

Massachusetts
Department of
Revenue
PO Box 7029
Boston, Massachusetts 02204

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TO



Form
WR-1

Massachusetts Wage Reporting System Employer's Quarterly Report of Wages Paid



Commonwealth of Massachusetts

Department of Revenue (DOR)

Dear Employer:

Would you rather not mail this form? WebFile it instead! You can now file Form WR-1 online. WebFile for Employers is a free online filing service offered jointly by the Department of Revenue and the Division of Employment and Training (DET). In addition to Form WR-1, WebFile for Employers allows you to file one quarterly return with one electronic debit payment in place of the DET Form 1, Unemployment Insurance and Workforce Training Fund Contribution Report, DET Form 1700-HI, Unemployment Health Insurance Contribution Report, and your DOR withholding tax return. You can also use WebFile for Employers to make withholding tax payments.

Visit WebFile for Employers at www.mass.gov/dor and click on WebFile for Employers in the Quick Links section. Take a tour to see how simple it is.

Please be aware that state and federal laws require every employer, regardless of type or size, to report to DOR, within 14 days of hire or reinstatement, all new employees, independent contractors and employees returning to work after 30 days or more off the payroll. Failure to report can result in penalties ranging from fines to loss of licenses or the right to sell goods or services to the Commonwealth.

To fulfill your New Hire Reporting obligation, use our free online reporting option by visiting www.mass.gov/dor and clicking on Business Information/New Hire Reporting. To obtain Form NHR, New Hire Reporting, call 617-887-1900 from your fax machine and enter document retrieval number 506, or call 617-626-4154.

If you have general tax questions or need to request tax forms, visit www.mass.gov/dor or call our Customer Service Bureau at 617-887-6367 or toll-free in Massachusetts, 1-800-392-6089.

Sincerely,

Alan LeBovidge
Commissioner of Revenue

Employer's Instructions for Form WR-1, Massachusetts Wage Reporting System



Online Filing Option Now Available

Most employers can now file Form WR-1 via the Internet using a new filing option, "WebFile for Employers." A partnership between the Massachusetts Department of Revenue and the Massachusetts Division of Employment and Training (DET), WebFile for Employers also allows employers to file and pay their withholding taxes, unemployment insurance contributions (DET Form 1), and unemployment health insurance contributions (DET Form 1700-HI). The site's wage reporting feature is aimed at employers with up to 100 employees. For more information, visit www.mass.gov/dor and click on the WebFile for Employers Quick Link.

DOR issues preprinted wage reporting forms (Form WR-1) to all Massachusetts employers who reported 21 or fewer employees in the previous quarter. Since preprinted forms contain the name and Social Security number of each employee, employers only need to record wages. Employers are responsible for verifying the accuracy of the preprinted information; corrections and deletions to the preprinted employee information should be made in red ink. Employees who are not listed should be recorded on any available lines at the bottom of Form WR-1 or on a continuation sheet if necessary. **The employee information on the preprinted Form WR-1 cannot be substituted by an attached printout.**

Wage adjustments for a prior quarter must be reported on a separate Form WR-1 with the "amended return" box checked. For more information regarding wage adjustments, see the section "What If I Make a Mistake on the Report?"

1. General Information

The federal government requires each state to implement a Wage Reporting System, a program establishing a database of all employers paying wages to employees. This database is used to ensure the fairness of a host of programs, including unemployment insurance, veterans services, public welfare and child support enforcement. The Massachusetts Department of Revenue has been designated as the state agency responsible for establishing and maintaining a wage reporting database for the Commonwealth of Massachusetts. The Commonwealth of Massachusetts Wage Reporting System is authorized by Massachusetts General Laws, Chapter 62E.

This comprehensive Form WR-1 booklet contains Forms WR-1 and WR-2, instructions, Magnetic Media Transmitter Report, and record specifications for magnetic tape or cartridge filing. The instructions are divided into four sections. Section one — **General Information** — answers questions you may have before you begin to fill out your return. Section two — **Filing Requirements** — answers specific filing concerns, such as who should be filing on magnetic media, when Form WR-1 must be filed, etc. Section three — **Information to Be Reported** — provides detailed information regarding the specific information that must be reported to DOR. This section is printed on the back of Form WR-1. The fourth section — **Instructions for Filing on Magnetic Tape or Cartridge** — contains detailed instructions for employers who file on magnetic tape or cartridge. Beginning on the back of Form WR-2, this section provides an explanation of magnetic tape and cartridge records, formats and specifications, and magnetic tape and cartridge mailing instructions. In addition, section four contains detailed record specifications for filing on magnetic tape or cartridge. These specifications are listed on the back of the Wage Reporting Magnetic Media Transmitter Report.

Who Is Required to File a Wage Report?

Under the wage reporting requirements, any person or business that employs one or more individuals and maintains a place of business or does business in Massachusetts is required to file an Employer's Quarterly Report of Wages Paid, Form WR-1. Any person or business subject to Massachusetts withholding under Massachusetts General Laws, Chapter 62B, is also subject to wage reporting requirements.

NOTE: Employers who have their wage reporting returns, Form WR-1, filed by their corporate headquarters, payroll service, or tax service organization are not mailed a quarterly Form WR-1. Instead, the quarterly Form WR-1 will be mailed to the address of the organization that is listed on the transmitter record. It is the responsibility of the employers to ensure that their wage reporting obligation is met. To request a Form WR-1, employers should contact Electronic Data Services at (617) 887-5030.

Who Must Employers Include in Wage Reports?

Every employer must submit quarterly reports for each employee who either resides or is employed in Massachusetts, whether or not the employee's wages are subject to withholding of tax or payment of tax under Massachusetts income tax law.

