Filing Employment Tax Forms 940 and 941

*Only relevant for Self-Reporting Chapters with one or more employees (does not include independent contractors).

Definition:
Form 941- Employer's Quarterly Federal Tax Form is the form used by employers (your local Chapter) to report employment taxes, withholding amounts, deposit amounts, and amounts due to the IRS. Form 941 includes totals for:
- Number of employees and total pay for the period being reported
- Amounts withheld from pay of employees for the period
- Taxable Social Security and Medicare wages for the period
- Calculation of total Social Security and Medicare wages
- Adjustments for sick pay, tips, group-term life insurance, and other
- Advance earned income credit payments made to employees
- The form requires a calculation of the total taxes and the total deposits made during the period. The difference between the total taxes due and the total deposits is the amount still owed that must be paid.

Definition:
Form 940 is the federal unemployment tax annual report form. The form first calculates the employer's federal unemployment tax liability, then adjusts for any state unemployment taxes paid, then calculates the unemployment tax due. Finally, the form compares unemployment tax due for the year to the tax already paid. The employer must pay the underpaid tax.

Form 940 must be filed by the beginning of February, for the previous calendar year. If you have not paid your FUTA (unemployment) tax for the previous year, you must pay it when you file Form 940. Unemployment taxes are one of those unavoidable taxes for business. Unemployment taxes are based on employee wages and these taxes go into funds to pay benefits to employees who have been terminated, laid off, or fired.

File Form 940 (PDF) or Form 940EZ (PDF) if you paid cash wages of $1,000 or more in any calendar quarter for household work in a local college club, or a local chapter of a college fraternity or sorority. *(Examples could include a House Chef, Landscaper, Painting Service etc.)*