

INTERNAL REVENUE BULLETIN



HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

ADMINISTRATIVE

Rev. Proc. 2021-46, page 740.

This procedure provides specifications for the private printing of red-ink substitutes for the 2021 Forms W-2 and W-3. This procedure will be produced as the next revision of Publication 1141. Rev. Proc. 2020-38 is superseded.

EMPLOYEE PLANS

Notice 2021-61, page 738.

Section 415 of the Internal Revenue Code (the Code) provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415(d) requires that the Secretary of the Treasury annually adjust these limits for cost of living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under § 415. Under § 415(d), the adjustments are to be made under adjustment procedures similar to those used

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to adjust benefit amounts under § 215(i)(2)(A) of the Social Security Act.

EXEMPT ORGANIZATIONS

Action On Decision 2021-4, page 725.

Nonacquiescence to the holding invalidating Treas. Reg. § 1.170A-9(c)(1)'s requirement that the primary function of an educational organization described in section 170(b)(1)(A)(ii) must be the presentation of formal instruction.

INCOME TAX

Rev. Rul. 2021-22, page 726.

Section 995 - Taxation of DISC Income to Shareholders. 2021 Base Period T-Bill Rate. The "base period T-bill rate" for the period ending September 30, 2021, is published as required by section 995(f) of the Internal Revenue Code.

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned

against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

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Actions Relating to Court Decisions

It is the policy of the Internal Revenue Service to announce at an early date whether it will follow the holdings in certain cases. An Action on Decision is the document making such an announcement. An Action on Decision will be issued at the discretion of the Service only on unappealed issues decided adverse to the government. Generally, an Action on Decision is issued where its guidance would be helpful to Service personnel working with the same or similar issues. Unlike a Treasury Regulation or a Revenue Ruling, an Action on Decision is not an affirmative statement of Service position. It is not intended to serve as public guidance and may not be cited as precedent.

Actions on Decisions shall be relied upon within the Service only as conclusions applying the law to the facts in the particular case at the time the Action on Decision was issued. Caution should be exercised in extending the recommenda-

tion of the Action on Decision to similar cases where the facts are different. Moreover, the recommendation in the Action on Decision may be superseded by new legislation, regulations, rulings, cases, or Actions on Decisions.

Prior to 1991, the Service published acquiescence or nonacquiescence only in certain regular Tax Court opinions. The Service has expanded its acquiescence program to include other civil tax cases where guidance is determined to be helpful. Accordingly, the Service now may acquiesce or nonacquiesce in the holdings of memorandum Tax Court opinions, as well as those of the United States District Courts, Claims Court, and Circuit Courts of Appeal. Regardless of the court deciding the case, the recommendation of any Action on Decision will be published in the **Internal Revenue Bulletin**.

The recommendation in every Action on Decision will be summarized as acquiescence, acquiescence in result only, or nonacquiescence. Both “acquiescence” and “acquiescence in result only” mean

that the Service accepts the holding of the court in a case and that the Service will follow it in disposing of cases with the same controlling facts. However, “acquiescence” indicates neither approval nor disapproval of the reasons assigned by the court for its conclusions; whereas, “acquiescence in result only” indicates disagreement or concern with some or all of those reasons. “Nonacquiescence” signifies that, although no further review was sought, the Service does not agree with the holding of the court and, generally, will not follow the decision in disposing of cases involving other taxpayers. In reference to an opinion of a circuit court of appeals, a “nonacquiescence” indicates that the Service will not follow the holding on a nationwide basis. However, the Service will recognize the precedential impact of the opinion on cases arising within the venue of the deciding circuit.

The Commissioner does NOT ACQUIESCE in the following decision:

Mayo Clinic v. United States, 997 F.3d 789 (8th Cir. 2021).¹

¹ Nonacquiescence to the holding invalidating Treas. Reg. § 1.170A-9(c)(1)’s requirement that the primary function of an educational organization described in section 170(b)(1)(A)(ii) must be the presentation of formal instruction.

Part I

Section 995.—Taxation of DISC Income to Shareholders

2021 Base Period T-Bill Rate. The “base period T-bill rate” for the period ending September 30, 2021, is published as required by section 995(f) of the Internal Revenue Code.

Rev. Rul. 2021-22

Section 995(f)(1) of the Internal Revenue Code provides that a shareholder of a domestic international sales corporation (“DISC”) shall pay interest for each taxable year in an amount equal to the product of the “shareholder’s DISC-related deferred tax liability” for the year (as defined in section 995(f)(2)) and the “base period T-bill rate.” Under section 995(f)(4), the base period T-bill rate is “the annual rate of interest determined by the Secretary to be equivalent to the average of the 1-year constant maturity Treasury

yields, as published by the Board of Governors of the Federal Reserve System, for the 1-year period ending on September 30 of the calendar year ending with (or of the most recent calendar year ending before) the close of the taxable year of the shareholder.”

The base period T-bill rate for the period ending September 30, 2021, is 0.08 percent.

Pursuant to section 6622 of the Internal Revenue Code, interest must be compounded daily. The table below provides factors for compounding the 2021 base period T-bill rate daily for any number of days in the shareholder’s taxable year (including for a 52-53 week taxable year). To compute the amount of the interest charge for the shareholder’s taxable year, multiply the amount of the shareholder’s DISC-related deferred tax liability for that year by the base period T-bill rate factor corresponding to the number of days in the shareholder’s taxable year for which the interest charge is being computed.

Generally, one would use the factor for 365 days. One would use a different factor only if the shareholder’s taxable year for which the interest charge is being determined is a short taxable year, if the shareholder uses a 52-53 week taxable year, or if the shareholder’s taxable year is a leap year.

For the base period T-bill rates for periods ending in prior years, see Rev. Rul. 2020-25, 2020-48 I.R.B. 1109; Rev. Rul. 2019-27, 2019-51 I.R.B. 1378; Rev. Rul. 2018-31, 2018-50 I.R.B. 848; Rev. Rul. 2017-23, 2017-49 I.R.B. 546; and Rev. Rul. 2017-01, 2017-03 I.R.B. 377.

DRAFTING INFORMATION

The principal author of this revenue ruling is Kathleen C. Arsenault of the Office of Associate Chief Counsel (International). For further information regarding the revenue ruling, contact Ms. Arsenault at (202) 317-3800 (not a toll-free number).

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
1	0.000002192
2	0.000004384
3	0.000006575
4	0.000008767
5	0.000010959
6	0.000013151
7	0.000015343
8	0.000017534
9	0.000019726
10	0.000021918
11	0.000024110
12	0.000026302
13	0.000028494
14	0.000030685
15	0.000032877

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
16	0.000035069
17	0.000037261
18	0.000039453
19	0.000041645
20	0.000043837
21	0.000046028
22	0.000048220
23	0.000050412
24	0.000052604
25	0.000054796
26	0.000056988
27	0.000059180
28	0.000061372
29	0.000063564
30	0.000065756
31	0.000067947
32	0.000070139
33	0.000072331
34	0.000074523
35	0.000076715
36	0.000078907
37	0.000081099
38	0.000083291
39	0.000085483
40	0.000087675
41	0.000089867
42	0.000092059
43	0.000094251
44	0.000096443
45	0.000098635
46	0.000100827
47	0.000103019
48	0.000105211
49	0.000107403
50	0.000109595

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
51	0.000111787
52	0.000113979
53	0.000116171
54	0.000118363
55	0.000120555
56	0.000122747
57	0.000124939
58	0.000127131
59	0.000129323
60	0.000131515
61	0.000133707
62	0.000135899
63	0.000138092
64	0.000140284
65	0.000142476
66	0.000144668
67	0.000146860
68	0.000149052
69	0.000151244
70	0.000153436
71	0.000155628
72	0.000157820
73	0.000160013
74	0.000162205
75	0.000164397
76	0.000166589
77	0.000168781
78	0.000170973
79	0.000173165
80	0.000175358
81	0.000177550
82	0.000179742
83	0.000181934
84	0.000184126
85	0.000186319

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
86	0.000188511
87	0.000190703
88	0.000192895
89	0.000195087
90	0.000197280
91	0.000199472
92	0.000201664
93	0.000203856
94	0.000206048
95	0.000208241
96	0.000210433
97	0.000212625
98	0.000214817
99	0.000217010
100	0.000219202
101	0.000221394
102	0.000223586
103	0.000225779
104	0.000227971
105	0.000230163
106	0.000232356
107	0.000234548
108	0.000236740
109	0.000238932
110	0.000241125
111	0.000243317
112	0.000245509
113	0.000247702
114	0.000249894
115	0.000252086
116	0.000254279
117	0.000256471
118	0.000258663
119	0.000260856
120	0.000263048

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
121	0.000265240
122	0.000267433
123	0.000269625
124	0.000271817
125	0.000274010
126	0.000276202
127	0.000278395
128	0.000280587
129	0.000282779
130	0.000284972
131	0.000287164
132	0.000289357
133	0.000291549
134	0.000293741
135	0.000295934
136	0.000298126
137	0.000300319
138	0.000302511
139	0.000304704
140	0.000306896
141	0.000309089
142	0.000311281
143	0.000313473
144	0.000315666
145	0.000317858
146	0.000320051
147	0.000322243
148	0.000324436
149	0.000326628
150	0.000328821
151	0.000331013
152	0.000333206
153	0.000335398
154	0.000337591
155	0.000339783

