

## Social Security Administration

## Internal Revenue Service

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# Reporter

Spring 2014

A Newsletter for Employers

## Get the Tax Help You Need — When and How You Want It

If you need help answering a tax question or researching a tax issue, you can find the answers yourself by simply going online or using a Smartphone. You have several IRS options for getting the tax help you need when and how you want it. You can find them on [IRS.gov](http://IRS.gov).

### IRS2Go

You can download the free [IRS2Go](http://IRS2Go) mobile app from the iTunes app store or from Google Play and can use it to:

- check your refund status,
- request transcripts of your tax returns or tax account be mailed to you,
- find a free VITA tax prep provider
- watch IRS YouTube videos,
- get IRS news as soon as it's released to the public,
- subscribe to filing season updates or daily tax tips, and
- follow the IRS Twitter news feed, @IRSnews, to get the latest federal tax news, including information about tax law changes and important IRS programs.

### 1040 Central

Check 1040 Central on [IRS.gov](http://IRS.gov) for information that will help you prepare and file your 2013 federal tax return.

### Tax Trails

[Tax Trails](http://TaxTrails) can help you find answers to general questions about tax credits, taxable income and other tax topics.

### IRS Tax Map

You can use the [IRS Tax Map](http://IRS Tax Map) to search publications and instructions by topic or keyword. This map integrates forms and publications into one research tool and provides single-point access to tax law information by subject. To use the IRS


Tax Map you'll need to click a button that says, "Leave IRS Site - please continue!" [The IRS Tax Map](http://The IRS Tax Map) contains official IRS information; it's just delivered from a different government web site.

### Where's My Refund?

Check the status of your 2013 refund with the [Where's My Refund?](http://Where's My Refund?) tool on [IRS.gov](http://IRS.gov) or download the IRS2Go phone app and select the Refund Status option. The IRS issues more than 9 out of 10 refunds in less than 21 days. Our phone and walk-in representatives can research the status of your refund only if it's been 21 days or more since you filed electronically, more than six weeks since you mailed your paper return, or if Where's My Refund? asks you to contact us.

Using these applications, you can start checking on the status of your return within 24 hours after we received your e-filed return or four weeks after you mail a paper return. You will also be given a personalized refund date as soon as the IRS processes your tax return and approves your refund. The IRS updates Where's My Refund? every 24 hours, usually overnight, so you don't need to check more often.

One last tool to help you find the service you need is the [IRS Services Guide](http://IRS Services Guide). It directs taxpayers and practitioners to valuable web and toll free resources to help solve most tax issues.

Remember, [IRS.gov](http://IRS.gov) is your one-stop federal tax shop. To find more options for getting tax help, visit [IRS.gov](http://IRS.gov). 

## In-Business Trust-Fund Express Installment Agreements

It is always best to pay your taxes on time and in full. Doing so avoids costly penalties and interest. If you do get behind, paying your bill as quickly as possible will keep penalties and interest to a minimum. If you can't pay your bill quickly, the key is to be proactive by contacting the IRS immediately to discuss your options. Letting the problem linger is not a good choice.

Small businesses that are not financially able to immediately pay an overdue tax debt may qualify to make monthly payments through an installment agreement. While fees apply and interest and penalties accrue until the balance is paid, an installment agreement could still be an option.

If your small business currently has employees and is behind on its payroll taxes, you might qualify for an In-Business Trust Fund Express Installment Agreement. These agreements allow you to make monthly payments and generally do not require you to provide extensive financial information. Since these agreements involve trust fund taxes (taxes withheld from your employee's wages) the IRS may need to take additional steps to preserve the ability to make Trust Fund Recovery Penalty assessments. TFRP assessments can be made against individuals associated with the business who are responsible for collecting or paying withheld taxes and willfully fails to collect or pay them.

The criteria to qualify for an IBTF-Express IA are:

- The tax debt is \$25,000 or less at the time the agreement is established. If more than \$25,000 is owed, you can first pay down the liability to \$25,000 or less in order to qualify.
- The debt must be paid in full within 24-months or prior to the collection statute expiration date, whichever is earlier.
- A direct debit installment agreement must be used if the amount owed is between \$10,000 and \$25,000.
- All required returns must be filed and your business must be up to date with all payroll tax deposits for the current quarter.

Employers who qualify may request an In-Business Trust Fund Express Installment Agreement by:

- Calling the IRS business tax help line at 800-829-4933
- Visiting their local IRS office, or
- Calling the number on their IRS bill


If your business is contacted by an IRS field collection officer, discuss your options with them.

If your business owes more than \$25,000 in past due payroll taxes, and you can't pay down the balance in order to qualify for an IBTF-Express-IA, the IRS may still agree to a payment plan. However, we will need to look more carefully at the financial

condition of your business before entering into such an agreement. In order to evaluate the business, the IRS will require you to complete Form 433-B, Collection Information Statement for Businesses. You can download a copy of [Form 433-B](#) from our website. And you can find help in preparing the Form 433-B in IRS [Publication 5059](#), How to prepare a Collection Information Statement (Form 433-B).

We said at the top that if you can't pay on time contacting the IRS immediately is in your best interest. In addition to costly penalties and interest, letting the problem linger could leave your business facing a notice of federal tax lien or a levy on your assets. And you, the business owner, may be assessed the TFRP for the unpaid trust fund payroll taxes.

So if you get behind on your payroll taxes we encourage you to do what it takes to get back on track, pay as much as possible as quickly as possible on your overdue taxes, and get in touch with us at the IRS right away.

