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SHAZAM Core

Everything you need to know about year-end

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Agenda

- What's New for 2025
- Getting Ready for Year End

What we'll **learn today.**

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What’s New for 2025

State Tax Parameter Change

TXSTAT

IRS Publication 1220 states changes to the Combined Federal and State Filing;

- Adding State Code 41 (Oregon)
- Removing State Code 29 (Missouri).

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Auto Interest Tax Deduction

New tax deduction of $10,000 maximum on auto loan interest.

Qualifying Auto Loan Interest Criteria

- Originated after December 31, 2024
- Final assembly in the United States
- Used to purchase a new vehicle (used vehicles do not qualify)
- Personal use vehicle (not for business or commercial use)
- Secured by a lien on the vehicle

Additional information on the new deduction can be found at [IRS.gov]

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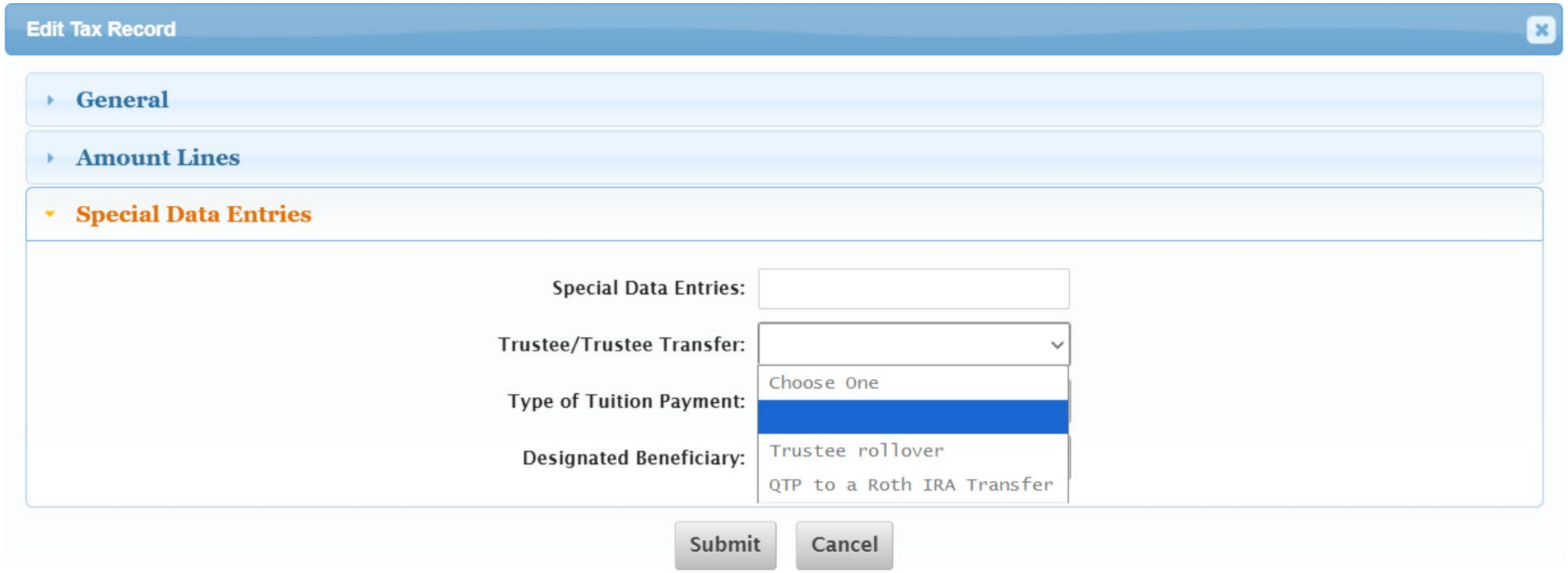
1099-Q Form Update

Enhancements have been made to update the 1099 Q-Payee Record (Qualified Education Programs).

- A new reporting selection has been added within the Special Data Entries accordion. Customer level Tax Information changes have been implemented.
- "**QTP to a Roth IRA Transfer**" option has been added within the Trustee/Trustee Transfer field.



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1099-Q Form Update

When generating Form 1099-Q, the selected transfer type will appear on the TX6121/TX6121E – 1099-Q Plain Paper Notice.

- The field will reflect the correct value (1, 2 or blank) based on the user's selection.

Section 4 heading will read "Type of Transfer".

- Subtype A will read "Trustee-to-Trustee".
  - An "X" will print as an indicator if 1 is chosen.
- Subtype B will read "QTP to Roth IRA"
  - An "X" will print as an indicator if 2 is chosen.

