

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. 2020-38, page 522.

This procedure provides specifications for the private printing of red-ink substitutes for the 2020 Forms W-2 and W-3. This procedure will be produced as the next revision of Publication 1141. Rev. Proc. 2019-28 is superseded.

EMPLOYEE PLANS

Announcement 2020-14, page 549.

This announcement provides that user fees relating to certain requests for letter rulings and determination letters submitted to Employee Plans Rulings and Agreements will increase in four categories, effective January 4, 2021.

Notice 2020-60, page 514.

The notice provides procedures for the election of alternative minimum funding standards for defined benefit pension plans sponsored by community newspapers under § 430(m),

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August 31, 2020

which was added by § 115 of the SECURE Act. The draft notice also provides guidance and relief with respect to the election under § 430(m).

Notice 2020-64, page 519.

This notice sets forth updates on the corporate bond monthly yield curve, the corresponding spot segment rates for August 2020 used under § 417(e)(3)(D), the 24-month average segment rates applicable for August 2020, and the 30-year Treasury rates, as reflected by the application of § 430(h)(2)(C)(iv).

INCOME TAX

Rev. Proc. 2020-39, page 546.

This revenue procedure addresses normalization issues that have arisen or are anticipated in ratemaking proceedings due to the corporate tax rate decrease that was included in the Tax Cuts and Jobs Act, Pub. L. 115-97 (131 Stat 2054), enacted on December 22, 2017.

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.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

Part III

Election of Alternative Minimum Funding Standards for Community Newspaper Plans

Notice 2020-60

I. Purpose

This notice provides guidance regarding the election of alternative minimum funding standards for certain defined benefit pension plans under § 430(m) of the Internal Revenue Code (Code), which was added by section 115 of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act), Division O of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94 (133 Stat. 2534). In addition to summarizing the relevant provisions of § 430(m), this notice:

- Specifies the applicable United States Treasury obligation yield curve that is used to determine the present value of certain increases in benefits;
- Sets forth rules and procedures relating to the election under § 430(m), including a limited period for plan sponsors to make the election for prior years;
- Provides relief related to the impact of the election on the application of § 436;
- Provides additional flexibility under § 430 to facilitate retroactive elections; and
- Provides guidance on the reporting requirements that reflect the effect of the election.

II. Background

Section 115(a) of the SECURE Act added § 430(m) to the Code to permit the plan sponsor of a community newspaper

plan under which no participant has had an increase in accrued benefit after December 31, 2017, to elect to have alternative minimum funding standards apply to the plan in lieu of the minimum funding requirements that would otherwise apply under § 430.¹ Pursuant to § 430(m)(2), any election under § 430(m) is to be made at such time and in such manner as prescribed by the Secretary, and once an election is made with respect to a plan year, it will apply to all subsequent plan years unless revoked with the consent of the Secretary.

The term “community newspaper plan” means a defined benefit plan maintained by an employer that, as of December 31, 2017, publishes and distributes a daily newspaper that primarily serves a metropolitan area with a population of at least 100,000 in a single state,² but only if the employer satisfies the ownership and control requirements of § 430(m)(4)(A)(ii) through (iv). If the plan sponsor makes the election under § 430(m) for its community newspaper plan, the election also applies to all other defined benefit plans sponsored by any member of the same controlled group. Section 430(m)(5) defines the controlled group for purposes of § 430(m) as all persons treated as a single employer under § 414(b), (c), (m), or (o) as of December 20, 2019 (the date of enactment of the SECURE Act).

If the § 430(m) alternative minimum funding standards apply to a plan (including a plan sponsored by a member of the controlled group), the interest rates in § 430(m)(3)(A) (rather than the interest rates in § 430(h)(2)) are used, the rules of § 430(i) do not apply, and any shortfall amortization base is amortized over a 30-year period. For the first plan year for which the alternative minimum funding standards apply, all shortfall amortization bases for prior plan years (and associated amortization installments) are eliminated, and a new shortfall amortization base is

determined using an interest rate of 8 percent to calculate the funding target (and, if applicable under § 430(g)(3)(B), the value of plan assets). The new shortfall amortization base is amortized over a 30-year period also using an 8 percent interest rate.³

Pursuant to § 430(m)(3)(A)(ii), in the case of a plan that has an increase in accrued benefits (or any increase in other benefits under the plan) in a plan year with respect to which the election is in effect, the present value of that increase, determined using the United States Treasury obligation yield curve for the valuation date for the plan year, must be included in the funding target and target normal cost (as applicable). Thus, for example, if a sponsor of the community newspaper plan makes an election under § 430(m) that applies beginning with the calendar year 2018 plan year, and a member of the plan sponsor’s controlled group maintains a defined benefit plan with a calendar year plan year that provides ongoing benefit accruals, then for the January 1, 2020 valuation of that controlled group member’s plan, the portion of the funding target that is attributable to the benefit accruals from 2018 and 2019 (and the expected accruals for 2020 included in target normal cost) must be determined using the United States Treasury obligation yield curve.

For later plan years for which the election applies to a plan, any new shortfall amortization base that is established will be amortized using a 30-year period and an 8 percent interest rate.

III. Applicable United States Treasury obligation yield curve

The United States Treasury obligation yield curves that are to be used under § 430(m)(3)(A)(ii) are set out at <https://home.treasury.gov/data/treasury-coupon-issues-and-corporate-bond-yield-curves/>

¹ Section 115(b) of the SECURE Act also added § 303(m) to the Employee Retirement Income Security Act of 1974 (Pub. L. No. 93-406 (88 Stat. 829)), as amended (ERISA). Section 303(m) of ERISA provides rules that generally are parallel to the rules of § 430(m) of the Code. Under § 101 of Reorganization Plan No. 4 of 1978 (43 FR 47713) and § 3002(c) of ERISA, the Secretary of the Treasury has interpretive jurisdiction over the subject matter addressed in this notice for purposes of ERISA, as well as the Code. Thus, the provisions of this notice relating to § 430 of the Code also apply for purposes of § 303 of ERISA, and the provisions of this notice relating to § 436 of the Code also apply for purposes of § 206(g) of ERISA.

