

810-3-75-.05 Third-Party Reporting Requirements.

(1) Third-party payers are generally insurance companies who have made a wage payment (i.e., sick pay) to an employee on behalf of the employer. The third-party payer remits the tax withheld under the third-party payer's withholding tax account number.

(2) If the third-party payer has remitted tax on behalf of an employer, the payer must submit a listing to the Department of appropriate accounts to be credited for withholding tax payments. After receiving this list, the Department will transfer tax withheld from the third-party payer's withholding tax account to the appropriate employer's withholding tax account. The listing submitted by the third-party payer must include the following information for each employer's withholding tax account to be credited:

- (a) Name of employer,
- (b) Federal employer identification number,
- (c) Alabama withholding tax account number,
- (d) Amount to be transferred, and
- (e) Year to which payment should be transferred.

(3) The information required by paragraph (2), above, must be filed by the last day of January of the year following the calendar year in which the tax was withheld.

(4) If a third-party payer has paid wages and withheld tax on behalf of an employer and has notified the Department as described in paragraph (2), above, the employer must include such wages and tax withheld on W-2 forms issued by the employer.

(5) Third-party payers who have paid wages and withheld tax on behalf of an employer and have properly notified the Department, as described in the above paragraphs, are not required to submit W-2 forms to the Department.

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Authority: §§ 40-2A-7(a)(5) and 40-18-75 Code of Alabama  
1975

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