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
156	0.000341976
157	0.000344168
158	0.000346361
159	0.000348553
160	0.000350746
161	0.000352939
162	0.000355131
163	0.000357324
164	0.000359516
165	0.000361709
166	0.000363901
167	0.000366094
168	0.000368287
169	0.000370479
170	0.000372672
171	0.000374864
172	0.000377057
173	0.000379250
174	0.000381442
175	0.000383635
176	0.000385827
177	0.000388020
178	0.000390213
179	0.000392405
180	0.000394598
181	0.000396791
182	0.000398983
183	0.000401176
184	0.000403369
185	0.000405561
186	0.000407754
187	0.000409947
188	0.000412139
189	0.000414332
190	0.000416525

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
191	0.000418717
192	0.000420910
193	0.000423103
194	0.000425295
195	0.000427488
196	0.000429681
197	0.000431874
198	0.000434066
199	0.000436259
200	0.000438452
201	0.000440645
202	0.000442837
203	0.000445030
204	0.000447223
205	0.000449416
206	0.000451608
207	0.000453801
208	0.000455994
209	0.000458187
210	0.000460379
211	0.000462572
212	0.000464765
213	0.000466958
214	0.000469151
215	0.000471343
216	0.000473536
217	0.000475729
218	0.000477922
219	0.000480115
220	0.000482308
221	0.000484500
222	0.000486693
223	0.000488886
224	0.000491079
225	0.000493272

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
226	0.000495465
227	0.000497657
228	0.000499850
229	0.000502043
230	0.000504236
231	0.000506429
232	0.000508622
233	0.000510815
234	0.000513008
235	0.000515201
236	0.000517394
237	0.000519586
238	0.000521779
239	0.000523972
240	0.000526165
241	0.000528358
242	0.000530551
243	0.000532744
244	0.000534937
245	0.000537130
246	0.000539323
247	0.000541516
248	0.000543709
249	0.000545902
250	0.000548095
251	0.000550288
252	0.000552481
253	0.000554674
254	0.000556867
255	0.000559060
256	0.000561253
257	0.000563446
258	0.000565639
259	0.000567832
260	0.000570025

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
261	0.000572218
262	0.000574411
263	0.000576604
264	0.000578797
265	0.000580990
266	0.000583183
267	0.000585376
268	0.000587569
269	0.000589762
270	0.000591955
271	0.000594148
272	0.000596341
273	0.000598535
274	0.000600728
275	0.000602921
276	0.000605114
277	0.000607307
278	0.000609500
279	0.000611693
280	0.000613886
281	0.000616079
282	0.000618273
283	0.000620466
284	0.000622659
285	0.000624852
286	0.000627045
287	0.000629238
288	0.000631431
289	0.000633625
290	0.000635818
291	0.000638011
292	0.000640204
293	0.000642397
294	0.000644591
295	0.000646784

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
296	0.000648977
297	0.000651170
298	0.000653363
299	0.000655557
300	0.000657750
301	0.000659943
302	0.000662136
303	0.000664329
304	0.000666523
305	0.000668716
306	0.000670909
307	0.000673102
308	0.000675296
309	0.000677489
310	0.000679682
311	0.000681875
312	0.000684069
313	0.000686262
314	0.000688455
315	0.000690649
316	0.000692842
317	0.000695035
318	0.000697228
319	0.000699422
320	0.000701615
321	0.000703808
322	0.000706002
323	0.000708195
324	0.000710388
325	0.000712582
326	0.000714775
327	0.000716968
328	0.000719162
329	0.000721355
330	0.000723549

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
331	0.000725742
332	0.000727935
333	0.000730129
334	0.000732322
335	0.000734515
336	0.000736709
337	0.000738902
338	0.000741096
339	0.000743289
340	0.000745482
341	0.000747676
342	0.000749869
343	0.000752063
344	0.000754256
345	0.000756450
346	0.000758643
347	0.000760836
348	0.000763030
349	0.000765223
350	0.000767417
351	0.000769610
352	0.000771804
353	0.000773997
354	0.000776191
355	0.000778384
356	0.000780578
357	0.000782771
358	0.000784965
359	0.000787158
360	0.000789352
361	0.000791545
362	0.000793739
363	0.000795932
364	0.000798126
365	0.000800319

ANNUAL RATE (0.08%), COMPOUNDED DAILY

DAYS	FACTOR
366	0.000802513
367	0.000804706
368	0.000806900
369	0.000809093
370	0.000811287
371	0.000813480

Part III

2022 Limitations Adjusted as Provided in Section 415(d), etc.

Notice 2021-61

Section 415 of the Internal Revenue Code (“Code”) provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415(d) requires that the Secretary of the Treasury annually adjust these limits for cost-of-living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under section 415. Under section 415(d), the adjustments are to be made under adjustment procedures similar to those used to adjust benefit amounts under section 215(i)(2)(A) of the Social Security Act.

Cost-of-Living Adjusted Limits for 2022

Effective January 1, 2022, the limitation on the annual benefit under a defined benefit plan under section 415(b)(1)(A) of the Code is increased from \$230,000 to \$245,000.

For a participant who separated from service before January 1, 2022, the participant’s limitation under a defined benefit plan under section 415(b)(1)(B) is computed by multiplying the participant’s compensation limitation, as adjusted through 2021, by 1.0534.

The limitation for defined contribution plans under section 415(c)(1)(A) is increased in 2022 from \$58,000 to \$61,000.

The Code provides that various other dollar amounts are to be adjusted at the same time and in the same manner as the dollar limitation of section 415(b)(1)(A). After taking into account the applicable rounding rules, the amounts for 2022 are as follows:

The limitation under section 402(g)(1) on the exclusion for elective deferrals described in section 402(g)(3) is increased from \$19,500 to \$20,500.

The annual compensation limit under sections 401(a)(17), 404(l), 408(k)(3)

(C), and 408(k)(6)(D)(ii) is increased from \$290,000 to \$305,000.

The dollar limitation under section 416(i)(1)(A)(i) concerning the definition of “key employee” in a top-heavy plan is increased from \$185,000 to \$200,000.

The dollar amount under section 409(o)(1)(C)(ii) for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period is increased from \$1,165,000 to \$1,230,000, while the dollar amount used to determine the lengthening of the 5-year distribution period is increased from \$230,000 to \$245,000.

The limitation used in the definition of “highly compensated employee” under section 414(q)(1)(B) is increased from \$130,000 to \$135,000.

The dollar limitation under section 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan other than a plan described in section 401(k)(11) or section 408(p) for individuals aged 50 or over remains unchanged at \$6,500. The dollar limitation under section 414(v)(2)(B)(ii) for catch-up contributions to an applicable employer plan described in section 401(k)(11) or section 408(p) for individuals aged 50 or over remains unchanged at \$3,000.

The annual compensation limitation under section 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under section 401(a)(17) to be taken into account, is increased from \$430,000 to \$450,000.

The compensation amount under section 408(k)(2)(C) regarding simplified employee pensions (SEPs) remains unchanged at \$650.

The limitation under section 408(p)(2)(E) regarding SIMPLE retirement accounts is increased from \$13,500 to \$14,000.

The limitation on the aggregate amount of length of service awards accruing with respect to any year of service for

any bona fide volunteer under section 457(e)(11)(B)(ii) concerning deferred compensation plans of state and local governments and tax-exempt organizations is increased from \$6,000 to \$6,500.

The limitation on deferrals under section 457(e)(15) concerning deferred compensation plans of state and local governments and tax-exempt organizations is increased from \$19,500 to \$20,500.

The limitation under section 664(g)(7) concerning the qualified gratuitous transfer of qualified employer securities to an employee stock ownership plan is increased from \$50,000 to \$55,000.

The compensation amount under § 1.61-21(f)(5)(i) of the Income Tax Regulations (“Regulations”) concerning the definition of “control employee” for fringe benefit valuation purposes is increased from \$115,000 to \$120,000. The compensation amount under § 1.61-21(f)(5)(iii) is increased from \$235,000 to \$245,000.

The dollar limitation on premiums paid with respect to a qualifying longevity annuity contract under § 1.401(a)(9)-6, A-17(b)(2)(i) of the Regulations is increased from \$135,000 to \$145,000.

The Code provides that the \$1,000,000,000 threshold used to determine whether a multiemployer plan is a systemically important plan under section 432(e)(9)(H)(v)(III)(aa) of the Code is adjusted using the cost-of-living adjustment provided under section 432(e)(9)(H)(v)(III)(bb). After taking the applicable rounding rule into account, the threshold used to determine whether a multiemployer plan is a systemically important plan under section 432(e)(9)(H)(v)(III)(aa) is increased from \$1,176,000,000 to \$1,220,000,000.

The Code also provides that several retirement-related amounts are to be adjusted using the cost-of-living adjustment under section 1(f)(3). After taking the applicable rounding rules into account, the amounts for 2022 are as follows:

The adjusted gross income limitation under section 25B(b)(1)(A) for deter-

mining the retirement savings contributions credit for married taxpayers filing a joint return is increased from \$39,500 to \$41,000; the limitation under section 25B(b)(1)(B) is increased from \$43,000 to \$44,000; and the limitation under sections 25B(b)(1)(C) and 25B(b)(1)(D) is increased from \$66,000 to \$68,000.