² Under § 303(m)(4)(A)(i) of ERISA, the employer may either publish and distribute a community newspaper or publish and distribute one or more community newspapers in the same state.

³ The effect of the election is prospective, beginning with the first year for which the election applies, and it does not have any impact on prior unpaid minimum required contributions.

treasury-coupon-issues (Treasury yield curve website). That webpage provides links to a number of yield curves for each month. Pursuant to § 430(m)(3)(A)(iii), the yield curve that applies to a plan depends on whether the valuation date for the plan year is the first day of a month, the last day of a month, or another day within a month.

If the plan's valuation date is the first day of a month, the applicable yield curve is the daily yield curve for the last business day of the prior month. That curve can be found on the Treasury yield curve website by selecting the "TNC Treasury Yield Curve Spot Rates, End of Month" link for the applicable year and finding the curve for the applicable month on the spreadsheet.

If the plan's valuation date is the last day of a month, the applicable yield curve is the daily yield curve for the last business day of the month. That curve can be found on the Treasury yield curve website by selecting the "TNC Treasury Yield Curve Spot Rates, End of Month" link for the applicable year and finding the curve for the month on the spreadsheet.

If the plan's valuation date is neither the first day of a month nor the last day of a month, the applicable yield curve is the monthly average of the daily yield curves for that month. That monthly average yield curve can be found on the Treasury yield curve website by selecting the "TNC Treasury Yield Curve Spot Rates, Monthly Average" link for the applicable year and finding the curve for the month on the spreadsheet.

IV. Rules relating to the making and duration of an election under § 430(m)

A. Manner of election

An election to apply § 430(m) to a community newspaper plan must be made by the plan sponsor and be provided in writing to the community newspaper plan's enrolled actuary, plan administrator, and all members of the plan sponsor's controlled group. The election must identify the first plan year for which the election applies, include a certification that the plan sponsor satisfies the ownership and control standards under § 430(m)(4)(A)(ii) and (iii), and attach a list of members

of the plan sponsor's controlled group (including for each controlled group member, that member's Employer Identification Number (EIN), and an indication of whether that member sponsors a defined benefit plan). The Appendix to this notice sets forth a model election that may be used for this purpose.

B. Election timing rules

For the first plan year for which the election under § 430(m) applies to a plan, different actuarial assumptions will be used for the plan than were used for prior plan years. Under § 1.430(d)-1(f)(1)(iii), the actuarial assumptions that apply to the plan for a plan year are established by filing the Schedule SB of Form 5500 for the plan year that reflects those assumptions, and § 1.430(d)-1(f)(1)(ii) provides that once the actuarial assumptions have been established for a plan year, generally they may not be changed. These rules generally would preclude the making of an election under § 430(m) for a plan year after the Schedule SB has been filed for the plan year.

See section VI(A) of this notice for the period during which plan sponsors may make elections under § 430(m) for a plan year after the actuarial assumptions have been established for the plan year.

C. Duration of election for community newspaper plan

Unless the plan sponsor of a community newspaper plan that has made the election to have § 430(m) apply to the plan later revokes the election (which would require the consent of the Internal Revenue Service (IRS)), the election continues to apply to the plan for future plan years. A plan sponsor of a community newspaper plan may request permission to revoke an election under § 430(m) using the procedures for obtaining a private letter ruling set forth in Rev. Proc. 2020-4, 2020-1 I.R.B. 148, or its successor.

D. Duration of application of election to controlled group member

An election to use the alternative minimum funding standards under § 430(m) for a plan year by a plan sponsor of a

community newspaper plan applies to any other defined benefit plan sponsored by a member of the plan sponsor's controlled group within the meaning of § 430(m)(5) (that is, all persons treated as a single employer with the plan sponsor under § 414(b), (c), (m), or (o) as of December 20, 2019) for a plan year, provided that (1) the plan year of that other defined benefit plan begins during a plan year of the community newspaper plan for which the election applies to the community newspaper plan, and (2) the plan sponsor of that other defined benefit plan is a member of the controlled group on the first day of that plan's plan year.

V. Deemed immaterial treatment for change in AFTAP

If an election under § 430(m) is made for a plan year after a plan's adjusted funding target attainment percentage (AFTAP) under § 436 has been certified for the plan year, the election will impact that certified AFTAP. Section 1.436-1(h)(4)(iii) sets forth rules relating to changes in certified AFTAPs. The effect of such a change in a certified AFTAP depends on whether the change is material (within the meaning of § 1.436-1(h)(4)(iii)(B)) or immaterial (within the meaning of § 1.436-1(h)(4)(iii)(C)). Under § 1.436-1(h)(4)(iv)(A), a material change in a plan's AFTAP will cause a plan to fail to comply with § 401(a).

Section 1.436-1(h)(4)(iii)(C) provides that, subject to certain conditions, a change in a plan's AFTAP is deemed to be immaterial (even if the change would otherwise be material) if the change results from an event specified in § 1.436-1(h)(4)(iii)(C)(1) through (8). Deemed immaterial treatment under § 1.436-1(h)(4)(iii)(C) with respect to an event that results in a change in AFTAP is conditioned on the AFTAP being recertified as soon as reasonably practicable after the event. The effect of this deemed immaterial treatment is that a plan administrator may reflect the change in AFTAP on a prospective basis beginning with the date of the event (including for purposes of determining the presumed AFTAP for the following year).

