IRS Deadline for filing Form W-2

The IRS [reminds employers](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxNjcsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDEyMDQuMzE2MDYyNTEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L25ld3Nyb29tL2lycy10by1lbXBsb3llcnMtcmVtZW1iZXItZmVicnVhcnktMS0yMDIxLWRlYWRsaW5lLWZvci1mb3JtLXctMi1vdGhlci13YWdlLXN0YXRlbWVudHMifQ.vT4YZtiuTFTIeorq9Wx1TKyaDSJcPWuT6NZxHgGkq9w%2Fs%2F965467630%2Fbr%2F91127149069-l&data=04%7C01%7Cdgreer%40vaco.com%7C36ce5c00572a423f84df08d8989e7b80%7C120aeae9286f438abbf3de3ab96fcf5d%7C1%7C0%7C637427153737829000%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=lImI6GqOE8uSWIIYj9LKNUusj237jg%2FJ1bACIO0LxSE%3D&reserved=0) that they must file Form W-2 and other wage statements by Feb. 1, 2021, to avoid penalties and help the IRS prevent fraud. A 2015 law made it a permanent requirement that employers file copies of their Form W-2, Wage and Tax Statements, and Form W-3, Transmittal of Wage and Tax Statements, with the Social Security Administration by Jan. 31. That is also the date the Forms W-2 are due to workers. This upcoming tax season, however, Jan. 31 falls on a Sunday, pushing the due dates to the next business day, which is Monday, Feb. 1.

Certain Forms 1099-MISC, Miscellaneous Income and Forms 1099-NEC, Nonemployee Compensation, are also normally due to taxpayers on Jan. 31, but this tax season they too will be due on the next business day, Feb. 1, 2021. Various other due dates related to Form 1099-MISC, including dates due to the IRS, can be found in the instructions on IRS.gov.

2021 Plan Limits

The IRS released [Notice 2020-79 [PDF]](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDExMjUuMzExMTYxOTEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L3B1Yi9pcnMtZHJvcC9uLTIwLTc5LnBkZiJ9.-Xe8HuoYxUDmcOHkEPI0w6eipjyRTfoeEo6tB5hLvd4%2Fs%2F965467630%2Fbr%2F90484795132-l&data=04%7C01%7Cdgreer%40vaco.com%7C2c85d3ca1bce43818a9608d8915cefd3%7C120aeae9286f438abbf3de3ab96fcf5d%7C1%7C0%7C637419175636559505%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=PL4doWKOhelD2hd%2FREpYdsjYXr4WW4Vq5ftGCdn8jUg%3D&reserved=0) to provide for cost-of-living adjustments to dollar limitations for retirement plan benefits and contributions. View the [COLA webpage](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTMsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDExMjUuMzExMTYxOTEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L3JldGlyZW1lbnQtcGxhbnMvY29sYS1pbmNyZWFzZXMtZm9yLWRvbGxhci1saW1pdGF0aW9ucy1vbi1iZW5lZml0cy1hbmQtY29udHJpYnV0aW9ucyJ9.s20DgHnlKN4jZNyAckPmrNRBeCYLEaX13umkAtHzv0Y%2Fs%2F965467630%2Fbr%2F90484795132-l&data=04%7C01%7Cdgreer%40vaco.com%7C2c85d3ca1bce43818a9608d8915cefd3%7C120aeae9286f438abbf3de3ab96fcf5d%7C1%7C0%7C637419175636569456%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=aD6Zd2ay3R6OPGzRaGY%2FfdnsZ8MLsKiC1QeJifO4MZk%3D&reserved=0) for a chart of the plan limits for 2021 and prior years.

Withholding and Reporting Distributions – Unclaimed Property Funds

The IRS issued [Revenue Ruling 2020-24 [PDF]](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTUsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDExMjUuMzExMTYxOTEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L3B1Yi9pcnMtZHJvcC9yci0yMC0yNC5wZGYifQ.VTHl9TIettKXEA1GqVUVKBfq7RHo5WcjT347hJXDDk4%2Fs%2F965467630%2Fbr%2F90484795132-l&data=04%7C01%7Cdgreer%40vaco.com%7C2c85d3ca1bce43818a9608d8915cefd3%7C120aeae9286f438abbf3de3ab96fcf5d%7C1%7C0%7C637419175636569456%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=x317Xdjhnc88hzLYv9f11AAo2WaGGC4mU32V7jQq5ww%3D&reserved=0) that discusses withholding and reporting with respect to payments from qualified plans to state unclaimed property funds.

**Reporting nonemployee compensation and backup withholding**

The IRS reminds payroll professionals that [starting in tax year 2020, payers must complete the new Form 1099-NEC, Nonemployee Compensation](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMjUsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDExMjUuMzExNDU4NzEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L25ld3Nyb29tL2hvdy10by1yZXBvcnQtbm9uZW1wbG95ZWUtY29tcGVuc2F0aW9uLWFuZC1iYWNrdXAtd2l0aGhvbGRpbmcifQ.0VGjYQHsndf4kmigXXTFKax2g6XNPjflglbNcdGNVII%2Fs%2F965467630%2Fbr%2F90606708004-l&data=04%7C01%7Cdgreer%40vaco.com%7Cbdaccff3372243a5468608d89189048b%7C120aeae9286f438abbf3de3ab96fcf5d%7C1%7C0%7C637419364959471874%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=8FjDvx2UJB3SE270ABoEMuZgJRnCKJ7ocCPLYCyNKbA%3D&reserved=0), to report any payment of $600 or more to a payee.

Generally, payers must file [Form 1099-NEC](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMjYsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDExMjUuMzExNDU4NzEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L2Zvcm1zLXB1YnMvYWJvdXQtZm9ybS0xMDk5LW5lYyJ9.9CRM_buCeNTV1QLZ28i2WFm7_q2hAEZVD6Dgmbml-Bc%2Fs%2F965467630%2Fbr%2F90606708004-l&data=04%7C01%7Cdgreer%40vaco.com%7Cbdaccff3372243a5468608d89189048b%7C120aeae9286f438abbf3de3ab96fcf5d%7C1%7C0%7C637419364959471874%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=uxRMy0CVMDAQ584FvbC8c%2FJDvZm2RqOOJKCD1rddSpo%3D&reserved=0) by January 31. For 2020 tax returns, the due date is February 1, 2021. There is no automatic 30-day extension to file Form 1099-NEC. However, an extension to file may be available under certain hardship conditions.

Also, nonemployee compensation may be subject to backup withholding if a payee has not provided a taxpayer identification number to the payer or the IRS notifies the payer that the TIN provided was incorrect.

Electronic Version with hyperlinks available on the monthly Chapter Meeting Minutes