

Reporter

A Newsletter for Employers

Winter 1996

1997 Social Security Changes Announced

The 1997 Social Security wage base will be \$65,400 — up from \$62,700 in 1996. Beginning January 1, 1997, employers should withhold Social Security taxes (6.2 percent) from employees' wages up to \$65,400 and withhold the Medicare tax (1.45 percent) on all wages. Employers must match the tax payments withheld from employees' wages.

In 1997, an employee will earn one Social Security credit for each \$670 in earnings, up to a maximum of four credits for the year.

Social Security beneficiaries who work can earn more in 1997 before their benefits are reduced. Beneficiaries under age 65 in 1997 can earn \$8,640 before their benefits are reduced. For every \$2 a person under age 65 earns over \$8,640, \$1 is withheld from benefits. Beneficiaries between the ages of 65 and 69 can earn \$13,500 in 1997 without reducing their Social Security benefits. For every \$3 a person earns over \$13,500, \$1 is withheld from benefits.

Benefits are not reduced for persons who are age 70 or older and continue to work, regardless of how much they earn.

Persons who receive Social Security disability benefits must report all of their wages, no matter how little they earn. — SSA

Tax Year 1996 Reporting Checklist

Form W-2 reporting errors cost you time and money. And they can mean a loss of Social Security benefits for your employees. Here are some filing tips to help you avoid costly errors.

- ✓ Make sure you use the 1996 maximum wage amount for Social Security (\$62,700).

- ✓ Remember, the filing deadline for tax year 1996 is February 28, 1997.

- ✓ Paper filers should send Copy A to SSA, Data Operations Center, 1150 E. Mountain Dr., Wilkes Barre, Pennsylvania, 18769-0001 (Zip Code 18769-0002 if you use certified mail).

- ✓ Magnetic media filers should follow mailing instructions on the reverse side of Form 6559, *Transmittal Report and Summary of Magnetic Media*. Mailing instructions can also be found in the *TY 1996 TIB-4, SSA Publication 42-007*.

- ✓ If you need more time to file, submit IRS Form 8809, *Request for Extension of Time to File Information Returns*, to IRS by February 28, 1997.

- ✓ Type entries in black ink if you prepare paper W-2/3s.

- ✓ Enter the Social Security number exactly as it appears on the Social Security card.

- ✓ Enter the employee's name exactly as it is shown on the Social Security card (first name, middle initial, if appropriate, and last name).

- ✓ Do not add prefixes or suffixes of any kind to employee's name.

- ✓ Enter money amounts in dollars and cents, separated by a decimal point.

- ✓ Do not use dollar signs or commas.

- ✓ Always show cents (.00 for even dollar amounts).

- ✓ Center all entries in the box (do not extend over, or touch, the lines).

- ✓ Leave a box blank if it does not apply. — SSA

No Annual Report for Working Social Security Beneficiaries

If you have employees who receive Social Security benefits while working and earn over SSA's annual retirement test limit, they may never have to send SSA another annual report of earnings. SSA has eliminated the separate report for most working beneficiaries beginning in January 1997. Instead, SSA will adjust their benefits using the earnings reported on W-2s and/or income reported on self-employment tax returns.

Social Security makes adjustments in benefits after the end of the year when it can be determined exactly how much the employee earned. A worker who was paid too little in benefits will receive a payment. If there's been an overpayment, it must be returned.

In past years, beneficiaries who earned over the limit were required to file an annual report of earnings no later than April 15. This report has been eliminated as a way to reduce the public's reporting burden. — SSA

For More Info, Check the Internet

SSA — <http://www.ssa.gov>

IRS — <http://www.irs.ustreas.gov>

U.S. Business Advisor — <http://www.business.gov>

Form W-4 Reminder Notice to Employers

Forms W-4, *Employee's Withholding Allowance Certificate*, submitted to you by your employees claiming exemption from withholding expire on February 18 of the following year. By February 18, each employee must file a new Form W-4 claiming either exempt status (if they are still entitled to exemption from withholding) or the proper number of withholding allowances. If an employee whose exemption expired February 18 did not file a new Form W-4, you must withhold as if he or she were single claiming no withholding allowances, until the employee submits a new Form W-4.

