

Schedule A (Form 940) for 2014:

860312

Multi-State Employer and Credit Reduction Information

OMB No. 1545-0028

Department of the Treasury — Internal Revenue Service

See the instructions on page 2. File this schedule with Form 940.

Employer identification number (EIN) -

Name (not your trade name)

Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. For each state with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and enter the credit reduction amount. Do not include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax (see the instructions for Step 2). If any states do not apply to you, leave them blank.

| Postal Abbreviation | FUTA Taxable Wages | Reduction Rate | Credit Reduction | Postal Abbreviation | FUTA Taxable Wages | Reduction Rate | Credit Reduction |
|-----------------------------|--------------------|----------------|------------------|-----------------------------|--------------------|----------------|------------------|
| <input type="checkbox"/> AK | . | | . | <input type="checkbox"/> NC | . | | . |
| <input type="checkbox"/> AL | . | | . | <input type="checkbox"/> ND | . | | . |
| <input type="checkbox"/> AR | . | | . | <input type="checkbox"/> NE | . | | . |
| <input type="checkbox"/> AZ | . | | . | <input type="checkbox"/> NH | . | | . |
| <input type="checkbox"/> CA | . | | . | <input type="checkbox"/> NJ | . | | . |
| <input type="checkbox"/> CO | . | | . | <input type="checkbox"/> NM | . | | . |
| <input type="checkbox"/> CT | . | | . | <input type="checkbox"/> NV | . | | . |
| <input type="checkbox"/> DC | . | | . | <input type="checkbox"/> NY | . | | . |
| <input type="checkbox"/> DE | . | | . | <input type="checkbox"/> OH | . | | . |
| <input type="checkbox"/> FL | . | | . | <input type="checkbox"/> OK | . | | . |
| <input type="checkbox"/> GA | . | | . | <input type="checkbox"/> OR | . | | . |
| <input type="checkbox"/> HI | . | | . | <input type="checkbox"/> PA | . | | . |
| <input type="checkbox"/> IA | . | | . | <input type="checkbox"/> RI | . | | . |
| <input type="checkbox"/> ID | . | | . | <input type="checkbox"/> SC | . | | . |
| <input type="checkbox"/> IL | . | | . | <input type="checkbox"/> SD | . | | . |
| <input type="checkbox"/> IN | . | | . | <input type="checkbox"/> TN | . | | . |
| <input type="checkbox"/> KS | . | | . | <input type="checkbox"/> TX | . | | . |
| <input type="checkbox"/> KY | . | | . | <input type="checkbox"/> UT | . | | . |
| <input type="checkbox"/> LA | . | | . | <input type="checkbox"/> VA | . | | . |
| <input type="checkbox"/> MA | . | | . | <input type="checkbox"/> VT | . | | . |
| <input type="checkbox"/> MD | . | | . | <input type="checkbox"/> WA | . | | . |
| <input type="checkbox"/> ME | . | | . | <input type="checkbox"/> WI | . | | . |
| <input type="checkbox"/> MI | . | | . | <input type="checkbox"/> WV | . | | . |
| <input type="checkbox"/> MN | . | | . | <input type="checkbox"/> WY | . | | . |
| <input type="checkbox"/> MO | . | | . | <input type="checkbox"/> PR | . | | . |
| <input type="checkbox"/> MS | . | | . | <input type="checkbox"/> VI | . | | . |
| <input type="checkbox"/> MT | . | | . | | | | |

Total Credit Reduction. Add all amounts shown in the *Credit Reduction* boxes. Enter the total here and on Form 940, line 11

Instructions for Schedule A (Form 940) for 2014:

860412

Multi-State Employer and Credit Reduction Information

Specific Instructions: Completing Schedule A

Step 1. Place an "X" in the box of every state (including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which you had to pay state unemployment taxes this year, even if the state's credit reduction rate is zero.

Note. Make sure that you have applied for a state reporting number for your business. If you do not have an unemployment account in a state in which you paid wages, contact the state unemployment agency to receive one. For a list of state unemployment agencies, visit the U.S. Department of Labor's website at www.workforcesecurity.doleta.gov/unemploy/agencies.asp.