Section 1.436-1(h)(4)(iii)(C)(9) provides authority for the expansion of the

list of events for which a resulting change in AFTAP may be deemed immaterial through publication of guidance in the Internal Revenue Bulletin. Pursuant to that authority, this notice designates an election under § 430(m) as an event for which a resulting change in AFTAP may be deemed to be immaterial. Accordingly, the change in AFTAP attributable to such an election is deemed to be an immaterial change in the plan's AFTAP, provided that the plan's enrolled actuary recertifies the AFTAP as soon as reasonably practicable after the election in accordance with § 1.436-1(h)(4)(v)(D).

VI. Additional flexibility to facilitate retroactive elections

A. Permission to change assumptions for prior plan year

Under § 115(c) of the SECURE Act, § 430(m) applies to plan years ending after December 31, 2017. In light of this retroactive effective date, this section VI provides an exception to the general timing rule restricting changes in actuarial assumptions after they have been established for a plan year, to facilitate making a § 430(m) election for a prior year. Under this exception, a change of the interest rate assumption that applies to a plan pursuant to an election under § 430(m) is permitted to be made for a plan year after the actuarial assumptions for that plan year have been established under § 1.430(d)-1(f)(1)(iii), if certain conditions are satisfied. Specifically, an election under § 430(m)(3) may be made for a plan year ending after December 31, 2017, after the actuarial assumptions for that plan year have been established (referred to as a retroactive § 430(m) election), provided that (1) the election is made on or before December 31, 2020, and (2) for each affected plan year, an amended Schedule SB reflecting the retroactive § 430(m) election is filed no later than the date the next Schedule SB is filed after the election is made.

In order to fully reflect the impact of the reduced minimum funding requirement resulting from a retroactive § 430(m) election, section VI(B) of this notice provides additional flexibility with respect to certain funding balance elec-

tions for a plan year. The extended deadline and permission to revoke an election are in addition to the deemed immaterial treatment for changes in the AFTAP described in section V of this notice for such a plan year.

B. Additional flexibility for funding balance elections

Section 1.430(f)-1 provides rules regarding a plan's prefunding balance and funding standard carryover balance, which may be used to offset all or a portion of the minimum required contribution for the plan. Under § 1.430(f)-1(b)(1)(ii), a plan sponsor may elect each year to increase the plan's prefunding balance by an amount not in excess of the present value of the excess contributions for the preceding plan year. Under § 1.430(f)-1(f)(2)(i), this election must be made no later than the due date for the minimum required contribution for that preceding plan year (or a later date prescribed in guidance published in the Internal Revenue Bulletin).

Section 1.430(f)-1(d) provides rules regarding a plan sponsor's election to use the plan's prefunding balance or funding standard carryover balance to offset all or a portion of the minimum required contribution for a plan year. Under § 1.430(f)-1(f)(2)(i), this election must be made no later than the due date for the minimum required contribution for that plan year (or a later date prescribed in guidance published in the Internal Revenue Bulletin). Under § 1.430(f)-1(f)(3), a plan sponsor's election to use a plan's prefunding balance or funding standard carryover balance, is irrevocable except as provided in § 1.430(f)-1(f)(3), or in guidance published in the Internal Revenue Bulletin.

Pursuant to the authority in § 1.430(f)-1(f)(2)(i) and § 1.430(f)-1(f)(3), the Department of the Treasury and the IRS are providing exceptions to these rules in order to facilitate a retroactive § 430(m) election. Specifically, for a plan year for which a retroactive § 430(m) election has been made (1) the deadline for a plan sponsor to elect to increase the plan's prefunding balance by an amount not in excess of the present value of the excess contributions for that plan year is extend-

ed to December 31, 2020, and (2) the plan sponsor may revoke an election to use a plan's prefunding balance or funding standard carryover balance (or reduce the portion of that balance to which an election applied), provided that the revocation is made no later than December 31, 2020.

VII. Instructions for completing the Schedule SB to reflect the election

For a plan year for which an election under § 430(m) applies to a plan, the Schedule SB of Form 5500 must be completed based on the following instructions:

Line 5 - If the funding target calculation includes some benefits for which the present value is calculated using the 8 percent segment interest rates and other benefits for which present value is calculated using the applicable United States Treasury obligation yield curve, the effective interest rate must reflect both sets of rates.

Line 21a - Enter 8 percent in each of the three segment rate fields. Do not check the full yield curve box, even if some or all of the funding target or the target normal cost is calculated using the applicable United States Treasury obligation yield curve.

Line 21b - Enter '0'.

Line 27 - For plan years beginning in 2017 through 2020, the instructions for line 27 do not provide a code to reflect that a § 430(m) election applies to the plan and no code should be entered on Line 27 for the plan. For future years, see the instructions to Schedule SB.

Paperwork Reduction Act

The collections of information contained in this notice have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. § 3507) under control number 1545-2095.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information in this notice are in the Appendix of this notice. The collections of information are required

to implement the application of the alternative minimum funding standards under § 430(m). The collections of information are mandatory for those plan sponsors making an election under § 430(m) to a plan.

The likely respondents are sponsors of approximately 20 community newspaper plans.

Any potential changes on burden will be reported through the renewal of the current OMB approval numbers.

Estimates of the annualized cost to respondents are not available at this time.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by § 6103.

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 or Linda Marshall at 202-317-6700 (not a toll-free number).

