



Instructions for Forms W-2c and W-3c

(Rev. December 2002)

Items To Note

New magnetic/electronic reporting requirement. If you are required to file 250 or more Forms W-2c during a calendar year, you must now file them on magnetic media (or electronically) unless the IRS granted you a waiver. You may be charged a penalty if you fail to file on magnetic media (or electronically) when required. See also **Magnetic media/electronic reporting** below.

For purposes of the magnetic media/electronic requirement, only Forms W-2 for the immediate prior year are taken into account. Also, if an employer must file 200 Forms W-2c for the immediate prior year in March and then discovers that another 100 Forms W-2c for the **same year** must be filed in August, only the 100 Forms W-2c that are filed in August must be filed on magnetic media or electronically.

You may request a waiver on **Form 8508**, Request for Waiver From Filing Information Returns Magnetically. Submit Form 8508 to the IRS at least 45 days before you file Forms W-2c. See Form 8508 for filing information.

Revised Forms W-2c and W-3c. We revised **Form W-2c**, Corrected Wage and Tax Statement, to provide boxes for the correction of state and local tax information. We also added other Federal boxes that appear on **Form W-2**, Wage and Tax Statement. As a result, Form W-2c is now printed one per page.

We revised **Form W-3c**, Transmittal of Corrected Wage and Tax Statements, by adding a new box (box 14) "Inc. tax W/H by 3rd party sick pay payer." Use box 14 to correct the amount reported in box 14 of **Form W-3**, Transmittal of Wage and Tax Statements.

Copy A of Form W-2c and Form W-3c are now printed in red dropout ink to enhance their scanning capabilities. After June 30, 2003 **do not** use prior versions of Forms W-2c and W-3c.

Substitute forms. If you are not using the official IRS form to furnish Form W-2c to employees or to file with the SSA, you may use an acceptable substitute form that complies with the rules in **Pub. 1223**, General Rules and Specifications for Substitute Forms W-2c and W-3c. Pub. 1223 is a revenue procedure that explains the requirements for format and content of substitute Forms W-2c and W-3c. **Your substitute forms must comply with the requirements in Pub. 1223.**

General Instructions

Purpose of forms. Use Form W-2c to correct errors on Forms W-2, W-2c, W-2AS, W-2GU, W-2CM, or W-2VI filed with the SSA. Also use Form W-2c to provide corrected Forms W-2, W-2AS, W-2GU, W-2CM, or W-2VI to employees.

Do not use Form W-2c to report back pay. Instead, see **Pub. 957**, Reporting Back Pay and Special Wage Payments to the Social Security Administration, and **Form SSA-131**, Employer Report of Special Wage Payments.

Do not use Form W-2c to correct **Form W-2G**, Certain Gambling Winnings. Instead, see the Instructions for Forms 1099, 1098, 5498, and W-2G.

Use Form W-3c to send Copy A of Form W-2c to the Social Security Administration (SSA). Form W-3c is required to be filed with a single Form W-2c as well as with multiple Forms W-2c. You may file Form W-3c separately if you are simply correcting your EIN on a previously filed Form W-3 or **W-3SS**, Transmittal of Wage and Tax Statements (for Forms W-2AS, W-2GU, W-2CM, and W-2VI).

Where to file Forms W-2c and W-3c. If you use the **U.S. Postal Service**, send Forms W-2c and W-3c to:

Social Security Administration
Data Operations Center
P.O. Box 3333
Wilkes-Barre, PA 18767-3333.

If you use a **carrier other than the U.S. Postal Service**, send Forms W-2c and W-3c to:

Social Security Administration
Data Operations Center
Attn: W-2c Process
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997.



Do not send Form W-2, to either of these addresses. Instead, see the **Instructions for Forms W-2 and W-3**.

When to file. File Forms W-2c and W-3c as soon as possible after you discover an error. Also provide Form W-2c to employees as soon as possible.

How to file. You may file Forms W-2c and W-3c on paper. Please type all entries using dark or black ink in **12-point Courier font**, if possible, and make sure all copies are legible. See the **Instructions for Forms W-2 and W-3** for more information.

If any item shows a dollar change and one of the amounts is zero, enter "-0-." Do not leave the box blank.

