

Massachusetts  
Department of  
Revenue  
PO Box 7029  
Boston, Massachusetts 02204

BULK RATE  
U.S. POSTAGE  
**PAID**  
COMMONWEALTH OF  
MASSACHUSETTS

To:



Form WR-1

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



### Important Information for Form WR-1 Filers:

Did you know that quarterly wage reports can now be filed electronically through DOR's WebFile for Business (WFB) application?

- This is important to know since any company with **50 or more employees** is now required by law to file wage reports electronically.

Visit DOR's website at [www.mass.gov/dor](http://www.mass.gov/dor) to learn more about WebFile for Business.

- Small companies can enter their wage reports using our Online Filing option and the information will be presented back to them for editing the following quarter.
- Businesses that have their wage report data correctly formatted for tape, cartridge or diskette can now use our File Upload option to transmit their wage reports, eliminating the need to mail magnetic media.

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



## Online Filing Option Now Available

Employers can file Form WR-1 via the Internet using "WebFile for Business" (WFB). Employers can also use WFB to submit returns, make payments and manage their tax accounts online. For more information, visit [www.mass.gov/dor](http://www.mass.gov/dor) and click on the WebFile for Business 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.

If businesses choose to attach a spreadsheet with wage reporting information rather than Form WR-1, the information must be presented in the same format (employee Social Security number, last name, first name and wages paid) as Form WR-1. Each page of the spreadsheet must contain a subtotal of the number of employees and wages reported on that page. The total number of employees and wages must be reported on the Form WR-1 coversheet that is attached to the spreadsheet.

Wage adjustments for a prior quarter must be reported on a separate Form WR-1 with the "amending" 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 print a Form WR-1, employers should visit our website at [www.mass.gov/dor](http://www.mass.gov/dor).

## 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

*Instructions continue on the back of Form WR-1.*

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

(cont'd.)

Act deductions. See Sections 3401(a)(1)-(21) of the IRC for types of remuneration not included in wages paid.

### 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 50 or more employees are required to file electronically or on magnetic media effective for the first quarter of 2005. Employers with fewer than 50 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 DOR's website at [www.mass.gov/dor](http://www.mass.gov/dor) or at any DOR Customer Service location listed on the back of the return envelope. 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. 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: Effective for the first quarter of 2005, employers who report 50 or more employees in a calendar quarter are required to report wage information electronically through WFB or on magnetic tape, cartridge, or diskette.** Electronic filing ensures that information about each business and its employees is recorded as accurately as possible. Although companies reporting fewer than 50 employees are not required to file on magnetic media, many employers will find this reporting method beneficial.

Tour Webfile for Business on DOR's website at [www.mass.gov/dor](http://www.mass.gov/dor) and click on Report Wages and File Upload for diskette filing instructions. Instructions and specifications for submitting information on magnetic tape or cartridge files are included in this booklet. Magnetic tape or cartridge filers should not 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?

Electronic wage reports can be amended online using WebFile for Business. If a previously filed paper Form WR-1 needs corrections, you must submit a new Form WR-1 and check "amending." 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.

#### Electronic Filing Option

Small businesses can enter wage information using Online Filing through WFB. In order to use the File Upload option, data must be in the Tape or Diskette format specified on DOR's website.

## 4. Instructions for Filing on Magnetic Tape or Cartridge

### Explanation of Magnetic Tape or Cartridge Records/Formats

The following records are mandatory when reporting quarterly wage information to DOR using the Social Security Administration format:

Code	Record	Code	Record
A	Transmitter	S	Supplemental
E	Employer	T	Total

#### Code A — Transmitter Record

The Code A record identifies the organization submitting the file and must be the first data record on each magnetic tape or cartridge filed. **Only one Code A record is needed per magnetic tape or cartridge.** Please use this record to direct wage reporting returns or information to a specific mail stop or department

#### Code E — Employer Record

A separate Code E record must be present for each Federal Identification number recorded on the tape or cartridge. All employee records (Code S) must be grouped following the Code E record for that Federal Identification number reporting group. At least one Code S record must be present for each Code E record reported on the file, unless there were no workers or no wages paid during the quarter.

#### Code S — Supplemental Record

The Code S record is required for reporting employee wage information to the Commonwealth of Massachusetts.

The record must be generated for each employee of an employer or establishment and must be grouped by employer or establishment immediately following the Code E record. If an employer had no workers or paid no wages during the quarter, no Code S record is required. The supplemental records should be reported in Social Security account number order within each establishment group, if possible.

