



### **Businesses: The Form W-2 and 1099-NEC deadline is coming up fast**

With the 2025 tax filing season underway, be aware that the deadline is coming up fast for businesses to submit certain information returns to the federal government and furnish them to workers. By January 31, 2025, employers must file these forms and furnish them to recipients:

**Form W-2, Wage and Tax Statement.** Form W-2 shows the wages paid and taxes withheld for the year for each employee. It must be furnished to employees and filed with the Social Security Administration (SSA). The IRS notes that “because employees’ Social Security and Medicare benefits are computed based on information on Form W-2, it’s very important to prepare Form W-2 correctly and timely.”

**Form W-3, Transmittal of Wage and Tax Statements.** Anyone required to file Form W-2 must also file Form W-3 to transmit Copy A of Form W-2 to the SSA. The totals for amounts reported on related employment tax forms (Form 941, Form 943, Form 944 or Schedule H for the year) should agree with the amounts reported on Form W-3.

Failing to timely file or include the correct information on either the information return or statement may result in penalties.

### **Freelancers and independent contractors**

The January 31 deadline also applies to Form 1099-NEC, Nonemployee Compensation. This form is furnished to recipients and filed with the IRS to report nonemployee compensation to independent contractors.

If the following four conditions are met, payers must generally complete Form 1099-NEC to report payments as nonemployee compensation:

- You made a payment to someone who isn't your employee,
- You made a payment for services in the course of your trade or business,
- You made a payment to an individual, partnership, estate, or, in some cases, a corporation, and
- You made a payment of at least \$600 to a recipient during the year.

**Note:** When the IRS requires you to “furnish” a statement to a recipient, it can be done in person, electronically or by first-class mail to the recipient’s last known address. If forms are mailed, they must be postmarked by January 31.

Your business may also have to furnish a Form 1099-MISC to each person to whom you made certain payments for rent, medical expenses, prizes and awards, attorney’s services, and more. The deadline for furnishing Forms 1099-MISC to recipients is January 31 but the deadline for submitting them to the IRS depends on the method of filing. If they’re being filed on paper, the deadline is February 28. If filing them electronically, the deadline is March 31.