Appendix

Model election

As an officer of the employer sponsoring a community newspaper plan as defined in §430(m)(4) of the Internal Revenue Code (Code), I hereby elect to apply the alternative minimum funding standards under § 430(m)(3) of the Code, beginning with the plan year beginning _____. I also provide the following information about the employer and plan and hereby certify that the plan sponsor meets the ownership and control standards under § 430(m)(4)(A)(ii) and (iii) of the Code as set forth below:

Information about the employer and community newspaper plan:

- Name of employer
- Employer Identification Number (EIN) of employer
- Name of community newspaper
- Metropolitan area in which the newspaper is primarily distributed
- State or states in which that metropolitan area is located
- Name of plan for which election is made
- Plan number
- Date as of which benefit accruals ceased

Certifications relating to ownership and control:

- The employer is not publicly traded, and is not controlled, directly or indirectly, by a publicly traded company.
- The employer is controlled directly or indirectly (indicate all that apply):
 - o (1) By one or more persons residing primarily in the state in which the community newspaper is published ____
 - o (2) For not less than 30 years, by individuals who are members of the same family ____
 - o (3) By a trust created or organized in the state in which the community newspaper is published, the sole trustees of which are persons described in (1) or (2) ____
 - o (4) By an entity which is described in § 501(c)(3) of the Code and exempt from taxation under § 501(a) of the Code, which is organized and operated in the state in which the community newspaper is published, and the primary purpose of which is to benefit communities in such state ____
 - o (5) By a combination of persons described in (1), (3), or (4) ____
- The employer does not control, directly or indirectly, any newspaper in any other state.

Attached is a list of all other members of the controlled group, as defined in § 430(m)(5) of the Code, including each member's EIN, and indicating whether that member sponsors a defined benefit plan.

Signature of employer _____ Date _____

Name _____ Title _____

Update for Weighted Average Interest Rates, Yield Curves, and Segment Rates

Notice 2020-64

This notice provides guidance on the corporate bond monthly yield curve, the corresponding spot segment rates used under § 417(e)(3), and the 24-month average segment rates under § 430(h)(2) of the Internal Revenue Code. In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008 and the 30-year Treasury weighted average rate under § 431(c)(6)(E)(ii)(I).

YIELD CURVE AND SEGMENT RATES

Section 430 specifies the minimum funding requirements that apply to single-employer plans (except for CSEC

plans under § 414(y)) pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan's target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates ("segment rates"), each of which applies to cash flows during specified periods. To the extent provided under § 430(h)(2)(C)(iv), these segment rates are adjusted by the applicable percentage of the 25-year average segment rates for the period ending September 30 of the year preceding the calendar year in which the plan year begins.¹ However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates.

Notice 2007-81, 2007-44 I.R.B. 899, provides guidelines for determining the monthly corporate bond yield curve, and the 24-month average corporate bond segment rates used to compute the target normal cost and the funding target. Consistent with the methodology specified in Notice 2007-81, the monthly corporate bond yield curve derived from July 2020

data is in Table 2020-7 at the end of this notice. The spot first, second, and third segment rates for the month of July 2020 are, respectively, 0.59, 2.25, and 3.01.

The 24-month average segment rates determined under § 430(h)(2)(C)(i) through (iii) must be adjusted pursuant to § 430(h)(2)(C)(iv) to be within the applicable minimum and maximum percentages of the corresponding 25-year average segment rates. For plan years beginning before 2021, the applicable minimum percentage is 90% and the applicable maximum percentage is 110%. The 25-year average segment rates for plan years beginning in 2019 and 2020 were published in Notice 2018-73, 2018-40 I.R.B. 526, and Notice 2019-51, 2019-41 I.R.B. 866, respectively.

24-MONTH AVERAGE CORPORATE BOND SEGMENT RATES

The three 24-month average corporate bond segment rates applicable for August 2020 without adjustment for the 25-year average segment rate limits are as follows:

<i>24-Month Average Segment Rates Without 25-Year Average Adjustment</i>			
Applicable Month	First Segment	Second Segment	Third Segment
August 2020	2.33	3.46	3.98

Based on § 430(h)(2)(C)(iv), the 2020, adjusted to be within the applicable minimum and maximum percentages of the corresponding 25-year average segment rates, are as follows:

<i>Adjusted 24-Month Average Segment Rates</i>				
For Plan Years Beginning In	Applicable Month	First Segment	Second Segment	Third Segment
2019	August 2020	3.74	5.35	6.11
2020	August 2020	3.64	5.21	5.94

30-YEAR TREASURY SECURITIES INTEREST RATES

Section 431 specifies the minimum funding requirements that apply to multi-employer plans pursuant to § 412. Section

431(c)(6)(B) specifies a minimum amount for the full-funding limitation described in § 431(c)(6)(A), based on the plan's current liability. Section 431(c)(6)(E)(ii)(I) provides that the interest rate used to calculate current liability for this purpose must be

no more than 5 percent above and no more than 10 percent below the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year. Notice 88-73, 1988-2 C.B.

¹ Pursuant to § 433(h)(3)(A), the 3rd segment rate determined under § 430(h)(2)(C) is used to determine the current liability of a CSEC plan (which is used to calculate the minimum amount of the full funding limitation under § 433(c)(7)(C)).

383, provides guidelines for determining the weighted average interest rate. The rate of interest on 30-year Treasury securities for July 2020 is 1.31 percent. The Service

determined this rate as the average of the daily determinations of yield on the 30-year Treasury bond maturing in May 2050. For plan years beginning in August 2020,

the weighted average of the rates of interest on 30-year Treasury securities and the permissible range of rates used to calculate current liability are as follows:

<i>Treasury Weighted Average Rates</i>		
For Plan Years Beginning In	30-Year Treasury Weighted Average	Permissible Range 90% to 105%
August 2020	2.51	2.26 to 2.63

MINIMUM PRESENT VALUE SEGMENT RATES

In general, the applicable interest rates

under § 417(e)(3)(D) are segment rates computed without regard to a 24-month average. Notice 2007-81 provides guidelines for determining the minimum pres-

ent value segment rates. Pursuant to that notice, the minimum present value segment rates determined for July 2020 are as follows:

<i>Minimum Present Value Segment Rates</i>			
Month	First Segment	Second Segment	Third Segment
July 2020	0.59	2.25	3.01

DRAFTING INFORMATION

The principal author of this notice is Tom Morgan of the Office of the Asso-

ciate 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 Paul Stern at 202-317-8702 (not toll-free numbers).