The format of the employee name on the Code S record must correspond to the Name Code in position 159 of the preceding Code E record. All segments of the name, including initials, must be separated, preferably by blanks. Reports containing undivided names, e.g., JOHNRSMITH, will not be processed. Leading titles, e.g., Mr., Mrs., **must** be omitted from the name field. Lower case letters are not acceptable. Punctuation may be used, when appropriate. Parts of a compound surname must be connected by a hyphen. The name may be reported in one of the following ways:

HOWARD D. JONES JR	MARY MCCONNELL
H D JONES JR	MCCONNELL MARY
JONES H. D. JR	JONES, J
JONES HOWARD D JR	JONES, H.D. JR.
MARY O'CONNELL	SUSAN SMITH-JONES
O'CONNELL MARY	SMITH-JONES, S

**NOTE:** Prefixes, such as "O," "Mc," etc., must not be separated from the rest of the last name by a blank space but should be separated by an apostrophe.

All amount fields must include dollars and cents and must be reported without the "\$" symbol. Use of decimal points between dollars and cents is permissible **but is not preferred**. If no decimal point is inserted, the system will assume that the last two digits to the right represent cents. Negative amount fields **must not** be reported. Only positive amounts will be accepted.

#### Code T — Total Record

This record is required when reporting quarterly wage information to the Commonwealth of Massachusetts and must be the last record reported for a Federal Identification number reporting group. This record contains the aggregate totals for all preceding Massachusetts Code S records for that group.

A single Code T record must be generated for each Code E record submitted on magnetic tape or cartridge.

Total fields must be right justified. Use "0"s to fill the field. All unused total fields must be filled with "0"s.

All monetary total fields must include dollars and cents but without the "\$" symbol. Use of decimal points between dollars and cents is permissible **but is not preferred**.

Employers or authorized representatives must have one Code A record and for each employer reported on the magnetic tape or cartridge, one Code E record, one Code T record and one or more corresponding Code S records. The one exception to this would be if an employer had no workers or paid no wages during the quarter, Codes A, E and T records are required. No Code S record is necessary in this situation.

### Magnetic Tape or Cartridge Specifications

#### No Deviations From These Specifications Will Be Allowed

- Data must be written on either a 1/2-inch, 9-track magnetic tape, odd parity, in the unpacked mode or IBM cartridge 3480. Recording density may be 6250 BPI or 1600 BPI. A recording density of 6250 BPI is preferred.

- Internal tape labels are optional but preferred. If the tape or cartridge is labeled, it must be IBM standard labels. Unlabeled tapes or cartridges are also accepted. If header and trailer labels are used, they must be separated from the data records by a tape mark. **Never** begin a tape or cartridge with a tape mark. Headers and trailers must be written in the same recording density as data records.

- DOR will accept magnetic tape or cartridge recorded in Extended Binary Coded Decimal Interchange Code (EBCDIC), 8-bit American Standard Code for Information Interchange (ASCII), or in Virtual Memory Systems (VMS). Character sets other than those indicated will not be accepted.

- Each logical record on magnetic tape or cartridge must be 275 positions long with one exception. For computers only capable of writing records containing even byte lengths, record size 276 is acceptable. In such cases, position 276 must be, or translate to, a hexadecimal "40" (EBCDIC blank, decimal value 64).

- Records on magnetic tape or cartridge must be created fixed block. Tapes or cartridges written variable blocked with record descriptor words are not acceptable and will be returned to the transmitter for correction. Records may be blocked from 1 through 25, but the blocking factor must be consistent throughout the tape or cartridge report. A short block (less than the standard blocking factor) is acceptable at the end of the tape or cartridge file.

- Authorized representatives reporting wage information for multiple employers should report all information on the same tape or cartridge as opposed to separate tapes or cartridges for each employer. Each tape or cartridge submitted must consist of a single file containing records for each employer with no intervening tape marks.

### Mailing Instructions

- Submit a separate Magnetic Media Transmitter Report with each tape or cartridge you file. Mail the completed transmitter report and tape or cartridge to: **Massachusetts Department of Revenue, PO Box 7030, Boston, MA 02204.**

- All possible care will be given to safeguard the tape reels or cartridges while they are in our custody, but the Department of Revenue cannot assume responsibility for loss or damage in transit.

- Check your tape or cartridge before sending it to make sure it is in good condition and readable.

- Each tape reel or cartridge must have a label on the outside to clearly identify the transmitter, the filing quarter and year.