

Dear Client:

With the end of the 2021 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 2021.

In tax year 2020, changes were made to the 1099 filing and reporting requirements which are in effect for 2021 and succeeding years. The most important change was that payments of Non-Employee Compensation of more than \$600 are reported on the Form 1099-NEC, and are no longer reported in box 7 of 1099-MISC. Non-Employee Compensation and any related federal or state withholding are required to be reported on Form 1099-NEC. All other payments such as Rent, Royalties, Other Income, Gross Proceeds paid to an attorney for a settlement agreement, etc. continue to be reported on Form 1099-MISC.

The due date to file Form 1099-NEC is January 31. All other 1099 forms, i.e. Form 1099-MISC, Form 1099-INT, Form 1099-DIV, etc. are now due on February 28 if filed on paper or March 31 if filed electronically. HOWEVER, the recipient's copy are required to be provided to them by January 31.

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 2021.

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 has changed our 1099 processes in our preparation of 1099s. 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

Frankel Zacharia, LLC