The adjusted gross income limitation under section 25B(b)(1)(A) for determining the retirement savings contributions credit for taxpayers filing as head of household is increased from \$29,625 to \$30,750; the limitation under section 25B(b)(1)(B) is increased from \$32,250 to \$33,000; and the limitation under sections 25B(b)(1)(C) and 25B(b)(1)(D) is increased from \$49,500 to \$51,000.

The adjusted gross income limitation under section 25B(b)(1)(A) for determining the retirement savings contributions credit for all other taxpayers is increased from \$19,750 to \$20,500; the limitation under section 25B(b)(1)(B) is increased from \$21,500 to \$22,000; and the limitation under sections 25B(b)(1)(C) and 25B(b)(1)(D) is increased from \$33,000 to \$34,000.

The deductible amount under sections 219(b)(5)(A) for an individual making qualified retirement contributions remains unchanged at \$6,000.

The applicable dollar amount under section 219(g)(3)(B)(i) for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er) is increased from \$105,000 to \$109,000. The applicable dollar amount under section 219(g)(3)(B)(ii) for all other taxpayers who are active participants (other than married

taxpayers filing separate returns) is increased from \$66,000 to \$68,000. If an individual or the individual's spouse is an active participant, the applicable dollar amount under section 219(g)(3)(B)(iii) for a married individual filing a separate return is not subject to an annual cost-of-living adjustment and remains \$0. The applicable dollar amount under section 219(g)(7)(A) for a taxpayer who is not an active participant but whose spouse is an active participant is increased from \$198,000 to \$204,000.

Accordingly, under section 219(g)(2)(A), the deduction for taxpayers making contributions to a traditional IRA is phased out for single individuals and heads of household who are active participants in a qualified plan (or another retirement plan specified in section 219(g)(5)) and have adjusted gross incomes (as defined in section 219(g)(3)(A)) between \$68,000 and \$78,000, increased from between \$66,000 and \$76,000. For married couples filing jointly, if the spouse who makes the IRA contribution is an active participant, the income phase-out range is between \$109,000 and \$129,000, increased from between \$105,000 and \$125,000. For an IRA contributor who is not an active participant and is married to someone who is an active participant, the deduction is phased out if the couple's income is between \$204,000 and \$214,000, increased from between \$198,000 and \$208,000. For a married individual filing a separate return who is an active participant, the phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000. The adjusted gross income limitation under section 408A(c)(3)(B)(ii)(I)

for determining the maximum Roth IRA contribution for married taxpayers filing a joint return or for taxpayers filing as a qualifying widow(er) is increased from \$198,000 to \$204,000. The adjusted gross income limitation under section 408A(c)(3)(B)(ii)(II) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$125,000 to \$129,000. The applicable dollar amount under section 408A(c)(3)(B)(ii)(III) for a married individual filing a separate return is not subject to an annual cost-of-living adjustment and remains \$0. Accordingly, under section 408A(c)(3)(A), the adjusted gross income phase-out range for taxpayers making contributions to a Roth IRA is \$204,000 to \$214,000 for married couples filing jointly, increased from \$198,000 to \$208,000. For singles and heads of household, the income phase-out range is \$129,000 to \$144,000, increased from \$125,000 to \$140,000. For a married individual filing a separate return, the phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

Drafting Information

The principal author of this notice is Tom Morgan of the Office of the Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). However, other personnel from the IRS participated in the development of this guidance. For further information regarding this notice, contact Mr. Morgan at (202) 317-6700 or Greg Davis at (443) 853-5590 (not toll-free numbers).

NOTE. This revenue procedure will be reproduced as the next revision of IRS Publication 1141, General Rules and Specifications for Substitute Forms W-2 and W-3.
26 CFR 601.602: Tax forms and instructions.
(Also Part I, Sections 6041, 6051, 6071, 6081, 6091; 1.6041-1, 1.6041-2, 31.6051-1, 31.6051-2, 31.6071(a)-1, 31.6081(a)-1, 31.6091-1.)

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Part 1 General

Section 1.1 – Purpose

.01 The purpose of this revenue procedure is to state the requirements of the Internal Revenue Service (IRS) and the Social Security Administration (SSA) regarding the preparation and use of substitute forms for Form W-2, Wage and Tax Statement, and Form W-3, Transmittal of Wage and Tax Statements, for wages paid during the 2021 calendar year.

.02 For purposes of this revenue procedure, substitute Form W-2 (Copy A) and substitute Form W-3 are forms that are not printed by the IRS. Copy A or any other copies of a substitute Form W-2 or a substitute Form W-3 must conform to the specifications in this revenue procedure to be acceptable to the IRS and the SSA. No IRS office is authorized to allow deviations from this revenue procedure. Preparers should also refer to the 2021 General Instructions for Forms W-2 and W-3 for details on how to complete these forms. See Section 3.4 for information on obtaining the official IRS forms and instructions. See Sections 2.3 and 2.4 for requirements for the copies of substitute forms furnished to employees and for electronic delivery of employee copies.

.03 For purposes of this revenue procedure, the official IRS-printed red dropout ink Forms W-2 (Copy A) and Form W-3, and their exact substitutes, are referred to as “red-ink.” The SSA-approved black-and-white Forms W-2 (Copy A) and Form W-3 are referred to as “substitute black-and-white Forms W-2 (Copy A)” and “substitute black-and-white Form W-3.”

Any questions about the red-ink Form W-2 (Copy A) and Form W-3 and the substitute employee statements should be emailed to Substituteforms@irs.gov. Please enter “Substitute Forms” on the subject line. Or send your questions to:

Internal Revenue Service
Attn: Substitute Forms Program
SE:W:CAR:MP:P:TP
1111 Constitution Ave. NW
Room 6554
Washington, DC 20224

Any questions about the black-and-white Form W-2 (Copy A) and Form W-3 should be emailed to copy.a.forms@ssa.gov or sent to:

Social Security Administration
Direct Operations Center
Attn: Substitute Black-and-White Copy A Forms, Room 341
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Note. You should receive a response from either the IRS or the SSA within 30 days.

.04 Some Forms W-2 that include logos, slogans, and advertisements (including advertisements for tax preparation software) may be considered as suspicious or altered Forms W-2 (also known as “questionable Forms W-2”). An employee may not recognize the importance of the employee copy for tax reporting purposes due to the use of logos, slogans, and advertisements. Thus, the IRS has determined that logos, slogans, and advertising will not be allowed on Copy A of Forms W-2, Forms W-3, or any employee copies reporting wages, with the following exceptions for the employee copies.

- Forms may include the exact name of the employer or agent, primary trade name, trademark, service mark, or symbol of the employer or agent.
- Forms may include an embossment or watermark on the information return (and copies) that is a representation of the name, a primary trade name, trademark, service mark, or symbol of the employer or agent.
- Presentation may be in any typeface, font, stylized fashion, or print color normally used by the employer or agent, and used in a nonintrusive manner.
- These items must not materially interfere with the ability of the recipient to recognize, understand, and use the tax information on the employee copies.

The IRS e-file logo on the IRS official employee copies may be included, but it is not required, on any of the substitute form copies.

The information return and employee copies must clearly identify the employer's name associated with its employer identification number.

Logos and slogans may be used on permissible enclosures, such as a check or account statement, but not on information returns and employee copies.

Forms W-2 and W-3 are subject to annual review and possible change. This revenue procedure may be revised to state other requirements of the IRS and the SSA regarding the preparation and use of substitute forms for Form W-2 and Form W-3 for wages paid during the 2021 calendar year at a future date. If you have comments about the restrictions on including logos, slogans, and advertising on information returns and employee copies, send or email your comments to: Internal Revenue Service, Attn: Substitute Forms Program, SE:W:CAR:MP:P:TP, 1111 Constitution Ave. NW, Room 6554, Washington, DC 20224, or Substituteforms@irs.gov.

.05 The Internal Revenue Service/Information Returns Branch (IRS/IRB) maintains a centralized customer service call site to answer questions related to information returns (Forms W-2, W-3, W-2c, W-3c, 1099 series, 1096, etc.).

You can reach the call site at 866-455-7438 (toll free) or 304-263-8700 (not a toll-free number). Persons with a hearing or speech disability with access to Telecommunication Device for the Deaf (TDD) can call 304-579-4827 (not a toll-free number). You may also email questions to mecirp@irs.gov. Do not submit employee information via email because it is not secure and the information may be compromised.

File paper or electronic Forms W-2 (Copy A) with the SSA. IRS/IRB does not process Forms W-2 (Copy A). However, IRS/IRB does process Form 8508, Request for Waiver From Filing Information Returns Electronically, and Form 8809, Application for Extension of Time To File Information Returns, for Forms W-2 (Copy A) and requests for an extension of time to furnish the employee copies of Form W-2. See Publication 1220, Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G, for information on waivers and extensions of time.

.06 The following form instructions and publications provide more detailed filing procedures for certain information returns.

- General Instructions for Forms W-2 and W-3 (Including Forms W-2AS, W-2CM, W-2GU, W-2VI, W-3SS, W-2c, and W-3c).
- Publication 1223, General Rules and Specifications for Substitute Forms W-2c and W-3c.

