

Form 940 for 2025: Employer's Annual Federal Unemployment (FUTA) Tax Return

Department of the Treasury — Internal Revenue Service

850125

OMB No. 1545-0029

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Type of Return (Check all that apply.)

- ☐ a. Amended
- ☐ b. Successor employer
- ☐ c. No payments to employees in 2025
- ☐ d. Final: Business closed or stopped paying wages

Aggregate Return Filers Only

Type of filer (check one):

- ☐ Section 3504 Agent
- ☐ Certified Professional Employer Organization (CPEO)
- ☐ Other Third Party

Read the separate instructions before you complete this form. Please type or print within the boxes.

Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.

- 1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . 1a
- 1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer 1b ☐ Check here. Complete Schedule A (Form 940).
- 2 If you paid wages in a state that is subject to CREDIT REDUCTION 2 ☐ Check here. Complete Schedule A (Form 940).

Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

- 3 Total payments to all employees 3
- 4 Payments exempt from FUTA tax 4
- Check all that apply: 4a ☐ Fringe benefits 4c ☐ Retirement/Pension 4e ☐ Other
- 4b ☐ Group-term life insurance 4d ☐ Dependent care
- 5 Total of payments made to each employee in excess of \$7,000 5
- 6 Subtotal (line 4 + line 5 = line 6) 6
- 7 Total taxable FUTA wages (line 3 - line 6 = line 7). See instructions 7
- 8 FUTA tax before adjustments (line 7 x 0.006 = line 8) 8

Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.

- 9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 9
- 10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet 10
- 11 If credit reduction applies, enter the total from Schedule A (Form 940) 11

Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.

- 12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) 12
- 13 FUTA tax deposited for the year, including any overpayment applied from a prior year 13
- 14 Balance due. If line 12 is more than line 13, enter the excess on line 14.
• If line 14 is more than \$500, you must deposit your tax.
• If line 14 is \$500 or less, you may pay with this return. See instructions 14
- 15a Overpayment. If line 13 is more than line 12, enter the difference 15b Check one: ☐ Apply to next return. ☐ Send a refund.
- 15c Routing number 15d Type: ☐ Checking ☐ Savings
- 15e Account number

You **MUST** complete both pages of this form and **SIGN** it.

Name (not your trade name)	Employer identification number (EIN) —
----------------------------	---

Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.

16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.

16a 1st quarter (January 1 – March 31)	16a	■
16b 2nd quarter (April 1 – June 30)	16b	■
16c 3rd quarter (July 1 – September 30)	16c	■
16d 4th quarter (October 1 – December 31)	16d	■
17 Total tax liability for the year (lines 16a + 16b + 16c + 16d = line 17) 17		■ Total must equal line 12.

Part 6: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

☐ **Yes.** Designee's name and phone number

Select a 5-digit personal identification number (PIN) to use when talking to the IRS.

☐ **No.**

Part 7: Sign here. You MUST complete both pages of this form and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign your name here

Print your name here

Print your title here

Date

/ /

Best daytime phone

Paid Preparer Use Only

Check if you are self-employed ☐

Preparer's name		PTIN	
Preparer's signature		Date	/ /
Firm's name (or yours if self-employed)		EIN	
Address			Phone
City		State	
		ZIP code	

Form 940-V, Payment Voucher

Purpose of Form

Complete Form 940-V if you're paying your balance due on Form 940 by check or money order. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

