

Dear Client:

With the end of the 2020 calendar year rapidly approaching, we are sending you this reminder to begin gathering the information needed to prepare your 1099s that will be required to be filed for 2020.

NEW FOR 2020: Several changes related to the 1099 filing and reporting requirements were made for 2020. The most important change is that payments of Non-Employee Compensation of more than \$600 are now reported on the new Form 1099-NEC, and are no longer reported on line 7 of 1099-MISC. Non-Employee Compensation and any related federal or state withholding are the only amounts required to be reported on Form 1099-NEC. All other payments such as Rent, Royalties, Other Income, Gross Proceeds paid to an attorney, etc. continue to be reported on Form 1099-MISC.

The due date to file Form 1099-NEC is January 31st. As January 31st falls on a Sunday in 2021, the due date will be February 1, 2021. All other Form 1099s, i.e. Form 1099-MISC, Form 1099-INT, Form 1099-DIV, etc. are now due on March 1st. **HOWEVER**, the recipient's copies of 1099s are still required to be provided to them by February 1st.

To assist you in this process, and help ensure we meet the reporting deadline, please use the attached forms to secure the name, address and tax identification numbers for those unincorporated independent contractors that you paid \$600 or more during 2020.

If you do not already have a signed Form W-9 from the independent contractor, we ask that you provide a copy of Form W-9 to all of your independent contractors and have them complete the W-9 and return it to you as soon as possible. After receiving the completed Form W-9 from your independent contractors, please complete the attached Form 1099 Organizer and send it to our Client Services Department.

As a result of the COVID-19 Pandemic, in an effort to be as COVID responsible as possible, Frankel Zacharia is changing our 1099 processes in our preparation of 1099s for 2020. Unless you direct us otherwise, all recipient 1099s will be mailed from our office. Your client copies will be e-mailed to you at the e-mail address we have on file.

If you have any questions or need any assistance whatsoever, please call us at 402-496-9100.

Sincerely,

Frankel Zacharia, LLC