

# 1099 Form Processing, Collection & Terms

*Last Updated: Oct 19th, 2021*

## Processing & collection:

As outlined in Client MSAs, Abound may support issuing and filing 1099 Forms, by request of its Clients/Subscribers and on behalf of their End Users.

**1. Relevant End User data (per W-9 Form or W-9 Form Alternatives) is collected from Client/Subscriber for 1099 issuance and filing.**

**2. At the end of the tax year, Abound files and issues 1099 tax forms to the Internal Revenue Service (IRS), Filing State and Payee, retaining a copy for the Payer**

- IRS submissions are processed through the IRS FIRE (Filing Information Returns Electronically) system
- State tax returns are filed according to individual state requirements
- Tax forms are delivered to individuals based on combined state and federal requirements, and are available indefinitely to the Payer and Payee via developer tools provided to Payer

Abound files and issues 1099 Forms by collecting data from a Form W-9 or a substitute Form W-9\*, utilizing End User data which may include, but is not limited to, the following:

Payer Data Processed	Payee Data Processed
<ul style="list-style-type: none"><li>• Name</li><li>• Full mailing address</li><li>• Phone Number</li><li>• Account number</li></ul>	<ul style="list-style-type: none"><li>• Name</li><li>• Full mailing address</li><li>• Account number</li><li>• Compensation details</li><li>• Interest details</li><li>• Withholding details (state &amp; federal)</li><li>• Penalties</li><li>• Foreign taxes</li><li>• Market discounts</li><li>• Bond premium details</li></ul>

\*Clients/Subscribers/Payers may provide W-9 Form equivalent information in bulk which results in Abound processing a large data file of “W-9 Form Alternatives”. In such cases, Abound does not process the actual forms, but requires Payers to keep original W-9 Forms for their tax compliance requirements.

### Example forms:

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0116  <b>2021</b>  Form <b>1099-NEC</b>		<b>Nonemployee Compensation</b>	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.					
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation		<b>Copy 1</b>  <b>For State Tax Department</b>	
		\$			
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>			
Street address (including apt. no.)		3			
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld			
		\$			
Account number (see instructions)		5 State tax withheld		6 State/Payer's state no.	7 State income
		\$			\$
		\$			\$

Form **1099-NEC**      [www.irs.gov/Form1099NEC](http://www.irs.gov/Form1099NEC)      Department of the Treasury - Internal Revenue Service

***Note - Forms are for example use only, should not be scanned or used for official tax submissions.***

☐ VOID    ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112		<b>2021</b>  Form <b>1099-INT</b>	<b>Interest Income</b>
		1 Interest income		\$			
		2 Early withdrawal penalty					
PAYER'S TIN	RECIPIENT'S TIN	3 Interest on U.S. Savings Bonds and Treas. obligations		\$		<b>Copy 1</b>  <b>For State Tax Department</b>	
RECIPIENT'S name		4 Federal income tax withheld					5 Investment expenses
Street address (including apt. no.)		6 Foreign tax paid		7 Foreign country or U.S. possession			
		8 Tax-exempt interest		9 Specified private activity bond interest			
City or town, state or province, country, and ZIP or foreign postal code		10 Market discount		11 Bond premium			
		12 Bond premium on Treasury obligations		13 Bond premium on tax-exempt bond			
Account number (see instructions)		14 Tax-exempt and tax credit bond CUSIP no.		15 State	16 State identification no.		17 State tax withheld
		\$		\$	\$		\$

Form **1099-INT**
www.irs.gov/Form1099INT
Department of the Treasury - Internal Revenue Service

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## Abound's required End User consent language:

*(To be added to contract with End User by Client/Subscriber)*

*By utilizing [Client or Subscriber]'s services you agree to and confirm that you understand the following:*

- ***You are opting in to receiving an electronic copy of your Form 1099 Information Return.***
- ***You will receive an electronic Form 1099 from each business that has paid you via [Client or Subscriber], unless they opt out of using our Form 1099 filing service.***
- ***[If applicable] You can opt out of receiving an electronic copy and instead receive a hard copy mailed to your physical address by visiting your [Client or Subscriber] account settings and changing your preference.***
- ***This consent to receive an electronic Form 1099 will remain in place until you opt out.***

- ***Any electronic Forms 1099 made available to you will remain available [Client or Subscriber defined data retention period] or until you request that your [Client or Subscriber] account be closed and/or deleted.***
- ***For any questions, concerns, changes or any other issues, contact [insert Client or Subscriber contact methods]***