More information about installment agreements and other helpful tax information for small businesses are available on our website. To find the information go to [IRS.gov](#) and search "installment agreement," or "small business." 

## It's Not Too Late for a Tax Break - Start a SEP Retirement Plan for 2013

If you own a business, you still have time to set up a [Simplified Employee Pension](#) plan for 2013. If you set up and fund your SEP by the due date of your 2013 business return (including extensions), you can still take a deduction for 2013.

If your business uses the calendar year for its tax year, the deadline to set up and contribute to a SEP plan for 2013 depends on the type of your business organization:

- If your business is a corporation, filing Form 1120 or 1120S, you have until March 15, 2014 (September 15, 2014, if you file for an extension).
- If your business is a partnership, filing Form 1065, you have until April 15, 2014 (September 15, 2014, if you file for an extension).

- If your business is a sole proprietorship, reported on Schedule C of Form 1040, you have until April 15, 2014 (October 15, 2014, if you file for an extension).

You can [set up a SEP plan](#) for little or no cost at a bank, investment firm or insurance company.

SEP plans offer high contribution and deduction limits, minimal paperwork and no annual Form 5500 filing. You can contribute to a SEP plan even if you participate in an unrelated employer's plan (for example, a 401(k) plan). Contributions to a SEP plan are subject to the [SEP contribution limits](#).

Other kinds of business-sponsored retirement plans must have been established before the end of 2013 in order for the business to get a deduction for 2013.

### Additional resources:

[Publication 560](#), Retirement Plans for Small Business

[Publication 4333](#), SEP Retirement Plans for Small

Businesses

[SEP Plan FAQs](#)

[SEP Checklist](#)

[SEP Plan Fix-It Guide](#) 

## SIMPLE IRA Tips for the Sole Proprietor

If you are a Schedule C filer (a sole proprietor) and have a SIMPLE IRA plan, you are treated as both an employer and an employee when calculating and reporting your own plan contributions and limits. Here are some tips.

### Where do I report the contributions I make for myself to my SIMPLE IRA?

Report both your salary reduction contributions and employer contributions (non-elective or matching) for yourself on line 28 of Form 1040.

This is different from reporting employer contributions (non-elective or matching) for your common-law employees, which you would do as a business expense on your Schedule C.

### When must I deposit the contributions I make for myself to my SIMPLE IRA?

You must deposit your salary reduction contributions within 30 days after the end of the tax year. For most people, this means salary reduction contributions for a year must be made by January 30 of the following year.

You must deposit your employer contributions by the due date (including extensions) of your federal income tax return for the tax year that includes the last day of the calendar year for which you made the contributions.

For most people, this means employer contributions for a year must be made by April 15 of the following year, or by October 15 if on extension.

### What is the maximum contribution I may make for myself to my SIMPLE IRA?

#### Salary reduction contributions

You may defer up to \$12,000 in 2014 (adjusted for [cost-of-living](#) in later years). However, you may not exceed your net earnings from self-employment from the business sponsoring the SIMPLE IRA plan. If you are age 50 or over, you can make a catch-up

contribution of up to \$2,500 in 2014 (adjusted for cost-of-living in later years).

#### Employer contributions

Employer contributions for yourself must be the same type and rate as the contributions you make for your common-law employees. You must either:

- match your salary reduction contributions dollar-for-dollar up to 3% of your net earnings from self-employment; or
- make a non-elective contribution of 2% of your net earnings from self-employment that does not exceed \$260,000 for 2014. This amount was \$255,000 for 2013, and it is adjusted for cost-of-living in later years.

Your net earnings from self-employment are the amount you report on line 4 of Short Schedule SE or line 6 of Long Schedule SE (Form 1040) before you subtract any SIMPLE IRA plan contributions you make for yourself.

#### Example

Your business sponsors a SIMPLE IRA plan. In 2013, your employee, John, earned \$25,000 and chose to defer 5% of his salary. Your net earnings from self-employment were \$40,000 (as reported on your Form 1040, Schedule SE), and you chose to defer 10% of your earnings to your SIMPLE IRA. You elected to make 3% matching contributions for 2013 for all your employees.

The total SIMPLE IRA plan contribution for John is \$2,000.

John's salary reduction contributions (\$25,000 × 5%)	\$1,250
Employer matching contribution (\$25,000 × 3%)	\$ 750
Total contributions	\$2,000

You deduct John's contribution on your Form 1040, Schedule C. You must deposit John's \$1,250 salary

reduction contributions to his SIMPLE IRA:

- at the earliest date on which you can reasonably segregate them from your business' general assets, but no later than 30 days following the month in which John would have otherwise received the money; or
- within 7 business days after John would have otherwise received the money, to meet the Department of Labor's 7-day safe harbor for SIMPLE IRA plans with fewer than 100 participants.

You must deposit the \$750 employer matching contribution no later than the due date of your federal income tax return, including extensions.

Your total plan contribution is \$5,200.

Salary reduction contributions (\$40,000 × 10%)	\$4,000
Employer matching contribution (\$40,000 × 3%)	\$1,200
Total contributions	\$5,200

You deduct the plan contributions for yourself on line 28 of your Form 1040. You must deposit your \$4,000 salary reduction contribution to your SIMPLE IRA no later than January 30, 2014. You must deposit the \$1,200 employer matching contribution no later than the due date of your federal income tax return, including extensions.