Magnetic media or electronic reporting. If you are required to file 250 or more Forms W-2c during a calendar year, you must file them on magnetic media or electronically unless the IRS granted you a waiver. See **New magnetic/electronic reporting requirement** above.

To submit Forms W-2c on magnetic media or electronically, contact the Employer Service Liaison Officer (ESLO) for your state. Call 1-800-772-6270 for your ESLO's phone number. Employers in the U.S. Virgin Islands may call 787-766-5574. Employers in American Samoa and Guam may call 510-970-8247.

Specifications for filing Form W-2c on magnetic media or electronically are contained in SSA's **MMREF-2**, Magnetic Media Reporting and Electronic Filing of W-2c Information. You can download MMREF-2 by visiting the SSA Web Site at **www.ssa/employer**. You can also order a copy of MMREF-2 by calling SSA's Employer Reporting Branch at 1-800-772-6270.

If you file fewer than 250 forms W-2c, they are not required to be filed on magnetic media or electronically; however, doing so will enhance the timeliness and accuracy of forms processing.

Shipping and mailing. If you have a large number of forms, 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-3c in package 1. Show the number of packages at the bottom of Form W-3c below the title. You must send Forms W-2c and W-3c by First-Class Mail.

Who may sign Form W-3c. Generally, employers must sign Form W-3c. However, the transmitter or sender (including a service bureau, paying agent, or disbursing agent) may sign Form W-3c for the employer or payer only if the sender:

- Is authorized to sign by an agency agreement (either oral, written, or implied) that is valid under state law and
- Writes "For (name of payer)" next to the signature.

Even though an authorized sender signs for the payer, the payer still has the responsibility for making sure the Form W-3c and attachments are filed correctly and timely. The payer is subject to any penalties that result from not complying with these requirements.

Online Wage Reporting. Using a personal computer and a modem, you can access SSA's Business Services Online (BSO) to electronically report wage data. To obtain information regarding filing wage data electronically with SSA or to access BSO, visit the SSA Web Site at www.ssa.gov/employer. Call the SSA at 1-888-772-2970 if you experience problems using any of the services within BSO.

Information available includes magnetic media filing information, some IRS and SSA publications, information on electronic filing, and general topics of interest about annual wage reporting. You can also use BSO to ask questions about wage reporting.

Special Situations

Correcting more than one kind of form. You must use a **separate** Form W-3c for each type of Form W-2 (i.e., W-2, W-2c, W-2AS, W-2GU, W-2CM, or W-2VI) being corrected. You must also use a separate Form W-3c for each kind of payer in box c (unless the second, checked box is the "Third-party sick pay" indicator). If you are correcting more than one kind of form, please group forms of the same kind, and send them in separate groups.

Correcting an employee's name and/or SSN only. If you are correcting only an employee's name and/or SSN, complete Form W-2c through box g, as appropriate. Do not complete boxes 1 through 20. Advise your employee to correct the SSN and/or name on his or her original Form W-2.

If your employee is given a new social security card following an adjustment to his or her resident status that shows a different name or SSN, file a Form W-2c for the most current year only.

To correct an incorrect tax year or EIN on Form W-2, file one Form W-2c showing the incorrect tax year or EIN and reducing the previously-reported money amounts to zero and a second Form W-2c reporting the money amounts (showing zeros in the "Previously reported" columns) in the correct year or with the correct EIN.

Employee's incorrect address on Form W-2. If you filed a Form W-2 with the SSA showing an incorrect address for the employee but all other information on the Form W-2 is correct, **do not** file Form W-2c with the SSA merely to correct the address.

However, if the address was incorrect on the Form W-2 furnished to the employee, **you must do one of the following:**

- Issue a new, corrected Form W-2 to the employee including the new address. Indicate "REISSUED STATEMENT" on the new copies. **Do not send Copy A to the SSA.**
- Issue a Form W-2c to the employee showing the correct address in box f and all other correct information. **Do not send Copy A to the SSA.**
- Mail the Form W-2 with the incorrect address to the employee in an envelope showing the correct address or otherwise deliver it to the employee.

Correcting more than one Form W-2 for an employee.

