



Instructions for Form 941

(Rev. July 2020)

Employer's QUARTERLY Federal Tax Return

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

Future Developments

For the latest information about developments related to Form 941 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form941](https://www.irs.gov/Form941).

At the time these instructions went to print, Congress was considering changes to some of the recent legislation discussed in these instructions. If new legislation impacts these instructions, updates will be posted to [IRS.gov/Form941](https://www.irs.gov/Form941).

What's New

Changes to Form 941 (Rev. July 2020) for coronavirus (COVID-19) related tax relief. The July 2020 revision of Form 941 will be used to report employment taxes beginning with the third quarter of 2020. Form 941 has been revised to allow employers that defer the withholding and payment of the employee share of social security tax on wages paid on or after September 1, 2020, to include the deferral on line 13b. Employers will now report on line 13b the total deferred amount of the employer and employee share of social security tax. Employers will also separately report on line 24 the deferred amount of the employee share of social security tax that is included on line 13b. See the instructions for [line 13b](#) for more information about the deferral of the employer and employee share of social security tax.

Adjusting tax liability for the deferred amount of social security tax that you pay or deposit in the same quarter it was deferred. See [Adjusting tax liability for the deferred amount of social security tax that you pay or deposit in the same quarter it was deferred](#), later, for instructions on how to report your tax liabilities on Form 941, line 16, or on Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, if you defer social security tax and subsequently pay or deposit that deferred amount in the same quarter it was deferred.



Don't use the July 2020 revision of Form 941 to report employment taxes for the first or second quarter of 2020. Use the April 2020 revision of Form 941 to report employment taxes for the second quarter of 2020, and use the January 2020 revision of Form 941 to report employment taxes for the first quarter of 2020.

Reminders

Previous changes to Form 941 for COVID-19 related employment tax credits and other tax relief. The following significant changes were made to Form 941 to allow for the reporting of new employment tax credits and other tax relief related to COVID-19.

- The credit for qualified sick and family leave wages is reported on line 11b and, if applicable, line 13c. The employee share of social security tax on qualified sick and family leave wages is reported on lines 5a(i) and 5a(ii). Qualified sick and family leave wages aren't subject to the

employer share of social security tax. Qualified sick and family leave wages not included on lines 5a(i) and 5a(ii) because the wages reported on that line are limited by the social security wage base are included on line 5c. Qualified health plan expenses allocable to qualified sick and family leave wages are reported on lines 19 and 20. See the instructions for [line 11b](#) for information about the credit for qualified sick and family leave wages.

- The employee retention credit is reported on line 11c and, if applicable, line 13d. Qualified wages (excluding qualified health plan expenses) for the employee retention credit are reported on line 21 (these amounts should also be included as wages on lines 5a and 5c, and, if applicable, line 5d). Qualified health plan expenses allocable to the qualified wages for the employee retention credit are reported on line 22. See the instructions for [line 11c](#) for information about the employee retention credit.

- Employers, including government employers, can defer the deposit and payment of the employer share of social security tax otherwise due during the calendar quarter. The amount of deferral is combined with the deferred amount of the employee share of social security tax on line 13b. See the instructions for [line 13b](#) for more information.

- Employers that requested an advance of the sick and family leave credit and/or the employee retention credit would have filed a Form 7200, Advance Payment of Employer Credits Due to COVID-19, for the quarter. The amount of all advances received from Forms 7200 filed for the quarter is reported on line 13f. See the instructions for [line 13f](#) for more information.

- The credit for qualified sick and family leave wages (reported on lines 11b and 13c) and the employee retention credit (reported on lines 11c and 13d) are figured on [Worksheet 1](#).

2020 withholding tables. The federal income tax withholding tables are included in Pub. 15-T, Federal Income Tax Withholding Methods.

Social security and Medicare tax for 2020. The rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Qualified sick leave wages and qualified family leave wages aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). The social security wage base limit is \$137,700.

The Medicare tax rate is 1.45% (0.0145) each for the employee and employer, unchanged from 2019. There is no wage base limit for Medicare tax.