### Additional resources

- [Self-Employed Individuals – Calculating Your Own Retirement-Plan Contribution and Deduction](#)
- [Publication 560](#), Retirement Plans for Small Business
- [Publication 590](#), Individual Retirement Arrangements (IRAs)
- [FAQs – SIMPLE IRA Plans](#)

IRS

## Stay in Compliance with APA's Payroll Tax Forum

Payroll is one of the most regulated aspects of any business. The cost of noncompliance is steep. By attending an American Payroll Association (APA) Payroll Tax Forum, a one-day course offered in 18 cities nationwide, June 16 - 27, 2014, you can avoid penalties by learning about the latest payroll-related changes from Congress and federal agencies such as the IRS, SSA, DOL, and the Department of Homeland Security.

Topics include: Affordable Care Act updates relating to employer shared responsibility and information reporting for applicable large employers, final regulations on the additional Medicare tax for high earners, IRS' optional special administrative procedure for correction of income and taxes for benefits provided to same-sex spouses, and the modified "use-or-lose" rule for Health FSA plans allowing a \$500 carryover.

The class also includes an explanation of the taxation and reporting of some of the most common benefits; a review of the annually adjusted wage bases and benefit limits; and a discussion of revisions to IRS forms and publications. Most of the one-day classes also include presentations by IRS and/or SSA representatives. Payroll directors and managers, tax and compliance officers, controllers, CFOs, treasurers, and anyone else involved in your organization's payroll should not miss this opportunity. For more information, visit the [APA website](#). APA

## National Taxpayer Advocate Issues Annual Report to Congress

National Taxpayer Advocate Nina E. Olson has released her [2013 Annual Report to Congress](#), focused on taxpayer rights and the need for adequate funding for the IRS.

The Advocate reiterates her longstanding recommendation that the IRS adopt a comprehensive Taxpayer Bill of Rights (TBOR), noting that the Internal Revenue Code provides dozens of such rights, but doesn't present them in a coherent way. "Taxpayer rights are central to voluntary compliance," Olson said. "If taxpayers believe they are treated, or can be treated, in an arbitrary and capricious manner, they will mistrust the tax system and be less likely to comply with the laws voluntarily. If taxpayers have confidence in the fairness and integrity of the system, they will be more likely to comply."

The report identifies the lack of adequate IRS funding as another serious problem, as the IRS's workload has INCREASED

over the past decade while its funding and staffing have been cut. As a result, the Advocate says, the quality of taxpayer service has dropped to unacceptable levels.

- The IRS is no longer preparing tax returns for taxpayers seeking help, particularly low income, elderly, and disabled taxpayers.
- The IRS will only answer "basic" tax law questions on its telephone lines and in its walk-in sites during the 2014 filing season and will not answer any tax law questions after filing season.
- Last year, the IRS could only answer 61 percent of calls from taxpayers seeking to speak with a customer service representative. Some 20 million calls never got through, and taxpayers who did get through had to wait on hold for an average of more than 17 minutes.

The report also identifies problems in IRS procedures for classifying workers as independent contractors or

employees. The report says the unit handling determinations has been beset with a backlog of cases, with "overage" inventory reaching 80 percent and applicants having to wait for up to a year for a decision. The Advocate recommends that the IRS increase staffing to reduce burden on businesses and workers, and develop online self-help tools for employers or employees to determine worker classification.

### About the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is your voice at the IRS. We help taxpayers whose problems with the IRS are causing financial difficulties; who have tried but haven't been able to resolve their problems with the IRS; or who believe an IRS system or procedure isn't working as it should. If you believe you're eligible for TAS assistance, call us toll-free at 1-877-777-4778. For more information, go to [www.irs.gov/advocate](http://www.irs.gov/advocate). **IRS**

## Employee e-file Options

If you have Internet access, business or personal, you can enjoy the ultimate in security and convenience by e-filing your individual tax return online.

And, there are free options. Almost everyone can use [Free File](#), either brand-name software or online fillable forms, to prepare and e-file their federal return for free. Free File is offered exclusively through IRS.gov at [www.irs.gov/freefile](http://www.irs.gov/freefile).

If your Adjusted Gross Income is \$58,000 or less, you can let the brand-name software do the hard

work for you. Approximately 14 software providers make their products available to Free File. Some companies offer state return preparation for free or for a fee. There is one product in Spanish.

Each company has its own eligibility rules, usually based on income, age or state residency. But, anyone who makes \$58,000 or less will find at least one software product. Get started by using a helpful online tool that will identify the software products that match your needs, or you can review all

the software products yourself.

If your income is more than \$58,000, you can e-file using [Free File Fillable Forms](#) — the basic electronic alternative to IRS paper forms — which has no income limits for eligibility. The program performs some basic math calculations but does not support state tax returns. This is best for people comfortable preparing their own tax return. **IRS**

## Excess Contributions and Required Minimum Distributions for Individual Retirement Accounts May be Subject to Excise Taxes

If you have one or more IRAs, you could be subject to excise taxes if you make any excess contributions to your IRA or are not taking the required minimum distributions.

More information is available on IRS.gov

[Retirement Plans FAQs regarding Required Minimum Distributions](#)  
[Publication 590, Individual Retirement Arrangements](#)

[Publication 575, Pension and Annuity Income](#)  
[Publication 17, Your Federal Income Tax](#)  
[Tax Topic 451 Individual Retirement Arrangements](#) **IRS**

## AccuWage Software Alert

Social Security recommends you remove all prior-year versions of the AccuWage/AccuW2C software before you download the 2013 tax-year software.

Some users have reported download or installation issues with AccuWage/AccuW2C TY13 using Internet Explorer (IE11) as their browser while others were successful using Google Chrome or Firefox. If you would like download assistance or have an installation issue, you can complete a

[Systems Configuration Checklist](#) and send it to us at the [AccuWage Help Mailbox](#). The checklist will help us find a solution to your issue.

