	<b>2</b>
2	Wages, tips, and other compensation	2	<b>13174 . 75</b>
3	Federal income tax withheld from wages, tips, and other compensation	3	<b>75 . 00</b>
4	If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/> Check and go to line 6.	
		Column 1	Column 2
5a	Taxable social security wages	<b>1500 . 00</b>	$\times 0.124 =$ <b>186 . 00</b>
5b	Taxable social security tips		$\times 0.124 =$
5c	Taxable Medicare wages & tips	<b>1500 . 00</b>	$\times 0.029 =$ <b>43 . 50</b>
5d	Taxable wages & tips subject to Additional Medicare Tax withholding		$\times 0.009 =$
5e	Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	<b>229 . 50</b>
5f	Section 3121(g) Notice and Demand--Tax due on unreported tips (see instructions)	5f	
6	Total taxes before adjustments. Add lines 3, 5e, and 5f	6	<b>304 . 50</b>
7	Current quarter's adjustment for fractions of cents	7	
8	Current quarter's adjustment for sick pay	8	
9	Current quarter's adjustments for tips and group-term life insurance	9	
10	Total taxes after adjustments. Combine lines 6 through 9	10	<b>304 . 50</b>
11	Qualified small business payroll tax credit for increasing research activities. Attach Form 8974	11	
12	Total taxes after adjustments and credits. Subtract line 11 from line 10	12	
13	Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter	13	
14	Balance due. If line 12 is more than line 13, enter the difference and see instructions	14	<b>304 . 50</b>
15	Overpayment. If line 13 is more than line 12, enter the difference	15	

Check one:  Apply to next return.  Send a refund.

**Next**

Name (not your trade name)

950217

MAIN STREET UNITED CHURCH

Employer identification number (EIN)

85-9999999

**Part 2: Tell us about your deposit schedule and tax liability for this quarter.**

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16. Check one:  Line 12 on this return is less than \$2,500 or line 12 (line 10 if the prior quarter was the fourth quarter of 2016) on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 (line 10 if the prior quarter was the fourth quarter of 2016) for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1

Month 2

Month 3

Total liability for quarter

Total must equal line 12.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

**Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.**

17. If your business has closed or you stopped paying wages  Check here, and enter the final date you paid wages  /  /

18. If you are a seasonal employer and you don't have to file a return for every quarter of the year  Check here.

**Part 4: May we speak with your third-party designee?**

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS:

No.

**Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.**

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

IMA CHRISTIAN

Print your title here

FINANCE CHAIR

Date  /  /

Best daytime phone

**Paid Preparer Use Only**

Preparer's name

Check if you are self-employed

Preparer's signature

PTIN

Firm's name (or yours if self-employed)

Date

/  /

Address

EIN

City

Phone

State

ZIP code

a Employee's social security number <b>123-45-6789</b>		Safe, accurate, FAST! Use		Visit the IRS website at <b>www.irs.gov/efile</b>		
b Employer identification number (EIN) <b>85-9999999</b>		1 Wages, tips, other compensation <b>43420.00</b>	2 Federal income tax withheld			
c Employer's name, address, and ZIP code <b>MAIN STREET UNITED CHURCH 501 C3 MAIN STREET ALBUQUERQUE, NM 87112</b>		3 Social security wages		4 Social security tax withheld		
		5 Medicare wages and tips		6 Medicare tax withheld		
		7 Social security tips		8 Allocated tips		
d Control number		9 Verification code		10 Dependent care benefits		
e Employee's first name and initial <b>WESLEY CALVIN</b>		Last name <b>1040 MAIN STREET ALBUQUERQUE, NM 87112</b>		Suff.		
f Employee's address and ZIP code		11 Nonqualified plans		12a See instructions for box 12 <b>DD 6000.00</b>		
		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b <b>E 1200.00</b>		
		14 Other <b>HOUSING</b>		12c		
		<b>12000.00</b>		12d		
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
<b>NM</b>	<b>62-2222-000</b>	<b>43420.00</b>				

Form **W-2** Wage and Tax Statement **2017**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

a Employee's social security number <b>987-65-4321</b>		Safe, accurate, FAST! Use		Visit the IRS website at <b>www.irs.gov/efile</b>		
b Employer identification number (EIN) <b>85-9999999</b>		1 Wages, tips, other compensation <b>6000.00</b>	2 Federal income tax withheld <b>300.00</b>			
c Employer's name, address, and ZIP code <b>MAIN STREET UNITED CHURCH 501 C3 MAIN STREET ALBUQUERQUE, NM 87112</b>		3 Social security wages <b>6000.00</b>		4 Social security tax withheld <b>372.00</b>		
		5 Medicare wages and tips <b>6000.00</b>		6 Medicare tax withheld <b>87.00</b>		
		7 Social security tips		8 Allocated tips		
d Control number		9 Verification code		10 Dependent care benefits		
e Employee's first name and initial <b>MARY WIDOW</b>		Last name <b>1703 EPWORTH NW ALBUQUERQUE, NM 87113</b>		Suff.		
f Employee's address and ZIP code		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b		
		14 Other		12c		
				12d		
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
<b>NM</b>	<b>02-2222-000</b>	<b>6000.00</b>				

Form **W-2** Wage and Tax Statement **2017**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

DO NOT STAPLE

33333		a Control number		For Official Use Only ▶ OMB No. 1545-0008				
b Kind of Payer (Check one)		<input checked="" type="checkbox"/> 941 CT-1 <input type="checkbox"/> Military <input type="checkbox"/> 943 Hshld. emp. <input type="checkbox"/> 944 Medicare gov. emp.		Kind of Employer (Check one)		<input type="checkbox"/> None apply <input type="checkbox"/> State/local non-501c <input checked="" type="checkbox"/> 501c non-govt. <input type="checkbox"/> State/local 501c <input type="checkbox"/> Federal govt.		Third-party sick pay (Check if applicable)
c Total number of Forms W-2		d Establishment number		1 Wages, tips, other compensation		2 Federal income tax withheld		
2				49420.00		300.00		
e Employer identification number (EIN)				3 Social security wages		4 Social security tax withheld		
85-9999999				6000.00		372.00		
f Employer's name				5 Medicare wages and tips		6 Medicare tax withheld		
MAIN STREET UNITED CHURCH				6000.00		87.00		
g Employer's address and ZIP code				7 Social security tips		8 Allocated tips		
				9		10 Dependent care benefits		
				11 Nonqualified plans		12a Deferred compensation		
h Other EIN used this year				13 For third-party sick pay use only		12b		
15 State Employer's state ID number				14 Income tax withheld by payer of third-party sick pay				
NM 02-2222-000								
16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		
49420.00								
Employer's contact person				Employer's telephone number		For Official Use Only		
Employer's fax number				Employer's email address				

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶

Title ▶

Date ▶

Form **W-3 Transmittal of Wage and Tax Statements 2017**

Department of the Treasury  
Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

**Reminder**

Separate instructions. See the 2017 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

**Purpose of Form**

Complete a Form W-3 Transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't file Form W-3 alone. All paper forms must comply with IRS standards and be machine readable. Photocopies are not acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for four years.

**E-Filing**

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's Specifications for Filing Forms W-2 Electronically (EFW2).

W-2 Online fill-in forms or file uploads will be on time if submitted by January 31, 2018. For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer). First time filers, select "Register"; returning filers select "Log In."

**When To File Paper Forms**

Mail Form W-3 with Copy A of Form(s) W-2 by January 31, 2018.

**Where To File Paper Forms**

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration  
Direct Operations Center  
Wilkes-Barre, PA 18769-0001**

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Publication 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.