

DO NOT STAPLE

a Control number		33333		For Official Use Only ▶ OMB No. 1545-0008		
b Kind of Payer ▶	941-SS	Military	943	1 Wages, tips, other compensation	2 Income tax withheld	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 Social security wages	4 Social security tax withheld	
	Hshld.	Medicare govt. emp.				
<input type="checkbox"/>	<input type="checkbox"/>					
c Total number of statements		d Establishment number		5 Medicare wages and tips	6 Medicare tax withheld	
e Employer's identification number				7 Social security tips	8	
f Employer's name				9 Advance EIC payments	10	
g Employer's address and ZIP code				11 Nonqualified plans	12	
				13 Adjusted total social security wages and tips		
				14 Adjusted total Medicare wages and tips		
h Other EIN used this year				15		
i Employer's state I.D. No.						

Copy A—For Social Security Administration

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 ▶ _____
 Telephone number () _____

Form **W-3SS** Transmittal of Wage and Tax Statements 1996 Department of the Treasury Internal Revenue Service

Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are:

- Form W-2AS — 22 minutes
- Form W-2GU — 23 minutes
- Form W-2VI — 22 minutes
- Form W-3SS — 23 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the tax forms to this address. Instead, see **Where To File** on page 3.

Notice to Employers in the Commonwealth of the Northern Mariana Islands

If you are an employer in the Commonwealth of the Northern Mariana Islands, you must contact the Division of Revenue and Taxation, Capital Hill, Saipan, MP 96950, to get Form W-2CM and the instructions for completing and filing that form.

Items To Note

Wage Bases.—The 1996 wage base for social security (old age, survivors, and disability insurance) is \$62,700. **There is no limit on the amount of wages and tips that are subject to Medicare taxes in 1996.**

New Magnetic Media Filing Requirement.—The IRS intends to issue regulations requiring filers of 250 or more Forms W-2AS, W-2GU, or W-2VI to file those forms with the Social Security Administration on magnetic media. This will be for Forms W-2AS, W-2GU, or W-2VI due after December 31, 1996. See **Notice 95-64, 1995-50 I.R.B. 5**, for more information.

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e Employer's identification number				7 Social security tips	8	
f Employer's name				9 Advance EIC payments	10	
g Employer's address and ZIP code				11 Nonqualified plans	12	
				13 Adjusted total social security wages and tips		
				14 Adjusted total Medicare wages and tips		
h Other EIN used this year				15		
i Employer's state I.D. No.						

Copy 1—For Local Tax Department

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-3SS Transmittal of Wage and Tax Statements 1996**

Department of the Treasury
Internal Revenue Service

General Instructions

Who Must File.—Employers and other payers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands must report wages and withheld income, U.S. social security, and U.S. Medicare taxes to their local tax department and to the U.S. Social Security Administration (SSA).

Purpose of Forms.—Form W-3SS is used as a transmittal document to send Forms W-2AS, W-2GU, W-2CM, or W-2VI to the proper authority. Form W-2AS is used to report American Samoa wages, Form W-2GU is used to report Guam wages, Form W-2CM is used to report the Commonwealth of the Northern Mariana Islands wages, and Form W-2VI is used to report U.S. Virgin Islands wages. **Do not** use these forms to report wages subject to U.S. Federal income tax withholding. Instead, use Form W-2 to show U.S. income tax withheld.

When To File.—File Forms W-2AS, W-2GU, W-2CM, or W-2VI, with Form W-3SS by February 28, 1997.

Where To File.—File Copy A of Forms W-2AS, W-2GU, W-2CM, or W-2VI, and Copy A of Form W-3SS, with the Social Security Administration, Data Operations Center, 1150 E. Mountain Dr., Wilkes-Barre, PA 18769-0001.

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002."

File Copy 1 of Forms W-2GU or W-2VI with Copy 1 of Form W-3SS with the local tax department. (For more information concerning Copy 1, contact your local tax department.)

File Copy 1 of Forms W-2AS and W-3SS with the American Samoa Tax Office, Government of American Samoa, Pago Pago, AS 96799.

Shipping and Mailing.—If you send more than one kind of form, please group forms of the same kind, and send them in separate groups. For example, send Forms W-2GU with one Form W-3SS and Forms W-2AS with a second Form W-3SS. Forms W-2AS, W-2GU, W-2CM, or W-2VI are printed two forms to a page. Send the whole page of Copies A and 1 even if one of the forms is blank or void. Do not staple or tape the forms together.