In addition, it is possible to receive an alert if the Submitter EIN (RA or RCA Record) and Employer/Agent EIN (RE or RCE Record) fields match. This alert is an "Information Only Alert." If you intended for the fields to match (be the same) and there are no other errors in the file to correct, you may leave AccuWage/AccuW2C and go to the Business

Services Online Web page to upload your file. Note: If you received the informational alert, you will not receive a pop-up message telling you to go directly to the BSO Web page to complete the action.

### More

[Frequently Asked Questions and Solutions](#)  
[AccuWage 2013 Help Guide](#)  
[AccuW2C 2013 Help Guide](#)

**SSA**

## Spring Cleaning of Your Payroll Records

After finishing your year-end payroll processes, it is a great time to start thinking about cleaning up your old files. Which records can you destroy, and which records must you retain? The Internal Revenue Code requires all employers that withhold and pay federal income, social security, and Medicare taxes to maintain certain records for each employee. Failure to meet these requirements can result in sizable penalties and large settlement awards if you are unable to provide the required information when requested by IRS or in an employment-related lawsuit.

### Income, Social Security, and Medicare Taxes

Employers must keep income, social security, and Medicare tax records for at least four years after the due date of the employee's personal income tax return (generally, April 15) for the year in which the payment was made, including:

- The Employer Identification Number (EIN).
- Employee name, address, occupation, and social security number.
- The total amount and date of each payment of compensation and any amount withheld for taxes or otherwise. This should include reported tips and the fair market value of non-cash payments.
- Amount of compensation subject to withholding for federal income, social security, and Medicare taxes, and the corresponding amount withheld for each tax (also the date withheld if withholding occurred on a different day than the payment date).
- The pay period covered by each payment of compensation.
- If applicable, the reason(s) why the total compensation and the taxable amount for each tax rate are different.

- The Employee's Form W-4, Employee's Withholding Allowance Certificate.
- Each employee's beginning and ending dates of employment.
- Any statements provided by the employee reporting tips received.
- Information regarding wage continuation payments made to the employee by an employer or third party under an accident or health plan. This should include the beginning and ending dates of the period of absence from work and the amount and weekly rate of each payment (including payments made by third parties). You also need to keep copies of the employee's Form W-4S, Request for Federal Income Tax Withholding from Sick Pay.
- Fringe benefits provided to the employee and any required substantiation.
- Adjustments or settlements of taxes.
- Copies of returns filed (on paper or electronically), including Forms 941 (with Schedule B, D, and/or R, as applicable), 943, 944, 945, 941-X, W-3, Copy A of Form W-2, and any Forms W-2 sent to employees but returned as undeliverable. If you can electronically reproduce the undeliverable Forms W-2, you may destroy the originals.
- Amounts and dates of tax deposits.

If an employer files a claim for refund, credit, or abatement of withheld income and employment taxes, records related to the claim must be retained for at least four years after the filing date of the claim. Employers must also keep records substantiating any information returns and employer statements to employees regarding tip allocations for at least three years after the due date of the return or statement to which they relate. Employers with a

health insurance, cafeteria, educational assistance, adoption assistance, or dependent care assistance plan providing benefits that are excluded from income must also keep whatever records are needed to determine whether the plan meets the requirements for excluding the benefit amounts from income.

### Unemployment Tax

Employers subject to the Federal Unemployment Tax Act (FUTA) must also keep records to substantiate the following for at least four years after the due date of Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, or the date the required FUTA tax was paid, whichever is later:

- The total amount of employee compensation paid during the calendar year.
- The amount of compensation subject to FUTA tax.
- State unemployment contributions made, with separate totals for amounts paid by the employer and amounts withheld from employees' wages. Currently, Alaska, New Jersey, and Pennsylvania require employee contributions.
- All information shown on Form 940 (with Schedule A and/or R as applicable).
- If applicable, the reason why total compensation and the taxable amounts are different.

### Department of Labor, State Requirements

There are also record retention requirements set by the Department of Labor (DOL), as well as wage-hour and unemployment insurance agencies at the state level. You can read the DOL's rules by visiting their site [here](#). Links to state agencies can be found by visiting APA's site [here](#). APA

## Newest Additions to Business Services Online

Business Services Online is pleased to announce two major additions to W-2 Online:

**First Addition:** Starting December 21, 2013, W-2 Online is able to accept current year wage files (TY13) and wage files for three prior years (TY12, TY11 and TY10), thus completed our prior year addition project to match the IRS rules. This updates each year to offer the current year wage files and wage files for three prior years.

**Second Addition:** We added the Puerto Rico Form W-2 (W-2PR) to the W-2 Online application as the last stage in an effort to expand our territorial customers' ability to submit wage files electronically. The following existing territorial W-2s are already available in the W-2 Online application: W-2CM/Northern Mariana, W-2AS/American Samoa, W-2GU/Guam and W-2VI/U.S. Virgin Islands. All territories work the same. All you need to do

is to select Puerto Rico W-2PR as the type of W-2 Form.

In addition, we added a RECON indicator (checkbox) to W-2c Online to allow for efficient correction processing.

