

DEFT GLOBAL INC  
32800 FRANKLIN RD  
STE 5  
FRANKLIN MI 48025

IMPORTANT TAX DOCUMENT ENCLOSED

SINDHU KATLA  
2030 SERENIDAD LANE  
APT C  
MARYLAND HEIGHTS MO 63043

REV 01/16/21 OSP

## Notice to Employee

**Do you have to file?** Refer to the Instructions for Form 1040 and 1040-SR to determine if you are required to file a tax return. Even if you don't have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

**Earned income credit (EIC).** You may be able to take the EIC for 2020 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You can't take the EIC if your investment income is more than the specified amount for 2020 or if income is earned for services provided while you were an inmate at a penal institution. For 2020 income limits and more information, visit [www.irs.gov/EITC](http://www.irs.gov/EITC). See also Pub. 596, Earned Income Credit. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

## Instructions for Employee

**Box 1.** Enter this amount on the wages line of your tax return.

**Box 2.** Enter this amount on the federal income tax withheld line of your tax return.

**Box 5.** You may be required to report this amount on Form 8959, Additional Medicare Tax. See the Instructions for Form 1040 and 1040-SR to determine if you are required to complete Form 8959.

**Box 6.** This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips shown in box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above \$200,000.

**Box 8.** This amount is **not** included in box 1, 3, 5, or 7. For information on how to report tips on your tax return, see the Instructions for Form 1040 and 1040-SR.

You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount unless you can prove with adequate records that you received a smaller amount. If you have records that show the actual amount of tips you received, report that amount even if it is more or less than the allocated tips. Use Form 4137 to figure the social security and Medicare tax owed on tips you didn't report to your employer. Enter this amount on the wages line of your tax return. By filing Form 4137, your social security tips will be credited to your social security record (used to figure your benefits).

**Box 10.** This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

**Box 11.** This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan, or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. This box shouldn't be used if you had a deferral and a distribution in the same calendar year. If you made a deferral and received a distribution in the same calendar year, and you are or will be age 62 by the end of the calendar year, your employer should file Form SSA-131, Employer Report of Special Wage Payments, with the Social Security Administration and give you a copy.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA, BB, and EE) under all plans are generally limited to a total of \$19,500 (\$13,500 if you only have SIMPLE plans; \$22,500 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$19,500. Deferrals under code H are limited to \$7,000.

However, if you were at least age 50 in 2020, your employer may have allowed an additional deferral of up to \$6,500 (\$3,000 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last 3 years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the instructions for Forms 1040 and 1040-SR.

**Clergy and religious workers.** If you aren't subject to social security and Medicare taxes, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2c from your employer for all corrections made so you may file them with your tax return. If your name and SSN are correct but aren't the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 800-772-1213. You may also visit the SSA website at [www.SSA.gov](http://www.SSA.gov).

**Note:** If a year follows code D through H, S, Y, AA, BB, or EE, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**A—** Uncollected social security or RRTA tax on tips. Include this tax on Forms 1040 and 1040-SR. See the Instructions for Forms 1040 and 1040-SR.

**B—** Uncollected Medicare tax on tips. Include this tax on Form 1040 or 1040-SR. See the Instructions for Forms 1040 and 1040-SR.

**C—** Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5)

**D—** Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

**E—** Elective deferrals under a section 403(b) salary reduction agreement

**F—** Elective deferrals under a section 408(k)(6) salary reduction SEP

**G—** Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan

**H—** Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. See the Instructions for Forms 1040 and 1040-SR for how to deduct.

**J—** Nontaxable sick pay (information only, not included in box 1, 3, or 5)

**K—** 20% excise tax on excess golden parachute payments. See the Instructions for Forms 1040 and 1040-SR.

**L—** Substantiated employee business expense reimbursements (nontaxable)

**M—** Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See the Instructions for Forms 1040 and 1040-SR.

**N—** Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See the Instructions for Forms 1040 and 1040-SR.

**P—** Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces (not included in box 1, 3, or 5)

**Q—** Nontaxable combat pay. See the Instructions for Forms 1040 and 1040-SR for details on reporting this amount.

**R—** Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

**S—** Employee salary reduction contributions under a section 408(p) SIMPLE plan (not included in box 1)

**T—** Adoption benefits (not included in box 1). Complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**Cost of employer-sponsored health coverage (if such cost is provided by the employer).** The reporting in box 12, using code DD, of the cost of employer-sponsored health coverage is for your information only. **The amount reported with code DD is not taxable.**

**Credit for excess taxes.** If you had more than one employer in 2020 and more than \$8,537.40 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$5,012.70 in Tier 2 RRTA tax was withheld, you may also be able to claim a credit. See the Instructions for Form 1040 and 1040-SR and Pub. 505, Tax Withholding and Estimated Tax.

**V—** Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5). See Pub. 525, Taxable and Nontaxable Income, for reporting requirements.