Also, please remember that Section 31.3402(f)(2)-1(g) of the **Employment Tax Regulations** requires you to send to IRS a copy of all Forms W-4 you receive that claim exempt status (and the employees' wages would normally exceed \$200 weekly) or claim more than 10 withholding allowances. The IRS reviews these Forms W-4 to see if the employees are properly claiming exempt status or accurately claiming the number of withholding allowances to which they are entitled. This ensures that each employee has adequate withholding to cover his or her income tax liability for the current year.

You must send copies of Forms W-4 claiming exemption and those claiming more than 10 withholding allowances to your Internal Revenue Service Center at least quarterly (with your employment tax returns) or more often if you choose; we encourage frequent submission so we can establish the validity of the Forms W-4 sooner. If you choose, you may submit these Forms W-4 on magnetic tape. For more information about Form W-4 submission to IRS, see Circular E, *Employer's Tax Guide*.



Department of the Treasury
Internal Revenue Service
Notice 836 (Rev. 1-89)

File Your Form 941 Returns Electronically!

941 ELF

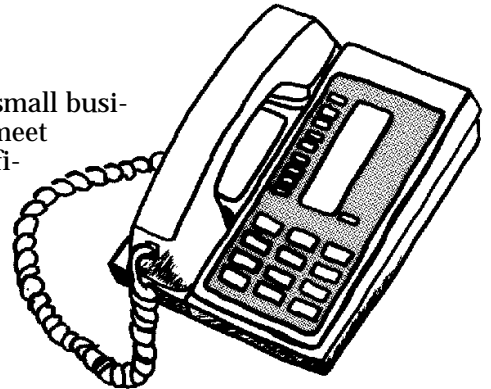
While it's too late to submit application letters to participate in the IRS' Form 941ELF program for the first quarter 1997, it's not too early to apply for the second quarter. Payroll processors and businesses have until March 15, 1997, to submit application letters to the IRS' Tennessee Computing Center (TCC) to begin electronically transmitting Form 941 employment tax return information as of the second quarter 1997.

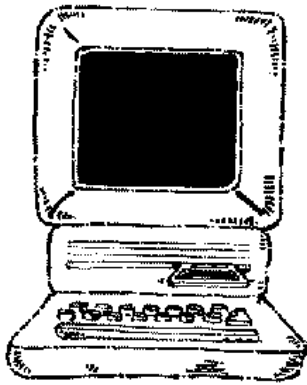
To participate in the program, businesses will need Revenue Procedure 96-19, 1996-4 I.R.B. 80 for Form 941ELF program requirements. You will also need EDI translation software, which can be easily developed using the IRS Publication 1855, *Technical Specifications Guide for the Electronic Filing of Form 941, Employer's Quarterly Federal Tax Return (941ELF)* (Cat. No. 21595A). Publication 1855 can be ordered by calling 1-800-829-3676. Smaller businesses can soon look to their local software store shelves for software packages that offer the Form 941ELF capability.

Remember, all potential participants must contact the ELF Help Desk at TCC to begin the application and testing process. The Help Desk number is (901) 546-2690 (ext. 7519).

941 TeleFile

In addition, small businesses who meet certain qualifications will be invited to participate in a pilot system that will allow Form 941 returns to be processed over the telephone. No more forms to send! Selected pilot participants will be located in areas serviced by the Tennessee Computing Center. The pilot will begin with the first quarter returns in April 1997. If you are a small business located in this area, look for the special Form 941 TeleFile tax package. Try it! — IRS





Electronic Filing with SSA: Fast, Easy, Convenient

You can now transmit W-2 data directly to SSA from your personal computer using the new Online Wage Reporting Bulletin Board Service (OWRBBS). Using SSA's OWRBBS can save you time and money, and provide you with additional information that is not currently available when filing paper or magnetic media; information such as receipt acknowledgment and processing status.

