



Kelly Services Global, LLC
 999 West Big Beaver Rd.
 STE 401A
 Troy MI 48084

PFEHX806300315

BALA SAI YASHVANTH REDDY
 3 LOCBURY CT
 APARTMENT C
 GERMANTOWN MD 20874

Notice to Employee

Do you have to file? Refer to the Instructions for Forms 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 2021 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 2021 or if income is earned for services provided while you were an inmate at a penal institution. For 2021 income limits and more information, visit 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 Forms 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 Forms 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 incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over your employer's plan limit is also included in box 1. See Form 2441.
- Box 11.** This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or non governmental section 457(b) plan, or (b) included in box 3 and/or box 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.

Employee's social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, your employer has reported your complete SSN to the IRS and SSA.

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

- However, if you were at least age 50 in 2021, 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.
- 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 Form 1040 or 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 the 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 non-elective 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.

800-772-1213. You may also visit the SSA website at www.SSA.gov.

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 2021 and more than \$8,853.60 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 \$5,203.80 in Tier 2 RRTA tax was withheld, you may also be able to claim a credit. See the Instructions for Forms 1040 and 1040-SR and Pub. 505, Tax Withholding and Estimated Tax.

- 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 figure any taxable and nontaxable amounts
- V**—Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to the 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 is also 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.

Control number		Employer identification number 47-3597831		Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			
Employer's name, address, and ZIP code Kelly Services Global, LLC 999 West Big Beaver Rd. STE 401A Troy MI 48084		Employee's SSN XXX-XX-9854		1 Wages, tips, other compensation 40,759.66		2 Federal income tax withheld 5,191.15	
		7 Social security tips		3 Social security wages 40,759.66		4 Social security tax withheld 2,527.10	
		8 Allocated tips		5 Medicare wages and tips 40,759.66		6 Medicare tax withheld 591.02	
		9		10 Dependent care benefits		11 Nonqualified plans	
Employee's first name and initial BALA SAI YASHVANTH REDDY 3 LOCBURY CT APARTMENT C GERMANTOWN MD 20874 Last Name Suffix		12a		13 Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other	
		12b					
		12c					
		12d					
15 State MD	Employer's State ID number 16083642	16 State wages, tips, etc. 40,759.66	17 State income tax 3,141.31	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

This information is being furnished to the Internal Revenue Service

Control number		Employer identification number 47-3597831		Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			
Employer's name, address, and ZIP code Kelly Services Global, LLC 999 West Big Beaver Rd. STE 401A Troy MI 48084		Employee's SSN XXX-XX-9854		1 Wages, tips, other compensation 40,759.66		2 Federal income tax withheld 5,191.15	
		7 Social security tips		3 Social security wages 40,759.66		4 Social security tax withheld 2,527.10	
		8 Allocated tips		5 Medicare wages and tips 40,759.66		6 Medicare tax withheld 591.02	
		9		10 Dependent care benefits		11 Nonqualified plans	
Employee's first name and initial BALA SAI YASHVANTH REDDY 3 LOCBURY CT APARTMENT C GERMANTOWN MD 20874 Last Name Suffix		12a		13 Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other	
		12b					
		12c					
		12d					
15 State MD	Employer's State ID number 16083642	16 State wages, tips, etc. 40,759.66	17 State income tax 3,141.31	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

This information is being furnished to the Internal Revenue Service

Control number		Employer identification number 47-3597831		COPY B To Be Filed With Employee's FEDERAL Tax Return			
Employer's name, address, and ZIP code Kelly Services Global, LLC 999 West Big Beaver Rd. STE 401A Troy MI 48084		Employee's SSN XXX-XX-9854		1 Wages, tips, other compensation 40,759.66		2 Federal income tax withheld 5,191.15	
		7 Social security tips		3 Social security wages 40,759.66		4 Social security tax withheld 2,527.10	
		8 Allocated tips		5 Medicare wages and tips 40,759.66		6 Medicare tax withheld 591.02	
		9		10 Dependent care benefits		11 Nonqualified plans	
Employee's first name and initial BALA SAI YASHVANTH REDDY 3 LOCBURY CT APARTMENT C GERMANTOWN MD 20874 Last Name Suffix		12a		13 Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other	
		12b					
		12c					
		12d					
15 State MD	Employer's State ID number 16083642	16 State wages, tips, etc. 40,759.66	17 State income tax 3,141.31	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

This information is being furnished to the Internal Revenue Service

Control number		Employer identification number 47-3597831		COPY C For Employee's Records (See Notice to Employee on back of Copy B)			
Employer's name, address, and ZIP code Kelly Services Global, LLC 999 West Big Beaver Rd. STE 401A Troy MI 48084		Employee's SSN XXX-XX-9854		1 Wages, tips, other compensation 40,759.66		2 Federal income tax withheld 5,191.15	
		7 Social security tips		3 Social security wages 40,759.66		4 Social security tax withheld 2,527.10	
		8 Allocated tips		5 Medicare wages and tips 40,759.66		6 Medicare tax withheld 591.02	
		9		10 Dependent care benefits		11 Nonqualified plans	
Employee's first name and initial BALA SAI YASHVANTH REDDY 3 LOCBURY CT APARTMENT C GERMANTOWN MD 20874 Last Name Suffix		12a		13 Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other	
		12b					
		12c					
		12d					
15 State MD	Employer's State ID number 16083642	16 State wages, tips, etc. 40,759.66	17 State income tax 3,141.31	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

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.

IMPORTANT NOTICE TO MARYLAND EMPLOYEES

Did you know that federal and Maryland earned income tax credits are available to certain low-income individuals and families?