If you have a large number of forms with one Form W-3SS, you may send them in separate packages. Show your name and employer identification number (EIN) on each package. Number them in order (1 of 4, 2 of 4, etc.), and place Form W-3SS in package 1. Show the number of packages at the bottom of Form W-3SS. If you mail them, you must send them First Class.

Calendar Year Basis.—You must base all entries on Forms W-2AS, W-2GU, W-2CM, W-2VI, and W-3SS on a calendar year. Use the current year form.

Taxpayer Identifying Numbers.—Social security numbers are used to post earnings to employees' earnings records for social security benefits. Please be sure to show the correct social security number in box d on the Form W-2AS, W-2GU, or W-2VI.

Persons in a trade or business use an EIN (00-0000000). Individuals use a social security number (000-00-0000). When you list a number, please separate the nine digits properly to show the kind of number.

Statements to Employees.—Generally, you should furnish statements to employees by January 31, 1997. If employment ends before December 31, 1996, you may give the statement any time after employment ends. If the employee asks for the form, furnish him or her the completed copies within 30 days of the request or the last wage payment, whichever is later. If an employee loses a statement, write "REISSUED STATEMENT" on the new copy, but **do not send Copy A of the reissued statement to the SSA.**

Undeliverable Forms.—Keep for 4 years any employee copies of Forms W-2AS, W-2GU, W-2CM, or W-2VI that you tried to deliver but could not.

Corrections.—Use **Form W-2c**, Statement of Corrected Income and Tax Amounts, to correct errors in previously filed Forms W-2AS, W-2GU, W-2CM, and W-2VI. Use **Form W-3c**, Transmittal of Corrected Income and Tax Statements, to transmit the W-2c forms to the SSA. Instructions are on the forms.

If you are making an adjustment in 1996 to correct social security tax for a prior year, you must file **Form 941c**, Supporting Statement To Correct Information, with your **Form 941-SS**, Employer's Quarterly Federal Tax Return, in the quarter you find the error. File Copy A of Form W-2c with the SSA and give the employee a copy of Form W-2c for the prior year.

Special Reporting Information

Sick Pay.—Sick pay paid to an employee by a third party, such as an insurance company or trust, requires special treatment at yearend because the IRS reconciles an entity's Forms 941-SS with the Forms W-2AS, W-2GU, W-2CM, or W-2VI and Form W-3SS filed at the end of the year. See Sick Pay Reporting in **Pub 15-A**, Employer's Supplemental Tax Guide, for information.

Reporting on Magnetic Media.—We encourage employers and other payers with computer capabilities to use magnetic media for filing the information on the wage and tax statements. Many filers find that reporting on magnetic media saves money and is efficient and flexible. You can get specifications for furnishing this information on magnetic media by contacting the Magnetic Media Coordinator at 809-766-5574 for the U.S. Virgin Islands or 415-744-4559 for Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

If you file on magnetic media, do not file the same returns on paper.

Specific Instructions for Completing Forms W-2AS, W-2GU, and W-2VI

Make all dollar entries without the dollar sign and comma but with the decimal point (0000.00). If an entry does not apply to you, leave it blank. Employers in the Commonwealth of the Northern Mariana Islands should contact the local tax division for instructions on completing Forms W-2CM.

Box a—Control number.—You may use this box to identify individual forms. (Optional)

Void.—Check this box when an error has been made. Amounts shown on void forms should **NOT** be included in

your subtotals. See **Subtotal** under **Box 15** instructions.

Box b—Employer's identification number.—Show the number assigned to you by the IRS (00-0000000). This should be the same number that you used on your Form 941-SS or 943. Do not use a prior owner's number.

Box c—Employer's name, address, and ZIP code.—This entry should be the same as shown on your Form 941-SS or 943.

Box d—Employee's social security number.—Enter the number shown on the employee's social security card. If the employee does not have a card, he or she should apply for one by filing **Form SS-5**, Application for a Social Security Card.

Box e—Employee's name.—Enter the name as shown on the employee's social security card. If the name does not fit, you may show first name initial, middle initial, and last name. Do not show titles or academic degrees with the name.

If the name has changed, have the employee get a corrected card from any SSA office. Use the name on the original card until you see the corrected one.

Box f—Employee's address and ZIP code.—This box is combined with box e on all copies except Copy A.

Box 1—Wages, tips, and other compensation.—Show, before any payroll deductions, the total of (1) wages, prizes, awards paid, (2) noncash payments, including certain fringe benefits, (3) tips reported, and (4) all other compensation. Other compensation is amounts you pay the employee from which income tax is not withheld. If you prefer not to include it in the total, you may show it on a separate Form W-2AS, W-2GU, or W-2VI.