Table 2020-7

Monthly Yield Curve for July 2020

Derived from July 2020 Data

<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>
0.5	0.26	20.5	2.84	40.5	3.03	60.5	3.10	80.5	3.13
1.0	0.37	21.0	2.85	41.0	3.03	61.0	3.10	81.0	3.13
1.5	0.46	21.5	2.85	41.5	3.03	61.5	3.10	81.5	3.13
2.0	0.53	22.0	2.86	42.0	3.03	62.0	3.10	82.0	3.13
2.5	0.58	22.5	2.87	42.5	3.04	62.5	3.10	82.5	3.14
3.0	0.62	23.0	2.87	43.0	3.04	63.0	3.10	83.0	3.14
3.5	0.67	23.5	2.88	43.5	3.04	63.5	3.10	83.5	3.14
4.0	0.73	24.0	2.89	44.0	3.04	64.0	3.10	84.0	3.14
4.5	0.80	24.5	2.89	44.5	3.05	64.5	3.11	84.5	3.14
5.0	0.89	25.0	2.90	45.0	3.05	65.0	3.11	85.0	3.14
5.5	0.99	25.5	2.90	45.5	3.05	65.5	3.11	85.5	3.14
6.0	1.10	26.0	2.91	46.0	3.05	66.0	3.11	86.0	3.14
6.5	1.22	26.5	2.91	46.5	3.05	66.5	3.11	86.5	3.14
7.0	1.35	27.0	2.92	47.0	3.06	67.0	3.11	87.0	3.14
7.5	1.47	27.5	2.92	47.5	3.06	67.5	3.11	87.5	3.14
8.0	1.60	28.0	2.93	48.0	3.06	68.0	3.11	88.0	3.14
8.5	1.72	28.5	2.94	48.5	3.06	68.5	3.11	88.5	3.14
9.0	1.84	29.0	2.94	49.0	3.06	69.0	3.11	89.0	3.14
9.5	1.95	29.5	2.95	49.5	3.06	69.5	3.12	89.5	3.14
10.0	2.05	30.0	2.95	50.0	3.07	70.0	3.12	90.0	3.14
10.5	2.14	30.5	2.96	50.5	3.07	70.5	3.12	90.5	3.14
11.0	2.23	31.0	2.96	51.0	3.07	71.0	3.12	91.0	3.15
11.5	2.31	31.5	2.96	51.5	3.07	71.5	3.12	91.5	3.15
12.0	2.38	32.0	2.97	52.0	3.07	72.0	3.12	92.0	3.15
12.5	2.44	32.5	2.97	52.5	3.08	72.5	3.12	92.5	3.15
13.0	2.50	33.0	2.98	53.0	3.08	73.0	3.12	93.0	3.15
13.5	2.55	33.5	2.98	53.5	3.08	73.5	3.12	93.5	3.15
14.0	2.59	34.0	2.98	54.0	3.08	74.0	3.12	94.0	3.15
14.5	2.63	34.5	2.99	54.5	3.08	74.5	3.12	94.5	3.15
15.0	2.66	35.0	2.99	55.0	3.08	75.0	3.12	95.0	3.15
15.5	2.69	35.5	3.00	55.5	3.08	75.5	3.13	95.5	3.15
16.0	2.71	36.0	3.00	56.0	3.09	76.0	3.13	96.0	3.15
16.5	2.74	36.5	3.00	56.5	3.09	76.5	3.13	96.5	3.15
17.0	2.75	37.0	3.01	57.0	3.09	77.0	3.13	97.0	3.15
17.5	2.77	37.5	3.01	57.5	3.09	77.5	3.13	97.5	3.15
18.0	2.79	38.0	3.01	58.0	3.09	78.0	3.13	98.0	3.15
18.5	2.80	38.5	3.01	58.5	3.09	78.5	3.13	98.5	3.15
19.0	2.81	39.0	3.02	59.0	3.09	79.0	3.13	99.0	3.15
19.5	2.82	39.5	3.02	59.5	3.09	79.5	3.13	99.5	3.15
20.0	2.83	40.0	3.02	60.0	3.10	80.0	3.13	100.0	3.15

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 2020 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 2020 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 W-3, and their exact substitutes, are referred to as “red-ink.” The SSA-approved black-and-white Forms W-2 (Copy A) and W-3 are referred to as “substitute black-and-white Copy A” and “substitute black-and-white W-3” forms.

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 Copy A and W-3 forms 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 2020 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 mccirp@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.

Section 1.2 – What’s New

.01 Truncation of social security number (SSN) on employee copies of Form W-2. Employers may now truncate the employee’s SSN on employee copies of Forms W-2. Do not truncate the employee’s SSN on Copy A. See the 2020 General Instructions for Forms W-2 and W-3 for more information.

.02 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 on either 2020 Forms W-2, Box 14, or on a separate statement. See *Notice 2020-54* (2020-31 I.R.B. 226), for more information on how to report these amounts.

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

Section 1.3 – General Rules for Paper Forms W-2 and W-3

.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 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.cnmidof.net 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 Copy A and W-3 forms 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 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 and 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 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 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 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 Copy A and 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 2020 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 2020 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 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 W-3 (as shown in the exhibits).