These credits can reduce the amount of income tax you owe or increase your income tax refund; and, you may qualify to receive some of these credits even if you did not earn enough income to be required to file a tax return.

2021 Maryland Earned Income Tax Credit (EITC)

Maryland's EITC is a credit for certain taxpayers who have income and have worked. The state EITC reduces the amount of Maryland tax you owe. The local EITC reduces the amount of county tax you owe. Some taxpayers may even qualify for a refundable Maryland EITC.

Most taxpayers who are eligible and file for a federal EITC can receive the Maryland state and local EITC. The allowable Maryland credit is up to one-half of the federal credit. To be eligible for the federal and Maryland EITC, your federal adjusted gross income and your earned income must be less than the following:

- \$51,464 (\$57,414 married filing jointly) with three or more qualifying children
- \$47,915 (\$53,865 married filing jointly) with two qualifying children
- \$42,158 (\$48,108 married filing jointly) with one qualifying child
- \$21,430 (\$27,380 married filing jointly) with no qualifying children

Generally, to receive the Maryland EITC, you must be eligible for the federal credit. However, if you do not meet the minimum age requirement under the federal credit and are otherwise eligible for the federal credit for those without a qualifying child, or if you are otherwise eligible for the federal credit but do not have a social security number (SSN), you may claim the state earned income tax credit (calculate federal earned income credit disregarding the minimum age or SSN requirement). If your income is less than the amounts shown in this notice, visit the Internal Revenue Service Web site at www.irs.gov, or contact your tax advisor, to learn if you meet the other requirements. You also may be entitled to a refundable Maryland EITC and to a local EITC.

If you are a part-year resident, you may be entitled to a prorated share of the credit, if you have Maryland income. As of 2017, nonresidents are no longer eligible for the Maryland credit.

For more information about the Maryland EITC, visit our Web site at www.marylandtaxes.gov or call 1-800-MD-TAXES (1-800-638-2937) or from Central Maryland 410-260-7980.

Reminder: Legally married same-sex couples must file as married filing jointly or married filing separately for tax year 2021. Employees wishing to adjust their withholding to reflect married status should complete a new Maryland Form MW507, as well as federal Form W-4.

Recordatorio: Parejas del mismo sexo legalmente casadas deberán presentar la declaración de impuestos como casado en conjunto o casado pero realizando la presentación separado para el año tributario 2021. Empleados que deseen ajustar la retención de impuestos con su empleador para reflejar el estado civil como casado, deberán completar una nueva forma de Maryland MW507 así como la forma federal W-4.

2021 Federal Earned Income Tax Credit (EITC)

For more information about the federal EITC,

visit: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit-eitc>
or call the IRS at 1-800-829-1040.

Tax Alert



Tax Alert Comptroller of Maryland
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21401

Call 1-800-MD-TAXES(1-800-638-2937)
or from Central Maryland 410-260-7980

For tax information: www.marylandtaxes.gov.
Questions? Send them to taxhelp@marylandtaxes.gov.

21-10

REQUIREMENT TO NOTIFY EMPLOYEES OF POTENTIAL EARNED INCOME TAX CREDIT (EITC) ELIGIBILITY

Tax-General Article § 10-913 requires an employer to provide, on or before December 31, 2021, electronic or written notice to an employee who may be eligible for the federal and Maryland EITC.

Your employees may be entitled to claim an EITC on their 2021 federal and Maryland **resident** income tax returns if both their federal adjusted gross income and their earned income is less than the following:

- \$51,464 (\$57,414 married filing jointly) with three or more qualifying children
- \$47,915 (\$53,865 married filing jointly) with two qualifying children
- \$42,158 (\$48,108 married filing jointly) with one qualifying child
- \$21,430 (\$27,380 married filing jointly) with no qualifying children

Employees who meet this income eligibility should be advised to go to the Internal Revenue Service Website at www.irs.gov, or contact their tax advisor, to see if they meet the other federal criteria. Employees who are eligible for the federal credit are eligible for the Maryland credit. Married employees or employees with qualifying children may qualify for up to half of the federal earned income credit. Employees without a qualifying child may qualify for the full amount of the federal credit up to \$530. Employees who would otherwise qualify for the federal credit but for federal requirements excluded from Maryland law may claim the state earned income credit by calculating the federal earned income credit disregarding those requirements. There is no minimum age requirement for taxpayers without a qualifying child, nor must taxpayers have a social security number to qualify for the Maryland credit. Additionally, certain employees may also qualify for a refundable Maryland credit or a local EITC.

You may choose to notify all your employees or you may choose to notify only those employees with wages less than or equal to the amounts shown above. A sample notification is included on the back of this alert and may be photocopied and distributed to your employees, or you may choose to develop your own notice.

For more information about the Maryland EITC, visit our Web site at www.marylandtaxes.gov, or call 1-800-MD-TAXES (1-800-638-2937) or from Central Maryland 410-260-7980.

Reminder: Legally married same-sex couples must file as married filing jointly or married filing separately for tax year 2021. Employees wishing to adjust their withholding to reflect married status should complete a new Maryland Form MW507, as well as federal Form W-4.

Recordatorio: Parejas del mismo sexo legalmente casadas deberán presentar la declaración de impuestos como casado en conjunto o casado pero realizando la presentación separado para el año tributario 2021. Empleados que deseen ajustar la retención de impuestos con su empleador para reflejar el estado civil como casado, deberán completar una nueva forma de Maryland MW507 así como la forma federal W-4.

Please see our 2022 edition of Withholding Tax Facts which offers more information about filing your employer withholding tax forms, reconciliation statement and other employer withholding related forms.

Withholding Tax Facts is available at www.marylandtaxes.gov.