



Reporting Form CT-1

Annual Tax

(Required for Railroad Locals Only)

This guide will walk you through:

- Filing 941 tax return with the IRS

Who must file Form CT-1?

As an employer, federal law requires you to withhold certain taxes from employees' pay. Each time you pay wages, you must withhold – or take out of employees' pay – certain amounts for federal income, Railroad Retirement and Medicare tax. Any Local paying salary or lost time must file a CT-1-annual report going forward until the IRS informs you otherwise.

AFTER YOU FILE YOUR FIRST FORM CT-1, YOU MUST FILE A RETURN FOR EACH YEAR, EVEN IF YOU DIDN'T PAY TAXABLE COMPENSATION DURING THE YEAR, UNTIL YOU FILE A FINAL RETURN.

What taxes are reported on Form CT-1?

Taxes reported on Form CT-1 include tax withheld for Medicare and Railroad Retirement taxes for Railroad Locals.

When and where do you deposit CT-1 tax?

Form CT-1 taxes are due monthly on the 15th of each month for the prior month's tax liability.¹ CT-1 taxes should be deposited monthly even though it's a quarterly tax. The preferred method is to pay through the EFTPS website (<https://www.eftps.gov>). Electronic deposit via the internet is the preferred method. Avoid paying your taxes with the CT-1 -V voucher. The IRS will charge a 10% penalty if you do.

Notes

- Taxes on earnings are due when paid, not earned.
- It is recommended that you issue all checks in December each year by the 15th of the month and go ahead and pay taxes due. This gives sufficient time for all checks and your tax payments to clear the bank, making the start of the next year much easier.

¹ *Exception:* If the total liability for the year is less than \$2,500, you can pay annually. However, this is **NOT recommended** and could cost the Local **penalties and interest** if the liability exceeds \$2,500 by the end of the year.

When and where do you report Form CT-1 taxes?

The CT-1 annual form is due by February 28 for the prior year. Forms are mailed to the IRS address listed on the form. We recommend using certified mail.

When you prepare your CT-1, print and sign three copies:

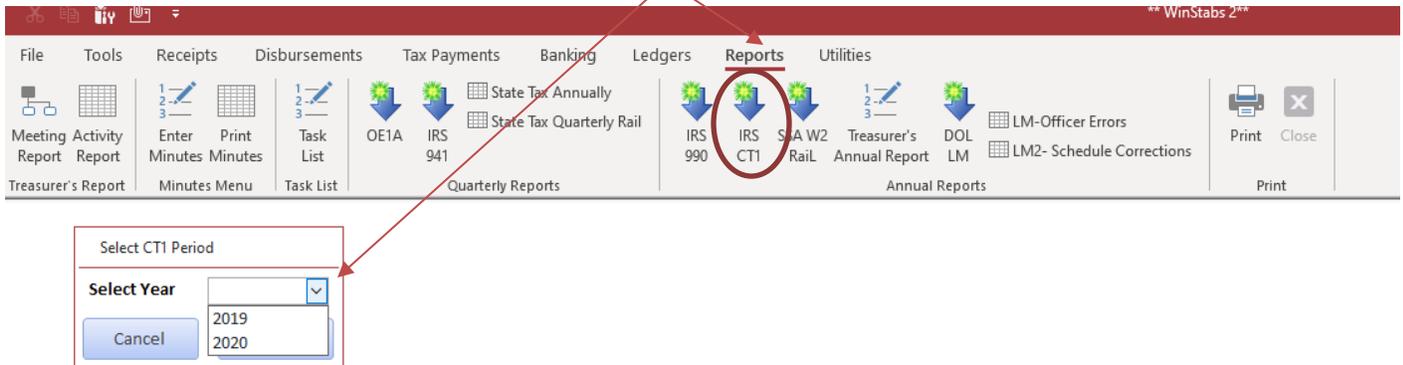
- A copy should be sent via certified mail to the IRS (address listed on the WinStabs worksheet).
- A copy should be sent to the SMART TD office (include with your monthly billing packet).
- Keep the third copy for the Local's records.

If you make an error in your reporting, contact the field audit help desk for assistance via email at FieldAuditor@group.smart-union.org

Reporting Form CT-1 annual tax

Step 1

Open WinStabs and select "Reports" > "IRS CT1" > "Year.">Open Form



Version 2



Treasurer JOHN PURCELL
2020 WinStabs Data
Local 1732 Computer Bookkeeping System

When the worksheet opens, it will be a two-page document.