The table below provides the two-letter postal abbreviations used on Schedule A.

| State | Postal Abbreviation | State | Postal Abbreviation |
|----------------------|---------------------|---------------------|---------------------|
| Alabama | AL | Montana | MT |
| Alaska | AK | Nebraska | NE |
| Arizona | AZ | Nevada | NV |
| Arkansas | AR | New Hampshire | NH |
| California | CA | New Jersey | NJ |
| Colorado | CO | New Mexico | NM |
| Connecticut | CT | New York | NY |
| Delaware | DE | North Carolina | NC |
| District of Columbia | DC | North Dakota | ND |
| Florida | FL | Ohio | OH |
| Georgia | GA | Oklahoma | OK |
| Hawaii | HI | Oregon | OR |
| Idaho | ID | Pennsylvania | PA |
| Illinois | IL | Rhode Island | RI |
| Indiana | IN | South Carolina | SC |
| Iowa | IA | South Dakota | SD |
| Kansas | KS | Tennessee | TN |
| Kentucky | KY | Texas | TX |
| Louisiana | LA | Utah | UT |
| Maine | ME | Vermont | VT |
| Maryland | MD | Virginia | VA |
| Massachusetts | MA | Washington | WA |
| Michigan | MI | West Virginia | WV |
| Minnesota | MN | Wisconsin | WI |
| Mississippi | MS | Wyoming | WY |
| Missouri | MO | Puerto Rico | PR |
| | | U.S. Virgin Islands | VI |

Step 2. You are subject to credit reduction if you paid FUTA taxable wages that were also subject to state unemployment taxes in any state listed that has a credit reduction rate greater than zero.

If you paid FUTA taxable wages that were also subject to state unemployment taxes in any state that is subject to credit reduction, find the line for each state.

In the *FUTA Taxable Wages* box, enter the total FUTA taxable wages that you paid in that state. (The FUTA wage base for all states is \$7,000.) However, do not include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax. For example, if you paid \$5,000 in FUTA taxable wages in a credit reduction state but \$1,000 of those wages were excluded from state unemployment tax, report \$4,000 in the *FUTA Taxable Wages* box for that state.

Note. Do not enter your state unemployment wages in the *FUTA Taxable Wages* box.

Then multiply the total FUTA taxable wages by the reduction rate.

Enter your total in the *Credit Reduction* box at the end of the line.

Step 3. Total credit reduction

To calculate the total credit reduction, add up all of the *Credit Reduction* boxes and enter the amount in the *Total Credit Reduction* box.

Then enter the total credit reduction on Form 940, line 11.

Example 1

You paid \$20,000 in wages to each of three employees in State A. State A is subject to credit reduction at a rate of .003 (.3%). Because you paid wages in a state that is subject to credit reduction, you must complete Schedule A and file it with Form 940.

| | |
|---|----------|
| Total payments to all employees in State A | \$60,000 |
| Payments exempt from FUTA tax (see the Instructions for Form 940) | \$0 |
| Total payments made to each employee in excess of \$7,000 (3 x (\$20,000 - \$7,000)) | \$39,000 |
| Total FUTA taxable wages you paid in State A entered in the <i>FUTA Taxable Wages</i> box (\$60,000 - \$0 - \$39,000) | \$21,000 |
| Credit reduction rate for State A | .003 |
| Total credit reduction for State A (\$21,000 x .003) | \$63 |

Caution. Do not include in the *FUTA Taxable Wages* box wages in excess of the \$7,000 wage base for each employee subject to state unemployment insurance in the credit reduction state. The credit reduction applies only to FUTA taxable wages that were also subject to state unemployment tax.

In this case, you would write \$63.00 in the *Total Credit Reduction* box and then enter that amount on Form 940, line 11.

Example 2

You paid \$48,000 (\$4,000 a month) in wages to Employee A and no payments were exempt from FUTA tax. Employee A worked in State B (not subject to credit reduction) in January and then transferred to State C (subject to credit reduction) on February 1. Because you paid wages in more than one state, you must complete Schedule A and file it with Form 940.

The total payments in State B that are not exempt from FUTA tax are \$4,000. Since this payment to Employee A does not exceed the \$7,000 FUTA wage base, the total FUTA taxable wages paid in State B are \$4,000.

The total payments in State C that are not exempt from FUTA tax are \$44,000. However, \$4,000 of FUTA taxable wages was paid in State B with respect to Employee A. Therefore, the total FUTA taxable wages with respect to Employee A in State C are \$3,000 (\$7,000 (FUTA wage base) - \$4,000 (total FUTA taxable wages paid in State B)). Enter \$3,000 in the *FUTA Taxable Wages* box, multiply it by the *Reduction Rate*, and then enter the result in the *Credit Reduction* box.

Attach Schedule A to Form 940 when you file your return.