New filers are required to complete a one-time registration process in order to use the OWRBBS. The modem phone number is (410) 966-8450. Online registration for tax year 1996 began December 1, 1996. Please note that while SSA will be expanding the service each year, space is limited. If you are interested in filing your W-2 reports electronically this year, we encourage you to register early. Employers who used this service last year are asked to sign on during registration to update their records.

The data you transmit over the OWRBBS must follow the specifications for diskette filers found in SSA's Publication 42-007, *Magnetic Media Reporting for TY 1996 (TIB-4)*. You can get a copy of the TIB-4 from your magnetic media coordinator. Your coordinator can also answer general OWRBBS questions. Technical questions, however, should be addressed to the OWRBBS system operator at (410) 966-5503 or (410) 966-5549. — SSA

SSA Expands Free Enumeration Verification Service (EVS) to Include Diskettes

SSA offers a free service that allows employers to verify that employee names and Social Security numbers (SSNs) match SSA records prior to submitting W-2s. In addition to the methods previously used, employers can now submit their requests on 5-1/4" and 3-1/2" diskettes. In many cases, name and number mismatches prevent wages from being posted to individual earnings records and cause employers to incur additional processing costs. EVS can help employers correct the errors before submitting their reports to SSA. Employers can participate in EVS as follows:

Phone Verification

To verify up to five names and numbers, call Social Security's toll-free line, 1-800-772-1213.

Local Social Security Office

Contact the nearest Social Security office for verification of up to fifty employee names and numbers.

Large Volume Requests

Requests for more than fifty verifications can be submitted on one of the four types of media listed below:

1. Paper listings (up to 300 per request)
2. Magnetic tape
3. 3480 cartridges
4. Diskettes (3-1/2" and 5-1/4")

For information about requesting SSN verification using one of the media types mentioned, write to SSA, OCRO, Division of Operations Support, 5-E-10 North, Metro West Building, 300 N. Greene Street, Baltimore, MD 21201, or call (410)965-7140. — SSA

More Workers to Get Earnings/Benefit Statements

In 1997, Social Security will continue sending Personal Earnings and Benefit Estimate Statements (PEBES) to people who have earnings posted to their Social Security record and who are not already receiving benefits. The 1997 recipients will be the nearly 10 million workers born between 1939-1944. Workers at younger ages will receive the statements in 1998 or 1999. And, in the year 2000, Social Security will begin sending annual statements to all workers age 25 or older.

The statements are intended to help people better understand the value of Social Security in their lives as they plan their financial future. The PEBES includes estimates of benefits that workers and their families may be eligible for now and in the future. And, because the statement provides a year-by-year display of workers' earnings, it helps them make sure their earnings are correctly reported. This is important because their earnings are used to calculate their future Social Security benefits. — SSA

EXTRA ! EXTRA ! EXTRA!

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) was signed August 22, 1996. This law requires all employers to report identifying information on every new employee to the State Directory of New Hires. Be sure to see the special insert on Reporting New Hires for the latest information on how employers fit into the picture.

Avoid Problems – Use Correct Name And Number

Medical Service Providers Can Improve Reporting Accuracy

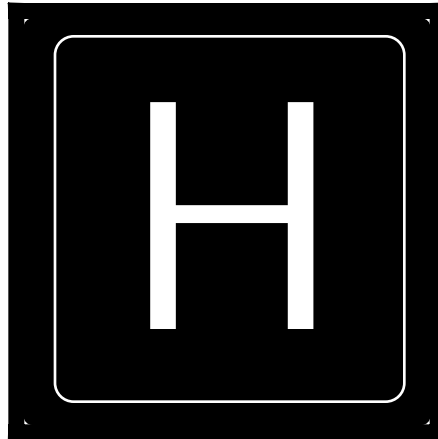
If you are a medical service provider, double-check the name and taxpayer identification number (TIN) you give to organizations (payers) paying you for services. Payers such as insurance companies must send your name, TIN, and amount of payment to the Internal Revenue Service. IRS has found that a high rate of name and taxpayer identification numbers of medical service providers do not match the name and TIN combinations in IRS records. For individuals, the TIN is the Social Security number (SSN); for corporations, partnerships and similar entities, the TIN is the employer identification number (EIN).

