

Guide to Understanding The 1099-MISC

Version: 2023



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 2023.

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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 Form 1099-MISC (Rev. January 2024) For calendar year	Miscellaneous Information
		2 Royalties \$		
		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	
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$	File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
Box 3 Other Income		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney	
<i>Taxable Distributions received from NeuBridg, Inc.</i>		11 Fish purchased for resale	12 Section 409A deferrals	
Box 4 Federal Income tax withheld		13 Nonqualified deferred compensation	14 State/Recipient's state no.	
<i>Federal tax (15%) withheld from your distributions and submitted to the IRS on your behalf.</i>		15 State/Payer's state no.	16 State income \$	
Account no.		17 State/Payer's state no.	18 State income \$	

Form **1099-MISC** (Rev. 1-2024) Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

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This information was obtained from the IRS Website on 01/19/2024
NeuBridg is not offering any tax advise. Forms are for illustration purposes ONLY
Employees need to consult their financial advisor(s) on how to file the 1099-MISC correctly
1099-MISC is to be reported on Schedule 1, line 8(z)

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, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.		2023 Attachment Sequence No. 01	
Name(s) shown on Form 1040, 1040-SR, or 1040-NR				Your social security number	
Part I Additional Income					
1	Taxable refunds, credits, or offsets of state and local income taxes			1	
2a	Alimony received			2a	
b	Date of original divorce or separation agreement (see instructions): _____				
3	Business income or (loss). Attach Schedule C			3	
4	Other gains or (losses). Attach Form 4797			4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E			5	
6	Farm income or (loss). Attach Schedule F			6	
7	Unemployment compensation			7	
8	Other income:				
a	Net operating loss	8a	()		
b	Gambling	8b			
c	Cancellation of debt	8c			
d	Foreign earned income exclusion from Form 2555	8d	()		
e	Income from Form 8853	8e			
f	Income from Form 8889	8f			
g	Alaska Permanent Fund dividends	8g			
h	Jury duty pay	8h			
i	Prizes and awards	8i			
j	Activity not engaged in for profit income	8j			
k	Stock options	8k			
l	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l			
m	Olympic and Paralympic medals and USOC prize money (see instructions)	8m			
n	Section 951(a) inclusion (see instructions)	8n			
o	Section 951A(a) inclusion (see instructions)	8o			
p	Section 461(l) excess business loss adjustment	8p			
q	Taxable distributions from an ABL account (see instructions)	8q			
r	Scholarship and fellowship grants not reported on Form W-2	8r			
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s	()		
t	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t			
u	Wages earned while incarcerated	8u			
z	Other income. List type and amount: _____	8z			
9	Total other income. Add lines 8a through 8z			9	
10	Combine lines 1 through 7 and 9. This is your additional income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8			10	

The Benefit Type is
“ Supplemental Unemployment Benefit ”

Part II Adjustments to Income

11	Educator expenses		11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		12	
13	Health savings account deduction. Attach Form 8889		13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903		14	
15	Deductible part of self-employment tax. Attach Schedule SE		15	
16	Self-employed SEP, SIMPLE, and qualified plans		16	
17	Self-employed health insurance deduction		17	
18	Penalty on early withdrawal of savings		18	
19a	Alimony paid		19a	
b	Recipient's SSN			
c	Date of original divorce or separation agreement (see instructions): _____			
20	IRA deduction		20	
21	Student loan interest deduction		21	
22	Reserved for future use		22	
23	Archer MSA deduction		23	
24	Other adjustments:			
a	Jury duty pay (see instructions)	24a		
b	Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit	24b		
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m	24c		
d	Reforestation amortization and expenses	24d		
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e		
f	Contributions to section 501(c)(18)(D) pension plans	24f		
g	Contributions by certain chaplains to section 403(b) plans	24g		
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h		
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i		
j	Housing deduction from Form 2555	24j		
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k		
z	Other adjustments. List type and amount: _____	24z		
25	Total other adjustments. Add lines 24a through 24z		25	
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10		26	

Page 2 is for reference only since it is included as part of Schedule 1

TURBOTAX™ and Other Tax Software Programs

As in years past, many of our clients use either TurboTax™ or one of the other popular tax programs. The recurring common 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.

It is our understanding that in order to report the distribution correctly, you must utilize Schedule 1. The total of Schedule 1, is entered on Line 10 of IRS Form 1040.

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.

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 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.