



## 2020 IRS/SSA COMPLIANCE CHANGES

**What a year!** While you've been juggling remote work with your kid's remote school, we've been completing 2020 IRS/SSA changes in our award-winning software products. Changes are happening this tax season and Team 1099 Pro wants you to be in the know!

### Tax Form Changes

1099 Pro software products for 2020 are available NOW and include updated tax forms, instructions and business rule validations. 1099 Pro has summarized these updates for you. Please select any of the below Compliance Update links to view our WIKI / knowledge base for a complete description of the IRS / SSA changes. Download [2020 Sample Import Files](#) for all form types today!

#### Compliance Updates for Tax Year 2020:

- [Form 1042-S Changes](#)



- [Form 1095-B Changes](#)
- [Form 1095-C Changes](#)
- [Form 1098 Changes](#)
- [Form 1098-F Changes](#)
- [Form 1099-MISC](#)

#### [Changes](#)

- [Form 1099-NEC New](#)
- [Form 1099-PATR](#)

#### [Changes](#)

- [Form 1099-R Changes](#)
- [Form 5498 Changes](#)
- [Form W-2 Changes](#)

[1042-S SOFTWARE](#)



[W-2 SOFTWARE](#)



[ACA 1095 SOFTWARE](#)



[FATCA 8966 SOFTWARE](#)



[AEOI CRS SOFTWARE](#)

## New Form 1099-NEC

New for Tax Year 2020, report nonemployee compensation (NEC) on [Form 1099-NEC Nonemployee Compensation](#). Prior to Tax Year 2020, NEC was reportable on Form 1099-MISC Miscellaneous Income (Box 7).

### 1099-NEC Quick Facts

- Recipient mailing deadline - February 1st.
- IRS paper filing deadline - February 1st.
- IRS electronic filing deadline - February 1st.
  - Automatic filing extensions are not available.
- Not participating in the [Combined Federal/State Filing Program](#) (CF/SF).
  - State direct filing may be required — contact states now to determine your obligations.

1099 Pro 2020 software includes new Form 1099-NEC and all revised forms including 1099-MISC. Corporate Suite and 1099 Pro

Enterprise software support state direct filing. The Service Bureau may offer 1099-NEC state direct filing later.

## **Revised Form 1099-MISC**

For Tax Year 2020, [Form 1099-MISC Miscellaneous Income](#) has been extensively redesigned and renumbered. Do not report nonemployee compensation (NEC) on this form. Filers should review their accounts payable policy to ensure that they are prepared to report amounts in the correct boxes on the correct forms.

### **1099-MISC Quick Facts**

- Recipient mailing deadline - February 1st.
- IRS paper filing deadline - March 1st.
- IRS electronic filing deadline - March 31st.

## **Form W-2 SSN Truncation**

Employers may truncate social security numbers (SSNs) on employee copies of Form W-2 Wage & Tax Statements. For example, "999-99-9999" prints as "XXX-XX-9999". Truncation is not allowed on IRS Copy A. Corporate Suite and W-2 Pro software will include support for W-2 SSN truncation in an update.

## **Form 1042-S Electronic Filing Requirements**

IRS electronic filing is required for any filer issuing 250 or more Form 1042-S Foreign Person's U.S. Source Income Subject to Withholding. Financial institutions, regardless of the number of Forms 1042-S, must file electronically. Partnerships required to file at least 100 Forms 1042-S or partnerships with more than 100 partners must file electronically.

## **Expanded ACA State Filing Requirements**

New for Tax Year 2020, California, Rhode Island and Vermont will

require ACA state direct filing. This is in addition to the District of Columbia and New Jersey that adopted this requirement in Tax Year 2019. Massachusetts has had its own ACA mandate since Tax Year 2006, which requires the issuance of Form 1099-HC. Expect states to have different requirements, portals, deadlines and penalties for noncompliance. Contact states now to determine your ACA state filing obligations.

## Penalties

IRS penalties apply if you file after the deadline, file on paper instead of electronically, include incorrect information or report an incorrect TIN. **Penalties range from \$50 to \$280 per return** with an increased maximum of \$3,392,000 per year (\$1,130,500 for small businesses).

- Review 1099 Pro's [2020 Filing Timeline](#) now to help you stay on track and avoid penalties.
- Download our [2020 Calendar Timeline](#) (.ICS file) for quick reference throughout tax season.

## Name/TIN Compliance

The IRS requires filers to report accurate recipient Name/TIN data. Reporting inaccurate or missing Name/TIN data can result in IRS notices and ultimately, significant filer penalties. It is always in a filer's best interest to fully comply with IRS requirements — ideally, prior to filing information returns. 1099 Pro Name/TIN compliance options include:

- **Front End TIN Validations** - Verify Name/TIN data when onboarding new recipients. [TINCheck.com](#) provides fast, affordable results.
- **Back End TIN Validations** - Verify Name/TIN data at year's end. 1099 Pro's [Bulk TIN Matching Service](#) offer reliable results for only \$135 per upload (include up to 100,000 Name/TIN

combinations).

1099 Pro software includes a TIN Management Utility for filers unable to obtain accurate recipient Name/TIN data. This utility allows them to issue Forms W-9, track responses, and issue B Notices, as necessary.

The 1099 Pro Service Bureau now offers W-9 Only and B Notice with W-9 mailings for as little as \$2.25 each plus setup fee. Performing your TIN compliance has never been so easy or cost-effective! Inquire today at [SB@1099pro.com](mailto:SB@1099pro.com).

## Return of the Fax

Effective immediately, fax requests for extensions of time to furnish statements to recipients. Submit requests no later than the due date of the return. See <https://www.irs.gov/forms-pubs/faxing-request-for-extension-of-time-to-furnish-statements-to-recipients>.

## 1099 Pro Service Bureau

The Service Bureau starts scheduling January upload dates this week. Customers who have purchased our Tax Year 2020 software receive priority scheduling! **Call Sales at (888) 776-1099 today to get on track for a successful January tax season.**

New Service Bureau customers should contact the Service Bureau in mid-November to schedule January Upload Dates. Customers submitting Print/Mail uploads of 2,000+ forms can expect to be contracted and pay a deposit. Email the Service Bureau with questions at [SB@1099pro.com](mailto:SB@1099pro.com).

## Technical Support

Now, before January, is a great time to contact 1099 Pro Technical Support! Our techs are happy to help you purchase or renew software and provide support. We encourage you to install software, review sample import files and do a test import now. — prior to Due

review sample import files and do a test import now — prior to Busy Season — to avoid undue stress. As always, we will offer expanded January support for your last-minute questions.

### Support Options

- [LiveChat Support](#)
- [1099 Pro WIKI](#) - Download software, sample import files and more!
- [Technical FAQs](#)
- Phone Support - (888) PRO-1099

### Video Tutorial Quick Links

- Desktop Users: [Importing Using Standard Import Maps](#), YouTube video
- Corporate Suite Users: [How to Import Tax Form Data](#), YouTube video
- [How to Add a Filer](#), YouTube video
- [How to Add a Form](#), YouTube video



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