Incorrect Name/TIN May Result in Backup Withholding
When there is a name/TIN mismatch, IRS alerts the payor, and the payor attempts to correct the information. The payor sends you a Form W-9, "Request for Taxpayer Identification Number and Certification," or similar form to verify your correct name and TIN. If you fail to respond or do not supply the correct information, the payor must withhold federal income tax (backup withholding) at a rate of 31 percent from your payments.

Avoid Backup Withholding

A good way to check the name and TIN you are giving to payors is to look at your medical service invoice. Payers generally use the information on the invoice in their reports to IRS.

Check these common problem areas:



- **D/B/A Names**

Problem: You are a sole proprietor using your "doing business as" (d/b/a) name with your SSN or the EIN of your sole proprietorship. A sole proprietor must always put his/her name first; the d/b/a should be listed second.

- **Name Changes**

Problem: You change your business name — for example, you change your business name Johnson, McClear and Reed, P.C. to JMC Medical Group, P.C. — and forget to notify IRS. If you use your old TIN with your new name, it will cause a mismatch with IRS records. To notify IRS of your name change, write to the Entity Section of the Service Center where you file your federal tax returns.

- **SSNs Only for Individuals**

Problem: You are a partnership, corporation, hospital or clinic using an individual medical provider's SSN. You should use the EIN of the partnership, corporation, hospital or clinic. Only use an SSN with an individual's name.

Problem: You are an individual medical provider using the EIN of the partnership, corporation, hospital or clinic of which you are a member. Always use your SSN in combination with your name.

- **EIN Mix-Ups**

Problem: You are Meadowview Nursing Home, an operating unit of the larger business entity, Healthcare, Inc. You are using your name with the EIN of Healthcare, Inc. Doing this will cause a mismatch with IRS records. You should use the name Healthcare, Inc.

Problem: You originally obtained your EIN under the business name Immediate Care Clinic, P.C. You are using the initials "ICC" with your EIN. If you originally obtained your EIN using a business name that was spelled out, you may not identify your business with just your initials. Using "ICC" with your EIN will cause a mismatch of your name and EIN with IRS records. Use your complete name.

Problem: You are the Orthopedic Group of Metropolis practicing at Metropolis General Hospital, using your name, Orthopedic Group of Metropolis, with the EIN of the hospital. Doing this will cause a mismatch. Medical specialist groups practicing at a hospital may not use the EIN of the hospital. Use your own EIN.

Help Is Available

If you think you are using an incorrect name and TIN combination, IRS can help. Call 1-800-829-1040. For more information about TINs, call IRS at 1-800-829-3676 to order Publication 1635, *Understanding Your EIN*.

If you need information about how to apply for an EIN, call TeleTax, IRS' recorded tax information line, at 1-800-829-4477 and select number 755, "Employer Identification Number (EIN)—How to Apply." This Touch-Tone service is available 24 hours a day, 7 days a week. If you are a payor and need information about filing Forms 1099 or backup withholding, call the Information Reporting Program Centralized Call Site at 304-263-8700 (not toll free).

— IRS

New Law Gives Tax Refunds to Employees and Employers

Both employees and employers who participated in employer-provided educational assistance plans in 1995 or 1996 could be entitled to refunds because of recent tax law changes. The Internal Revenue Service has set up special procedures to make it easier to get these refunds and to expedite the processing of refund claims sent to the IRS.

The new law reinstates Internal Revenue Code Section 127's annual exclusion from income of up to \$5,250 of educational assistance benefits, retroactive to January 1, 1995. However, the new law does not extend the tax benefit to graduate-level courses that begin after June 30, 1996. The exclusion is now set to expire for tax years beginning after May 31, 1997.

