

**Worksheet 3. Adjusted Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021**



You must use this worksheet if you claimed the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021, on your original Form 941 and you correct any amounts used to figure the credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form 941-X. If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.

<b>Step 1. Determine the corrected employer share of Medicare tax</b>		
1a	Enter the amount of Medicare wages from Form 941, Part 1, line 5c, column 1, or, if corrected, the amount from Form 941-X, line 12, column 1	1a _____
1b	Multiply line 1a by 1.45% (0.0145)	1b _____
1c	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of Medicare tax included on Form 941, Part 1, line 8, or, if corrected, the amount of the employer share of Medicare tax on sick pay that you included on Form 941-X, line 15, column 1 (enter as a <b>negative</b> number)	1c _____
1d	Employer share of Medicare tax included on Form 941-X, line 21, column 4	1d _____
1e	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of Medicare tax from the notice	1e _____
1f	<b>Employer share of Medicare tax.</b> Combine lines 1b, 1c, 1d, and 1e	1f _____
<b>Step 2. Figure the sick and family leave credit</b>		
2a	Qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 35, column 1	2a _____
2a(i)	Qualified sick leave wages included on Form 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 35, column 1, that were not included as wages reported on Form 941, Part 1, lines 5a and 5c, or, if corrected, the amount from Form 941-X, lines 8 and 12, column 1, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)-(22)	2a(i) _____
2a(ii)	Subtract line 2a(i) from line 2a	2a(ii) _____
2a(iii)	Qualified sick leave wages included on Form 941, Part 3, line 23, or, if corrected, the amount from Form 941-X, line 35, column 1, that were not included as wages reported on Form 941, Part 1, line 5a, or, if corrected, the amount from Form 941-X, line 8, column 1, because the qualified sick leave wages were limited by the social security wage base	2a(iii) _____
2a(iv)	Subtract line 2a(iii) from line 2a(ii)	2a(iv) _____
2b	Qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 941, Part 3, line 24, or, if corrected, the amount from Form 941-X, line 36, column 1	2b _____
2c	Amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 941, Part 3, line 25, or, if corrected, the amount from Form 941-X, line 37, column 1	2c _____
2d	Employer share of social security tax on qualified sick leave wages. Multiply line 2a(iv) by 6.2% (0.062)	2d _____
2e	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2e _____
2f	<b>Credit for qualified sick leave wages.</b> Add lines 2a, 2b, 2c, 2d, and 2e	2f _____
2g	Qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 941, Part 3, line 26, or, if corrected, the amount from Form 941-X, line 38, column 1	2g _____
2g(i)	Qualified family leave wages included on Form 941, Part 3, line 26, or, if corrected, the amount from Form 941-X, line 38, column 1, that were not included as wages reported on Form 941, Part 1, lines 5a and 5c, or, if corrected, the amount from Form 941-X, lines 8 and 12, column 1, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)-(22)	2g(i) _____
2g(ii)	Subtract line 2g(i) from line 2g	2g(ii) _____
2g(iii)	Qualified family leave wages included on Form 941, Part 3, line 26, or, if corrected, the amount from Form 941-X, line 38, column 1, that were not included as wages reported on Form 941, Part 1, line 5a, or, if corrected, the amount from Form 941-X, line 8, column 1, because the qualified family leave wages were limited by the social security wage base	2g(iii) _____
2g(iv)	Subtract line 2g(iii) from line 2g(ii)	2g(iv) _____
2h	Qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 941, Part 3, line 27, or, if corrected, the amount from Form 941-X, line 39, column 1	2h _____
2i	Amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, reported on Form 941, Part 3, line 28, or, if corrected, the amount from Form 941-X, line 40, column 1	2i _____
2j	Employer share of social security tax on qualified family leave wages. Multiply line 2g(iv) by 6.2% (0.062)	2j _____
2k	Employer share of Medicare tax on qualified family leave wages. Multiply line 2g(ii) by 1.45% (0.0145)	2k _____
2l	<b>Credit for qualified family leave wages.</b> Add lines 2g, 2h, 2i, 2j, and 2k	2l _____
2m	<b>Credit for qualified sick and family leave wages.</b> Add lines 2f and 2l	2m _____
2n	<b>For second quarter of 2021 only,</b> enter any employee retention credit claimed under section 2301 of the CARES Act (this amount may come from Worksheet 2, Step 2, line 2f, in these instructions if you're correcting that credit for the second quarter of 2021 or you may need to enter the credit claimed on your original Form 941 for the second quarter of 2021) with respect to any wages taken into account for the credit for qualified sick and family leave wages for the quarter	2n _____
2o	Enter any credit claimed under section 41 for increasing research activities with respect to any wages taken into account for the credit for qualified sick and family leave wages	2o _____
2p	Add lines 2n and 2o	2p _____
2q	<b>Credit for qualified sick and family leave wages after adjusting for other credits.</b> Subtract line 2p from line 2m	2q _____
2r	<b>Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.</b> Enter the smaller of line 1f or line 2q. Enter this amount on Form 941-X, line 18b, column 1	2r _____
2s	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021.</b> Subtract line 2r from line 2q and enter this amount on Form 941-X, line 26b, column 1	2s _____