.01 Box 14 or separate statement reporting of coronavirus (COVID-19) related sick and family leave wages. Employers must report the amount of qualified sick leave wages and qualified family leave wages paid to employees under the Families First Coronavirus Response Act, as amended by the American Rescue Plan Act, on either 2021 Forms W-2, Box 14, or on a separate statement. See Notice 2021-53 available at www.irs.gov/irb/2021-39_IRB#NOT-2021-53, for more information on how to report these amounts.

.02 Editorial changes. We made editorial changes. Redundancies were eliminated as much as possible.

.01 Employers not filing electronically must file paper Forms W-2 (Copy A) along with Form W-3 with the SSA by using either the official IRS form or a substitute form that exactly meets the specifications shown in Parts 2 and 3 of this revenue procedure.

Note. Substitute territorial forms (W-2AS, W-2GU, W-2VI, W-3SS) must also conform to the specifications as outlined in this revenue procedure. These forms require the form designation (“W-2AS,” “W-2GU,” “W-2VI”) on Form W-2 (Copy A) to be in black ink. If you are an employer in the Commonwealth of the Northern Mariana Islands, you must contact Department of Finance, Division of Revenue and Taxation, Commonwealth of the Northern Mariana Islands, P.O. Box 5234 CHRB, Saipan, MP 96950 or www.finance.gov.mp/forms.php to get Form W-2CM and instructions for completing and filing the form. For information on Forms 499R-2/W-2PR, go to www.hacienda.gobierno.pr.

Employers may design their own statements to furnish to employees. Employee statements designed by employers must comply with the requirements shown in Parts 2 and 3.

.02 Red-ink substitute forms that completely conform to the specifications contained in this revenue procedure may be privately printed without prior approval from the IRS or the SSA. Only the substitute black-and-white Forms W-2 (Copy A) and Form W-3 need to be submitted to the SSA for approval, prior to their use (see Section 2.2).

.03 As in the past, SSA-approved black-and-white Forms W-2 (Copy A) and Form W-3 may be generated using a printer by following all guidelines and specifications (also, see Section 2.2). In general, regardless of the method of entering data, use black ink on Forms W-2 (Copy A) and Form W-3, which provides better readability for processing by scanning equipment. Colors other than black are not easily read by the scanner and may result in delays or errors in the processing of Forms W-2 (Copy A) and Form W-3. The printing of the data should be centered within the boxes. The size of the variable data must be printed in a font no smaller than 10-point.

Note. With the exception of the identifying number, the year, the form number for Form W-3, and the corner register marks, the preprinted form layout for the red-ink Forms W-2 (Copy A) and Form W-3 must be in Flint J-6983 red OCR dropout ink or an exact match.

.04 Substitute forms filed with the SSA and substitute copies furnished to employees that do not conform to these specifications are unacceptable. Penalties may be assessed for not complying

with the form specifications. Forms W-2 (Copy A) and Form W-3 filed with the SSA that do not conform may be returned.

.05 Substitute red-ink forms should not be submitted to either the IRS or the SSA for specific approval. If you are uncertain of any specification and want clarification, do the following.

- Submit a letter or email to the appropriate address in Section 1.1 citing the specification.
- State your understanding of the specification.
- Enclose an example (if appropriate) of how the form would appear if produced using your understanding. Do not use actual employee information in the example.
- Be sure to include your name, complete address, and phone number with your correspondence. If you want the IRS to contact you via email, also provide your email address.

.06 Any questions about the specifications, especially those for the red-ink Form W-2 (Copy A) and Form W-3, should be emailed to Substituteforms@irs.gov.

Please enter “Substitute Forms” on the subject line. Or send your questions to:

Internal Revenue Service
Attn: Substitute Forms Program
SE:W:CAR:MP:P:TP
1111 Constitution Ave. NW
Room 6554
Washington, DC 20224

Any questions about the substitute black-and-white Form W-2 (Copy A) and Form W-3 should be emailed to copy.a.forms@ssa.gov or sent to:

Social Security Administration
Direct Operations Center
Attn: Substitute Black-and-White Copy A Forms, Room 341
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Note. You should receive a response within 30 days from either the IRS or the SSA.

.07 Forms W-2 and W-3 are subject to annual review and possible change. Therefore, employers are cautioned against overstocking supplies of privately printed substitutes.

.08 Separate instructions for Forms W-2 and W-3 are provided in the 2021 General Instructions for Forms W-2 and W-3. Form W-3 should be used only to transmit paper Forms W-2 (Copy A). Form W-3 is a single sheet including only essential filing information. Be sure to make a copy of your completed Form W-3 for your records. You can order current year official IRS Forms W-2, W-2AS, W-2GU, W-2VI, W-3, and W-3SS, and the 2021 General Instructions for Forms W-2 and W-3, online at www.irs.gov/OrderForms. The IRS provides only cut sheet sets of Forms W-2 and cut sheets of Form W-3.

.09 Because substitute Forms W-2 (Copy A) and Form W-3 are machine-imaged and scanned by the SSA, the forms must meet the same specifications as the official IRS Forms W-2 and Form W-3 (as shown in the exhibits).

Section 1.4 – General Rules for Filing Forms W-2 (Copy A) Electronically

.01 As of the date of publication of this revenue procedure, employers must file Forms W-2 (Copy A) with the SSA electronically if they are required to file 250 or more for a calendar year unless the IRS grants a waiver. However, see the Caution under E-filing in the 2021 General Instructions for Forms W-2 and W-3 for any changes in this requirement. The SSA publication EFW2, Specifications for Filing Forms W-2 Electronically, contains specifications and procedures for electronic filing of Form W-2 information with the SSA. Employers are cautioned to obtain the most recent revision of EFW2 (and supplements) in case there are any subsequent changes in specifications and procedures.

.02 You may obtain a copy of the EFW2 by:

- Accessing the SSA website at www.ssa.gov/employer/EFW2&EFW2C.htm.

.03 Electronic filers do not file a paper Form W-3. See the SSA publication EFW2 for guidance on transmitting Form W-2 (Copy A) information to the SSA electronically.

.04 Employers are encouraged to electronically file Forms W-2 (Copy A) with the SSA. Doing so will enhance the timeliness and accuracy of forms processing. You may visit the SSA's employer website at www.ssa.gov/employer. This helpful site has links to Business Services Online (BSO) and tutorials on registering and using BSO to file your Forms W-2.

.05 Employers who do not comply with the electronic filing requirements for Form W-2 (Copy A) and who are not granted a waiver by the IRS may be subject to penalties. Employers who file Form W-2 information with the SSA electronically must not send the same data to the SSA on paper Forms W-2 (Copy A). Any duplicate reporting may subject filers to unnecessary contacts by the SSA or the IRS.

Part 2 **Specifications for Substitute Forms W-2 and W-3**

Section 2.1 – Specifications for Red-Ink Substitute Form W-2 (Copy A) and Form W-3 Filed With the SSA

.01 The official IRS-printed red dropout ink Form W-2 (Copy A) and Form W-3 and their exact substitutes are referred to as red-ink in this revenue procedure. Employers may file substitute Forms W-2 (Copy A) and Form W-3 with the SSA. The substitute forms must be exact replicas of the official IRS forms with respect to layout and content because they will be read by scanner equipment.

Note. Even the slightest deviation can result in incorrect scanning and may affect money amounts reported for employees.

.02 Paper used for cut sheets and continuous-pinfed forms for substitute Form W-2 (Copy A) and Form W-3 that are to be filed with the SSA must be white 100% bleached chemical wood, 18–20 pound paper only, optical character recognition (OCR) bond produced in accordance with the following specifications.

• Acidity: Ph value, average, not less than	4.5
• Basis weight: 17 x 22 inch 500 cut sheets, pound	18–20
• Metric equivalent—gm./sq. meter (a tolerance of +5 pct. is allowed)	68–75
• Stiffness: Average, each direction, not less than—milligrams Cross direction	50
Machine direction	80
• Tearing strength: Average, each direction, not less than—grams	40
• Opacity: Average, not less than—percent	82
• Reflectivity: Average, not less than—percent	68
• Thickness: Average—inch	0.0038
Metric equivalent—mm	0.097
(a tolerance of +0.0005 inch (0.0127 mm) is allowed). Paper cannot vary more than 0.0004 inch (0.0102 mm) from one edge to the other.	
• Porosity: Average, not less than—seconds	10
• Finish (smoothness): Average, each side—seconds	20–55
(for information only) the Sheffield equivalent—units	170-d200
• Dirt: Average, each side, not to exceed—parts per million	8

Note. Reclaimed fiber in any percentage is permitted, provided the requirements of this standard are met.

.03 All printing of red-ink substitute Forms W-2 (Copy A) and Form W-3 must be in Flint red OCR dropout ink except as specified below. The following must be printed in nonreflective black ink.

- Identifying number “22222” for Forms W-2 (Copy A) and “33333” for Form W-3 at the top of the forms.
- Tax year at the bottom of the forms.
- The four (4) corner register marks on the forms.
- The form identification number (“W-3”) at the bottom of Form W-3.
- All the instructions below Form W-3 beginning with “Send this entire page.... ” line to the bottom of Form W-3.

.04 The vertical and horizontal spacing for all federal payment and data boxes on Forms W-2 and W-3 must meet specifications. On Form W-3 and Form W-2 (Copy A), all the perimeter rules must be 1-point (0.014-inch), while all other rules must be one-half point (0.007-inch). Vertical rules must be parallel to the left edge of the form; horizontal rules parallel to the top edge.