There are two ways to prepare a correction for an employee who received more than one Form W-2 under the **same** employer identification number (EIN) for the tax year. You can: **(a)** consider all the Forms W-2 when determining the amounts to enter on Form W-2c as shown in **Example 1** below, or **(b)** file a single Form W-2c to correct only the incorrect Form W-2 (see **Example 2**). However, state, local, and Federal government employers who are preparing corrections for Medicare Qualified Government Employment (MQGE) employees must also follow the instructions in the **CAUTION** under **Boxes 5 and 6** on page 3.

Example 1. Mary Smith received two Forms W-2 for tax year 2002 under the **same** EIN. One form **incorrectly** reported social security wages of \$30,000 and the second correctly reported social security wages of \$20,000. A single Form W-2c filed to change the \$30,000 to \$25,000 (correct amount) would show \$50,000 in box 3 under "Previously reported" and \$45,000 in box 3 under "Correct information."

Example 2. The facts are the same as in the first example. However, you may choose to correct only the incorrect Form W-2 by filing a Form W-2c that shows \$30,000 in box 3 under "Previously reported" and \$25,000 in box 3 under "Correct information."

Repayments. If an employee repays you for wages received in error in a prior year, file Form W-2c to correct only social security and Medicare wages and tax. **Do not** correct wages reported in box 1 for the amount paid in error. Report an adjustment on **Form 941**, Employer's Quarterly Federal Tax Return (or 941-SS, 943, or CT-1) for the period during which the repayment was made to recover the social security and Medicare taxes. Instead of making an adjustment on Form 941 (or 941-SS, 943, or CT-1) you may file a claim for these taxes using **Form 843**, Claim for Refund and Request for Abatement. You may not make an adjustment for income tax withholding because the wages were paid in a prior year.



*Please tell your employee that the wages paid in error in a prior year remain taxable to him or her for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (**Form 1040X**, Amended, U.S. Individual Income Tax Return) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or a credit, in some cases) for the repaid wages on his or her Form 1040 for the year of repayment.*

Undeliverable Forms W-2c. Keep for 4 years any employee copies of Forms W-2c that you tried to deliver but could not. **Do not send undeliverable Forms W-2c to the SSA.**

Specific Instructions for Form W-2c

Box a—Tax year/Form corrected. If you are correcting Form W-2, enter **all four digits** of the year of the form you are correcting. If you are correcting Form W-2c, W-2AS, W-2GU, W-2CM, or W-2VI, enter **all four digits** of the year

you are correcting, and **also enter** “c,” “AS,” “GU,” “CM,” or “VI” to designate the form you are correcting. For example, “2001” and “GU” shows that you are correcting a 2001 Form W-2GU.

Box b—Employee’s correct SSN. You must enter the employee’s correct SSN even if it was correct on the original Form W-2.

Box c—Corrected name. Check this box **only** if the employee’s name on Form W-2 (or on a prior Form W-2c) was incorrect. If you check this box, you **must** also enter the employee’s **correct** name in box e and show his or her previously reported, **incorrect** name in box i.

Box d—Employer’s Federal EIN. Show the correct EIN assigned to you by the IRS in the format 00-0000000.

Boxes e and f—Employee’s name, address, and ZIP code. Enter the employee’s correct name and address. See the **Instructions for Forms W-2 and W-3** for name formatting information. If you are correcting the name, check the “Corrected name” box in box c and also complete box i.

Box g—Employer’s name, address, and ZIP code. This entry should be the same as shown on your Form 941, **943**, Employer’s Annual Return for Agricultural Employees, **CT-1**, Employer’s Annual Railroad Retirement Tax Return, or **Schedule H (Form 1040)**, Household Employment Taxes.

The IRS will **not** use Form W-2c to update your address of record. To change your address, file **Form 8822**, Change of Address. To get Form 8822, or any other IRS form, call 1-800-TAX-FORM (1-800-829-3676) or visit the IRS Web Site at www.irs.gov.

Boxes h and i. Complete these boxes **only** if you are correcting an employee’s SSN or name.

Boxes 1–20. For the items you are changing, enter under “Previously reported” the amount reported on the original Form W-2 or on a prior Form W-2c. Enter under “Correct information” the correct amount.