Employee Refunds

Taxes Withheld: Employees who previously had taxes withheld on employer-provided educational assistance can now get refunds of federal income, Social Security and Medicare taxes paid in 1995 and 1996. They should request a refund of any withheld Social Security and Medicare taxes, and any **1996** withheld federal income tax, from the employer who provided the educational assistance.

1995 Federal Income Tax Paid: Employees who paid income taxes for 1995 on excludable educational assistance benefits are entitled to refunds. Employees can claim these refunds from the IRS by filing a Form 1040X, "Amended U.S. Individual Income Tax Return," if they have already filed a 1995 tax return. To do this, the employee needs to obtain from the employer a Form W-2c, "Statement of Corrected Income and Tax Amounts," showing the corrected wages for 1995, and needs to attach the Form W-2c to the Form 1040X. To expedite the processing of these

amended returns, taxpayers should print "IRC 127" in the top margin of the Form 1040X.

Employer Refunds

Employers may be able to reduce their federal tax deposits after refunding federal income tax (1996 only) and Social Security and Medicare tax overwithholdings to their employees. Adjustments should be reported on Form 941, "Employer's Quarterly Federal Tax Return," or Form 843 and must be explained on Form 941c, "Supporting Statement To Correct Information," or an equivalent statement providing the same information. Employers who reported these taxes on other employment tax forms should take the adjustment on those forms, and attach a Form 941c. See the instructions for Form 940 for information on correcting federal unemployment (FUTA) tax.

The rules governing employment tax refunds to employees and employers are summarized in *Circular E, Employer's Tax Guide*. To expedite claims relating only to this reinstatement of the educational assistance exclusion, employers are not required to obtain the usual written statements from employees that they will not file duplicate refund claims. However, if employers do not obtain these written statements, they must:

1 — notify employees that the employer is claiming the refund on behalf of the employees, that the employees should not submit their own claims, and that employees must notify the employer of any claims already submitted due to the reinstatement of the educational assistance exclusion, including any refunds or credits claimed on their 1995 federal income tax returns;

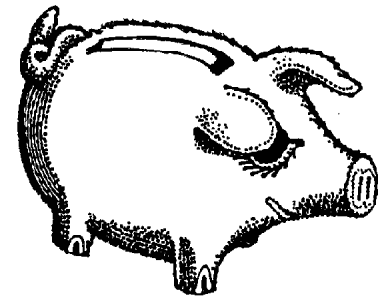
2 — refund the over-collected taxes to employees for amounts not already included in previous claims filed by the employees; and

3 — state on the Form 941c (Part V) that the employer has done both of the above.

Employers who file a Form 843 to claim a refund of federal income, Social Security and Medicare taxes should also print "IRC 127" in the top margin of that form to expedite the refund claim.

Tax Forms Available

Taxpayers may obtain Forms 843, 941c, W-2c or 1040X by calling 1-800-829-3676 or by using their computers to access the IRS home page on the Internet at <http://www.irs.ustreas.gov> or the Internal Revenue Information System bulletin board at 703-321-8020 (not a toll-free number). — *IRS*

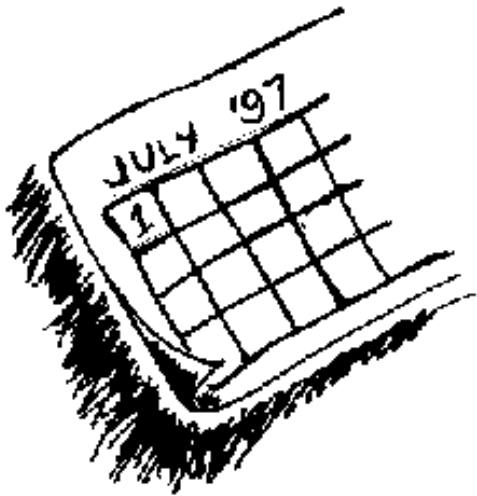


Save \$ on Your Long Distance Phone Bill

Tired of costly long distance bills? Wish there was a way to lower your costs? SSA's new service for employers may be just what you've been waiting for.