.05 The official red-ink Form W-3 and Form W-2 (Copy A) are 7.50 inches wide. Employers filing Forms W-2 (Copy A) with the SSA on paper must also file a Form W-3. Form W-3 must be the same width (7.50 inches) as the Form W-2. One Form W-3 is printed on a standard size, 8.5 x 11-inch page. Two official Forms W-2 (Copy A) are contained on a single 8.5 x 11-inch page (exclusive of any snap-stubs).

.06 The top, left, and right margins for the Form W-2 (Copy A) and Form W-3 are 0.50 inches (1/2 inch). All margins must be free of printing except for the words “DO NOT STAPLE” on red-ink Form W-3. The space between the two Forms W-2 (Copy A) is 1.33 inches.

.07 The identifying numbers are “22222” for Form W-2 (Copies A (and 1)) and “33333” for Form W-3. No printing should appear anywhere near the identifying numbers.

Note. The identifying number must be printed in nonreflective black ink in OCR-A font of 10 characters per inch.

.08 The depth of the individual scannable image on a page must be the same as that on the official IRS forms. The depth from the top line to the bottom line of an individual Form W-2 (Copy A) must be 4.17 inches and the depth from the top line to the bottom line of Form W-3 must be 4.67 inches.

.09 Continuous-pinfed Forms W-2 (Copy A) must be separated into 11-inch deep pages. The pinfed strips must be removed when Forms W-2 (Copy A) are filed with the SSA. The two Forms W-2 (Copy A) on the 11-inch page must not be separated (only the pages are to be separated (burst)). The words “Do Not Cut, Fold, or Staple Forms on This Page” must be printed twice between the two Forms W-2 (Copy A) in Flint red OCR dropout ink. All other copies (Copies 1, B, C, 2, and D) must be able to be distinguished and separated into individual forms.

.10 Box 12 of Form W-2 (Copy A) contains four entry boxes – 12a, 12b, 12c, and 12d. Do not make more than one entry per box. Enter your first code in box 12a (for example, enter Code D in box 12a, not 12d, if it is your first entry). If more than four items need to be reported in box 12, use a second Form W-2 to report the additional items (see “Multiple forms” in the 2021 General Instructions for Forms W-2 and W-3). Do not report the same federal tax data to the SSA on more than one Form W-2 (Copy A). However, repeat the identifying information (employee’s name, address, and SSN; employer’s name, address, and EIN) on each additional form.

.11 The checkboxes in box 13 of Form W-2 (Copy A) and in box b of Form W-3 must be 0.14 inches each. The space before the first checkbox is 0.24 inches; the space between the first and second checkbox and between the second and third checkbox must be 0.36 inches; the space between the third checkbox to the right border of box 13 should be 0.32 inches (see Exhibit A).

Note. More than 50% of an applicable checkbox must be covered by an “X.”

.12 All substitute Forms W-2 (Copy A) and Form W-3 in the red-ink format must have the tax year, form number, and form title printed on the bottom face of each form using type identical to that of the official IRS form. The red-ink substitute Form W-2 (Copy A) and Form W-3 must have the form producer’s EIN entered directly to the left of “Department of the Treasury,” in red.

.13 The words “For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.” must be printed in Flint red OCR dropout ink in the same location as on the official Form W-2 (Copy A). The words “For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.” must be printed at the bottom of the page of Form W-3 in black ink.

.14 The Office of Management and Budget (OMB) Number must be printed on substitute Forms W-3 and W-2 (on each ply) in the same location as on the official IRS forms.

.15 All substitute Forms W-3 must include the instructions that are printed on the same sheet below the official IRS form.

.16 The back of substitute Form W-2 (Copy A) and Form W-3 must be free of all printing.

.17 All copies must be clearly legible. Fading must be minimized to assure legibility.

.18 Chemical transfer paper is permitted for Form W-2 (Copy A) only if the following standards are met.

- Only chemically backed paper is acceptable for Form W-2 (Copy A). Front and back chemically treated paper cannot be processed properly by scanning equipment.
- Chemically transferred images must be black.
- Carbon-coated forms are not permitted.

.19 The Government Printing Office (GPO) symbol and the Catalog Number (Cat. No.) must be deleted from substitute Form W-2 (Copy A) and Form W-3.

Section 2.2 – Specifications for Substitute Black-and-White Form W-2 (Copy A) and Form W-3 Filed With the SSA

.01 Specifications for the SSA-approved substitute black-and-white Forms W-2 (Copy A) and Form W-3 are similar to the red-ink forms (Section 2.1) except for the items that follow (see Exhibits D and E). Exhibits are samples only and must not be downloaded to meet tax obligations.

1. Forms must be printed on 8.5 x 11-inch single-sheet paper only. There must be two Forms W-2 (Copy A) printed on a page. There must be no horizontal perforations between the two Forms W-2 (Copy A) on each page.
2. All forms and data must be printed in nonreflective black ink only.
3. The data and forms must be programmed to print simultaneously. Forms cannot be produced separately from wage data entries.
4. The forms must not contain corner register marks.
5. The forms must not contain any shaded areas, including those boxes that are entirely shaded on the red-ink forms.
6. Identifying numbers on both Form W-2 (Copy A) (“22222”) and Form W-3 (“33333”) must be preprinted in 14-point Arial bold font or a close approximation.
7. The form numbers (“W-2” and “W-3”) must be in 18-point Arial font or a close approximation. The tax year (for example, “2021”) on Forms W-2 (Copy A) and Form W-3 must be in 20-point Arial bold font or a close approximation.
8. No part of the box titles or the data printed on the forms may touch any of the vertical or horizontal lines, nor should any of the data intermingle with the box titles. The data should be centered in the boxes.
9. Do not print any information in the margins of the substitute black-and-white Forms W-2 (Copy A) and Form W-3 (for example, do not print “DO NOT STAPLE” in the top margin of Form W-3).
10. The word “Code” must not appear in box 12 on Form W-2 (Copy A).
11. A 4-digit vendor code preceded by four zeros and a slash (for example, 0000/9876) must appear in 12-point Arial font, or a close approximation, under the tax year in place of the Cat. No. on Form W-2 (Copy A) and in the bottom right corner of the “For Official Use Only” box at the bottom of Form W-3. Do not display the form producer’s EIN to the left of “Department of the Treasury.” The vendor code will be used to identify the form producer.
12. Do not print Catalog Numbers (Cat. No.) on either Form W-2 (Copy A) or Form W-3.
13. Do not print the checkboxes in:
 - Box 13 of Form W-2 (Copy A). The “X” should be programmed to be printed and centered directly below the applicable box title.
14. Do not print dollar signs. If there are no money amounts being reported, the entire field should be left blank.
15. The space between the two Forms W-2 (Copy A) is 1.33 inches.

.02 You must submit samples of your substitute black-and-white Forms W-2 (Copy A) and Form W-3 to the SSA. Only black-and-white substitute Forms W-2 (Copy A) and Form W-3 for tax year 2021 will be accepted for approval by the SSA. Questions regarding other red-ink forms (that is, red-ink Forms W-2c, W-3c, 1099 series, 1096, etc.) must be directed to the IRS only.

.03 You will be required to send one set of blank and one set of dummy-data substitute black-and-white Forms W-2 (Copy A) and Forms W-3 for approval. Sample data entries should be filled in to the maximum length for each box entry, preferably using numeric data or alpha data, depending upon the type required to be entered. The “VOID” checkbox must be electronically checked on the dummy-data substitute black-and-white Form W-2 (Copy A). All “Xs” must show in box 13 centered under the applicable checkbox titles on the dummy-data substitute black-and-white Form W-2 (Copy A). All checkboxes on the dummy-data substitute black-and-white Form W-3 must be electronically checked in box b (Kind of Payer, Kind of Employer, and Third-Party sick pay). Include in your submission the name, telephone number, fax number, and email address of a contact person who can answer questions regarding your sample forms.

.04 To receive approval, you may first contact the SSA via email at copy.a.forms@ssa.gov to obtain a template and further instructions. Send your 2021 sample substitute black-and-white Forms W-2 (Copy A) and Forms W-3 to:

Social Security Administration
Direct Operations Center
Attn: Substitute Black-and-White Copy A Forms, Room 341
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Send your sample forms via private mail carrier or certified mail in order to verify their receipt. You can expect approval (or disapproval) by the SSA within 30 days of receipt of your sample forms.

.05 Vendor codes from the National Association of Computerized Tax Processors (NACTP) are required by those companies producing the W-2 family of forms as part of a product for resale to be used by multiple employers and payroll professionals. Employers developing Forms W-2 or W-3 to be used only for their individual company **require a vendor code issued by the Social Security Administration.**

.06 The 4-digit vendor code preceded by four zeros and a slash (0000/9876) must be preprinted on the sample substitute black-and-white Forms W-2 (Copy A) and Forms W-3. Forms not containing a vendor code will be rejected and will not be submitted for testing or approval. If you have a valid vendor code provided to you through the NACTP, you should use that code. If you do not have a valid vendor code, contact the Social Security Administration via email at copy.a.forms@ssa.gov to obtain an SSA-issued code. (Additional information on vendor codes may be obtained from the SSA or the NACTP via email at president@nactp.org.)

