



Preparing Form W-2 for Your Household Employee

Important Change for 1994

A new law eliminates the requirement for household employers to report and pay social security and Medicare taxes for employees to whom they paid cash wages of less than \$1,000 for household work in 1994. But household employers must still give Form W-2 to any employee to whom they paid at least \$50 cash wages in any calendar quarter in 1994.

Household employers who paid any employee cash wages of at least \$50 in any quarter but less than \$1,000 in all of 1994 should follow the special rules on page 2 for preparing Form W-2.

Preparing Form W-2 for Household Employees Paid \$1,000 or More in 1994

Here's how to complete **Form W-2**, Wage and Tax Statement, for your household employee to whom you paid \$1,000 or more in 1994. **Please type or print the entries, if possible, using black ink.** Make all dollar entries without the dollar sign and comma but with the decimal point (0000.00). Show the cents portion of the money amounts.

Box b—Enter the employer identification number assigned to you by the Internal Revenue Service. It is shown on the Form 942 that you file quarterly with the IRS.

Box c—Enter your own name and address.

Box d—Enter the employee's social security number exactly as shown on the employee's social security card.

Box e—Enter the employee's name exactly as shown on the employee's social security card.

Box f—Enter the employee's complete mailing address.

Box 1—Enter the total wages paid. This figure is usually the same as box 3 and box 5, but if you paid the employee's share of social security

a Control number 22222		Void <input type="checkbox"/>	For Official Use Only ▶ OMB No. 1545-0008			
b Employer's identification number 00-0000000		1 Wages, tips, other compensation 5000.00	2 Federal income tax withheld			
c Employer's name, address, and ZIP code Mary S. Employer 218 Main St. Anytown, MD 21611		3 Social security wages 5000.00	4 Social security tax withheld 310.00			
		5 Medicare wages and tips 5000.00	6 Medicare tax withheld 72.50			
		7 Social security tips	8 Allocated tips			
d Employee's social security number 000-11-0000		9 Advance EIC payment		10 Dependent care benefits		
e Employee's name (first, middle initial, last) Jane R. Doe ----- 1642 Any St. Anycity, MD 21041		11 Nonqualified plans		12 Benefits included in box 1		
		13 See Instrs. for box 13		14 Other		
f Employee's address and ZIP code		15 Statutory employee <input type="checkbox"/>	Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>	942 emp. <input checked="" type="checkbox"/>
16 State	Employer's state I.D. No.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.	21 Local income tax

Cat. No. 10134D

Department of the Treasury—Internal Revenue Service

Form W-2 Wage and Tax Statement 1994

For Paperwork Reduction Act Notice, see separate instructions.

Copy A For Social Security Administration

Note: If you pay the employee's share of social security and Medicare taxes rather than withhold them from the employee's wages, enter the appropriate amount in box 4 and box 6 as if they had been withheld, and include the amounts as other compensation in box 1. However, do not include the amounts as social security wages in box 3 nor as Medicare wages in box 5. In this example, if you had paid the employee's social security and Medicare taxes, the box 1 amount would be \$5382.50. The amounts in the other boxes would stay the same.

and Medicare taxes, box 1 will generally be the amount in either box 3 or box 5 plus the total of boxes 4 and 6.

Box 2—If you withheld Federal income tax from the employee's wages, enter the amount here.

Box 3—Enter the total cash wages subject to social security tax. Do not show more than \$60,600 in this box for 1994. DO NOT include as social security wages any employee's share of social security taxes you paid.

Box 4—Enter the total social security tax withheld from the employee (or paid by you on behalf of that person). Do not include the employer's share of social security tax.

Box 5—Enter the total cash wages paid that are subject to Medicare tax. For 1994, the wage base limit for Medicare tax has been eliminated. All 1994 wages are subject to Medicare tax. Do not include as Medicare wages any employee's share of Medicare taxes you paid.

Box 6—Enter the total Medicare tax withheld from the employee (or paid by you on behalf of that person). Do not include the employer's share of Medicare tax.

Box 9—Enter the total amount (if any) paid to the employee as advance earned income credit (EIC).

Box 15—If you had only one employee last year, put an X in the "942 emp." box and send only Copy A to the Social Security Administration. If you had more than one employee, leave the "942 emp." box blank, and file **Form W-3**, Transmittal of Wage and Tax Statements, with the W-2 forms.

Caution: If you file Form W-3, be sure to put an X in the "942" box on the Form W-3.

Mailing Instructions

Household employers should send Form W-2, Copy A (and Form W-3 if they had more than one employee) to:

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

Send your Form 942 and any tax payment to the Internal Revenue Service. See the Form 942 instructions for the correct IRS address.