### More

[Business Services Online](#) SSA



## May 22: Employer and Child Support Symposium

**Join the federal Office of Child Support Enforcement, states and employers for the 2014 Employer Symposium on Thursday, May 22, following the Eastern Regional Interstate Child Support Association (ERICSA) annual training conference & exposition.**

**Attendees will discuss these topics and more:**


- **Processing income withholding orders**
- **Lump sum reporting**
- **New Hire reporting**
- **Implementing electronic income withholding orders (e-IWO)**
- **Improving communication**

**Use these forms to register by May 8:**

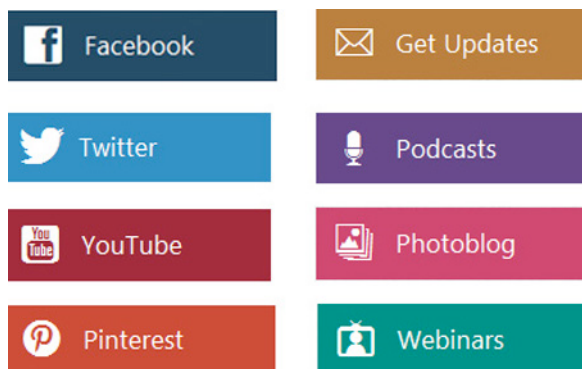
[Employer Symposium](#)

[Hotel reservation](#)

[ERICSA conference \(includes Employer Symposium\)](#)

**Note: On Wednesday, May 21, the ERICSA conference will also offer employer-related workshops including an employer track in the plenary session.** 

## Stay Connected to Social Security



**More**

[What You Can Do Online](#) 

## New Resources from E-Verify

### E-Verify for Business Leaders

The new short video "[E-Verify for Business Leaders](#)" introduces E-Verify's benefits to prospective users. View the video to quickly learn why more than half a million employers are [enrolled to use](#) this free employment eligibility verification service at 1.5 million hiring sites.

### Form I-9 Video Vignettes

Three short new videos make completing the Employment Eligibility Verification [Form I-9](#) easier for everyone. The first video helps new employees properly complete [Section 1](#), while the second and third videos help employers complete [Section 2](#) and [3](#) of the Form I-9. Each video takes you through the key steps in less than four minutes. The videos can be found on USCIS YouTube and [www.uscis.gov](#).

### Updated E-Verify website

The [E-Verify website](#) unveiled a brand new look with more plain language and easy-to-follow graphics. Visit the new interactive [History and Milestones](#) page to review E-Verify's advances over the years.


### How to Correct Immigration Records and Avoid Future Mismatches

The new downloadable [Fact Sheet](#) explains the steps to take to correct an immigration record. Employers are encouraged to provide this Fact Sheet to employees who receive an [E-Verify DHS Tentative Nonconfirmation \(TNC\)](#). It is available in eighteen languages.

### The Form I-9 Employee Information Sheet


The new one-page [Form I-9 Employee Information Sheet](#) responds to common questions and prepares new employees to fill-in Section One of the Employment Eligibility Verification Form I-9. This resource is available in [English](#) and [Spanish](#) on [I-9 Central](#). You may want to make this available to new employees.

### Free Training: Webinars in Spanish

[E-Verify](#) now offers the popular E-Verify and Form I-9 Overview webinar for employers and the Employee Rights webinar in [Spanish](#). Please also see the [full schedule](#) of E-Verify and Form I-9 webinars presented in English. Contact [E-VerifyOutreach@dhs.gov](mailto:E-VerifyOutreach@dhs.gov) for a customized webinar for your organization. Visit [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify) to learn how to enroll in this free web-based service for employers. 

## IRS News is Just a Click Away

**Get IRS news in your inbox by subscribing to free [e-newsletters](#) including:**

- [e-News for Payroll Professionals](#) for information about federal payroll reporting such as legislative changes, news releases, special announcements and employment tax procedures.
- [e-News for Small Businesses](#) for information of interest to small business owners and self-employed individuals such as important tax dates, reminders and tips, news releases and special announcements. 

## What's on Your Earnings Record?



An online version of the Social Security Statement is now available at [www.socialsecurity.gov](http://www.socialsecurity.gov). The online Statement provides eli-

gible workers with secure and convenient access to their Social Security earnings and benefit information. This tool is simple, easy-to-use and provides people with estimates they can use to plan for their retirement. The online Statement also provides estimates for disability and survivors benefits, making the Statement an important financial planning tool. Social Security suggests that people get in the habit of checking their Statement each year; for example, around their birthday.

In addition to helping with financial planning, the online Statement also provides workers a convenient way to determine whether Social Security posted earnings to their records accurately. This

feature is important because Social Security benefits are based on average earnings over a person's lifetime. If the earnings information is not accurate, the person may not receive all the benefits to which he or she is entitled. The online Statement also provides the opportunity to save or print a personalized Statement for financial planning discussions with family or a financial planner.

To get a personalized online Statement, the person must be age 18 and older and be able to provide information about him or herself that matches information already on file with Social Security. In addition, for additional verification, Social Security uses Experian an external authentication service provider. The person must provide identifying information and answer security questions in order to pass this verification. Social Security will not share a person's Social Security number with Experian, but the identity check is an important part of this new, robust verification process.

Once verified, the person creates a "My Social Security" account with a unique user name and password to access their online Statement. In addition, the portal also includes links to information about other online services, such as applications for retirement, disability, and Medicare.

The Social Security Statement provides a year-by-year display of earnings reported to an individual's Social Security record. When Social Security suspended the automatic mailing of statements, they established the Online Social Security Statement that enables individuals to verify their earnings records and obtain future benefit estimates by creating a [MySocialSecurity](#) account.

Individuals can also estimate retirement benefits using the online [Retirement Estimator](#).

