

**Social Security  
Administration**

**Internal  
Revenue Service**

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# Reporter

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**A Newsletter  
for Employers**

## New Magnetic Media Reporting and Electronic Filing Publication for W-2 Tape and Diskette Filers

**F**ilers who report wages to Social Security on magnetic tape or diskette should follow the format outlined in the new *Magnetic Media Reporting and Electronic Filing* (MMREF-1) publication. This publication is available at [www.ssa.gov/employer](http://www.ssa.gov/employer) under *Forms and Publications* and replaces the TIB-4 format. SSA changed its reporting format to offer improved wage reporting services to employers and their designated filing agents. Once a filer converts to the MMREF format, it takes only seconds to file their wage report electronically. Other advantages of electronic filing include a later filing deadline (until April 1, 2002) and an electronic proof of filing receipt.

To file your Tax Year 2001 wage report electronically, just follow these three steps:

**1. Register now. Go to SSA's Web site**  
[www.ssa.gov/employer](http://www.ssa.gov/employer), click *Employer Services Online*

### IRS Announces Year-End Training for Withholding Agents/Employers/Payers

**T**o help withholding agents, employers, and payers who file Forms 1042-S ("Foreign Persons U.S. Source Income Subject to Withholding") the Internal Revenue Service, Martinsburg Computing Center (MCC) has arranged the following training sessions.

Three Information Reporting Program (IRP) seminars will be offered in one-day sessions, free of charge. These sessions will be held in the October and November time frame in the following cities: Washington, D.C., Oakland, California and Chicago, Illinois. The sessions will include the following topics:

- Changes to Internal Revenue Code Section 1441 and Regulations

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## Social Security Information – Find It On The Internet

Here's a list of our Internet addresses that we hope you and your employees find useful.

- Register for Online Wage Reporting Services  
[www.ssa.gov/employer/eshome.htm](http://www.ssa.gov/employer/eshome.htm)
- Learn about the Magnetic Media Reporting and Electronic Filing requirements  
[www.ssa.gov/employer/how.htm](http://www.ssa.gov/employer/how.htm)
- For employer reporting instructions and information  
[www.ssa.gov/employer](http://www.ssa.gov/employer)
- Print an application for a Social Security number (also used to report name changes with SSA)  
[www.ssa.gov/online/ss-5.html](http://www.ssa.gov/online/ss-5.html)
- View frequently asked questions concerning the Social Security Statement  
[www.ssa.gov/mystatement](http://www.ssa.gov/mystatement)
- Calculate your retirement, disability, and survivors benefits and get other information for one-stop retirement planning  
[www.ssa.gov/planners](http://www.ssa.gov/planners)
- Apply for Social Security retirement benefits online  
[www.ssa.gov/applytoretire](http://www.ssa.gov/applytoretire)
- Print out a copy of form W-4V Voluntary Withholding Request  
[www.ssa.gov/online/w4v.pdf](http://www.ssa.gov/online/w4v.pdf)
- Request a Form 1099 showing how much you've received in benefits  
[www.ssa.gov/1099](http://www.ssa.gov/1099)
- Presidential Task Force on Employment of Adults with Disabilities  
[www.disAbility.gov](http://www.disAbility.gov)
- Replace Medicare card  
[www.ssa.gov/medicarecard](http://www.ssa.gov/medicarecard)
- Employment Support for People With Disabilities  
[www.ssa.gov/work](http://www.ssa.gov/work)
- Link to government services for elderly  
[www.seniors.gov](http://www.seniors.gov)
- Report fraud  
SSA – [www.ssa.gov/oig/Hotline.htm](http://www.ssa.gov/oig/Hotline.htm)  
FTC – [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft)
- Find the location of a Social Security field office  
[www.ssa.gov/locator](http://www.ssa.gov/locator)
- Visit Social Security's Women's Page  
[www.ssa.gov/women](http://www.ssa.gov/women)
- Subscribe to Social Security's online newsletter  
**e-news** – [www.ssa.gov/enews](http://www.ssa.gov/enews) SSA

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Small Business/Self-Employed  
Communications, S:COM C3-438  
5000 Ellin Road  
Lanham, MD 20706

e-mail: \*SSA.IRS.REPORTER@irs.gov

Fax: 202-283-0075

## New AccuWage for Tax Year 2001

Social Security's free test software, AccuWage, is now available to download. The new 2001 version checks an MMREF formatted Form W-2 file for more than 200 different errors, allowing you to correct the file before submitting it to Social Security. This year's version of AccuWage downloads quickly and offers a new user-friendly HTML Error Report Option. It also includes the new fields that were added to the 2001 MMREF. Go to [www.ssa.gov/employer/accuwage](http://www.ssa.gov/employer/accuwage) to download AccuWage 2001. SSA

## The Preferred Method of Filing your Business Returns



**W**e all know that the IRS *e-file* program for individuals continues to be a very successful and proven program. We can't imagine life without it. But have you thought about IRS *e-file* for Business lately? The IRS's *e-file* for Business products offer the same valuable features and benefits as the individual IRS *e-file* program – saves time and money, creates less paperwork; and is fast and accurate. The IRS has been working to build acceptance, create awareness, and increase usage of IRS *e-file* for business programs throughout the marketplace.

Did you know that there are several business IRS *e-filing* programs available to you right now? For instance, you could be filing your own or your clients' Employment Tax Returns (Forms 940 & 941) electronically or by using either the 941 On-Line or TeleFile filing options. You can also file certain Information Returns electronically using the FIRE (File Information Returns Electronically) system. Next year, why not use FIRE, the "Hottest Way to File" Forms 1042-S, 1098, 1099, 5498, 8027, and W-2G?