Social security and Medicare taxes apply to the wages of household workers you pay \$2,200 or more in cash wages in 2020. Social security and Medicare taxes apply to election workers who are paid \$1,900 or more in cash or an equivalent form of compensation in 2020.


Qualified small business payroll tax credit for increasing research activities. For tax years beginning after 2015, a qualified small business may elect to claim up to \$250,000

fringe benefits, see Pub. 15-B, Employer's Tax Guide to Fringe Benefits. For information about supplemental unemployment compensation benefits and golden parachute payments, see section 5 of Pub. 15-A.

If you're a third-party payer of sick pay, enter the federal income tax you withheld (or were required to withhold) on third-party sick pay here.

4. If No Wages, Tips, and Other Compensation Are Subject to Social Security or Medicare Tax . . .

If no wages, tips, and other compensation on line 2 are subject to social security or Medicare tax, check the box on line 4. If this question doesn't apply to you, leave the box blank. For more information about exempt wages, see section 15 of Pub. 15. For religious exemptions, see section 4 of Pub. 15-A.

 **CAUTION** *If you're a government employer, wages you pay aren't automatically exempt from social security and Medicare taxes. Your employees may be covered by law or by a voluntary Section 218 Agreement with the SSA. For more information, see Pub. 963, Federal-State Reference Guide.*

5a-5e. Taxable Social Security and Medicare Wages and Tips

5a. Taxable social security wages. Enter the total wages, including qualified wages (other than qualified health plan expenses) for the employee retention credit; sick pay; and taxable fringe benefits subject to social security taxes you paid to your employees during the quarter. Don't include the qualified sick leave wages reported on line 5a(i) or qualified family leave wages reported on line 5a(ii). For this purpose, sick pay includes payments made by an insurance company to your employees for which you received timely notice from the insurance company. See section 6 of Pub. 15-A for more information about sick pay reporting. See the instructions for [line 8](#) for an adjustment that you may need to make on Form 941 for sick pay.

Enter the amount before payroll deductions. Don't include tips on this line. For information on types of wages subject to social security taxes, see section 5 of Pub. 15.

For 2020, the rate of social security tax on taxable wages, except for qualified sick leave wages and qualified family leave wages, is 6.2% (0.062) each for the employer and employee or 12.4% (0.124) for both. Stop paying social security tax on and entering an employee's wages on line 5a when the employee's taxable wages, including qualified sick leave wages, qualified family leave wages, and tips, reach \$137,700 for the year. However, continue to withhold income and Medicare taxes for the whole year on all wages, including qualified sick leave wages, qualified family leave wages, and tips, even when the social security wage base of \$137,700 has been reached.

$$\begin{array}{r} \text{line 5a (column 1)} \\ \times \quad 0.124 \\ \hline \text{line 5a (column 2)} \end{array}$$

5a(i). Qualified sick leave wages. Enter the qualified taxable sick leave wages you paid to your employees during the quarter. Qualified sick leave wages aren't subject to the


employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 5a(i) when the employee's taxable wages, including wages reported on line 5a, qualified sick leave wages, qualified family leave wages, and tips, reach \$137,700 for the year. See the instructions for [line 5c](#) for reporting Medicare tax on qualified sick leave wages, including the portion above the social security wage base.

Qualified sick leave wages are wages for social security and Medicare tax purposes required to be paid under the Emergency Paid Sick Leave Act (EPSLA) as enacted under the [Families First Coronavirus Response Act](#) (FFCRA). See the instructions for [line 11b](#) for information about the credit for qualified sick and family leave wages.

$$\begin{array}{r} \text{line 5a(i) (column 1)} \\ \times \quad 0.062 \\ \hline \text{line 5a(i) (column 2)} \end{array}$$

Emergency Paid Sick Leave Act (EPSLA). The EPSLA requires certain government employers and private employers with fewer than 500 employees to provide paid sick leave to employees unable to work or telework after March 31, 2020, and before January 1, 2021, because the employee:

1. Is subject to a federal, state, or local quarantine or isolation order related to COVID-19;
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
4. Is caring for an individual subject to an order described in (1) or who has been advised as described in (2);
5. Is caring for a child if the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19 precautions; or
6. Is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services.