.07 If you use forms produced by a vendor and have questions concerning approval, do not send the forms to the SSA for approval. Instead, you may contact the software vendor to obtain a copy of SSA’s dated approval notice supplied to that vendor.

.08 In response to feedback from the user community, the SSA (and the IRS) have added a 2-D barcoded version for the substitute Form W-2 and Form W-3 to the list of acceptable submission formats. This version is an optional alternative to the nonbarcoded substitute Forms W-2 and W-3. Both versions are fully supported by the SSA. At this time, neither the IRS nor the SSA mandates the use of 2-D barcoded substitute forms.

Note. The data contained in the barcode must not differ from the data displayed on the form. If they differ, the data in the barcode will be ignored and the data displayed on the form will be considered the submission. This also occurs when the barcode is not read correctly. The information on the form needs to be manually keyed into the database.

To get the barcode information:

- See the SSA's BSO website at www.ssa.gov/bso,
- Request the PDF version of the specifications by emailing copy.a.forms@ssa.gov, and
- Download the substitute W3/W2 2-D barcoding standards from www.ssa.gov/employer/sub-BarCodeStd.pdf.

If you are using a form produced by another vendor that contains a 2-D barcode, you must submit the form for approval using your own NACTP code. Prior to sending your first submission for approval, contact the SSA via email at copy.a.forms@ssa.gov to register your NACTP code and explain what forms you want to submit.

Section 2.3 – Requirements for Substitute Forms Furnished to Employees (Copies B, C, and 2 of Form W-2)

Note. Rules in Section 2.3 apply only to employee copies of Form W-2 (Copies B, C, and 2). Printers are cautioned that the paper filers who send Forms W-2 (Copy A) to the SSA must follow the requirements in Sections 2.1 and/or 2.2 above.

.01 All employers (including those who file electronically) must furnish employees with at least two copies of Form W-2 (three or more for employees required to file a state, city, or local income tax return). The following rules are guidelines for preparing employee copies.

The dimensions of these copies (Copies B, C, and 2), but not Copy A, may differ from the dimensions of the official IRS form to allow space for reporting additional information, including additional entries such as withholding for health insurance, union dues, bonds, or charity in box 14. The limitation of a maximum of four items in box 12 of Form W-2 applies only to Copy A, which is filed with the SSA.

Note. Employee copies (Copies B, C, and 2 of Form W-2) may be furnished electronically if employees give their consent (as described in Treasury Regulations *Section 31.6051-1(j)*). See also Publication 15-A, Employer's Supplemental Tax Guide.

.02 The minimum dimensions for employee copies only (not Copy A) of Form W-2 should be 2.67 inches deep by 4.25 inches wide. The maximum dimensions should be no more than 6.50 inches deep by no more than 8.50 inches wide.

Note. The maximum and minimum size specifications in this document are for tax year 2021 only and may change in future years.

.03 Either horizontal or vertical format is permitted (see Exhibit F).

.04 The paper for all copies must be white and printed in black ink. The substitute Copy B, which employees are instructed to attach to their federal income tax returns, should be at least 9-pound paper (basis 17 x 22-500). Other copies furnished to employees should also be at least 9-pound paper (basis 17 x 22-500) unless a state, city, or local government provides other specifications.

.05 Employee copies of Form W-2 (Copies B, C, and 2), including those that are printed on a single sheet of paper, must be easily separated. The best method of separation is to provide perforations between the individual copies. Whatever method of separation is used, each copy should be easily distinguished.

Note. Perforation does not apply to printouts of copies of Forms W-2 that are furnished electronically to employees (as described in Treasury Regulations *Section 31.6051-1(j)*). However, these employees should be cautioned to carefully separate the copies of Form W-2. See Publication 15-A for information on electronically furnishing Forms W-2 to employees.

.06 Interleaved carbon and chemical transfer paper employee copies must be clearly legible. Fading must be minimized to assure legibility.

.07 The electronic tax logo on the IRS official employee copies is not required on any of the substitute form copies. To avoid confusion and questions by employees, employers are encouraged to delete the identifying number (“22222”) from the employee copies of Form W-2.

.08 All substitute employee copies must contain boxes, box numbers, and box titles that match the official IRS Form W-2. Boxes that do not apply can be deleted. However, certain core boxes must be included. The placement, numbering, and size of this information is specified as follows.

- The core boxes must be printed in the exact order shown on the official IRS form. The items and box numbers that constitute the core data are:
 - Box 1 — Wages, tips, other compensation
 - Box 2 — Federal income tax withheld
 - Box 3 — Social security wages
 - Box 4 — Social security tax withheld
 - Box 5 — Medicare wages and tips
 - Box 6 — Medicare tax withheld
- The core data boxes (1 through 6) must be placed in the upper right of the form. Substitute vertical-format copies may have the core data across the top of the form. Boxes or other information will definitely not be permitted to the right of the core data.
- The form title, number, or copy designation (B, C, or 2) may be at the top of the form. Also, a reversed or blocked-out area to accommodate a postal permit number or other postal considerations is allowed in the upper right.
- Boxes 1 through 6 must each be a minimum of 1 1/8 inches wide x 1/4 inch deep.
- Other required boxes are:
 - a) Employee’s social security number
 - b) Employer identification number (EIN)
 - c) Employer’s name, address, and ZIP code
 - e) Employee’s name
 - f) Employee’s address and ZIP code

Identifying items must be present on the form and be in boxes similar to those on the official IRS form. However, they may be placed in any location other than the top or upper right. You do not

need to use the lettering system (a–c, e– f) used on the official IRS form. The employer identification number (EIN) may be included with the employer’s name and address and not in a separate box.

Note. Box d (“Control number”) is not required.

.09 All copies of Form W-2 furnished to employees must clearly show the form number, the form title, and the tax year prominently displayed together in one area of the form. The title of Form W-2 is “Wage and Tax Statement.” It is recommended (but not required) that this be located on the bottom left of substitute Forms W-2. The reference to the “Department of the Treasury — Internal Revenue Service” must be on all copies of substitute Forms W-2 furnished to employees. It is recommended (but not required) that this be located on the bottom right of Form W-2.

.10 If the substitute employee copies are labeled, the forms must contain the applicable description.

- “Copy B, To Be Filed With Employee’s FEDERAL Tax Return.”
- “Copy C, For EMPLOYEE’S RECORDS.”
- “Copy 2, To Be Filed With Employee’s State, City, or Local Income Tax Return.”

It is recommended (but not required) that these be located on the lower left of Form W-2. If the substitute employee copies are not labeled as to the disposition of the copies, then written notification using similar wording must be provided to each employee.

.11 The tax year (for example, 2021) must be clearly printed on all copies of substitute Form W-2. It is recommended (but not required) that this information be in the middle at the bottom of the Form W-2. The use of 24-pt. OCR-A font is recommended (but not required).

.12 Boxes 1 and 2 (if applicable) on Copy B must be outlined in bold 2-point rule or highlighted in some manner to distinguish them. If “Allocated tips” are being reported, it is recommended (but not required) that box 8 also be outlined. If reported, “Social security tips” (box 7) must be shown separately from “Social security wages” (box 3).

Note. Boxes 8 and 9 may be omitted if not applicable.

.13 If employers are required to withhold and report state or local income tax, the applicable boxes are also considered core information and must be placed at the bottom of the form. State information is included in:

- Box 15 (State, Employer’s state ID number)
- Box 16 (State wages, tips, etc.)
- Box 17 (State income tax)

Local information is included in:

- Box 18 (Local wages, tips, etc.)
- Box 19 (Local income tax)
- Box 20 (Locality name)

.14 Boxes 7 through 14 may be omitted from substitute employee copies unless the employer must report any of that information to the employee. For example, if an employee did not have “Social security tips” (box 7), the form could be printed without that box. But, if an employer provided

dependent care benefits, the amount must be reported separately, shown in box 10, and labeled “Dependent care benefits.”

.15 Employers may enter more than four codes in box 12 of substitute Copies B, C, and 2 (and 1 and D) of Form W-2, but each entry must use Codes A–HH (see the 2021 General Instructions for Forms W-2 and W-3).

.16 If an employer has employees in any of the three categories in box 13, all checkbox headings must be shown and the proper checkmark made, when applicable.

.17 Employers may use box 14 for any other information that they wish to give to their employees. Each item must be labeled. (See the instructions for box 14 in the 2021 General Instructions for Forms W-2 and W-3.)

.18 The front of Copy C of a substitute Form W-2 must contain the note “This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.”

.19 Instructions similar to those contained on the back of Copies B, C, and 2 of the official IRS Form W-2 must be provided to each employee. An employer may modify or delete instructions that do not apply to its employees. (For example, remove Railroad Retirement Tier 1 and Tier 2 compensation information for nonrailroad employees or information about dependent care benefits that the employer does not provide.)

.20 Employers must notify their employees who have no income tax withheld that they may be able to claim a tax refund because of the earned income credit (EIC). They will meet this notification requirement if they furnish a substitute Form W-2 with the EIC notice on the back of Copy B, IRS Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or on their own statement containing the same wording. They may also change the font on Copies B, C, and 2 so that the EIC notification and Form W-2 instructions fit differently. For more information about notification requirements, see Notice 1015, “Have You Told Your Employees About the Earned Income Credit (EIC)?”