**W—** Employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria) plan) to your health savings account. Report on Form 8889, Health Savings Accounts (HSAs).

**Y—** Deferrals under a section 409A nonqualified deferred compensation plan

**Z—** Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount also is included in box 1. It is subject to an additional 20% tax plus interest. See the Instructions for Forms 1040 and 1040-SR.

**AA—** Designated Roth contributions under a section 401(k) plan

**BB—** Designated Roth contributions under a section 403(b) plan

**DD—** Cost of employer-sponsored health coverage.

**The amount reported with code DD is not taxable.**

**EE—** Designated Roth contributions under a governmental section 457(b) plan. This amount does not apply to contributions under a tax-exempt organization section 457(b) plan.

**FF—** Permitted benefits under a qualified small employer health reimbursement arrangement

**GG—** Income from qualified equity grants under section 83(i)

**HH—** Aggregate deferrals under section 83(j) elections as of the close of the calendar year

**Box 13.** If the "Retirement plan" box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct. See Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs).

**Box 14.** Employers may use this box to report information such as state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy's parsonage allowance and utilities. Railroad employers use this box to report railroad retirement (RRTA) compensation, Tier 1 tax, Tier 2 tax, Medicare tax and Additional Medicare Tax. Include tips reported by the employee to the employer in railroad retirement (RRTA) compensation.

**Note:** Keep **Copy C** of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help **protect your social security benefits**, keep **Copy C** until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year.

<b>b Employer's Identification number</b> <b>c Employer's name, address, and ZIP code</b>		20-5581515	<b>12a See instructions for Box 12</b>	<b>1 Wages, tips, other compensation</b>	<b>2 Federal income tax withheld</b>
DEFT GLOBAL INC			\$	14871.80	1439.01
32800 FRANKLIN RD			<b>12b</b>	<b>3 Social security wages</b>	<b>4 Social security tax withheld</b>
STE 5			\$	8205.13	508.72
FRANKLIN MI 48025			<b>12c</b>	<b>5 Medicare wages and tips</b>	<b>6 Medicare tax withheld</b>
<b>e Employee's first name and initial</b>		<b>Last name</b>	\$	8205.13	118.97
SINDHU KATLA		1957307	<b>12d</b>	<b>7 Social security tips</b>	<b>8 Allocated tips</b>
2030 SERENIDAD LANE			\$		
APT C			This information is being furnished to the Internal Revenue Service		
MARYLAND HEIGHTS MO 63043			<b>Copy B To Be Filed with Employee's FEDERAL Tax Return</b>		
<b>f Employee's address and ZIP code</b>			<b>a Employee's soc. sec. no</b>	<b>11 Nonqualified plans</b>	
<b>15 State</b>	<b>Employer's state I.D. No.</b>	<b>16 State wages, tips, etc.</b>	<b>17 State income tax</b>	<b>18 Local wages, tips, etc.</b>	<b>19 Local income tax</b>
MO	26149907	14871.80	591.00		
Form W-2 Wage and Tax Statement 2020		Department of the Treasury-Internal Revenue Service		OMB # 1545-0008	Copy B To Be Filed With Employee's FEDERAL Tax Return

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APT C			This information is being furnished to the Internal Revenue Service		
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<b>f Employee's address and ZIP code</b>			<b>a Employee's soc. sec. no</b>	<b>11 Nonqualified plans</b>	
<b>15 State</b>	<b>Employer's state I.D. No.</b>	<b>16 State wages, tips, etc.</b>	<b>17 State income tax</b>	<b>18 Local wages, tips, etc.</b>	<b>19 Local income tax</b>
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2030 SERENIDAD LANE			\$		
APT C			This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.		
MARYLAND HEIGHTS MO 63043			<b>Copy 2 for State, City, or Local Tax Departments</b>		
<b>f Employee's address and ZIP code</b>			<b>a Employee's soc. sec. no</b>	<b>11 Nonqualified plans</b>	
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MARYLAND HEIGHTS MO 63043			<b>Copy C for Employee's Records (see notice to Employee on back.)</b>		
<b>f Employee's address and ZIP code</b>			<b>a Employee's soc. sec. no</b>	<b>11 Nonqualified plans</b>	
<b>15 State</b>	<b>Employer's state I.D. No.</b>	<b>16 State wages, tips, etc.</b>	<b>17 State income tax</b>	<b>18 Local wages, tips, etc.</b>	<b>19 Local income tax</b>
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Form W-2 Wage and Tax Statement 2020		Department of the Treasury-Internal Revenue Service		OMB # 1545-0008	Copy C For Employee's Records

# Instructions for Handling W-2 Forms

These instructions assume you are printing on perforated W-2 paper with preprinted IRS instructions or you are printing on blank or "plain paper".

**Printing Form W-2:** When you print the employee copies of W-2, our payroll service creates one Acrobat file containing all pages for all of your employees:

- **3-Part:** A Copy 2 prints on the first sheet. Copies B, C, and a second Copy 2 print on the next sheet.
- **4-Part:** Copies B, C and two copies of Copy 2 print on a single page.
- IRS instructions to the employee are preprinted on the reverse side of the perforated paper stock.