 **TIP** *Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified sick leave wages paid to employees.*

Limits on qualified sick leave wages. The EPSLA provides different limitations for different circumstances under which qualified sick leave wages are paid. For paid sick leave qualifying under (1), (2), or (3) above, the amount of qualified sick leave wages is determined at the employee's regular rate of pay, but the wages may not exceed \$511 for any day (or portion of a day) for which the individual is paid sick leave. For paid sick leave qualifying under (4), (5), or (6) above, the amount of qualified sick leave wages is determined at two-thirds the employee's regular rate of pay, but the wages may not exceed \$200 for any day (or portion of a day) for which the individual is paid sick leave. The EPSLA also limits each individual to a maximum of up to 80 hours of paid sick leave for the year. Therefore, the maximum amount of paid sick leave wages for the year can't exceed \$5,110 for an employee for leave under (1), (2), or (3), and it can't exceed \$2,000 for an employee for leave under (4), (5), or

(6). For more information from the Department of Labor on these requirements and limits, see [DOL.gov/agencies/whd/pandemic](https://www.dol.gov/agencies/whd/pandemic).

For more information about qualified sick leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

5a(ii). Qualified family leave wages. Enter the qualified taxable family leave wages you paid to your employees during the quarter. Qualified family leave wages aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 5a(ii) when the employee's taxable wages, including wages reported on line 5a, qualified sick leave wages, qualified family leave wages, and tips, reach \$137,700 for the year. See the instructions for [line 5c](#) for reporting Medicare tax on qualified family leave wages, including the portion above the social security wage base.

Qualified family leave wages are wages for social security and Medicare tax purposes required to be paid under the Emergency Family and Medical Leave Expansion Act as enacted under the FFCRA. See the instructions for [line 11b](#) for information about the credit for qualified sick and family leave wages.

$$\begin{array}{r} \text{line 5a(ii) (column 1)} \\ \times \quad 0.062 \\ \hline \text{line 5a(ii) (column 2)} \end{array}$$

Emergency Family and Medical Leave Expansion Act.

The Emergency Family and Medical Leave Expansion Act requires certain government employers and private employers with fewer than 500 employees to provide paid family leave under the Family and Medical Leave Act of 1993 to an employee who has been employed for at least 30 calendar days. The requirement to provide leave generally applies when an employee is unable to work or telework after March 31, 2020, and before January 1, 2021, due to the need to care for a child because the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19 related reasons. The first 10 days for which an employee takes leave may be unpaid. During this period, employees may use other forms of paid leave, such as qualified sick leave, accrued sick leave, annual leave, or other paid time off. After an employee takes leave for 10 days, the employer must provide the employee paid leave (that is, qualified family leave wages) for up to 10 weeks. For more information from the Department of Labor on these requirements, possible exceptions, and the limitations discussed below, see [DOL.gov/agencies/whd/pandemic](https://www.dol.gov/agencies/whd/pandemic).

TIP Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified family leave wages paid to employees.

Rate of pay and limit on wages. The rate of pay must be at least two-thirds of the employee's regular rate of pay (as determined under the Fair Labor Standards Act of 1938), multiplied by the number of hours the employee otherwise would have been scheduled to work. The qualified family leave wages can't exceed \$200 per day or \$10,000 in the aggregate per employee for the year.

For more information about qualified family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

5b. Taxable social security tips. Enter all tips your employees reported to you during the quarter until the total of the tips and taxable wages, including qualified sick leave wages and qualified family leave wages, for an employee reach \$137,700 for the year. Include all tips your employee reported to you even if you were unable to withhold the employee tax of 6.2%. You will reduce your total taxes by the amount of any uncollected employee share of social security and Medicare taxes on tips later on line 9; see [Current quarter's adjustments for tips and group-term life insurance](#), later. Don't include service charges on line 5b. For details about the difference between tips and service charges, see Rev. Rul. 2012-18, 2012-26 I.R.B. 1032, available at [IRS.gov/irb/2012-26_IRB#RR-2012-18](https://www.irs.gov/irb/2012-26_IRB#RR-2012-18).