Making Payments With Form 940

To avoid a penalty, make your payment with your 2025 Form 940 **only** if your FUTA tax for the fourth quarter (plus any undeposited amounts from earlier quarters) is \$500 or less. If your total FUTA tax after adjustments (Form 940, line 12) is more than \$500, you must make deposits by electronic funds transfer (EFT). An EFT can be made using the Electronic Federal Tax Payment System (EFTPS), IRS Direct Pay, or your IRS business tax account. Don't use Form 940-V to make federal tax deposits. You can also pay your balance due by EFT instead of sending Form 940-V. If you pay your balance due by EFT, file your return using the *Without a payment* address under *Where Do You File?* in the Instructions for Form 940; don't file Form 940-V. For more information about EFTPS or to enroll in EFTPS, go to www.eftps.gov. For more information about IRS Direct Pay, go to www.irs.gov/DirectPay. For more information about making an EFT through your IRS business tax account, go to www.irs.gov/BusinessAccount. See *When Must You Deposit Your FUTA Tax?* in the Instructions for Form 940. Also see sections 11 and 14 of Pub. 15 for more information about deposits.



Use Form 940-V if you're paying your balance due on Form 940 by check or money order. However, if you pay an amount with Form 940 that should've been deposited, you may be subject to a penalty. See Deposit Penalties in section 11 of Pub. 15.

Specific Instructions

Box 1—Employer identification number (EIN). If you don't have an EIN, you may apply for one online by going to www.irs.gov/EIN. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 940, write "Applied For" and the date you applied in this entry space.

Box 2—Amount paid. Enter the amount paid with Form 940.

Box 3—Name and address. Enter your name and address as shown on Form 940.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, "Form 940," and "2025" on your check or money order. Don't send cash. Don't staple Form 940-V or your payment to Form 940 (or to each other).
- Detach Form 940-V and send it with your payment and Form 940 to the address provided in the Instructions for Form 940.

Note: You must also complete the entity information above Part 1 on Form 940.

Detach Here and Mail With Your Payment and Form 940.

Form **940-V**

Department of the Treasury
Internal Revenue Service

Payment Voucher

Don't staple or attach this voucher to your payment.

OMB No. 1545-0029

2025

1 Enter your employer identification number (EIN). —	2 Enter the amount of your payment. Make your check or money order payable to "United States Treasury." 3 Enter your business name (individual name if sole proprietor). Enter your address. Enter your city, state, and ZIP code; or your city, foreign country name, foreign province/county, and foreign postal code.	Dollars	Cents
--	---	---------	-------

Department of the Treasury — Internal Revenue Service

OMB No. 1545-0029

See the instructions on page 2. File this schedule with Form 940.

Total Credit Reduction. Add all amounts shown in the *Credit Reduction* boxes. Enter the total here and on Form 940, line 11

Instructions for Schedule A (Form 940) for 2025:

860412

Multi-State Employer and Credit Reduction Information

Specific Instructions: Completing Schedule A

Step 1. Place an "X" in the box of every state (including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which you had to pay state unemployment taxes this year, even if the state's credit reduction rate is zero.

Note: Make sure that you have applied for a state reporting number for your business. If you don't have an unemployment account in a state in which you paid wages, contact the state unemployment agency to receive one. For a list of state unemployment agencies, visit the U.S. Department of Labor's website at <https://oui.doleta.gov/unemploy/agencies.asp>.

The table below provides the two-letter postal abbreviations used on Schedule A.

State	Postal Abbreviation	State	Postal Abbreviation
Alabama	AL	Montana	MT
Alaska	AK	Nebraska	NE
Arizona	AZ	Nevada	NV
Arkansas	AR	New Hampshire	NH
California	CA	New Jersey	NJ
Colorado	CO	New Mexico	NM
Connecticut	CT	New York	NY
Delaware	DE	North Carolina	NC
District of Columbia	DC	North Dakota	ND
Florida	FL	Ohio	OH
Georgia	GA	Oklahoma	OK
Hawaii	HI	Oregon	OR
Idaho	ID	Pennsylvania	PA
Illinois	IL	Rhode Island	RI
Indiana	IN	South Carolina	SC
Iowa	IA	South Dakota	SD
Kansas	KS	Tennessee	TN
Kentucky	KY	Texas	TX
Louisiana	LA	Utah	UT
Maine	ME	Vermont	VT
Maryland	MD	Virginia	VA
Massachusetts	MA	Washington	WA
Michigan	MI	West Virginia	WV
Minnesota	MN	Wisconsin	WI
Mississippi	MS	Wyoming	WY
Missouri	MO	Puerto Rico	PR
		U.S. Virgin Islands	VI

Credit reduction states for 2025. The credit reduction rate for California is 0.012 (1.2%). The credit reduction rate for the U.S. Virgin Islands is 0.045 (4.5%).