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

.01 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. For details, see the 2020 General Instructions for Forms W-2 and W-3. 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 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 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 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 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” or “33333” 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 pinned 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 2020 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 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 Copy A and W-3 Forms Filed With the SSA

.01 The SSA-approved substitute black-and-white Forms W-2 (Copy A) and W-3 are referred to as substitute black-and-white Copy A and W-3. Specifications for the substitute black-and-white Copy A and 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 (“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, “2020”) on Forms W-2 (Copy A) and W-3 must be in 20-point Arial 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 Copy A and W-3 forms (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 Copy A and W-3 forms to the SSA. Only black-and-white substitute Forms W-2 (Copy A) and W-3 for tax year 2020 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 Copy A and W-3 forms 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. 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 at copy.a.forms@ssa.gov to obtain a template and further instructions. You may send your 2020 sample substitute black-and-white Copy A and W-3 forms 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 Copy A and W-3 forms. 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 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,
- Get the PDF version of the specifications at copy.a.forms@ssa.gov, and
- Download the substitute W3/W2 2-D barcoding standards from www.ssa.gov/employer/subBarCodeStd.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 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 2020 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 (“2222”) 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, 2020) 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 2020 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 2020 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 2020 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 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 type face, 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 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 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 2020 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 2019-28, I.R.B. 2019-32, dated August 5, 2019 (reprinted as Publication 1141, Revised 08-2019), 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) 2020

Exhibit B — Form W-2 (Copy B) 2020

Exhibit C — Form W-3 (Red-Ink) 2020

Exhibit D — Form W-2 (Copy A) (Substitute Black-and-White) 2020

Exhibit E — Form W-3 (Substitute Black-and-White) 2020

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

Exhibit A


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

Form **W-2** Wage and Tax Statement **2020** Department of the Treasury—Internal Revenue Service
Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.
Do Not Cut, Fold, or Staple Forms on This Page

Form **W-2** Wage and Tax Statement **2020** Department of the Treasury—Internal Revenue Service
Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.
Do Not Cut, Fold, or Staple Forms on This Page

Exhibit B

Form W-2 (Copy B)

		a Employee's social security number		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)		OMB No. 1545-0008		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 **2020**
 Copy B—To Be Filed With Employee's FEDERAL Tax Return. 0000/
 This information is being furnished to the Internal Revenue Service.

Department of the Treasury—Internal Revenue Service

Exhibit C

Form W-3 (Red Ink)

DO NOT STAPLE

7.50 in	5.00 in		.50 in
.85 in	1.65 in	.36 in	
1.20 in	.36 in	.36 in	.14 in
.50 in	1.60 in	1.60 in	.50 in
4.67 in		2.15 in	2.15 in
3.20 in		.33 in	
.60 in	2.60 in		

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 **2020**

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 2020 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 **February 1, 2021**. For more information, go to www.SSA.gov/bso. 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 **February 1, 2021**.

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 **2020**
 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.
Do Not Cut, Fold, or Staple Forms on This Page

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 **2020**
 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

33333		a Control number		For Official Use Only OMB No. 1545-0008			
b Kind of Payer (Check one)		Kind of Employer (Check one)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Total number of Forms W-2		d Establishment number		3 Social security wages		4 Social security tax withheld	
e Employer identification number (EIN)		f Employer's name		5 Medicare wages and tips		6 Medicare tax withheld	
g Employer's address and ZIP code		7 Social security tips		8 Allocated tips		9	
h Other EIN used this year		10 Dependent care benefits		11 Nonqualified plans		12a Deferred compensation	
15 State		17 State income tax		13 For third-party sick pay use only		12b	
16 State wages, tips, etc.		18 Local wages, tips, etc.		14 Income tax withheld by payer of third-party sick pay			
Employer's contact person		Employer's telephone number		Employer's fax number		Employer's email address	
Signature		Title		Date		0000/	

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.

Form **W-3** Transmittal of Wage and Tax Statements **2020**

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 2020 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 **February 1, 2021**. 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 **February 1, 2021**.

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	
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 <input type="checkbox"/> <input type="checkbox"/> <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

2020

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.

0000/

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	18 Local wages, tips, etc.
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

2020
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.

Rev. Proc. 2020-39

SECTION 1. PURPOSE

This revenue procedure provides guidance under § 168 of the Internal Revenue Code (Code) to clarify the normalization requirements following the corporate tax rate reduction provided in section 13001 of Public Law No. 115-97, 131 Stat. 2054 (2017), commonly referred to as the Tax Cuts and Jobs Act (TCJA). On May 28, 2019, the Internal Revenue Service published Notice 2019-33, 2019-22 I.R.B. 1255, requesting comments on issues arising in this area. This revenue procedure provides guidance on these issues.

SECTION 2. BACKGROUND

.01 In general, normalization is a system of accounting used by regulated public utilities to reconcile the tax treatment of accelerated depreciation of public utility assets with their regulatory treatment. The use of normalization is required for a utility to take advantage of the accelerated cost recovery system under § 168 of the Code for public utility property. Under normalization, a utility receives the tax benefit of accelerated depreciation in the early years of an asset's regulatory useful life and passes that benefit through to ratepayers ratably over the regulatory useful life of the asset in the form of reduced rates.

.02 In order to use a normalization method of accounting, § 168(i)(9)(A)(i) requires a taxpayer, in computing its tax expense for establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account (regulated tax expense), to use a method of depreciation for property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for establishing its cost of service for ratemaking purposes. If the amount allowable as a deduction under § 168 differs from the amount that

would be allowable as a deduction under § 167 of the Code using the method, period, first and last year convention, and salvage value used to compute regulated tax expense under § 168(i)(9)(A)(i), then, under § 168(i)(9)(A)(ii), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference. This reserve is referred to as the Accumulated Deferred Income Taxes (ADIT) reserve.

.03 Taxpayers calculate the amount of the adjustments to the ADIT reserve by reference to the corporate tax rate applicable in each year that the depreciation deduction allowable as a deduction under § 168 exceeds the amount calculated under § 168(i)(9)(A)(i) for the taxpayer's regulated tax expense.