Your employee must report cash tips to you by the 10th day of the month after the month the tips are received. Cash tips include tips paid by cash, check, debit card, and credit card. The report should include charged tips (for example, credit and debit card charges) you paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. Both directly and indirectly tipped employees must report tips to you. No report is required for months when tips are less than \$20. Employees may use Form 4070 (available only in Pub. 1244), or submit a written statement or electronic tip record.

Don't include allocated tips (described in section 6 of Pub. 15) on this line. Instead, report them on Form 8027. Allocated tips aren't reportable on Form 941 and aren't subject to withholding of federal income, social security, or Medicare taxes.

$$\begin{array}{r} \text{line 5b (column 1)} \\ \times \quad 0.124 \\ \hline \text{line 5b (column 2)} \end{array}$$

5c. Taxable Medicare wages & tips. Enter all wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit; tips; sick pay; and taxable fringe benefits that are subject to Medicare tax. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax.

The rate of Medicare tax is 1.45% (0.0145) each for the employer and employee or 2.9% (0.029) for both. Include all tips your employees reported during the quarter, even if you were unable to withhold the employee tax of 1.45%.

$$\begin{array}{r} \text{line 5c (column 1)} \\ \times \quad 0.029 \\ \hline \text{line 5c (column 2)} \end{array}$$

For more information on tips, see section 6 of Pub. 15. See the instructions for [line 8](#) for an adjustment that you may need to make on Form 941 for sick pay.

5d. Taxable wages & tips subject to Additional Medicare Tax withholding. Enter all wages, including qualified sick leave wages, qualified family leave wages, and qualified wages (excluding qualified health plan expenses) for the employee retention credit; tips; sick pay; and taxable fringe

13b. Deferred Amount of Social Security Tax

Include on line 13b the combined amount of the employer and employee share of social security tax that you're deferring for the quarter.

Deferred amount of the employer share of social security tax. Include on line 13b the amount of the employer share of social security tax that you're deferring for the quarter. The CARES Act allows employers, including government employers, to defer the deposit and payment of the employer share of social security tax for deposits and payments due on or after March 27, 2020, and before January 1, 2021, as well as deposits and payments due after January 1, 2021, that are required for wages paid during the quarter ending on December 31, 2020. Generally, your employer share of social security tax is 50% of column 2 of line 5a plus 50% of column 2 of line 5b. However, if you're a third-party payer of sick pay that isn't an agent or if you're an employer that received a Section 3121(q) Notice and Demand during the quarter, see [Figuring the employer share of social security tax for certain employers](#), later, for exceptions. Don't include the employee social security tax reported on lines 5a(i) and 5a(ii) as part of the deferred amount of the employer share of social security tax. Don't reduce the amount reported on line 13b by any credits claimed on line 11a, 11b, or 11c or any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans. However, you can't defer tax that you have already paid; therefore, the maximum amount of social security tax (both the employer and employee share of social security tax) that can be deferred each quarter is the lesser of (1) the total of the employer and employee share of social security tax, or (2) the **excess** of (a) line 10 (reduced by the amount, if any, on line 11a) **over** (b) line 13a. For more information about the deferral of employment tax deposits, including limitations on the maximum amount you can defer, go to [IRS.gov/ETD](#).

TIP *The deferred amount of the employer share of social security tax is a deferral of deposits and payments, not a deferral of liability. You won't receive a refund or credit of any amount of the employer share of social security tax already deposited or paid for the quarter. However, in determining whether any amount of the employer share of social security tax was already deposited for this purpose, you can consider prior deposits during the quarter as first being deposited for employment taxes other than the employer share of social security tax. Although employers depositing taxes using EFTPS identify the subcategory of separate deposits for the different employment taxes (for example, social security tax and Medicare tax), those entries are for informational purposes only. The IRS doesn't use that information in comparing liabilities reported on the employment tax return and the total deposits made.*