You can now call the Social Security headquarters in Baltimore toll free to get answers to wage reporting questions. The number, 1-800-772-6270, is open to serve employers on weekdays from 7 a.m. to 7 p.m. Eastern time. At present, the service answers questions about magnetic media filing, Medicare reporting error notices, and Social Security/Internal Revenue reconciliation of W-2 data.

The service will be expanded later to answer other types of employer questions. In the meantime, SSA is working closely with employers to measure the new service and look for additional ways it can be enhanced. — *SSA*



Electronic Payments Requirement Extended

On August 20, 1996, President Clinton signed Public Law 104-188, the Small Business Job Protection Act of 1996. One provision of this act extends the date by which employers who made more than \$50,000 in employment tax deposits in calendar year 1995 will have to make their depository tax payments by electronic funds transfer. The new requirement is to begin making their deposits electronically for liabilities occurring after June 30, 1997. Once employers are subject to the Electronic Federal Tax Payment System (EFTPS), they must use it for all federal taxes that must be deposited.

The IRS suggests employers enroll now, and become familiar with EFTPS. Even if not required to, any employer can make their federal tax payments through this system. Businesses will be pleased with the ease of making their payments electronically, and may want to begin using EFTPS right away.

For more information or to obtain an enrollment package, call 1-800-945-8400 or 1-800-555-4477.
— IRS

Employers Can Get Tax Credit for Certain New Hires

Employers can get a tax credit of up to \$2,100 if they hire new employees from one of seven targeted low-income groups. The credit — generally, 35 percent of the first \$6,000 in wages — applies to employees who start work after September 30, 1996 and before October 1, 1997.

The targeted groups are:

- ✓ qualified recipients of Aid to Families with Dependent Children, or its successor under welfare reform;
- ✓ qualified veterans;
- ✓ qualified ex-felons;
- ✓ high-risk youth;
- ✓ vocational rehabilitation referrals;
- ✓ qualified summer youth; and
- ✓ qualified food stamp recipients.

To help employers determine if a worker will make them eligible for this tax break, the Internal Revenue Service has developed Form 8850, "Work Opportunity Credit Pre-Screening Notice and Certification Request." This form

is available tomorrow to computer users through the IRS home page on the Internet —

<http://www.irs.ustreas.gov> — or by modem directly to 703-321-8020 (not a toll-free number). Employers may also request Form 8850 by calling (toll free) 1-800-829-3676.

The employer will get information from a job applicant about the worker's potential membership in a targeted group, completing Form 8850 on or before the day the job is offered. The employer then submits the form, signed by both employer and employee, to the state employment service agency within three weeks after the employee starts work. If the employee qualifies, the state agency will certify the employee's membership in the targeted group. The employer should keep copies of Form 8850, transmittal letters and any other documentation related to the work opportunity tax credit for three years after filing the tax return claiming the credit. — IRS

ID Numbers Valid for Tax Purposes Only

The Internal Revenue Service has developed a new taxpayer identification numbering system for resident and nonresident alien individuals who have a U.S. federal income tax responsibility, but who are ineligible to obtain valid Social Security numbers (SSNs).

Employers should be aware that these individual taxpayer identification numbers (ITINs) **do not** replace SSNs. These numbers begin with a "9" but,

otherwise, look just like SSNs — 9XX-XX-XXXX.

ITINs are used for tax processing purposes only. They do not grant individuals the right to work, change their immigration status, nor entitle the holder to any Social Security benefits or advance earned income credit. If an employee does not have an SSN, and is eligible for one, he or she should apply for an SSN at the nearest Social Security office. — IRS

Tax Law Changes Affect Employers

Recently, Congress passed and the President signed three laws that affect employers. These laws are the Small Business Job Protection Act, the Health Insurance Portability and Accountability Act, and the Personal Responsibility and Work Opportunity Reconciliation Act.