More

[Who can create a MySocialSecurity account?](#)

SSA

## Making Adjustments, Correcting Returns, and Obtaining Refunds and Credits When Employers Over Collect Additional Medicare Tax

In the Fall 2013 SSA/IRS Reporter (Pub 1693 (Rev. 11-2013) available on [IRS.gov](http://IRS.gov)) the article "Making Adjustments, Correcting Returns, and Obtaining Refunds and Credits When Employers Over Collect Taxes" discussed adjustment and claim procedures for when an employer over collects federal income, social security, or Medicare tax. The following addendum to that article details adjustment and claim procedures for when an employer over collects Additional Medicare Tax.

### Additional Medicare Tax over collected – discovered before Form 941 is filed

If an employer withholds too much from its employees' wages for Additional Medicare Tax, and discovers the error before filing Form 941 for the quarter during which the error was made, it does not have to report the over withheld amount if it repays or reimburses that amount by the due date of the Form 941 and keeps in its records a receipt from the employee showing the date and amount of payment or a record of reimbursement.

### Additional Medicare Tax over collected – discovered after Form 941 is filed

If an employer over withholds Additional Medicare Tax from its employees' wages and discovers the error after filing Form 941 for the quarter during which the error was made, but before the end of the calendar year, the employer also can either repay or reimburse the employee for the over withheld amount.

However, the employer must repay the over withheld amount before the end of the calendar year during which the error was made, as well as keep the employee's written receipt as to the date and amount repaid.


Employers that reimburse employees for over withheld amounts by reducing future withheld taxes can do so only during the same calendar year that the error occurred, and they must keep evidence of the reimbursement as part of their records. Any over collections that exceed the amount reimbursed must be repaid to the employee.

### Requirements for interest-free adjustments of Additional Medicare Tax overpayments

An interest-free adjustment for overpayments of Additional Medicare Tax can be made only if the employer

discovers the error and repays or reimburses its employees within the same calendar year that the wages were paid. Once an employer repays or reimburses an employee, the employer may report both the employee and employer portions of Additional Medicare Tax as an overpayment on the Form 941-X. The employer must certify on the form that it has repaid or reimbursed its employees.

### Refunds of overpayments of Additional Medicare Tax

An employer can only file a claim for refund for Additional Medicare Tax that was overpaid to the IRS but not withheld from the employee. An employee can claim a credit for any withheld Additional Medicare Tax against the total tax liability shown on the employee's income tax return by filing Form 8959, Additional Medicare Tax, with Form 1040. If an error is discovered after Form 1040 was filed, the employee must file Form 1040X, Amended U.S. Individual Income Tax Return. See the Instructions for Form 1040X. 

## Find FREE Tax Preparation Near You

**F**REE tax help is closer than you think, probably right in your neighborhood. [IRS-sponsored tax preparation programs](#) can help you complete and electronically file your tax return for free, and will share information about tax credits and deductions for which you may qualify.

The IRS Volunteer Income Tax Assistance program offers free tax help to people who generally make \$52,000 or less. [www.irs.gov](http://www.irs.gov), key word VITA

The Tax Counseling for the Elderly program offers free tax assistance for all with priority assistance to people who are 60 years of age and older, specializing in questions about pensions and retirement issues unique to seniors. [www.aarp.org](http://www.aarp.org), key word Tax Aide

At select tax sites, you have an option to prepare your own free basic federal and state tax return using Web-based tax preparation software this year. This is helpful if you do not want to wait in line or need a little help to get started or do not have access to a computer or the internet.

There are IRS-certified volunteers at all VITA and TCE sites who are trained in basic tax law. Many locations have volunteers who speak other languages and can assist those who have difficulty communicating in English. Volunteers are also available to help visitors complete and file their own returns.

In addition to free tax return preparation assistance, VITA and TCE sites provide free electronic filing.

The IRS has partnerships with many nonprofit groups, government agencies and organizations that host tax

preparation sites in local communities. With thousands of these sites throughout the nation, there is a very good chance there's one conveniently located near you.

As a supplement to the traditional face-to-face approach for return preparation, some IRS partners have leveraged the power of technology to provide increased access to free tax preparation for individuals and families. Known as Virtual VITA/TCE, this program uses video chat software and secure file sharing technology to connect taxpayers and volunteer preparers in different geographic locations. Partners establish a convenient location for you to complete the required paperwork (including a consent form outlining the process). Your information is then securely transmitted (by scanner, fax, etc.) to an IRS-certified volunteer at another location to complete the return. To guide you through the return preparation process, you'll be able to communicate "virtually" with the preparer using video chat software or other technology provided by the sites.

So, how do you find these free help sites? The locations and hours of operation of sites near you can be found once tax filing season begins using the [VITA locator tool](#) on [www.irs.gov](http://www.irs.gov) and on the [IRS2Go](#) mobile application. The VITA/TCE sites will begin to appear on the locator tool approximately three weeks before they are scheduled to open. Most sites open around the end of January. You can typically find locations and hours for these volunteer tax preparation sites through city and local community organization hotlines. You can also call the IRS toll-free at 1-800-906-9887.

A majority of the TCE sites are operated by the AARP Foundation's Tax Aide Program. To locate the nearest TCE site or AARP Tax-Aide site, use the [AARP Site Locator Tool](#) or call 888-227-7669.

FREE tax help is closer than you think, and finding it just a matter of a few easy clicks. Please share information about these programs and how to find a site with your neighbors, family and friends who may qualify for this service.

**Note to the editor:** VITA/TCE sites are generally operated from the beginning of the tax filing season through April and appear on the locator tool as they open.