Preparing Form W-2 for Household Employees Paid Less Than \$1,000 in 1994

Use the following instructions to prepare **Form W-2** for each employee to whom you paid cash wages of at least **\$50 in any calendar quarter** in 1994, but **less than \$1,000** in the entire year.

Please type or print the entries, if possible, using black ink. Make all dollar entries without the dollar sign and comma but with the decimal point (0000.00). Show the cents portion of the money amounts.

Box b—Enter the employer identification number assigned to you by the Internal Revenue Service. It is shown on the Form 942 that you filed quarterly with the IRS.

Box c—Enter your own name and address.

Box d—Enter the employee's social security number exactly as shown on the employee's social security card.

Box e—Enter the employee's name exactly as shown on the employee's social security card.

Box f—Enter the employee's complete mailing address.

Box 1—Enter the total wages paid in 1994. DO NOT include the employee's share of social security and Medicare taxes you **paid**.

Box 2—Enter any Federal income tax withheld from the employee's wages.

Box 3—Enter the total cash wages paid in 1994, if you paid at least \$50 in any calendar quarter, but less than \$1,000 in the entire year. DO NOT include as social security wages any employee's share of social security tax **you paid** rather than withheld from the employee's wages.

Box 4—Enter the total social security tax you **withheld** from the employee, but have not refunded or obtained written consent to get the refund on the employee's behalf.

Box 5—Enter the total cash wages paid in 1994, if you paid at least \$50 in any calendar quarter, but less than \$1,000 in 1994. DO NOT include as Medicare wages any employee's share of Medicare tax you **paid** rather than withheld from the employee's wages.

a Control number 22222		Void <input type="checkbox"/>	For Official Use Only ▶ OMB No. 1545-0008					
b Employer's identification number 00-0000000		1 Wages, tips, other compensation 800.00	2 Federal income tax withheld					
c Employer's name, address, and ZIP code Jean A. Lake 219 Main Street Anytown, MD 21611		3 Social security wages 800.00	4 Social security tax withheld					
		5 Medicare wages and tips 800.00	6 Medicare tax withheld					
		7 Social security tips	8 Allocated tips					
d Employee's social security number 000-11-0000		9 Advance EIC payment	10 Dependent care benefits					
e Employee's name (first, middle initial, last) George R. Doe 2642 Any Street Anycity, MD 21041		11 Nonqualified plans	12 Benefits included in box 1					
		13 See Instrs. for box 13	14 Other					
f Employee's address and ZIP code		15 Statutory employee <input type="checkbox"/>	Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>	942 emp. <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Deferred compensation <input type="checkbox"/>
16 State Employer's state I.D. No.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.	21 Local income tax			

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Copy A For Social Security Administration

For Paperwork Reduction Act Notice, see separate instructions.

Box 6—Enter the total Medicare tax you **withheld** from the employee, but have not refunded or obtained written consent to get the refund on the employee's behalf.

Box 9—Enter the total amount of any advance earned income credit (EIC) payments you made to the employee.

Box 15—If you had only one employee last year, put an X in the "942 emp." box and send only Copy A to the Social Security Administration. If you had more than one employee, leave the "942 emp." box blank, and file **Form W-3**, Transmittal of Wage and Tax Statements, with Copy A of the W-2 forms.

Caution: If you file Form W-3, be sure to put an X in the "942" box on the Form W-3.

Mailing Instructions

Household employers should send Form W-2, Copy A (and Form W-3 if they had more than one employee) to:

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

Send your Form 942 and any tax payment to the Internal Revenue Service. See the Form 942 instructions for the correct IRS address.

Example 1:

Jean A. Lake paid George R. Doe \$800 for household work in the second quarter of 1994. George Doe did not request income tax withholding or advance EIC payments. Mrs. Lake timely filed Form 942 for the second quarter and **paid** \$122.40 for social security and Medicare taxes. None of the \$122.40 was **withheld** from Mr. Doe's wages. Mrs. Lake intends to file a claim for refund of the social security and Medicare taxes she paid. By January 31, 1995, she completes Form W-2 as follows (see filled-in sample above):

Box 1. 800.00 (\$800 wages entered does not include the employee's share of social security and Medicare taxes paid by Mrs. Lake).

Box 3. 800.00 (social security wages).

Box 4. Leave blank.

Box 5. 800.00 (Medicare wages).

Box 6. Leave blank.

Example 2:

The situation is the same except Mrs. Lake withheld social security and Medicare taxes from Mr. Doe's wages. She did not refund the **withheld** amounts or get written consent from Mr. Doe to claim the refund on his behalf. Mrs. Lake enters 49.60 in Box 4 and 11.60 in Box 6.