Do not make an entry in any of these boxes on **Copy A** unless you are making a change. However, see **CAUTION** below.

Box 2—Federal income tax withheld. Use this box only to make corrections because of an **administrative error**. (An administrative error occurs **only** if the amount you entered in box 2 of the incorrect Form W-2 was not the amount you actually withheld.) If correcting Forms W-2AS, W-2GU, W-2CM, or W-2VI, box 2 is for income tax withheld for the applicable possession.

Boxes 5 and 6. Complete these boxes to correct Medicare wages and tips and Medicare tax withheld. State, local, or Federal government employers should also use these boxes to correct MQGE wages. Box 5 must equal or exceed the sum of boxes 3 and 7 for 1991 and later years.



A state, local, or Federal government employer correcting only social security wages and/or social security tips (boxes 3 and/or 7) for an MQGE employee for 1991 and later years must also complete Medicare wages and tips in box 5. Enter the total Medicare wages and tips, including MQGE-only wages, even if there is no change to the total Medicare wages and tips previously reported.

Boxes 8–11. Use these boxes to correct allocated tips, an advance EIC payment, dependent care benefits, or deferrals and distributions relating to nonqualified plans.

Box 12—Codes. Complete these boxes to correct any of the coded items shown on Form W-2. Examples include uncollected social security and/or Medicare taxes on tips, taxable cost of group-term life insurance coverage over \$50,000, elective deferrals (codes D through H and S, box 12), sick pay not includible as income, and employee business expenses. See the **Instructions for Form W-2**

and **W-3** for the proper format to use in reporting coded items from box 12.

If a single Form W-2c does not provide enough blank spaces for corrections, use additional Forms W-2c.

Box 13. Check the boxes in box 13, under “Previously reported,” as they were checked on the original Form W-2; under “Correct information,” check them as they should have been checked. For example, if you checked the “Retirement plan” box on the original Form W-2 by mistake, check the “Retirement plan” box in box 13 under “Previously reported,” but do not check the “Retirement plan” box in box 13 under “Correct information.”

Box 14. Use this box to correct items reported in **box 14** of the original Form W-2 or on a prior Form W-2c. If possible, complete box 14 on Copies B, C, 1, and 2 of Form W-2c only, **not** on Copy A.

Boxes 15-20—State/local taxes. If your **only** changes to the original Form W-2 are to state or local data, **do not send Copy A of Form W-2c to the SSA.** Just send Form W-2c to the appropriate state or local agency and furnish copies to your employees.

Correcting state information. Contact your state or locality for specific reporting information.

Specific Instructions for Form W-3c

Please do not staple or tape the Forms W-2c to Form W-3c or to each other. File a separate Form W-3c for each tax year, for each type of form, and for each kind of payer except “Third-party sick pay.” (The “Third-party sick pay” indicator box does not designate a **separate** kind of payer.) **Make a copy** of Form W-3c for your records.

Form W-3c can be filed **alone** (without Forms W-2c) to correct your EIN on a previously filed Form W-3. If the EIN is the only change you need to make, complete only boxes a, b, e, f, and h, and sign the form.

In the money boxes (except box 12- see **Boxes 1–12 and 14** on page 4) of Form W-3c, total the amounts from each box and column on the Forms W-2c you are sending.

Box a—Tax year/Form corrected. Enter **all four digits** of the year of the form you are correcting and the type of form you are correcting. For the type of form, enter “2,” “2c,” “2AS,” “2GU,” “2CM,” “2VI,” “3,” “3c,” or “3SS.” For example, entering “2001” and “2” indicates that all the forms being corrected are 2001 Forms W-2.

Box b—Employer’s name, address, and ZIP code. This should be the same as shown on your Form 941, 943, CT-1, or Schedule H (Form 1040). Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and you use a P.O. box, show the P.O. box number instead of the street address.

TIP *The IRS will not use Form W-3c to update your address of record. If you wish to change your address, file Form 8822. To get this or any other IRS form, call 1-800-TAX-FORM (1-800-829-3676) or visit the IRS Web Site at www.irs.gov.*

Box c—Kind of Payer. Check the applicable box. If your previous Form W-3 or W-3SS was checked incorrectly, report your prior, incorrect payer type in the “Explain decreases here:” area below box 19.