### Tweet these messages:

*IRS Volunteer Income Tax Assistance Program offers #FreeTax Prep if you earn \$52,000 or less. [www.irs.gov](http://www.irs.gov), key word #VITA #IRS*

*Tax Counseling for the Elderly offers #FreeTaxPrep with priority assistance if you are 60 years of age and older [www.aarp.org](http://www.aarp.org). #IRS #TAX*

*Why wait to prepare and file your federal taxes? IRS-certified volunteers can do it now for Free. <http://go.usa.gov/R1S> #IRS #FreeTaxPrep*

IRS

## Put the Earned Income Tax Credit to Work for You

### Put the Earned Income Tax Credit to Work for You

Did you know you could be eligible to get more money back from the IRS - as much as **\$6,044**?

If you earned less than **\$51,567** from wages, self-employment, or farming last year, you may be eligible for the [Earned Income Tax Credit](#) - or EITC. You may be eligible for more if your [state](#) also offers EITC.

EITC can be a benefit for working people like you, your family and community. You may be among the millions who will qualify for the first time because of a change in your financial, marital or parental status in 2013.

EITC eligibility is based on [several factors](#), including the amount of earned and other types of income, or combined income if married and whether you have one or more qualifying children. Workers without children may also qualify.

You must file and claim the credit to get it. To find out if you are qualified to receive Earned Income Tax Credit, use the online [EITC Assistant](#) to estimate the amount of credit you are entitled to claim.

Get free help preparing your EITC tax return. The IRS offers several free options to claim EITC, such

as FreeFile and Volunteer Income Tax Assistance. FreeFile allows you to prepare and e-file your own tax return. Free help preparing EITC tax returns is also available at many volunteer income tax assistance sites. Locate a volunteer site near you on [IRS.gov](#) and selecting the [VITA Locator tool](#) or call the IRS at 1-800-906-9887.

You worked and earned it. Now put The Earned Income Tax Credit to work for you. Visit [www.irs.gov/eitc](http://www.irs.gov/eitc) to learn more about EITC. **IRS**

### Form 8955-SSA...

**Does your retirement plan have participants who have separated from service and have deferred vested benefits? List them on Form 8955-SSA ([Resources](#)).**

SSA/IRS  
**Reporter**

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## Facts about the Premium Tax Credit for Eligible Employees

### *Your Credit, Your Choice — Get It Now or Get It Later*

The following information does not affect your 2013 tax return that you're filing in 2014.

If you get your health insurance coverage through the Health Insurance Marketplace, you may be eligible for the [Premium Tax Credit](#). This tax credit can help make purchasing health insurance coverage more affordable for people with moderate incomes. The open enrollment period to purchase health insurance coverage through the Marketplace for 2014 runs through March 31, 2014.

The Department of Health and Human Services administers the requirements for the Marketplace and the health

plans they offer. For more information about your coverage options, financial assistance and the Marketplace, visit [HealthCare.gov](#).

### *Eligibility*

You may be eligible for the credit if you:


- buy health insurance through the Marketplace;
  - are ineligible for coverage through an employer or government plan;
  - are within certain income limits;
  - file a joint return, if married; and
  - cannot be claimed as a dependent by another person
- You must meet all of these requirements to be eligible.

### *It's your choice.*

If you are eligible for the credit, you can choose to:

Get It Now: have some or all of the estimated credit paid in advance directly to your insurance company to lower what you pay out-of-pocket for your monthly premiums during 2014; or

Get It Later: wait to get the credit when you file your 2014 tax return in 2015.

More detailed information about the credit is available on [IRS.gov/aca](#) and in the [Questions and Answers](#) section. Two electronic flyers - Facts about the Premium Tax Credit - [Publication 5120](#) and [Publication 5121](#) - are available for public use and distribution. 

## IRS Videos Help You Prepare to File Your Tax Return

**T**he Internal Revenue Service offers a number of instructional YouTube videos to help you prepare and file your tax return this tax filing season.

- [Do-It-Yourself Free Tax Preparation](#) - Find free tax preparation sites where you have the option to prepare your own tax return for free using Web-based tax preparation software. IRS-certified volunteers at these sites can guide you through the process.
- [Do I Have to File a Tax Return?](#) - Learn about the requirements for filing a tax return, including income limits and age, and why you may want to file even if you don't have to file.
- [How to Get 1040 Forms](#) - Find the quickest way to get the various 1040 forms on IRS.gov.
- [Tax Scams](#) - Read about protecting your personal information and avoid becoming a tax scam victim.
- [Record-keeping](#) - Learn which financial and tax files to keep and how long to keep them.

- [Changed Your Name After Marriage or Divorce?](#) - Find out what you need to do before you file your tax return if you have changed your name.
- [Choosing a Tax Preparer](#) - Hear some useful tips for choosing a reputable tax preparer.
- [When will I get my refund?](#) - Find out what to expect for refunds in 2014.

These short and informative videos can be viewed in English, Spanish and American Sign Language:

- [IRS Videos](#) — <http://www.youtube.com/irsvideos>
- [ASL Videos](#) — <http://www.youtube.com/IRSVideosASL>
- [Multilingual Videos](#) — <http://www.youtube.com/IRSVideosMultilingua>

The IRS uses [social media](#) tools and platforms to share the latest information on tax changes, initiatives, products and services. These social media platforms include the IRS2Go phone application, YouTube, TUMBLR, Twitter and Facebook. To protect taxpayer privacy, the IRS only uses social media tools to share

public information, not to answer personal tax or account questions. It advises taxpayers to never post confidential information, like a Social Security number, on social media sites. A listing is available on [IRS.gov](#).