2017 CT-1 Employer's Annual Railroad Retirement Tax WORKSHEET
 SHEET METAL, AIR, RAIL & TRANSPORTATION LOCAL 1421
 23989 WATERVIEW DR
 NEW BOSTON MI 48164
 Employer ID Number (EIN) 36-2549815 Phone Number : (216) 469-3802

This is a Worksheet - Do not Submit and Mail! Use Proper Forms

1	Tier I Employer Tax-Compensation (other than tips and sick pay) paid in	8,274.00 X 6.20%	1	512.98
2	Tier I Employer Medicare Tax-Compensation (other than tips and sick pay) paid in	8,274.00 X 1.45%	2	119.97
3	Tier II Employer Tax-Compensation (other than tips) paid in	8,274.00 X 13.10%	3	1,083.89
4	Tier I Employee Tax-Compensation (other than sick pay) paid in	8,274.00 X 6.20%	4	512.99
5	Tier I Employee Medicare Tax-Compensation (other than sick pay) paid in	8,274.00 X 1.45%	5	119.97
6	Tier I Employee Additional Medicare Tax-Compensation (other than sick pay)	X 0.90%	6	0.00
7	Tier II Employee Tax-Compensation (for tips, see instructions) paid in	8,274.00 X 4.90%	7	405.43
8	Tier I Employer Tax-Sick pay paid in	X 6.20%	8	0.00
9	Tier I Employer Medicare Tax-Sick pay paid in	X 1.45%	9	0.00
10	Tier I Employee Tax-Sick pay paid in	X 6.20%	10	0.00
11	Tier I Employee Medicare Tax-Sick pay paid in	X 1.45%	11	0.00
12	Tier I Employee Additional Medicare Tax-Sick pay paid in	X 0.90%	12	0.00
13	Total tax based on compensation (add lines 1 through 10)		13	2,755.23
14	Adjustments to employer and employee railroad retirement taxes based on compensation (see instructions for format of statement to be attached)		14	0.00
15	Adjusted total of employer and employee railroad retirement taxes based on compensation (line 13 adjusted by line 14)	Fractions of cents +/- 0.00 Other +/-	15	2,755.23
16	Total railroad retirement tax deposits for the year, including overpayment applied from prior year from your records		16	2,755.33
17	Balance due (subtract line 16 from line 15). Pay to the Internal Revenue Service (see instructions)		17	0.00
18	Overpayment. If line 15 is more than line 16, enter overpayment here	0.10		

Check if you want Applied to next return OR Refunded

Treasurer JOHN PURCELL

LOCAL 1421

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Line 15 must match the Annual Liability Total on Page 2. If it doesn't, when you go to print, a message will appear (see below) that will prompt you to enter the fractions of a cent to make the two amounts match. Enter the difference and click "OK." In this example, the total is \$0.10 off and needs to be adjusted before printing.

Now printing

Line 12. Fractions of cents +/-

If there is a difference between the total employee tax on lines 1,2,3,4, 5 and 6 and the total actually deducted from your employees' compensation (including tips) plus the employer's contribution due to fractions of cents, report this difference below as a deduction or an addition. If there is no adjustment enter 0 below.

.10

OK Cancel

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All filers: *If line 15 is less than \$2,500, do not complete Part II) OR Form 945-A*

Semiweekly schedule depositors: Complete Form 945-A and see that Part II instructions on the back of this form

Monthly schedule depositors: Complete Part II.

PART II Record of Railroad Retirement Tax Liability	
Month	Tier I & Tier II
January	\$133.22
February	\$257.43
March	\$396.60
Quarterly Liability Total	787.25
April	\$124.89
Quarterly Liability Total	124.89
July	\$324.02
Quarterly Liability Total	324.02
October	\$1,519.17
Quarterly Liability Total	1,519.17
Annual Liability Total	2,755.33

Do Not Send this Worksheet. Fill out the Required Form CT-1 and send to:
 One Copy to IRS. File by the end of February of the following year.
 One Copy to SMART TD Cleveland for File.
 One Copy for Local File.

Department of the Treasury
 Internal Revenue Service Center
 Cincinnati OH 45999-0007

This total must match Line 15 on Page 1.

Step 2

Go to the SMART TD website (www.smart-union.org/td) and access “S&T Tools” on the top menu bar. Click on “More forms,” and under the heading of “IRS/Tax Forms” select the proper year’s CT-1 form, then download and save the PDF. Once you have the correct form, transfer your numbers from your worksheet to your official form. Ensure that you read and compare each line with the worksheet because sometimes the IRS changes the form without notification.

Notes

- On Page 1, the RRB number should be left blank.
- If Line 15 is less than \$2,500, do not complete Part 2.
- When you prepare your CT-1, ensure you print three copies and sign them all.
 - A copy should be sent via certified mail to the IRS (address listed on the WinStabs worksheet).
 - A copy should be sent to the SMART TD office (include with your monthly billing packet).
 - Keep a copy for the Local’s records.

This is due annually by February 28!

If you have any questions on how to prepare your CT-1, email fieldauditor@group.smart-union.org.