Re: Payments From Qualified Education Programs (Under Sections 529 and 530)
Form 1099-Q, Copy B, For Recipient Tax Year: «YEAR»

TIN: «TINFMT»
Account Number «ACCT» «PRTEXT»

| 1. Gross distribution: «AMT11»

| 2. Earnings: «AMT12»

| 3. Basis: «AMT13»

| 4. Type of Transfer:
a. Trustee-to-trustee:
b. QTP to Roth IRA: X

| 5. Check one:
Qualified tuition program
Private State
«PB20TUIT1» «PB20TUIT2»
Coverdell ESA
«PB20TUIT3»

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Golden Parachute Payments

Golden Parachute payments can no longer be filed through the FIRE System. This includes current year and prior year payments. Golden Parachute payments must be filed using the Information Returns Intake System (IRIS) or on paper. Payments filed through the FIRE System that need to be corrected must be filed on paper.

The 1099-MISC has been updated to remove the Golden Parachute payment field (box 14). The field has added to the 1099-NEC (box 3).

Re: Miscellaneous Information
Form 1099-MISC
Copy B, for IRS if any money is withheld
Tax Year: «YEAR»

"This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported."

TIN: «TINFMT»
Account Number «ACCT» «PRTEXT»

1. Rents	
2. Royalties	
3. Other income	
12. Section 409A deferrals	«AMT42»
13. FATCA filing requirement:	☐
14.	
15. Nonqualified deferred compensation	«AMT53»
16 State tax withheld	«AMT54»
17. State / Payers state no.	«STAX»

Re: Nonemployee Compensation
Form 1099-NEC
Copy B, for IRS if any money is withheld
Tax Year: «YEAR»

"This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported."

You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare tax. If you believe you are an employee and cannot get the payer to correct this form, report this amount on the line for "Wages, salaries, tips, etc." of Form 1040, 1040-SR, or 1040-NR.

TIN: «TINFMT»
Account Number «ACCT» «PRTEXT»

1. Nonemployee compensation	«AMT11»
2. Payer Made direct Sales totaling $5,000 or more of consumer products to recipient for resale	☐
3. Excess golden parachute payments	«AMT31»
4. **Federal income tax withheld**	**«AMT41»**
5. State tax withheld	«AMT51»
6. State/Payer's state no.	**«STAX»**
7. State income	«AMT13»

Bank telephone: «BNKFON»
Bank ID: «BBTIN»

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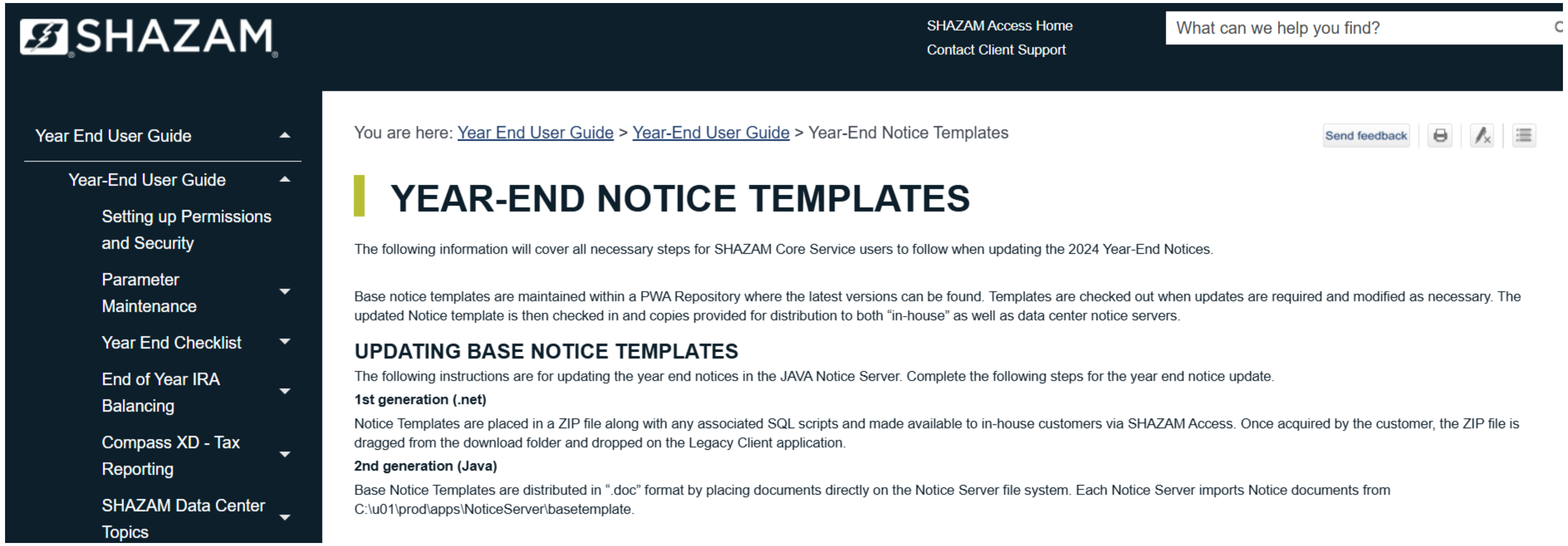
Base Template Updates

If you are an **IN-HOUSE** client, you will need to update the following base templates on your notice server.