Partnership Returns (Form 1065) can also be filed electronically. This program allows you to electronically file the U.S. Partnership Return of Income electronically and there is less paperwork with paperless K-1s. Specifically, Section 1224 of the Taxpayer Relief Act of 1997


required partnerships with more than 100 partners to file their return electronically for taxable years ending on or after December 31, 2000. If all this sounds interesting, but you still have questions, help is just a quick click away. For more information on IRS *e-file* for Business products, visit the IRS Web site at [www.irs.gov](http://www.irs.gov) and click on *Electronic Services*. Click once more on the IRS *e-file* for Business logo, which will take you to specific IRS *e-file* for Business Fact Sheets as well as helpful Frequently Asked Questions (FAQs). Be sure to visit the listing of Approved IRS *e-file* for Business Providers located at [www.irs.gov/elec\\_svs/abp.html](http://www.irs.gov/elec_svs/abp.html).

If you prefer, you can also order forms and publications by calling 1-800-829-3676.

So what are you waiting for? Make the switch now by filing your business returns the smart way – with IRS *e-file* for Business – the preferred method of filing.

The IRS is in the process of building a Corporate Tax Return (Forms 1120/1120S) IRS *e-file* program. Full implementation is planned for January 2003.

In addition to filing your business returns, the Electronic Federal Tax Payment System (EFTPS) also allows you to pay all your Federal business taxes electronically. With EFTPS you can use the phone, PC software and soon to come in the Fall of 2001, the Internet. EFTPS

provides the same benefits as IRS *e-file* for Business – speed, accuracy, security, and proof of all transactions – and a payment history. With EFTPS, you can initiate your tax payment 24 hours a day, seven days a week. As an added convenience, EFTPS-Direct allows you to "schedule" your tax payment and instruction up to 120 days in advance of a tax due date. Your payment will be made on the tax due date or the date you designate. To enroll or receive more information on EFTPS, contact EFTPS Customer Service at 1-800-555-4477 or 1-800-945-8400. 

### New Withholding Calculator

**A** new withholding calculator is available on the IRS Web site.

This withholding calculator reflects the change in the income tax rates on individuals that began on July 1, 2001.

It can help employees figure their Federal income tax withholding. Employees may use the results of this program to help them complete a new Form W-4, which they will submit to you. To use the calculator, visit the IRS Web site at [www.irs.gov/prod/ind\\_info/wh/](http://www.irs.gov/prod/ind_info/wh/).

The new Withholding Tables for 2001 are also available in IRS Publication 15-T (*Revised Withholding Tables for 2001*) at <http://ftp.fedworld.gov/pub/irs-pdf/p15t.pdf>. 


## W-2 Tape and Diskette Filers

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and then click *Integrated Registration for Employers and Submitters*. Follow the onscreen prompts. You will be issued a PIN immediately. We'll mail you a temporary password within 10-14 days. Change the password right away to one you personally select.

**2.** When you're ready to upload your W-2 report, go back to the *Employer Services Online* Web site and select *Online Wage Reporting Service*. Using your PIN and password, click *Submit Files*. SSA will accept Tax Year 2001 electronic submissions from January 7, 2002 to April 1, 2002.

**3.** Print or save your online acknowledgement of receipt. It contains important information about your submission as well as a tracking number you can use to check the processing status of your report.

Everything you need to know about filing Forms W-2 electronically including system requirements and technical support phone numbers can be found in the *Employer Services Online Handbook*. To view and print the *Handbook*, point your browser to [www.ssa.gov/employer](http://www.ssa.gov/employer) and click on *How to File*. 

## The IRS Web Site Adds a Section For Small Business And Self-Employed Taxpayers

**T**he IRS's Web site, *The Digital Daily*, has added a new section to enhance information for businesses and self-employed individuals.

The new pages include:

- answers to many basic tax questions,
- a calendar of important tax deadlines,
- on-line access to many IRS forms,
- helpful tips to avoid common tax problems,


- news and events specific to new businesses,
- helpful links to non-IRS small business resources, and
- industry-specific tax information for the construction and restaurant industries.

To keep informed on tax related issues quickly and easily, visit the Small Business and Self-Employed Community at IRS Web site at [www.irs.gov/smallbiz/index.htm](http://www.irs.gov/smallbiz/index.htm). 

## \$5 to \$10 Million Asset Cases Shift from Large and Mid-Size Business Operating Division (LMSB) to Small Business/Self Employed Operating Division (SB/SE)

**B**eginning on October 1, 2001, all of the tax administration workload related to businesses with assets between \$5 and \$10 million dollars will shift from the Large and Mid-Size Business (LMSB) operating division to the Small Business/Self-Employed (SB/SE) operating division. From that point forward, LMSB will serve only businesses with assets of \$10 million or more, while SB/SE will focus on businesses with less than \$10 million in assets.

The issues relating to tax administration for these entities are much more in line with small business needs than with large corporations. This is another IRS initiative to

streamline tax administration. This furthers the IRS efforts to establish customer focused operating divisions. 

## Year-End Training

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- **Effect of These Changes on Forms, Publications, and Instructions**
- **Service Center Processing Changes**
- **Magnetic/Electronic Format and Processing Changes**

For the exact dates, times and locations, contact the IRS/MCC IRP Call Site at 304-263-8700 between 8:30 a.m. and 4:30 p.m., Eastern Standard Time, Monday through Friday or e-mail: [mccirp@irs.gov](mailto:mccirp@irs.gov). 