Note: Show payments to statutory employees that are subject to social security and Medicare taxes but not subject to income tax withholding in box 1 as other compensation. (See Circular SS for the definition of a statutory employee.)

Box 2—Income tax withheld.—Show the total amount of American Samoa, Guam, or the U.S. Virgin Islands income tax withheld.

Box 3—Social security wages.—Show the total wages paid (before payroll deductions) subject to employee social security tax. The total of boxes 3 and 7 should not be more than \$62,700 (the maximum social security wage base for 1996). Generally, noncash payments are considered wages. (See Circular SS for more information.)

Box 4—Social security tax withheld.—Show the total employee social security tax (not your share) withheld or paid by you for the

employee. Include only taxes withheld for 1996 wages and social security tips. The amount shown should not exceed \$3,887.40 ($\$62,700 \times 6.2\%$).

Box 5—Medicare wages and tips.—Show the total wages paid and tips reported subject to employee Medicare tax. There is no wage base limit for Medicare tax.

Box 6—Medicare tax withheld.—Enter the total employee Medicare tax (not your share) withheld or paid by you for the employee. Include only taxes withheld for 1996 wages and tips. Use the 1.45% rate.

Box 7—Social security tips.—Show the amount the employee reported even if you did not have enough employee funds to collect the social security tax for the tips. When tips and wages subject to social security taxes amount to \$62,700 (for 1996), do not show any additional tips in this box. Report all tips in box 1 along with wages and other compensation.

Box 8—Benefits included in box 1.—Show the total value of the taxable fringe benefits included in box 1 as other compensation. If you provided a vehicle and you included 100% of the value in the employee's income, you must separately report this value to the employee in box 8 or on a separate statement so that the employee can compute the value of any business use of the vehicle.

Box 9—Advance EIC payment.—Forms W-2GU and W-2VI only. Show the amount of the advance earned income credit paid to the employee.

Box 11—Nonqualified plans.—Show the amount of distributions to an employee from a nonqualified plan or a section 457 plan. Also include these distributions in box 1. Enter the amount of contributions under a nonqualified plan or section 457 plan that became taxable for social security and Medicare taxes during the year, based on the later of (1) when the services giving rise to the deferral are performed, or (2) when there is no substantial forfeiture risk of the rights to the deferred amount. This amount should be included in boxes 3 and 5 as social security wages and Medicare wages and tips.

Box 13.—Complete and code this box for all items described below that apply.

Do not enter more than three codes in this box. If more than three items need to be reported in box 13, use a separate Form(s) W-2AS, W-2GU, or W-2VI.

Use the codes shown with the dollar amount. Enter the code using capital letters. Leave at least one blank space after the code and enter the dollar amount on the same line (D 2000.00).

a Control number		OMB No. 1545-0008					
b Kind of Payer	941-SS	Military	943	1 Wages, tips, other compensation	2 Income tax withheld		
	<input type="checkbox"/> Hshld.	<input type="checkbox"/> Medicare govt. emp.	<input type="checkbox"/>	3 Social security wages	4 Social security tax withheld		
c Total number of statements	d Establishment number			5 Medicare wages and tips	6 Medicare tax withheld		
e Employer's identification number				7 Social security tips	8		
f Employer's name				9 Advance EIC payments	10		
YOUR COPY				11 Nonqualified plans	12		
				13 Adjusted total social security wages and tips			
				14 Adjusted total Medicare wages and tips			
				15			
g Employer's address and ZIP code							
h Other EIN used this year							
i Employer's state I.D. No.							

Form **W-3SS Transmittal of Wage and Tax Statements 1996** Department of the Treasury Internal Revenue Service

Code A. Show the amount of social security tax on tips that you could not collect because the employee did not have enough funds from which to deduct it. This amount is not included in box 4. Use code **A** for uncollected social security tax on tips.

Code B. Show the amount of Medicare tax on tips that you could not collect because the employee did not have enough funds from which to deduct it. Enter the uncollected Medicare tax on tips and label it code **B**. This amount is not included in box 6.

Code C. Filers of Forms W-2GU and W-2VI only. Show the taxable amount to your employee (including former employees) if you provided your employee more than \$50,000 of group-term life insurance. Show the cost of the coverage over \$50,000. Label the amount with code **C**. Include it in boxes 1, 3, and 5.

Codes D-H. Use these codes to show the amount of deferrals made to the plans listed below. Do not report amounts for other types of plans. The **Reporting Example** following code H shows how to report amounts deferred for a 401(k) plan.

