GET READY FOR TAX SEASON
DECEMBER 19, 2017
Events & Information

**ESPP Day Conference**
February 8, 2018 | New York, NY
[www.computershare.com/esppday](http://www.computershare.com/esppday)

**All Things ESPP Webinar Series**
[www.computershare.com/allthingsespp](http://www.computershare.com/allthingsespp)
Disclosure

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Asking Questions

Enter your question into the Questions pane on the GoToWebinar Control Panel.
Introductions

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Let’s Get Started.
Today’s Webinar

Year End Readiness
› Plan reconciliation tips and best practices
› 2017 / 2018 administrative reminders

Reporting obligations
› Client
› Computershare
› Participant tax guide
Year End Plan Reconciliation

**Equity:**

› Run SMART report that contains income of all Restricted Lapses and Option exercises for Calendar year 2017. Compare this to the Restricted/Option Income buckets in your payroll system to ensure everything was loaded for W-2 purpose

**Reports:**

- Exercise Recap report
- Dividend Reconciliation reports

› Run ISO Disqualifying Disposition report and ensure you get those in your payroll by their deadline and use to compare payroll system for audit.
  - Stock Option Disqualifying Disposition report

**ESPP:**

› For 423 Plans-Run Disqualifying /Qualifying report and ensure you get those in your payroll system and do the audit as well to compare.

› Non-423 with a 12/31 work with their payroll to ensure taxation is processed in time for any discount.
Administration Reminders

**Payroll/ Earnings**

Ensure that your first payroll/earnings file in 2018 has the correct earnings year (2018) and correct YTD earnings set to $0 or whatever may have been earned in the beginning of the year.

For equity plans if a 2017 earnings file is loaded in 2018, the earnings will be overstated, another file will need to be imported that would include the earnings override flag.

**State/ Local Tax Caps**

Any changes to cap amounts for state/local taxes for the new year is maintained/updated by the client using a file or providing detailed updates to your account manager. No updates should be made or sent on a file until January 1 or later in the new year.

**Medicare and Social Security Tax for Standard and Custom Codes**

The rates, caps and thresholds are managed by Computershare as part of our year end process for equity plans. Please ensure any tax code files sent to Computershare in 2018 are updated with the Social Security changes – Earnings up to $128,400 capped at $7,960.80 (6.2%*128,400).
Administration Reminders

Pending Transactions and Recalculations

› Limit Orders submitted in 2017, but fill/execute in 2018 will recalculate for 2018 taxes rates and earnings.

› Pending Cash Exercises (pay cash for stock) are always best to be filled in the year the exercise was submitted. The participants can avoid have the tax remittance change (perhaps increase) based on 2018 taxes rates and earnings.

W8/ W9 Certification Review

Important to remind your participants to review their tax certification to ensure no back-up withholding is withheld from future transactions. Reminder W8 certifications are valid for 3 years expiring at the end of the 3rd calendar year.

Additional Information

Your Account Managers will be sending a year end readiness email with additional information.
# 2017 Participant Tax Reporting Guide

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<th>Form Issuance Deadline</th>
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<tr>
<td>1099-MISC</td>
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<td>W-2</td>
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How we can help with filing 6039

Regardless of who your plan administrator may be, Computershare can assist with 6039 filing by:

- Creating the appropriate 3921 or 3922 substitute form, reporting all exercises/purchases which have occurred in a calendar year
- Mail forms 3921/3922 to participants/employees
- Create and submit the IRS files on your behalf
Questions?

Computershare Participant Tax Guide:
› Participant Web, education tab
› Client Administration Tools

2017 Year-end planning and education for stock plan sponsors and their participants
› Presented by Andrew Schwartz and Bruce Brumberg on December 12
› Watch the recorded webinar and download a copy of their presentation at https://www.computershare.com/us/webinars/2017-year-end-planning-for-stock-plan-professionals

Thank you for joining us today. Everyone at Computershare wishes you a happy holiday season and new year!

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