What Is Included in Wages Paid?

Wages paid, as defined by Section 3401(a) of the Internal Revenue Code (IRC), generally means a) all cash remunerations for services performed by an employee before any allocations or deductions; and b) the cash value of all remunerations paid in a medium other than cash before any allocations or deductions, provided that such non-cash remunerations are subject to federal personal income tax withholding, federal unemployment tax, Federal Insurance Contributions Act deductions, or Railroad Retirement Act deductions. See Sections 3401(a)(1)-(21) of the IRC for types of remuneration not included in wages paid.

Instructions continued on the back of Form WR-1.

Employer's Instructions for Form WR-1, Massachusetts Wage Reporting System

(continued)

2. Filing Requirements

How Do I File Wage Reports?

Before the end of each calendar quarter, employers or their payroll service representatives will receive an Employer's Quarterly Report of Wages Paid, Form WR-1. Employers who report 250 or more employees are required to file on magnetic media. Employers with fewer than 250 employees have the choice of two reporting methods; filing the **original** copy of Form WR-1, or filing on magnetic media. If you are filing Form WR-1 and need more space, you may report the additional employees on the Continuation Sheet, Form WR-2, included in this booklet. Additional forms can be obtained from any DOR Customer Service location listed at the back of this booklet. You may use your own listing sheets in place of the Form WR-2 as long as each sheet contains the employer's name and federal identification number as it appears on Form WR-1. **Note:** This is not an option for employer's who receive a preprinted Form WR-1. In addition, each employee must be listed in the same format as on the Form WR-1, with individual totals shown in the applicable boxes at the bottom of each sheet.

DOR accepts the magnetic media (tape and cartridge) standardized Interstate Conference of Employment Security Agencies (ICESA) format for those companies that file wage reporting information with multiple states. If your organization is interested in participating, contact Electronic Data Services at (617) 887-5030.

Should I Be Filing on Magnetic Media?

NOTE: Employers who report 250 or more employees in a calendar quarter are required to report wage information on magnetic tape, cartridge, or diskette. Magnetic media filing ensures that information about each business and its employees is recorded as accurately as possible. Filing in this way is also more cost-effective than processing information on paper for both employers and the Commonwealth. Although companies reporting fewer than 250 employees are not required to file on magnetic media, many employers will find this reporting method beneficial.

Instructions and specifications for submitting information on magnetic tape or cartridge files are included in this booklet. Call DOR's Electronic Data Services at (617) 887-5030 for diskette filing instructions. Magnetic tape or cartridge filers do not need to complete a Form WR-1, but **must** file a Magnetic Media Transmitter Report along with each tape or cartridge. (See the instructions for filing on magnetic tape or cartridge included in this booklet.)

When Do I File?

Form WR-1 is due no later than the last day of the month following the end of the quarter; provided, however, that if the last day falls on a Saturday, Sunday or legal holiday such reports shall be submitted no later than the next succeeding business day.

Quarterly wage reports are due on the following dates:

Quarter Ending	Due Date
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

What If I Close My Business?

If the business is closed or the employer permanently ceases to pay wages, he/she must file a final wage report by the last day of the month following the end of the month in which the business or payment of wages ceased.

What Are the Penalties for Failure to File?

Any employer who, without reasonable cause, fails to comply with the wage reporting requirements and who, after notification by certified mail, still fails to comply for more than 15 business days without reasonable cause, is liable for the following penalties:

1. First failure to comply: up to \$25 per employee.
2. Second failure to comply: up to \$50 per employee.
3. Third and subsequent failures to comply: up to \$100 per employee.

3. Information to Be Reported

What Information About the Employer Must Be Reported?

The employer's name, address and federal identification number must be shown on all forms and correspondence sent to DOR. Your federal identification number is generally the nine-digit federal identification number also used for Massachusetts income tax withholding purposes. The total number of employees and the total wages paid during the quarter must be shown in the applicable boxes to the right of the name and address area on Form WR-1.

What Information About the Employee Must Be Reported?

You must report the wages for **each** employee who worked for you and was paid wages during **any** part of the calendar quarter. If there were interruptions in the employment of any employee during the quarter, the different periods of employment must be grouped together and one entry made for each employee for the quarter.

The employee's Social Security number must be entered in the first column exactly as shown on his/her Social Security card. **Reports with blank or invalid Social Security numbers are not acceptable. Any report submitted without a valid Social Security number will be returned to the employer for correction. A returned report may result in an assessment of penalties.**

The employee's name (last name first, first name and middle initial) must be entered in the second column.

The wages paid in each quarter must be reported for each employee residing in Massachusetts regardless of where he/she is employed. If the employee resides outside of Massachusetts, only his/her wages earned in Massachusetts are required to be reported. Wages are reportable even if they are not subject to Massachusetts withholding or the payment of Massachusetts income tax.

What If I Make a Mistake on the Report?

If a previously filed Form WR-1 needs corrections, you must submit a new Form WR-1 and check "amended return." Report all information for each employee where an adjustment is required. Clearly state the quarter-end date and year-end date of the amended return. A separate report must be filed for each quarter. Adjustments should **not** be made in the reports for subsequent quarters.

Which Records Must Be Kept?

Every employer required to submit wage reports under the Wage Reporting System must keep all pertinent records and information available for inspection and examination at any reasonable time by the Commissioner or his authorized representative. Such records should be kept for three years after the date the return was filed or the date it was due, whichever is later.

Diskette Filing Option

Employers who want to file Form WR-1 on diskette should contact Electronic Data Services for the required diskette specifications and record layouts at 617-887-5030. For magnetic tape and cartridge filing instructions, see the back of Form WR-2.