Figuring the employer share of social security tax for certain employers. If you're a third-party payer of sick pay that isn't an agent (for example, an insurance company), the amount of the employer share of social security tax reported on line 5a must be reduced by any adjustment you make on line 8 for the employer share of social security tax transferred to your client, before deciding your employer share of social security tax that can be deferred. If you received a Section 3121(q) Notice and Demand for tax due on unreported tips (Letter 3263 or Letter 4520) during the quarter, you report the amount for the employer share of social security tax and

Medicare tax on Form 941, line 5f. Letter 3263 or Letter 4520 includes an attachment that shows the employer share of social security tax. This amount of the employer share of social security tax can also be deferred.

Paying the deferred amount of the employer share of social security tax. One-half of the employer share of social security tax is due by December 31, 2021, and the remainder is due by December 31, 2022. Any payments or deposits you make before December 31, 2021, are first applied against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For example, if your employer share of social security tax for the third quarter of 2020 is \$20,000 and you deposited \$5,000 of the \$20,000 during the third quarter of 2020 and defer \$15,000 on line 13b, then you must pay \$5,000 by December 31, 2021, and \$10,000 by December 31, 2022. However, if your employer share of social security tax for the third quarter of 2020 was \$20,000 and you deposited \$15,000 of the \$20,000 during the third quarter of 2020 and defer \$5,000 on line 13b, then you don't need to pay any deferred amount by December 31, 2021, because 50% of the amount that could have been deferred (\$10,000) has already been paid and is first applied against your payment that would be due on December 31, 2021. Accordingly, you must pay the \$5,000 deferral by December 31, 2022. For additional information, go to [IRS.gov/ETD](#).

Deferred amount of the employee share of social security tax. In addition to the deferred amount of the employer share of social security tax, include on line 13b the amount of the employee share of social security tax that you're deferring for the quarter. On August 8, 2020, the President issued a Presidential Memorandum directing the Secretary of the Treasury to use his authority pursuant to section 7508A of the Internal Revenue Code to defer the withholding, deposit, and payment of certain payroll tax obligations. In [Notice 2020-65](#), the Secretary made relief available under section 7508A to employers required to withhold social security taxes from wages paid to employees. Specifically, under the notice, the due date for withholding and payment of the employee share of social security tax on applicable wages is postponed until the period beginning on January 1, 2021, and ending on April 30, 2021. Applicable wages are social security wages of less than \$4,000 in any biweekly pay period (or the equivalent threshold amount for other pay periods), paid on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020. The determination of whether the deferral of withholding or payment of the employee share of social security tax is available is made on a pay period-by-pay period basis. Nothing prohibits employers from getting employee input on whether to apply the relief to postpone the due date for the withholding and payment of the employee share of social security tax on applicable wages paid to the employee.

You can't defer tax that you have already paid; therefore, the maximum amount of social security tax (both the employer and employee share of social security tax) that can be deferred each quarter is the lesser of (1) the total of the employer and employee share of social security tax, or (2) the **excess** of (a) line 10 (reduced by the amount, if any, on line 11a) **over** (b) line 13a.

TIP *If you paid an employee supplemental wages (for example, a bonus or commission) and included the supplemental wages with the employee's regular wages in a single payment (that is, in a single paycheck) for a pay period, but you didn't specifically identify the amount of*

each, then the entire amount of the payment must be below \$4,000 (or equivalent amount for pay periods other than a biweekly pay period) to be eligible for the deferral of the withholding and payment of the employee share of social security tax on the wages. If the entire amount is below \$4,000, then you may defer the withholding and payment of the employee share of social security tax on the entire payment of the wages. If you paid the supplemental wages separately from the employee's regular wages (that is, in a separate check), or you combined the wages in a single payment but you specifically identified the amount of each, then the supplemental wages are disregarded for purposes of determining whether the regular wages are below \$4,000 (or equivalent amount), but the supplemental wages aren't eligible for the deferral of the withholding and payment of the employee share of social security tax.

