

IRS FORM 1099-MISC REVISED INSTRUCTIONS



FOR IMMEDIATE RELEASE

The Tax Cuts and Jobs Act of 2017 has changed the IRS forms when filing your federal income taxes. To provide you with the best information on how to report your Supplemental Unemployment Benefit, please review the following.

FIRST, WHY DID YOU RECEIVE THE 1099-MISC?

You received an IRS Form 1099-MISC from NeuBridg, Inc. for distributions paid to you from the NeuBridg Supplemental Unemployment Compensation Benefit Plan and Trust. To qualify for this distribution, you qualified for state unemployment and experienced either a shortage of hours or were laid off (temporary or permanently) during the preceding tax year.

To ensure that you report the income and taxes correctly on your personal tax returns, please inform your tax professional of the following:

1. The 1099-MISC is not subject to self-employment tax;
2. The 1099-MISC is only subject to state and federal income tax;
3. 15% Federal Tax was already withheld and submitted to the IRS by NeuBridg (Box 4) of your 1099-MISC;
4. The distribution you received should be treated like your state unemployment benefits.

The 1099-MISC you received from NeuBridg was for the Supplemental Unemployment Benefit Plan and Trust distributions and federal taxes paid for tax year 2018.

9595 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents \$	OMB No. 1545-0115 2019	Miscellaneous Income
		2 Royalties \$	Form 1099-MISC	
		3 Other income \$	4 Federal income tax withheld \$	Copy A For Internal Revenue Service Center
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments	

Box 3 Other Income
Taxable Distributions received from Neubridg, Inc.

Box 4 Federal Income tax withheld
Federal tax (15%) withheld from your distributions and submitted to the IRS on your behalf.

Per the IRS instructions, the **1099-MISC is to be reported on Schedule 1, line 21**

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 01	
Name(s) shown on Form 1040				Your social security number	
Additional Income	1-9b	Reserved		1-9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes		10	
	11	Alimony received		11	
	12	Business income or (loss). Attach Schedule C or C-EZ		12	
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>		13	
	14	Other gains or (losses). Attach Form 4797		14	
	15a	Reserved		15b	
	16a	Reserved		16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
	18	Farm income or (loss). Attach Schedule F		18	
	19	Unemployment compensation		19	
	20a	Reserved		20b	
	21	Other income. List type and amount ▶ SUB Benefit		21	
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23		22	
Adjustments to Income	23	Educator expenses	23		
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24		
	25	Health savings account deduction. Attach Form 8889	25		
	26	Moving expenses for members of the Armed Forces. Attach Form 3903	26		
	27	Deductible part of self-employment tax. Attach Schedule SE	27		
	28	Self-employed SEP, SIMPLE, and qualified plans	28		
	29	Self-employed health insurance deduction	29		
	30	Penalty on early withdrawal of savings	30		
	31a	Alimony paid b Recipient's SSN ▶	31a		
	32	IRA deduction	32		
	33	Student loan interest deduction	33		
	34	Reserved	34		
	35	Reserved	35		
	36	Add lines 23 through 35	36		

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2018

TURBOTAX™ and Other Tax Software Programs

It has come to our attention that many of our clients use either TurboTax™ or one of the other popular tax programs. The constant question we receive is “How do I enter the NeuBridg 1099-MISC without it being 1) placed on a separate schedule or 2) self-employment tax being calculated?”

Based upon the information we have been able to obtain through public internet sources, it appears that these programs do not allow for a straight forward approach to entering the 1099-MISC. In discussions with our tax professionals, it appears that the “off the shelf” or “personal home based” software solutions are not sophisticated enough to accommodate the 1099-MISC in the correct manner. Furthermore, the download from H&R Block (on-line) differs from the in store version that their tax professionals use. The in store version we are told allows for recording of the 1099-MISC correctly. Be advised, NeuBridg reported to the IRS the distribution received in Box 3 (Other income) and the federal tax withheld in Box 4 which is in compliance with IRS reporting guidelines.

For TurboTax™ Users. It appears that one method to record the 1099-MISC income would be to record the earnings as you would prize money awards or lawsuit settlements. Utilizing this method appears to allow you to enter the distribution as other income (Box 3) and the federal tax (Box 4) that was submitted on your behalf to the IRS. It is our understanding that in order to report the distribution correctly, **you must utilize Schedule 1, and enter the distribution on Line 21.** Please consult your tax professional for further guidance.

If you have any further questions, please call Midwest Group Benefits at (563) 382-9611 or NeuBridg at (515) 309-2950.

Nothing contained within this handout should be considered as advice, guidance or a recommendation. NeuBridg does not provide advice regarding financial matters of any nature and any and all statements provided herein, are not be construed as instruction or guidance as to how you should prepare and/or file your income taxes. NeuBridg always recommends that you check with your tax professional, legal counsel, or other trusted financial advisor(s) who can provide you detailed guidance for your particular situation.