**Note to Editor:** If your organization is on Twitter, consider using one of these IRS-approved tweets to reach out to your customers about this topic.


- Did you know #IRS offers video tax tips on YouTube? Check out [www.youtube.com/irsvideos](http://www.youtube.com/irsvideos)
- The IRS YouTube channel, where #IRS employees share the latest info <http://www.youtube.com/irsvideos>
- #IRS offers YouTube videos in American Sign Language (ASL) <http://www.youtube.com/IRSVideosASL>
- Check out these #IRS YouTube videos in Spanish. <http://www.youtube.com/IRSVideosMultilingua> 

## You Only Have to Register Once for Business Services Online

**T**he Business Services Online Suite of services allows organizations, businesses, individuals, employers, attorneys, non-attorneys representing Social Security claimants, and third-parties to exchange information with Social Security securely over the internet. You must register and create your own password to access BSO.

To use BSO, register at: [www.socialsecurity.gov/bsowelcome.htm](http://www.socialsecurity.gov/bsowelcome.htm). You only have to register once. If you forget your password, select "Forgot Password" to receive your security questions to answer and get a new password. If you forget the security questions you can request a new password through the mail.

Please note, if you re-register, the new User ID will most likely not work because your employer information is tied into your original User ID. That is why it is important to "Log In" to Business Services Online before January each year to ensure you are set and ready to file W-2s.

If you need help with the registration process, contact 1-800-772-6270. 

## Tips for Finding a Paid Tax Preparer or Free Tax Help

If you need help preparing your tax return, choose help wisely. As a taxpayer, you are legally responsible for everything reported on your tax return; whether you prepare it yourself or have someone else prepare it for you.

### When selecting an individual or company to prepare your taxes, be sure to:

- Check the person or company's qualifications.
- (Beginning in 2014, only four types of preparers will be authorized to prepare individual returns for compensation: Enrolled Agents, Registered Tax Return Preparers, Certified Public Accountants and Attorneys. Inquire about your preparer's professional status.)
- Check the preparer's history.
- Ask about their service fees.
- Make sure they are accessible after the April due date in case you have a question about your return.

### The preparer you choose should:

- Ask you to provide all receipts and records needed to prepare your return.
- Not ask you to direct any part of your refund to an account that is not in your or your spouse's, name.
- Never ask you to sign a blank return.
- Allow you to review the completed return, including all schedules and attachments, and explain it all to you before you sign it.

- Sign the return, include their preparer tax identification number and provide you a copy.

### Planning for Tax Time

- Being organized and planning ahead can save time, money and headaches at tax time. Start gathering your records and exploring your options now. You'll have more time when you're not facing a deadline or anxious for your refund.
- Each household's financial circumstances are different, so it's important to fully consider your specific situation and goals before making large financial decisions. And remember, even some legitimate returns may require additional review and take longer to process, so don't count on getting your refund by a certain date to pay for something important.

### If you can't afford a paid preparer, there are several options for free tax preparation.

- **E-file** with **Free File** is an option available to most taxpayers with income less than \$58,000. It's available at [IRS.gov](http://www.irs.gov) where a number of tax software companies make their products available for free.
- The **Volunteer Income Tax Assistance** program offers free tax preparation for low-to moderate-income taxpayers. To find a VITA site near you, visit [IRS.gov](http://www.irs.gov), type the word VITA in the search engine and click on "Free tax return preparation for you by volunteers."


- **Tax Counseling for the Elderly** offers priority assistance to people who are 60 years of age and older. To find a TCE site, visit the [AARP locator](http://www.aarp.org).
- Active duty military members and their families can receive free tax preparation assistance at VITA sites within their installations. The volunteer return preparers are trained and equipped to address military specific tax issues.

Free tax preparation assistance is closer than you think, and now finding out where to go for help is just a matter of following a few easy steps.

### Resources on the IRS.gov:

Ten Tips to Help You Choose a Tax Preparer <http://www.irs.gov/uac/Ten-Tips-to-Help-You-Choose-a-Tax-Preparer>

**On Twitter?** Consider using this sample Tweet to inform your customers:


Sample Tweet: *No matter who prepares it, YOU are responsible for your #tax return information. Choose a preparer wisely. #IRS* <http://go.usa.gov/rv6W> 

## Online Tax Tools Help You File and Pay Taxes Timely

This filing season, take advantage of a collection of useful [online tools](#) that can help you, your family and friends file and pay taxes timely — from answering tax law questions to checking the status of a refund.

IRS.gov is the best place to go to get tax help. A good starting point is [1040 Central](#) or one of the many online services available including:

- Try the IRS smartphone application, [IRS2Go](#). It can help you get the information you need whenever you need it, wherever you are.
- Find out if you qualify for the [Earned Income Tax Credit](#).
- Get your [Electronic Filing PIN](#), a one-time code used to verify your identity.
- Find out the status of your refund by using [Where's My Refund?](#)
- If you have tax law questions, use the [Interactive Tax Assistant](#) to help find answers.
- The [IRS Tax Map](#) integrates forms, instructions and publications into one research tool, giving you easy access to tax law information by subject.
- Figure the optional amount you can itemize on Schedule A, Form 1040, with the [Sales Tax Deduction Calculator](#).
- Use the [Alternative Minimum Tax Assistant](#) to determine whether you may be subject to AMT.

The [Withholding Calculator](#) can help you avoid having too much or too little federal income tax withheld from your pay. 

## New: SSA Field Office Service Changes Coming Later This Year

Social Security will make very important service changes at field offices across the country later this year.

To learn more, visit <http://www.ssa.gov/thirdparty/whatsnew.html> 