



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR SB/SE DIRECTOR, SPECIALTY EXAMINATION;
EMPLOYMENT TAX CHIEF; TERRITORY AND GROUP
MANAGERS; AND ALL EMPLOYMENT TAX
SPECIALISTS

FROM: Alfredo Valdespino /s/ *Alfredo Valdespino*
Director, SB/SE Examination - Specialty Policy

SUBJECT: Updated Instructions for Employers Filing Forms W-2 or W-2c After an
Agreed Employment Tax Examination and Procedures for Tickler Files

The purpose of this interim guidance memorandum (IGM) is to update instructions for employers when filing Forms W-2 or W-2c after an agreed employment tax examination and the procedures followed by the IRS for the preparation and maintenance of tickler files.

Background

At the completion of an agreed employment tax examination, IRM 4.23.8.10.1(1) requires examiners to advise employers to prepare the applicable Forms W-2 or W-2c to report the amount of wage adjustments for each individual affected by the employment tax examination.

IRM 4.23.8.10.1(2) provides that the employer should be given a reasonable time, *i.e.*, 30 days, to prepare the wage statements. But IRM 4.23.8.10.1(7) provides that, in some circumstances, the examiner may give the employer additional time to submit these returns, for example, where it is determined that reasonable cause exists. The examiner will not delay the closure of the examination. Instead, the examiner instructs the employer to file the required paper Forms W-2 or W-2c by mailing them to Centralized Case Processing (CCP) at the address included on the bottom of Form 4668, *Employment Tax Examination Changes Report*. If filing the returns electronically, the examiner instructs the employer to file directly with the Social Security Administration (SSA).

Per IRM 4.23.8.10.2, the examiner prepares a "tickler file" and sends it to CCP for monitoring when the case is closed. Upon receipt of the Forms W-2 or W-2c from the employer, CCP reconciles them with the tickler file, forwards the returns to the SSA, and shreds the tickler file. On April 1 of the year following the examination,

CCP sends any remaining tickler files to Employment Tax Workload Selection and Delivery (ET - WSD) for a possible penalty case file follow-up examination.

Procedural Change

Effective immediately, when examiners allow additional time for filing Forms W-2 or W-2c after an agreed employment tax examination, they will inform the employer to file all returns directly with the SSA. The employer will be instructed to file the original or corrected returns in the manner that they are required to file under section 301.6011-2 of the regulations, *i.e.*, the employer must file the information returns electronically if required to file 250 or more returns. Until the Form 4668 is updated, insert the following instructions on the bottom of the Form 4668:

“Furnish Form W-2 (*Wage and Tax Statement*) or Form W-2c (*Corrected Wage and Tax Statement*) on or before January 31, ____ [Insert year] to each of the ____ [Insert number] employees whose wages are adjusted by this report.

File Forms W-2 with Form W-3 (*Transmittal of Wage and Tax Statements*) or Forms W-2c with Form W-3c (*Transmittal of Corrected Wage and Tax Statements*) on or before January 31, ____ [Insert year] with the Social Security Administration (SSA).

IRC 6721 and 6722 provide penalties for failure to file and failure to furnish information returns. You must file the information returns electronically if you are required to file 250 or more returns. To obtain specifications for e-filing your returns, visit the SSA’s website at www.socialsecurity.gov/employer. If filing paper returns, file with the SSA at the appropriate address in the *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)*.”

The examiner will still prepare a tickler file for monitoring the receipt of Forms W-2 and W-3 or Forms W-2c and W-3c. Instead of including the tickler file with the closed case sent to CCP, the examiner will now send the tickler file to ET-WSD at the following address:

201 W Rivercenter Blvd
Stop 5702A/Employment Tax Tickler File
Covington, KY 41011

ET-WSD will monitor the filing of the returns and determine if the case warrants assignment to a group for follow-up. The changes in these instructions do not change the need for a tickler file, nor do they change the documents required to be included in the tickler file.

If you have any questions concerning this interim guidance, please contact Lynne McCoy, Policy Analyst, SB/SE Employment Tax, via e-mail.

Effect on Other Documents

This guidance will be incorporated into IRM 4.23.8 by January 26, 2018

Effective Date:

This interim guidance is effective upon issuance.

Distribution:

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