Except for section 457(b) plans (code G), report only elective deferrals. For section 457(b) plans, report both elective and nonelective deferrals.

The amount to be reported as an elective deferral is only that portion of the employee's salary (or other compensation) that he or she did not receive because of the deferral.

Nonelective contributions by an employer on behalf of employees are

not elective deferrals. Nor are voluntary "after-tax contributions" (such as voluntary contributions to a pension plan that are deducted from an employee's pay after all other deductions have been computed). After-tax contributions should not be reported in box 13. You may report these amounts in box 14.

Code D—Show the amount of elective deferrals to a section 401(k) cash or deferred arrangement plan.

Code E—Show the amount deferred into a section 403(b) salary reduction agreement.

Code F—Show the amount deferred under a section 408(k)(6) salary reduction SEP.

Code G—Show the amount of elective and nonelective contributions to a section 457(b) deferred compensation plan for employees of state or local governments or tax-exempt organizations. Do not report section 457(f) amounts or amounts deferred under a section 457(b) plan which are subject to a substantial risk of forfeiture. **Note:** *The section 457 dollar limitation should be reduced by deferrals to certain other deferred compensation plans. See section 457(c)(2).*

Code H—Show the amount deferred under a section 501(c)(18)(D) tax-exempt organization plan. Be sure to include this amount in box 1 as wages. The employees will deduct the amount on their income tax returns.

Reporting Example: For calendar year 1996, Employee A elected to defer \$9,800 to a section 401(k) arrangement and made a voluntary after-tax

contribution of \$600. In addition, the employer, on Employee A's behalf, made a qualified nonelective contribution of \$1,000 to the plan and nonelective profit-sharing employer contribution of \$2,000.

The total elective deferral of \$9,800 is reported in box 13 preceded with code D (D 9800.00). Even though the 1996 limit for elective deferrals is \$9,500, the employer would report the total amount of \$9,800 as the elective deferral. The \$600 voluntary after-tax contribution may be reported in **Box 14, Other**. This reporting is optional. The \$1,000 nonelective contribution and the \$2,000 nonelective profit-sharing employer contribution are not reported on Form W-2.

Check the "Deferred compensation" checkbox in box 15, enter the elective deferral in box 13, and label it with the correct code. Do not report any excess in box 1. Also, check the Pension plan box in box 15 if the employee is an "active participant."

Code J. Show the amount of any sick pay **NOT** includible in income because the employee contributed to the sick pay plan. Label it as code **J**. If you issue a separate Form W-2 for sick pay, use box 13 to label the Form W-2 as "Sick pay."

Code M. If you provided your former employees (including retirees) more than \$50,000 of group-term life insurance coverage for periods during which an employment relationship no longer exists, enter the amount of uncollected social security tax on the

coverage in box 13. Use code **M** for uncollected social security tax.

Code N. If you provided your former employees (including retirees) more than \$50,000 of group-term life insurance coverage for periods during which an employment relationship no longer exists, enter the amount of uncollected Medicare tax on the coverage in box 13. Use code **N** for uncollected Medicare tax.

Code P. If you made excludable moving expense reimbursements to an employee (including payments made directly to a third party and services furnished in kind), report the amount in box 13. Use code **P** for excludable moving expense reimbursements.

Code Q. If you are a military employer and provide your employee with basic quarters, subsistence allowances, or combat pay, report the amount in box 13. Use code **Q** for military employee's basic quarters, subsistence, and combat pay.

Box 14—Other.—You may show any information you want to give your employee here such as medical insurance premiums deducted, union dues deducted, voluntary after-tax contributions, or certain employee business expense reimbursements. You should clearly label the entries.

Box 15—Check the boxes that apply.

Statutory employee.—Check this box for statutory employees whose earnings are subject to social security and Medicare taxes but not subject to income tax withholding. See Circular SS for more information on statutory employees. Do not check this box for common law employees.

Pension plan.—Check this box if the employee was an active participant (for any part of the year) in any of the following:

1. A qualified plan described in section 401(a) (including a 401(k) plan).
2. An annuity plan described in section 403(a).
3. An annuity contract or custodial account described in section 403(b).
4. A simplified employee pension (SEP) plan described in section 408(k).
5. A trust described in section 501(c)(18).
6. A plan for Federal, state, or local government employees or by an agency or instrumentality thereof (other than a section 457 plan).

See IRS Notice 87-16, 1987-1 C.B. 446, reprinted as Pub. 1602, for the definition of an active participant.

Hshld. employee.—For household employers only. Check this box if you had only one household employee during 1996.