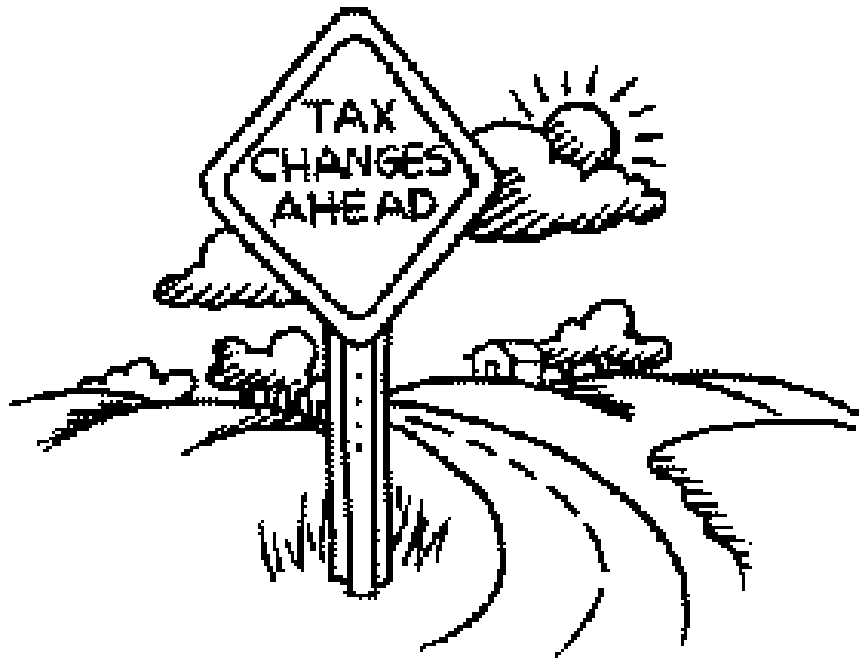
Here are some of the highlights of these laws.

The Small Business Job Protection Act

The Small Business Job Protection Act of 1996, which increased the minimum wage, also contains over 110 tax provisions. The provisions include small and general business changes, pension simplification, changes to S corporations, extension of expiring provisions, a six-month delay to July 1 in the implementation of the next phase of the Electronic Federal Tax Payment System (EFTPS), and a number of revenue raisers.

Among the small business provisions is an increase from \$17,500 to \$25,000 in the annual expensing allowance for depreciable property used in a trade or business. The increased expensing allowance is phased in over seven years. The allowance is \$18,000 for property placed in service in 1997, \$18,500 for 1998, \$19,000 for 1999, \$20,000 for 2000, \$24,000 for 2001 and 2002, and \$25,000 for 2003 and thereafter.

Under the Electronic Federal Tax Payment System (EFTPS), employers must electronically remit certain taxes. The Act delays the increase in the FY97 percentages of taxes to be electronically remitted from January 1, 1997, to July 1, 1997. This also extends, from January 1, 1997, to July 1, 1997, the date that employers who deposited more than \$50,000 in taxes in calendar year 1995 are subject to EFTPS requirements. (See "Electronic Payments Requirement Extended" on page 6.)



The tax credit for FICA taxes paid on tips is clarified by providing that the credit (1) is available whether or not the employee reported the tips on which the employer paid FICA taxes and (2) is effective for taxes paid after December 31, 1993, regardless of when the services were performed. In addition, the credit is expanded beginning in 1997 to apply to tips received for delivering or serving food or beverages even if they are not consumed on the premises.

Several tax provisions that had expired have been extended, including:

The exclusion for employer-provided educational assistance, which expired December 31, 1994, has been retroactively extended through taxable years beginning before June 1, 1997. The exclusion is not applicable to graduate courses that begin after June 30, 1996. Also, the exclusion is not applicable to any courses that begin after June 30, 1997. The IRS has issued guidance on obtaining refunds of 1995 taxes paid on excludable benefits. (See "New Law Gives Tax Refunds to Employees and Employers" on page 5.)