Paying the deferred amount of the employee share of social security tax. The due date for the withholding and payment of the employee share of social security tax is postponed until the period beginning on January 1, 2021, and ending on April 30, 2021. The employer must withhold and pay the total deferred employee share of social security tax ratably from wages paid to the employee between January 1, 2021, and April 30, 2021. If necessary, the employer may make arrangements to otherwise collect the total deferred taxes from the employee. The employer is liable to pay the deferred taxes to the IRS and must do so before May 1, 2021, to avoid interest, penalties, and additions to tax on those amounts. For more information about the deferral of the employee share of social security tax, see [Notice 2020-65](#).

TIP If you initially deferred (that is, didn't deposit) the employer or employee share of social security tax and later decide to pay or deposit it in the same quarter, see [Adjusting tax liability for the deferred amount of social security tax that you pay or deposit in the same quarter it was deferred, later](#).

How to pay the deferred amount of the employer and employee share of social security tax. You may pay the amount you owe electronically using EFTPS, by credit or debit card, or by a check or money order. The preferred method of payment is EFTPS. For more information, visit [EFTPS.gov](#), or call 800-555-4477 or 800-733-4829 (TDD). To pay the deferred amount using EFTPS, select Form 941, the calendar quarter in 2020 to which the payment relates, and the option for payment due on an IRS notice.

To pay by credit or debit card, go to [IRS.gov/PayByCard](#). If you pay by check or money order, include a 2020 Form 941-V, Payment Voucher, for the quarter in which you originally deferred the deposit and payment. Darken the circle identifying the quarter for which the payment is being made. The 2020 Form 941-V is on page 5 of Form 941 and is available at [IRS.gov/Form941](#) (select the link for "All Form 941 Revisions" under "Other Items You May Find Useful"). Make the check or money order payable to "United States Treasury." Enter your EIN, "Form 941," and the calendar quarter in which you originally deferred the deposit and payment (for example, "2nd Quarter 2020").

Where to send payments. Payments should be sent to:

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0030

Department of the Treasury
Internal Revenue Service
Kansas City, MO 64999-0030

Send your payment to the address above that is in the same state as the address to which you would mail returns filed without a payment, as shown under [Where Should You File](#), earlier.

For more information about the deferral of social security tax, go to [IRS.gov/ETD](#) and see [Notice 2020-65](#).

13c. Refundable Portion of Credit for Qualified Sick and Family Leave Wages From Worksheet 1

Businesses and tax-exempt organizations with fewer than 500 employees that are required to provide paid sick leave under the [EPSLA](#) and/or to provide paid family leave under the [Emergency Family and Medical Leave Expansion Act](#) are eligible to claim the credit for qualified sick and family leave wages. Enter the refundable portion of the credit for qualified sick and family leave wages from [Worksheet 1](#), Step 2, line 2k. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the allocable [qualified health plan expenses](#), and the employer share of Medicare tax allocable to those wages. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits.

13d. Refundable Portion of Employee Retention Credit From Worksheet 1

Enter the refundable portion of the employee retention credit from [Worksheet 1](#), Step 3, line 3i. The employee retention credit is 50% of the [qualified wages](#) you paid to your employees in the quarter. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits.

13e. Total Deposits, Deferrals, and Refundable Credits

Add lines 13a, 13b, 13c, and 13d. Enter the total on line 13e.

13f. Total Advances Received From Filing Form(s) 7200 for the Quarter

Enter the total advances received from filing Form(s) 7200 for the quarter. If you filed a Form 7200 before the end of the quarter but you haven't received the advance before filing Form 941, don't include that amount. Employers were eligible to file Form 7200 for the quarter if they paid [qualified sick leave wages](#), [qualified family leave wages](#), and/or [qualified wages for the employee retention credit](#) and the amount of employment tax deposits they retained wasn't sufficient to cover the cost of qualified sick and family leave wages and the employee retention credit.