Note. An employer does not have to notify any employee who claimed exemption from withholding on Form W-4, Employee’s Withholding Certificate, for the calendar year.

Section 2.4 – Electronic Delivery of Form W-2 and W-2c Recipient Statements

.01 If you are required to furnish a Form W-2 or W-2c written statement (Copy B or an acceptable substitute) to a recipient, you may furnish the statement electronically instead of on paper.

If you meet the requirements listed below, you are treated as furnishing the statement timely.

.02 The recipient must consent in the affirmative and not have withdrawn the consent before the statement is furnished. The consent by the recipient must be made electronically in a way that shows that he or she can access the statement in the electronic format in which it will be furnished.

You must notify the recipient of any hardware or software changes prior to furnishing the statement. A new consent to receive the statement electronically is required after any new hardware or software is put into service.

To furnish Forms W-2 electronically, you must meet the following disclosure requirements as described in Treasury Regulations *Section 31.6051-1(j)* and Publication 15-A and provide a clear and conspicuous statement of each requirement to your employees.

- The employee must be informed that he or she will receive a paper Form W-2 if consent isn't given to receive it electronically.
- The employee must be informed of the scope and duration of the consent.
- The employee must be informed of any procedure for obtaining a paper copy of his or her Form W-2 and whether or not the request for a paper statement is treated as a withdrawal of his or her consent to receiving his or her Form W-2 electronically.
- The employee must be notified about how to withdraw a consent and the effective date and manner by which the employer will confirm the withdrawn consent.
- The employee must also be notified that the withdrawn consent doesn't apply to the previously issued Forms W-2.
- The employee must be informed about any conditions under which electronic Forms W-2 will no longer be furnished (for example, termination of employment).
- The employee must be informed of any procedures for updating his or her contact information that enables the employer to provide electronic Forms W-2.
- The employer must notify the employee of any changes to the employer's contact information.

.03 Additionally, you must:

- Ensure the electronic format complies with the guidelines in this document and contains all the required information described in the 2021 General Instructions for Forms W-2 and W-3.
- If posting the statement on a website, post it for the recipient to access on or before the January 31 due date through October 15 of that year.
- Inform the recipient in person, electronically, or by mail, of the posting and how to access and print the statement.

Part 3

Additional Instructions

Section 3.1 – Additional Instructions for Form Printers

.01 If paper copies are used for filing with the SSA, the substitute copies of Forms W-2 (either red-ink or substitute black-and-white forms) must be assembled in the same order as the official IRS Forms W-2. Copy A must be first, followed sequentially by perforated sets (Copies 1, B, C, 2, and D).

.02 The substitute form to be filed by the employer with the SSA must carry the designation "Copy A."

Note. Electronic filers do not submit either red-ink or substitute black-and-white paper Form W-2 (Copy A) or Form W-3 to the SSA.

.03 Employers must retain a copy of Forms W-2 and W-3 (or be able to reconstruct the information) for at least 4 years. Employers must also be able to generate Forms W-2 (Copy A) that meet the requirements of this revenue procedure in case of loss.

.04 Except for copies in the official assembly, described in Section 3.1.01 above, no additional copies that may be prepared by employers should be placed ahead of Form W-2 (Copy C) “For EMPLOYEE’S RECORDS.”

.05 You must provide instructions similar to those contained on the back of Copies B, C, and 2 of the official IRS Form W-2 to each employee. You may print them on the back of the substitute Copies B, C, and 2 or provide them to employees on a separate statement. You do not need to use the back of Copy 2. If you do not use Copy 2, you may include all the information that appears on the back of the official Copies B, C, and 2 on the back of your substitute Copies B and C only. As an example, you may use the “Note” on the back of the official Copy C as the dividing point between the text for your substitute Copies B and C. Do not print these instructions on the back of Copy 1. Any Forms W-2 (Copy A) and Form W-3 that are filed with the SSA must have no printing on the reverse side.

Section 3.2 – Instructions for Employers

.01 Only originals of Form W-2 (Copy A) and Form W-3 may be filed with the SSA. Carbon copies and photocopies are unacceptable.

.02 Employers should type or machine-print data entries on plain paper forms whenever possible. Ensure good quality by using a high-quality typeface, inserting data in the middle of blocks that are well separated from other printing and guidelines, and taking any other measures that will guarantee clear, sharp images. Black ink must be used with no script type, inverted font, italics, or dual-case alpha characters.

Note. 12-point Courier font is preferred by the SSA.

.03 Form W-2 (Copy A) requires decimal entries for wage data. Do not print dollar signs with money amounts on Forms W-2 (Copy A) and Form W-3.

.04 The employer must provide a machine-scannable Form W-2 (Copy A). The employer must also provide employee copies (Copies B, C, and 2) that are legible and able to be photocopied (by the employee). Do not print any data in the top margin of the payee copies of the forms.

Note. Do not print Forms W-2 (Copy A) on double-sided paper.

.05 Any printing in box d (Control number) on Form W-2 or box a (Control number) on Form W-3 may not touch any vertical or horizontal lines and should be centered in the box.

.06 The filer’s employer identification number (EIN) must be entered in box b of Form W-2 and box e of Form W-3. The EIN entered on Form(s) W-2 (box b) and Form W-3 (box e) must be the same as on Forms 941, 941-SS, 943, 944, CT-1, Schedule H (Form 1040), or any other corresponding forms filed with the IRS. Be sure to use EIN format (00-0000000) rather than SSN format (000-00-0000).

.07 The employer’s name, address, and EIN may be preprinted.

Section 3.3 – OMB Requirements for Both Red-Ink and Black-and-White Substitute Forms W-2 and W-3

.01 The Paperwork Reduction Act (the Act) of 1995 (Public Law 104-13) requires the following.

- The Office of Management and Budget (OMB) approves all IRS tax forms that are subject to the Act.
- Each IRS form contains (in or near the upper right corner) the OMB approval number, if assigned. (The official OMB numbers may be found on the official IRS printed forms and are also shown on the forms in the Exhibits in Section 3.6.)
- Each IRS form (or its instructions) states:
 1. Why the IRS needs the information,
 2. How it will be used, and
 3. Whether or not the information is required to be furnished to the IRS.

.02 This information must be provided to any users of official or substitute IRS forms or instructions.

.03 The OMB requirements for substitute IRS Form W-2 and Form W-3 are the following.

- Any substitute form or substitute statement to a recipient must show the OMB number as it appears on the official IRS form.
- The OMB number for both Form W-2 (Copy A) and Form W-3 is 1545-0008 and must appear exactly as shown on the official IRS form.
- For any copy of Form W-2 other than Copy A, the OMB number must use one of the following formats.
 1. OMB No. 1545-0008 (preferred), or
 2. OMB # 1545-0008 (acceptable).

.04 Any substitute Form W-2 (Copy A only) and Form W-3 must state “For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.” If no instructions are provided to users of your forms, you must furnish them with the exact text of the Privacy Act and Paperwork Reduction Act Notice in the 2021 General Instructions for Forms W-2 and W-3.

Section 3.4 – Order Forms and Instructions

.01 You can order IRS Forms W-2, Forms W-3, the General Instructions for Forms W-2 and W-3, and other tax material online at www.irs.gov/OrderForms.

.02 Copies of Form W-2 (Copy A) and Form W-3 downloaded from IRS.gov cannot be used for filing with the SSA. These copies of Forms W-2 and W-3 are for information purposes only.

Section 3.5 – Effect on Other Documents

.01 Revenue Procedure 2020-38, I.R.B. 2020-36, dated August 31, 2020 (reprinted as Publication 1141, Revised 08-2020), is superseded.

Section 3.6 – Exhibits

Exhibits A through F provide the general measurements for Forms W-2 and W-3 as discussed in this revenue procedure. Certain exhibits show a 0000/ in the location designated for your vendor code. See Section 2.2.01, item 11, and Section 2.2.05 for more information.

Exhibit A — Form W-2 (Copy A) (Red-Ink) 2021

Exhibit B — Form W-2 (Copy B) 2021

Exhibit C — Form W-3 (Red-Ink) 2021

Exhibit D — Form W-2 (Copy A) (Substitute Black-and-White) 2021

Exhibit E — Form W-3 (Substitute Black-and-White) 2021

Exhibit F — Form W-2 Alternative Employee Copies (Illustrating Horizontal and Vertical Formats)

Exhibit A

Form W-2 (Copy A) (Red Ink)

7.50 in										.50 in	
.10 in		.14 in VOID		.44 in		.33 in					
a Employee's social security number				For Official Use Only OMB No. 1545-0008							
b Employer identification number (EIN)				1 Wages, tips, other compensation		2 Federal income tax withheld					
c Employer's name, address, and ZIP code				3 Social security wages		4 Social security tax withheld					
				5 Medicare wages and tips		6 Medicare tax withheld					
				7 Social security tips		8 Allocated tips					
d Control number				9		10 Dependent care benefits					
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a See instructions for box 12			
						13 Statutory employee		Retirement plan		Third-party sick pay	
						14 Other					
f Employee's address and ZIP code											
15 State		Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax	
										20 Locality name	

W-2 Wage and Tax Statement 2021

Form Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Do Not Cut, Fold, or Staple Forms on This Page