Subtotal.—Employers submitting 41 or fewer individual Forms W-2 need not give subtotals. Other employers should give subtotals. If you are sending **42 or more forms**, please

show subtotals on every 42nd form for the preceding 41 forms to permit checking the transmittal totals.

Check the box on the Form W-2AS, W-2GU, or W-2VI that shows the subtotal dollar amounts for the preceding 41 forms. The subtotal amounts are to be shown in boxes 1 through 7, and 9.

Example: An employer with forms for 86 employees should show a subtotal on the 42nd statement, the 84th statement (showing the subtotal for statements 43 through 83), and the 89th statement (showing the subtotal for statements 85 through 88). The last subtotal should be on the last completed form on the page. Count void statements in order with good statements, **but do not include the money amounts from the void statements in the subtotal figures.**

Deferred compensation.—Check this box if the employee has made an elective deferral to a section 401(k), 403(b), 408(k)(6), 457(b), or 501(c)(18)(D) retirement plan. See also **Codes D-H** under **Box 13**.

Instructions for Form W-3SS

Who Must File, Where and When To File.—See page 3 under **General Instructions** for this information.

How To Complete Form W-3SS.—Please type or print entries. Make all entries without the dollar sign and comma but with the decimal point (00000.00).

The instructions below are for the boxes on Form W-3SS. If an entry does not apply, leave it blank.

Box a—Control number.—This box is for numbering the whole transmittal. (*Optional*)

Box b—Kind of Payer.—Check only one box.

941-SS.—Check this box if you file Form 941-SS and none of the other categories apply.

Military.—Check this box if you are a military employer sending Forms W-2AS, W-2GU, W-2CM, or W-2VI for members of the uniformed services.

943.—Check this box if you file Form 943 and are sending forms for agricultural employees. For nonagricultural employees, send their Forms W-2AS, W-2GU, W-2CM, or W-2VI with a separate Form W-3SS.

Hshld.—Check this box if you are a household employer sending Forms W-2AS, W-2GU, W-2CM, or W-2VI for household employees. If you also have employees who are not household employees, send each group's forms with a separate Form W-3SS.

Medicare government employee.—Check this box if you are a U.S. or a U.S. Virgin Islands government employer with employees subject only to the 1.45% Medicare tax.

Box c—Total number of statements.—Show the number of

individual Forms W-2AS, W-2GU, W-2CM, or W-2VI filed with this Form W-3SS.

Box d—Establishment number.—

You may use this box to identify separate establishments in your business. Use any four-digit number. You may file a separate Form W-3SS, with Forms W-2AS, W-2GU, W-2CM, or W-2VI, for each establishment even if they all have the same EIN.

Box e—Employer's identification number.—Show the nine-digit number assigned to you by the IRS. The number should be the same as shown on your Form 941-SS or 943 and in the following format: 00-0000000. **Do not use a prior owner's number.** If available, use the label sent to you with Circular SS that shows your name, address, and EIN.

Box f—Employer's name.—Same as shown on your Form 941-SS or 943. If available, use the label sent to you with Circular SS.

Box g—Employer's address and ZIP code.—If available, use the label sent to you with Circular SS. Make any necessary corrections on the label.

Box h—Other EIN used this year.—If you have used an EIN (including a prior owner's number) on Forms 941-SS (or 941c) or 943 submitted for 1996 that is different from the EIN reported in box e on this form, enter the other EIN used.

Boxes 1 through 8—Enter the totals reported in boxes 1 through 8 of Forms W-2AS, W-2GU, or W-2VI being transmitted.

Box 9—Advance EIC payments.—To be shown only for Forms W-2GU and W-2VI. Enter the total amount of payments shown.

Box 11—Nonqualified plans.—Enter the total amount of nonqualified plan and section 457 plan distributions reported in box 11 on Forms W-2AS, W-2GU, or W-2VI.

Box 13—Adjusted total social security wages and tips.—The amount reported in this box in most cases should agree with the total social security wages and social security tips reported to the IRS on your Forms 941-SS (or 941c) or 943 for 1996. To get the adjusted total of social security wages and tips, include any current year adjustments in social security wages and tips shown on Forms 941-SS (or 941c) or 943. Do not include prior year adjustments in the adjusted total for the current year. If these totals do not match, the IRS or the SSA may require you to explain any difference and make any corrections.

Box 14—Adjusted total Medicare wages and tips.—Generally, the amounts reported in this box should agree with the total Medicare wages and tips reported to the IRS on Forms 941-SS or 943 for 1996. See **Box 13** above for more information.