TIP Form 7200 may be filed for a quarter up to the earlier of the end of the month after the end of each quarter or filing of Form 941 for the quarter. However, if you file Form 7200 after the end of the quarter, it's possible that it may not be processed prior to the processing of the filed Form 941. Advance payment requests on Form 7200 for a quarter won't be paid after your Form 941 is processed for that quarter. When the IRS processes Form 941, we will correct the amount reported on line 13f to match the amount

Worksheet 1. Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit

Determine how you will complete this worksheet

If you paid both qualified sick and family leave wages and qualified wages for purposes of the employee retention credit this quarter, complete Step 1, Step 2, and Step 3. If you paid qualified sick and family leave wages this quarter but you didn't pay any qualified wages for purposes of the employee retention credit this quarter, complete Step 1 and Step 2. If you paid qualified wages for purposes of the employee retention credit this quarter but you didn't pay any qualified sick and family leave wages this quarter, complete Step 1 and Step 3.

Step 1.

Determine the employer share of social security tax this quarter after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C

1a	Enter the amount of social security tax from Form 941, Part 1, line 5a , column 2	1a	_____
1b	Enter the amount of social security tax from Form 941, Part 1, line 5b , column 2	1b	_____
1c	Add lines 1a and 1b	1c	_____
1d	Multiply line 1c by 50% (0.50)	1d	_____
1e	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 941, Part 1, line 8 (enter as a positive number)	1e	_____
1f	Subtract line 1e from line 1d	1f	_____
1g	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of social security tax from the notice	1g	_____
1h	Employer share of social security tax. Add lines 1f and 1g	1h	_____
1i	Enter the amount from Form 941, Part 1, line 11a (credit from Form 8974)	1i	_____
1j	Enter the amount to be claimed on Form 5884-C, line 11, for this quarter	1j	_____
1k	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1i and 1j	1k	_____
1l	Employer share of social security tax remaining. Subtract line 1k from line 1h	1l	_____

Step 2.

Figure the sick and family leave credit

2a	Qualified sick leave wages reported on Form 941, Part 1, line 5a(i) , column 1	2a	_____
2a(i)	Qualified sick leave wages included on Form 941, Part 1, line 5a(i), column 1, but not included on Form 941, Part 1, line 5a(i), column 1, because the wages reported on that line were limited by the social security wage base	2a(i)	_____
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i)	2a(ii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 941, Part 3, line 19)	2b	_____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c	_____
2d	Credit for qualified sick leave wages. Add lines 2a(ii), 2b, and 2c	2d	_____
2e	Qualified family leave wages reported on Form 941, Part 1, line 5a(ii) , column 1	2e	_____
2e(i)	Qualified family leave wages included on Form 941, Part 1, line 5a(ii), column 1, but not included on Form 941, Part 1, line 5a(ii), column 1, because the wages reported on that line were limited by the social security wage base	2e(i)	_____
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i)	2e(ii)	_____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 941, Part 3, line 20)	2f	_____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g	_____
2h	Credit for qualified family leave wages. Add lines 2e(ii), 2f, and 2g	2h	_____
2i	Credit for qualified sick and family leave wages. Add lines 2d and 2h	2i	_____
2j	Nonrefundable portion of credit for qualified sick and family leave wages. Enter the smaller of line 1l or line 2i. Enter this amount on Form 941, Part 1, line 11b	2j	=====
2k	Refundable portion of credit for qualified sick and family leave wages. Subtract line 2j from line 2i and enter this amount on Form 941, Part 1, line 13c	2k	=====

Step 3.

Figure the employee retention credit

3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, line 21)	3a	_____
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, line 22)	3b	_____
3c	Add lines 3a and 3b	3c	_____
3d	Retention credit. Multiply line 3c by 50% (0.50)	3d	_____
3e	Enter the amount of the employer share of social security tax from Step 1, line 1l	3e	_____
3f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j	3f	_____
3g	Subtract line 3f from line 3e	3g	_____
3h	Nonrefundable portion of employee retention credit. Enter the smaller of line 3d or line 3g. Enter this amount on Form 941, Part 1, line 11c	3h	=====
3i	Refundable portion of employee retention credit. Subtract line 3h from line 3d and enter this amount on Form 941, Part 1, line 13d	3i	=====