.90 in		.70 in		1.80 in		4.10 in			
22222		VOID		a Employee's social security number		For Official Use Only OMB No. 1545-0008			
b Employer identification number (EIN)				1 Wages, tips, other compensation		2 Federal income tax withheld			
c Employer's name, address, and ZIP code				3 Social security wages		4 Social security tax withheld			
				5 Medicare wages and tips		6 Medicare tax withheld			
				7 Social security tips		8 Allocated tips			
d Control number				9		10 Dependent care benefits			
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a See instructions for box 12	
						13 Statutory employee		Retirement plan	
						14 Other			
f Employee's address and ZIP code									
15 State		Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.	
								19 Local income tax	
								20 Locality name	


W-2 Wage and Tax Statement 2021

Form Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Exhibit B

Form W-2 (Copy B)

a Employee's social security number		OMB No. 1545-0008		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)				1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code				3 Social security wages		4 Social security tax withheld	
				5 Medicare wages and tips		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Control number				9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.				11 Nonqualified plans		12a See instructions for box 12	
				13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

2021
 0000/

Department of the Treasury—Internal Revenue Service

Exhibit C

Form W-3 (Red Ink)

DO NOT STAPLE			
a Control number 1.65 in		For Official Use Only 5.00 in	
b Kind of Payer (Check one) 941 Military 943 Hshld. emp. 944 Medicare govt. emp. CT-1 .36 in		Kind of Employer (Check one) None apply 501c non-govt. State/local non-501c State/local 501c Federal govt. Third-party sick pay (Check if applicable)	
c Total number of Forms W-2 1.60 in	d Establishment number 1.60 in	1 Wages, tips, other compensation	2 Federal income tax withheld .14 in
e Employer identification number (EIN)		3 Social security wages	4 Social security tax withheld
f Employer's name 4.67 in		5 Medicare wages and tips	6 Medicare tax withheld
g Employer's address and ZIP code 3.20 in		7 Social security tips 2.15 in	8 Allocated tips 2.15 in
h Other EIN used this year		9	10 Dependent care benefits
15 State Employer's state ID number .60 in 2.60 in		11 Nonqualified plans	12a Deferred compensation
16 State wages, tips, etc.		13 For third-party sick pay use only	12b
17 State income tax		14 Income tax withheld by payer of third-party sick pay	
Employer's contact person		18 Local wages, tips, etc.	19 Local income tax .33 in
Employer's tax number		Employer's telephone number	For Official Use Only
		Employer's email address	

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-3 Transmittal of Wage and Tax Statements** 2021

Department of the Treasury
Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

Reminder

Separate instructions. See the 2021 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

Purpose of Form

Complete a Form W-3 Transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't file Form W-3 alone. All paper forms **must** comply with IRS standards and be machine readable. Photocopies are **not** acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for 4 years.

E-Filing

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website.

- **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2 Electronically (EFW2)*.

W-2 Online fill-in forms or file uploads will be on time if submitted by **January 31, 2022**. For more information, go to www.SSA.gov/bsa. First-time filers, select "Register"; returning filers select "Log in."

When To File Paper Forms

Mail Form W-3 with Copy A of Form(s) W-2 by **January 31, 2022**.

Where To File Paper Forms

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration
Direct Operations Center
Wilkes-Barre, PA 18769-0001**

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Pub. 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Exhibit D

Form W-2 (Copy A) (Substitute Black-and-White)

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)				1 Wages, tips, other compensation	2 Federal income tax withheld	
c Employer's name, address, and ZIP code				3 Social security wages	4 Social security tax withheld	
				5 Medicare wages and tips	6 Medicare tax withheld	
				7 Social security tips	8 Allocated tips	
d Control number				9	10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans	12a See instructions for box 12
f Employee's address and ZIP code				13 Statutory employee Retirement plan Third-party sick pay	12b	
				14 Other	12c	
				12d		
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
.40 in	1.80 in	1.20 in	1.10 in	1.20 in	1.10 in	.70 in

Form **W-2** Wage and Tax Statement **2021**
Copy A—For Social Security Administration. Send this entire page with 0000/
Form W-3 to the Social Security Administration; photocopies are **not** acceptable.
Do Not Cut, Fold, or Staple Forms on This Page

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)				1 Wages, tips, other compensation	2 Federal income tax withheld	
c Employer's name, address, and ZIP code				3 Social security wages	4 Social security tax withheld	
				5 Medicare wages and tips	6 Medicare tax withheld	
				7 Social security tips	8 Allocated tips	
d Control number				9	10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans	12a See instructions for box 12
f Employee's address and ZIP code				13 Statutory employee Retirement plan Third-party sick pay	12b	
				14 Other	12c	
				12d		
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement **2021**
Copy A—For Social Security Administration. Send this entire page with 0000/
Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Exhibit E

Form W-3 (Substitute Black-and-White)

33333		a Control number		For Official Use Only OMB No. 1545-0008	
b Kind of Payer (Check one)		c Total number of Forms W-2		d Establishment number	
<input type="checkbox"/> 941 Military <input type="checkbox"/> 943 Hshld. emp. <input type="checkbox"/> 944 Medicare govt. emp.		<input type="checkbox"/> None apply <input type="checkbox"/> State/local non-501c <input type="checkbox"/> State/local 501c <input type="checkbox"/> Federal govt.		<input type="checkbox"/> Third-party sick pay (Check if applicable)	
e Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
f Employer's name		3 Social security wages		4 Social security tax withheld	
g Employer's address and ZIP code		5 Medicare wages and tips		6 Medicare tax withheld	
h Other EIN used this year		7 Social security tips		8 Allocated tips	
15 State		9		10 Dependent care benefits	
Employer's state ID number		11 Nonqualified plans		12a Deferred compensation	
16 State wages, tips, etc.		13 For third-party sick pay use only		12b	
17 State income tax		14 Income tax withheld by payer of third-party sick pay			
Employer's contact person		18 Local wages, tips, etc.		19 Local income tax	
Employer's fax number		Employer's telephone number		For Official Use Only 0000/	
Employer's email address					

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-3 Transmittal of Wage and Tax Statements** **2021** Department of the Treasury Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

Reminder

Separate instructions. See the 2021 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

Purpose of Form

Complete a Form W-3 Transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't file Form W-3 alone. All paper forms **must** comply with IRS standards and be machine readable. Photocopies are **not** acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for 4 years.

E-Filing

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website.

- **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2 Electronically (EFW2)*.

W-2 Online fill-in forms or file uploads will be on time if submitted by **January 31, 2022**. For more information, go to www.SSA.gov/bsa. First-time filers, select "Register"; returning filers, select "Log In."

When To File Paper Forms

Mail Form W-3 with Copy A of Form(s) W-2 by **January 31, 2022**.

Where To File Paper Forms

Send this entire page with the entire Copy A page of Form(s) W-2 to:


**Social Security Administration
Direct Operations Center
Wilkes-Barre, PA 18769-0001**

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Pub. 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Exhibit F

Form W-2 (Copy B) (Alternative Employee Copies)

a Employee's social security number		Safe, accurate, FAST! Use  Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)		1 Wages, tips, other compensation	2 Federal income tax withheld
c Employer's name, address, and ZIP code		3 Social security wages	4 Social security tax withheld
		5 Medicare wages and tips	6 Medicare tax withheld
		7 Social security tips	8 Allocated tips
d Control number		9	10 Dependent care benefits
e Employee's first name and initial Last name Suff.		11 Nonqualified plans	12a See instructions for box 12
		13 Statutory employee Retirement plan Third-party sick pay	12b
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12c
		14 Other	12d
f Employee's address and ZIP code			
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax
		18 Local wages, tips, etc.	19 Local income tax
			20 Locality name

Form W-2 Wage and Tax Statement

2021
0000/

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

OMB No. 1545-0008

1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld
Employee's social security number	
Employer identification number (EIN)	
Employer's name, address, and ZIP code	
Employee's name	
Employee's address and ZIP code	
15 State	Employer's state ID number
16 State wages, tips, etc.	19 Local income tax
17 State income tax	20 Locality name

Copy B To Be Filed With Employee's FEDERAL Tax Return.

Form W-2
Wage and Tax
Statement

2021
0000/

Department of the Treasury—
Internal Revenue Service

Note: Exhibit F displays examples of how Form W-2 (Copy B) can be furnished to employees. Copy B can be furnished in horizontal or vertical format. Specifications and requirements for employee copies can be found in Section 2.3 — Requirements for Substitute Forms Furnished to Employees (Copies B, C, and 2 of Form W-2).

Although employee copies can be manipulated, Section 2.3 has specific requirements for core data boxes that must be present on substitute employee copies.

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the

new ruling holds that it applies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in laws or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in a new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.
ER—Employer.

ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
FR—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.

PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2021–27 through 2021–52 is in Internal Revenue Bulletin 2021–52, dated December 27, 2021.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2021–27 through 2021–52 is in Internal Revenue Bulletin 2021–52, dated December 27, 2021.

Internal Revenue Service

Washington, DC 20224

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INTERNAL REVENUE BULLETIN

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at www.irs.gov/irb/.

We Welcome Comments About the Internal Revenue Bulletin

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can email us your suggestions or comments through the IRS Internet Home Page (www.irs.gov) or write to the Internal Revenue Service, Publishing Division, IRB Publishing Program Desk, 1111 Constitution Ave. NW, IR-6230 Washington, DC 20224.