.04 Section 1.167(l)-1(h)(2)(i) of the Income Tax Regulations provides that the taxpayer must credit this amount of deferred taxes to a reserve for deferred taxes, a depreciation reserve, or other reserve account. This regulation further provides that, with respect to any account, the aggregate amount allocable to deferred tax and included in such reserve under § 167(l) "shall not be reduced except to reflect the amount for any taxable year by which Federal income taxes are greater by reason of the prior use of different methods of depreciation" under § 1.167(l)-1(h)(1)(i). That section notes that, additionally, the aggregate amount allocable to deferred taxes may be properly adjusted to reflect asset retirements or the expiration of the period for depreciation used for determining the allowance for depreciation under § 167(a). Consequently, the ADIT increases in each year the accelerated depreciation under § 168 exceeds the tax depreciation amount used for calculating the taxpayer's regulated tax expense and the ADIT decreases in each year the accelerated depreciation under § 168 is less than the tax depreciation amount used for calculating the taxpayer's regulated tax expense. These increases and decreases are measured by the differences in the two depreciation methods multiplied by the tax rate in effect for the year of the adjustment to the ADIT.

.05 The TCJA, enacted on December 22, 2017, generally reduced the corporate tax rate under § 11 of the Code from 35 percent to 21 percent for taxable years

beginning after December 31, 2017. Section 13001(a) of the TCJA. Because of the reduction in rates, for property subject to depreciation in a taxable year beginning on or before December 31, 2017, and not yet fully depreciated in the first taxable year beginning after December 31, 2017, a portion of the ADIT reserve will reflect this reduction. For purposes of this revenue procedure, the portion of the ADIT reserve that reflects the difference in tax rates due to accelerated depreciation is referred to as the Excess Tax Reserve (ETR). The ETR represents the amount by which the ADIT reserve exceeds the amount it would have contained had the reduction in rates been in effect for every year the property was subject to depreciation. That is, the ETR is the amount of accelerated depreciation-related taxes that have been collected from ratepayers but have not yet been paid by the utility and become excess due to the reduction in rates.

.06 Section 13001(d) of the TCJA includes accompanying but uncodified normalization requirements related to the reduction of the corporate tax rate. Section 13001(d)(1) provides that "[a] normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of [§§ 167 or 168] if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method" (ARAM).

.07 Section 13001(d)(2) of the TCJA provides an alternative method for certain taxpayers. If, as of the first day of the taxable year that includes the date of enactment of the TCJA, the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and the taxpayer's books and underlying records did not contain the vintage account data necessary to apply ARAM, the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the alternative method for public utility property that is subject to the regulatory authority of that jurisdiction.

.08 Section 13001(d)(3)(C) of the TCJA defines the “alternative method” (AM) as the method in which the taxpayer computes the ETR on all public utility property included in the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and reduces the ETR ratably over the remaining regulatory life of the property.

SECTION 3. SCOPE

.01 *In general.* This revenue procedure applies to public utilities subject to normalization that have ETR resulting from the corporate tax rate reduction provided in section 13001 of the TCJA.

.02 *Issues beyond the scope of this revenue procedure.* This revenue procedure addresses only the effects of tax rate changes on timing differences related to accelerated depreciation. Any issues unrelated to the effects of tax rate changes on accelerated depreciation are beyond the scope of this revenue procedure. For example, the effects of tax rate changes on timing differences associated with unprotected plant or non-plant related items, are not addressed in this revenue procedure. The appropriate amortization or other ratemaking treatment of timing differences unrelated to accelerated depreciation, such as unprotected plant or non-plant related items, are to be determined by the regulator in a rate proceeding, consistent with the regulatory authority over the ratemaking treatment of all other elements of jurisdictional cost of service.

SECTION 4. APPLICATION

.01 *Requirement to use ARAM or the AM.*

(1) *In General.* Generally, under section 13001(d)(1) of the TCJA, taxpayers must use ARAM to calculate the reversal of their ETR if the taxpayer’s regulatory books (the financial and tax information used by their regulator in setting rates which may include but is not limited to materials submitted to public service commissions as well as any supporting materials) are based upon the vintage account data necessary to use ARAM. However, if the taxpayer’s regulatory books are not

based upon the vintage account data that is necessary for the ARAM, use of the ARAM is not required.

(2) *Curing Vintage Account Data Deficiencies.* A taxpayer whose regulatory books do not contain sufficient vintage account data to apply the ARAM is not required to use the ARAM. Determination of whether a taxpayer’s regulatory books contain sufficient vintage account data necessary to use the ARAM is determined based on all the facts and circumstances. A taxpayer is not required to cure deficiencies in its regulatory books by the creation, re-creation, or restoration of books or records, including through the use of estimates, statistical sampling, or the accessing of data through the use of computer systems not currently in use for its financial processes. Deficiencies in data need not be cured, but taxpayers that have taken such actions to cure all deficiencies by the effective date of this revenue procedure are permitted to use ARAM. Lastly, a regulated utility that is currently using ARAM to reverse prior ETR is presumed to have sufficient vintage account data to use ARAM.

(3) *Taxpayers Use of AM for Prior Periods.* Taxpayers that do not meet the requirements to use the AM provided in the TCJA and described in this revenue procedure may not continue to use the AM simply because they have done so in the past.

(4) *Composite Method.* Under a composite method, the uniform system of accounts does not generally require a company to maintain vintage accounts for depreciation purposes; therefore, companies regulated by Federal Energy Regulatory Commission (FERC) utilizing this method generally do not have the data necessary to utilize ARAM. Taxpayers may utilize AM whenever a composite method approved by FERC or another applicable regulatory agency is applied for depreciation purposes, and a taxpayer may rely on its cost of service rate filing to FERC as sufficient documentation that a composite method of depreciation has been used.