Step 2. You're subject to credit reduction if you paid FUTA taxable wages that were also subject to state unemployment taxes in any state listed that has a credit reduction rate greater than zero.

In the *FUTA Taxable Wages* box, enter the total FUTA taxable wages that you paid in any state that is subject to credit reduction. (The FUTA wage base for all states is \$7,000.) However, don't include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax. For example, if you paid \$5,000 in FUTA taxable wages in a credit reduction state but \$1,000 of those wages was excluded from state unemployment tax, report \$4,000 in the *FUTA Taxable Wages* box.

Note: Don't enter your state unemployment wages in the *FUTA Taxable Wages* box.

Enter the reduction rate and then multiply the total FUTA taxable wages by the reduction rate. Enter your total in the *Credit Reduction* box at the end of the line.

Step 3. Total credit reduction

To calculate the total credit reduction, add up all of the *Credit Reduction* boxes and enter the amount in the *Total Credit Reduction* box. Then enter the total credit reduction on Form 940, line 11.

Example 1

You paid \$20,000 in wages to each of three employees in State A. State A is subject to credit reduction at a rate of 0.012 (1.2%). Because you paid wages in a state that is subject to credit reduction, you must complete Schedule A and file it with Form 940.

Total payments to all employees in State A \$60,000

Payments exempt from FUTA tax
(see the Instructions for Form 940) \$0

Total payments made to each employee in
excess of \$7,000 (3 x (\$20,000 - \$7,000)) \$39,000

Total FUTA taxable wages you paid in State A entered in
the *FUTA Taxable Wages* box (\$60,000 - \$0 - \$39,000) \$21,000

Credit reduction rate for State A 0.012

Total credit reduction for State A (\$21,000 x 0.012) \$252.00

Caution: Don't include in the *FUTA Taxable Wages* box wages in excess of the \$7,000 wage base for each employee subject to state unemployment insurance in the credit reduction state. The credit reduction applies only to FUTA taxable wages that were also subject to state unemployment tax.

In this case, you would enter \$252.00 in the *Total Credit Reduction* box and then enter that amount on Form 940, line 11.

Example 2

You paid \$48,000 (\$4,000 a month) in wages to Mary Smith and no payments were exempt from FUTA tax. Mary worked in State B (not subject to credit reduction) in January and then transferred to State C (subject to credit reduction) on February 1. Because you paid wages in more than one state, you must complete Schedule A and file it with Form 940.

The total payments in State B that aren't exempt from FUTA tax are \$4,000. Because this payment to Mary doesn't exceed the \$7,000 FUTA wage base, the total FUTA taxable wages paid in State B are \$4,000.

The total payments in State C that aren't exempt from FUTA tax are \$44,000. However, \$4,000 of FUTA taxable wages was paid in State B with respect to Mary. Therefore, the total FUTA taxable wages with respect to Mary in State C are \$3,000 (\$7,000 (FUTA wage base) - \$4,000 (total FUTA taxable wages paid in State B)). Enter \$3,000 in the *FUTA Taxable Wages* box, multiply it by the reduction rate, and then enter the result in the *Credit Reduction* box.

Attach Schedule A to Form 940 when you file your return.

Paperwork Reduction Act Notice. We ask for the information on Schedule A to carry out the Internal Revenue laws of the United States. You're 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. You're 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. The time needed to complete and file Schedule A will vary depending on individual circumstances. The estimated burden for employers filing Schedule A is approved under OMB control number 1545-0029 and is included in the estimates shown in the instructions for their employment tax return.