941/941-SS. Check this box if you file Form 941 or 941-SS and no other category (except “Third-party sick pay,” if applicable) applies.

Military. Check this box if you are a military employer correcting Forms W-2 for members of the uniformed services.

943. Check this box if you file Form 943 and you are correcting Forms W-2 for agricultural employees. For nonagricultural employees, send Forms W-2c with a separate Form W-3c, generally with the 941/941-SS box checked.

Section 218. Check this box if you are a state or local government employer correcting 1986 or earlier Forms W-2 for employees covered under section 218 of the Social Security Act. You must also enter your employer's SSA number ("69-") in the shaded "corrected" box below box 12a-d (in box 14 on Form W-2c).

CT-1. Check this box if you are a railroad employer correcting Forms W-2 for employees covered under the Railroad Retirement Tax Act (RRTA). If you also have to correct forms of employees who are subject to social security and Medicare taxes, complete a separate Form W-3c with the 941/941-SS box checked instead.

Hshld. emp. Check this box if you are a household employer correcting Forms W-2 for household employees and you file Schedule H (Form 1040) (or Form 942 before 1995). If you also have to correct forms of employees who are not household employees, complete a separate Form W-3c.

Medicare govt. emp. Check this box if you are a U.S., state, or local agency filing corrections for employees subject only to Medicare taxes.

Third-party sick pay. Check this box **and** another box such as the "941/941-SS" box if you are a third-party sick pay payer (or are an employer reporting sick pay payments made by a third party) correcting Forms W-2 and the "Third-party sick pay" box in box 13 of Form W-2c under "Correct information" is checked. **File a single Form W-3c for the regular and "Third-party sick pay" Forms W-2c.**

Box d—Number of Forms W-2c. Show the number of individual Forms W-2c filed with this Form W-3c or enter ".0" if you are correcting only a previously filed Form W-3 or Form W-3SS.

Box e—Employer's Federal EIN. Enter the correct number assigned to you by the IRS in the following format: 00-0000000. If you are correcting your EIN, enter the incorrect EIN you used in box h.

Box f—Establishment number. You may use this box to identify separate establishments in your business. You may file a separate Form W-3c, with Forms W-2c, for each establishment or you may use a single Form W-3c for all Forms W-2c. You do not have to complete this item; it is optional.

Box g—Employer's state ID number. You are not required to complete this box. This number is assigned by the individual state where your business is located. However, you may want to complete this item if you use copies of this form for your state returns.

Box h—Employer's incorrect Federal EIN. Your correct number must appear in box e. Make an entry here **only** if the number on the original form was incorrect.

Box i—Incorrect establishment number. You may use this box to correct an establishment number.

Box j—Employer's incorrect state ID number. Use this box to make any corrections to your previously reported state ID number.

Boxes 1–12 and 14. Enter the totals of each box and each column from Forms W-2c. For box 12, enter **only** the total of codes D through H and S.

Boxes 16–19. If your **only** changes to the Forms W-2c and W-3c are to the state and local data, **do not** send either Copy A of Form W-2c or Form W-3c to the SSA. Just send the forms to the appropriate state or local agency. Furnish copies of Form W-2c to your employees.

Explain decreases here. Explain any **decreases** to amounts "Previously reported." Also report here your previous, **incorrect** entry in box c, "Kind of Payer." Enclose (but do not attach) additional sheets explaining your decreases, if necessary.

Signature. Sign and date the form. Also enter your title, phone number, and the name of a person to contact. If you have a fax number and/or e-mail address, enter them. If you are not the employer, see **Who may sign Form W-3c**, on page 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on Forms W-2c and W-3c to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Section 6051 of the Internal Revenue Code and its regulations require you to furnish wage and tax statements to employees and to the Social Security Administration. Section 6109 of the Code requires you to provide your employer identification number.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are: **Form W-2c**—40 minutes; **Form W-3c**—51 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 these tax forms to this address. Instead, see **Where to file Forms W-2c and W-3c** on page 1.