(5) *Jurisdiction of Multiple Regulatory Bodies.* In the interest of economy and efficiency, taxpayers under the jurisdiction of multiple regulatory bodies may use a single method, ARAM or the

AM, provided that the regulatory bodies agree. For example, a utility that is under the regulatory jurisdiction of FERC, which uses a composite method of calculating depreciation, and a state regulatory body that does not use a composite method (and therefore would generally use the AM for FERC purposes but has the data necessary to use ARAM for state purposes) may, if approved by the state regulator, use the AM for state purposes as well.

(6) *Transition Rules.* Many utilities have already been required to adjust rates due to the TCJA. Utilities may correct any method of reversing ETR that is not in accord with this revenue procedure at the next available opportunity. The methods adopted prior to the publication of this revenue procedure that are not in accord with this revenue procedure are not considered to be a violation of the normalization rules if so corrected. This corrective action will require the utility to consult with its regulator and obtain its regulator’s consent. Utilities are not in conflict with section 13001(d) of the TCJA if the utilities follow such a path to correct potential normalization violations prospectively. These rules extend to companies that may not have started the amortization of ETRs or may be re-deferring the amortization as they evaluate their records.

.02 *Net operating loss carryforward (NOLC).* Compliance with normalization requires a determination of the source of an NOLC so that rate base is not understated in jurisdictions in which net deferred tax liabilities reduce rate base. While § 1.167(l)-1(h)(1)(iii) is the relevant general authority, there is not one single methodology provided for determination of the portion of an NOLC that is attributable to depreciation. Section 1.167(l)-1(h)(1)(iii) instead informs taxpayers that the amount and time of the deferral of tax attributable to depreciation when there is an NOLC should be taken into account in such “appropriate time and manner as is satisfactory to the district director.” Regulating commissions have expertise in this area, and any reasonable method for determining the portion of the NOLC attributable to depreciation should generally be respected provided such method does not clearly violate normalization requirements.

.03 *Application of 2008 regulations (§ 1.168(i)-3)*. The rules in § 1.168(i)-3 of the Income Tax Regulations, adopted by T.D. 9387 (73 F.R. 14934, 14937) on March 20, 2008, apply only to section 203(e) of the Tax Reform Act of 1986. Generally, the IRS will apply § 1.168(i)-3 of the regulations as if that limitation date language is not present. Thus, the sharing of ETRs with customers continues to be permitted in most circumstances after a retirement or disposition and upon the sale of public utility property to another regulated utility as set forth in § 1.168(i)-3.

SECTION 5. EFFECT OF THIS REVENUE PROCEDURE ON EXISTING NORMALIZATION RULES

The TCJA ETR normalization requirements are part of the overall pre-existing deferred tax normalization rules, and this revenue procedure is intended to be consistent with those rules. This revenue procedure does not create an exception to how the overall pre-existing deferred tax normalization rules would apply, except as noted.

SECTION 6. EFFECTIVE DATE

This revenue procedure is effective August 14, 2020.

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Martha M. Garcia of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue procedure contact Martha M. Garcia on 202-317-6853 (not a toll free number).

Part IV

Changes to User Fees for Certain Letter Ruling and Determination Letter Requests Submitted to Employee Plans Rulings and Agreements, Effective January 4, 2021

Announcement 2020-14

This announcement describes changes to user fees relating to certain requests for letter rulings and determinations that will take effect on January 4, 2021. The increased user fees described in this announcement will be reflected in Rev. Proc. 2021-4, which will be published in Internal Revenue Bulletin 2021-1 on January

4, 2021. This announcement is intended to provide taxpayers and stakeholders with advance notice of these increased user fees.

Background

Rev. Proc. 2020-4, 2020-1 I.R.B. 148, updated annually, explains how the Internal Revenue Service (Service) provides advice to taxpayers on issues under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division, Employee Plans Rulings and Agreements Office (Employee Plans Rulings and Agreements), including procedures for requesting letter rulings and determination letters from the Service. It also sets forth the user fees that are required to be paid when requesting various types of advice and describes the requirement under section 7528 of the Internal Revenue Code

that user fees are to be determined after taking into account the average time for, and difficulty of, complying with requests in each category and subcategory of submission to the Service.

Appendix A of Rev. Proc. 2020-4 sets forth the user fees applicable with respect to each category or subcategory of submission under the revenue procedure. Section .01 of Appendix A sets forth the user fees applicable to letter ruling requests. Section .06 of Appendix A sets forth the user fees applicable to determination letter requests.

Increased User Fees Effective in 2021

Rev. Proc. 2021-4, effective on January 4, 2021, will reflect increased user fees for the following types of letter ruling and determination letter requests currently listed in Appendix A of Rev. Proc. 2020-4:

Section	Type of User Fee	Current User Fee (Rev. Proc. 2020-4)	User Fee Effective January 4, 2021 (Rev. Proc. 2021-4)
Section .01(3)	Letter ruling request for Five-Year Automatic Extension of the Amortization Period	\$1,000	\$6,500
Section .06(1)(a)	Form 5300 (Application for Determination for Employee Benefit Plan)	\$2,500	\$2,700
Section .06(1)(b)	Form 5307 (Application for Determination for Adopters of Modified Volume Submitter Plans)	\$800	\$1,000
Section .06(1)(c)	Form 5310 (Application for Determination for Terminating Plan)	\$3,000	\$3,500

DRAFTING INFORMATION

The principal author of this announcement is Angelique Carrington of the

Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information regarding the user fees de-

scribed in this announcement, contact Don Kieffer of Employee Plans Rulings and Agreements, at 908-301-2655 (not a toll-free number).

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 2019–27 through 2019–52 is in Internal Revenue Bulletin 2019–52, dated December 27, 2019.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2019–27 through 2019–52 is in Internal Revenue Bulletin 2019–52, dated December 27, 2019.

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.