The targeted jobs tax credit, which expired at the end of 1994, has been replaced with the work opportunity tax credit. This credit equals 35 percent of qualified wages paid to individuals from certain targeted groups who begin work after September 30, 1996, and before October 1, 1997. These groups include recipients of assistance under Title IV-A of the Social Security Act, veterans, ex-felons, high-risk youth, vocational rehabilitation referrals, summer youth employees, and food stamp recipients.

Health Insurance Portability and Accountability Act

The Health Insurance Portability and Accountability Act of 1996 contains several tax provisions related to health care and insurance coverage. The provisions include medical savings accounts, long-term care insurance contracts and services, treatment of accelerated death benefits, application and enforcement of group health plan requirements and changes to the treatment of individuals who relinquish U. S. citizenship.

(Continued on page 8)

(Continued from page 7)

The Act establishes rules for a pilot program of Medical Savings Accounts (MSAs) covering contributions, deductions, earnings and distributions. MSAs are available to employees covered under employer-sponsored high-deductible plans of small employers (employers of no more than 50 employees during the preceding two years) and self-employed individuals. Within limits, contributions by qualified individuals are deductible and employer contributions are excludable from income and exempt from unemployment taxes.

These provisions are effective for taxable years beginning after December 31, 1996.

The deduction for health insurance costs for the self-employed will be increased from 30% to: 40% in 1997, 45% in 1998-2002, 50% in 2003, 60% in 2004, 70% in 2005, and 80% in 2006 and thereafter.

Personal Responsibility and Work Opportunity Reconciliation Act

This Act, commonly known as "welfare reform," consists of 215 sections that amend a broad range of federal statutes. Several of these sections amend the Internal Revenue Code while others relate to IRS' role in child support enforcement, both as a supplier of data and as a federal agency employer. See also Health and Human Service insert on the State Directory of New Hires.

The earned income tax credit (EITC) is denied to individuals who are not authorized to work in the United States. Also, it will not be available to individuals who do not include their taxpayer identification number (TIN) (and, if married, their spouse's TIN) on their return. The TIN must be a Social Security number issued by the Social Security Administration. — IRS

IRS Eliminates Deposit Notice

Approximately five million employers will not get their usual annual notice reviewing their federal tax deposit (FTD) record. This notice gave a brief overview of deposit tax amounts for the preceding year and either confirmed that the deposit requirements had not changed or gave the new deposit requirements.

In past years, IRS has sent all those required to make FTDs a notice, regardless of whether or not the employer's deposit requirements had changed. Now, only those whose deposit requirements have changed due to increasing or decreasing deposits will get the notice.

Employers whose deposits have remained relatively constant over the past two years will not get a notice, since they will not need to change their deposit procedures. If employers have experienced significant changes in FTD amounts over the past year but did not receive a notice, they should double-check the deposit requirements listed in Publication 15, *Circular E, Employer's Tax Guide*, to make sure their requirements have not changed. — IRS

Free Tax Help

Are you aware of all the resources the IRS makes available to you? To get the inside scoop on all free IRS tax services, order Publication 910. It describes year-round services, tax time assistance and frequently requested publications. To order, call 1-800-829-3676.

IRS Is On-line

The IRS has tax forms, publications and other information available on-line. Access through the Internet via the World Wide Web (<http://www.irs.ustreas.gov>); file transfer protocol (<ftp.irs.ustreas.gov>); or Telnet (<iris.irs.ustreas.gov>). To access by modem, dial (703) 321-8020.

Ordering Information Returns

Here's some news for employers who went through their tax preparers last year to order information returns such as Forms W-2, *Wage and Tax Statement*, or 1099-MISC, *Miscellaneous Income*.

The employer's order blank for information returns will not be included in Publication 1045, which is sent to tax professionals each year. Employers should look for the order blanks in Publications 393, *Federal Employment Tax Forms*, 15, *Circular E, Employer's Tax Guide*, and 51, *Agricultural Employer's Tax Guide*, and in the 1099 tax package. — IRS