**Important Note:** If you purchased perforated paper that does not have the IRS instructions preprinted, you must change your Form Printing Preference to use the "Plain paper" option, which includes employee filing instructions.

- In rare cases, additional copies of C, B, and 2 print for a single employee. (See "Special cases" below.)
- These instructions are included last and are printed only once.

**Special Cases:** Some employees have more data than fits on a single copy of Form W-2. For example, if an employee is subject to more than two local taxes, has more than four items in Box 14 or Box 12, we print additional copies of Form W-2 with just the additional data.

**How many pages?** The Acrobat window displays the number of pages in the file at the bottom of the window. The last two pages are these instructions. See our **Tip** at the end of this sheet for economizing on perforated paper.

**Run a test first:** Do a test by printing all the W-2 forms on plain paper. Use the test copies to allow each employee to check their social security number (SSN) and to check your company information before transmitting Copy A electronically to the Social Security Administration (SSA). See "Correct any information before you transmit Copy A" in these instructions.

## What to do with copies of this form:

- If using 3-part perforated paper, Copy 2 prints on page 1 with the employee's address near the top of the page. The W-2 is formatted so that the employee's address is visible through a single-window, standard No. 10 business envelope (4-1/8" by 9-1/2", left-aligned window).
- If using 4-part perforated paper, all 4 copies print on a single page. Use the envelopes provided by your forms supplier.
- If using plain paper, a coversheet prints with instructions to the employee and with the employee's address near the top of the page. The coversheet is formatted so that the employee's address is visible through a single-window, standard No. 10 business envelope (4-1/8" x 9-1/2", left-aligned window).
- By February 1, provide each of your employees with copies B, C, and 2. The employee keeps Copy C for their own records; files Copy B with the federal tax return; and files Copy 2 with the state return. A second Copy 2 is included to be filed, if necessary, with any local income tax return. If necessary, additional copies of C, B, and 2 print for each employee.

Ask each employee to check the Social Security Number (SSN) and tell you immediately if it is incorrect.

When you click **W-2, Copies A & D** from the To Do list or the Annual Forms page, you can transmit Copy A to the Social Security Administration (SSA) and print your employer copy.

- Print Copy D on plain paper and keep it in your own records for four years.
- No later than February 1, authorize our payroll service to transmit Copy A to the SSA. When we have successfully transmitted your forms, you will receive an email notification. Will file a W-2 for each employee you have paid during the previous year and recorded in our service.

## Correct any information before you transmit Copy A

- Confirm your employer federal ID number (FEIN) and address. To make a correction, click the **Setup** tab. To correct the employer FEIN, click **Federal Taxes**; to correct the filing address, click **General Tax Information**.
- Check the employee's Social Security number and address. To make a correction, click the **Employees** tab, then click the employee's name. To correct the Social Security number, click **Edit** in the Taxes & Exemptions section; to correct the address, click **Edit** in the Basics section.

## How to read the W-2:

Box 1 shows total wages and tips that are subject to federal income tax. It does not include amounts withheld for some purposes (such as contributions to retirement plans).

Box 3 asks for total wages and tips subject to Social Security. The amount includes wages withheld for retirement plans, but not contributions to Section 125 plans. This amount will not exceed the 2020 cap of \$137,700.

Box 5 asks for wages and tips subject to Medicare, which has no cap. The amount includes wages withheld for retirement plans.

Boxes 1, 3, and 5 will contain different amounts if your employees have retirement plans or if they have reached the Social Security cap.

## Saving employee forms

When you have printed and checked all paper employee copies of the W-2, save the forms:

1. Click **Taxes & Forms** in the navigation bar at the top of the page.
2. Click **Annual Forms**.
3. Click **W-2, Copies B, C & 2**.
4. Click **Archive**.

You can view or reprint the forms you have archived at any time by returning to the Annual Forms page and clicking the link at the bottom of the page.

When you click **Archive**, the To Do item is removed from your To Do list.

## Notes:

- When you file Copy A electronically, you do not need to file form W-3.
- If you report employees' income to more than one state, be sure to enter by hand any state EIN that we have not pre-filled.
- If your employees pay local tax, be sure you have entered the codes for local taxes to appear on the W-2. Click **Setup** in the navigation bar at the top of the page, then **Tax Setup**, and then **Tax code to appear on W-2 forms**. Some tax agencies require a specific code; others allow you to make up your own code. (Check with the local tax agency.)
- If you have not paid employees this year, you are not required to provide W-2, Copies B, C, & 2. You can Archive these instructions to remove the To Do from your To Do List.

**Tip:** You can economize on perforated paper by printing review/test copies on plain paper and saving your perforated paper for the final forms. You will not need perforated paper to print the two page instructions at the end of the file.