- 1099-Q
- 1099-MISC
- 1099-NEC

These steps can be found in Core Resource > Year End Resource > Year End Notice Templates



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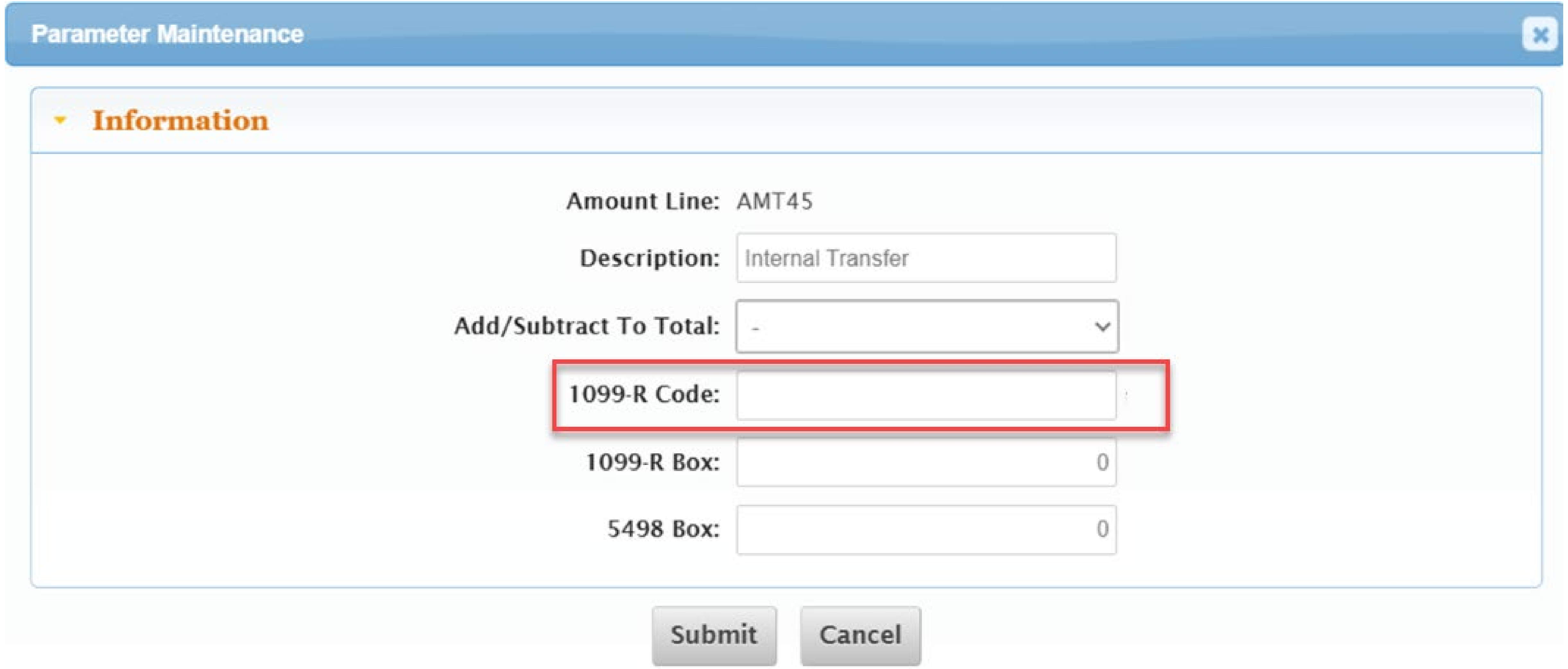
IRA Statement Definition

DDISTM Parameter changes have been implemented.

- Parameter Maintenance > Deposits > DDISTM(IRA Statement Definition Lines > Edit IRA Definition > Edit Amount Line
- 1099-R Code allows a **Y** field value for Qualified Charitable Distribution (QCD).



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Getting Ready for Year End

Resources

- IRS Publication 1179
- IRS Publication 1220
- SHAZAM Year End Resource
- Year End Checklist

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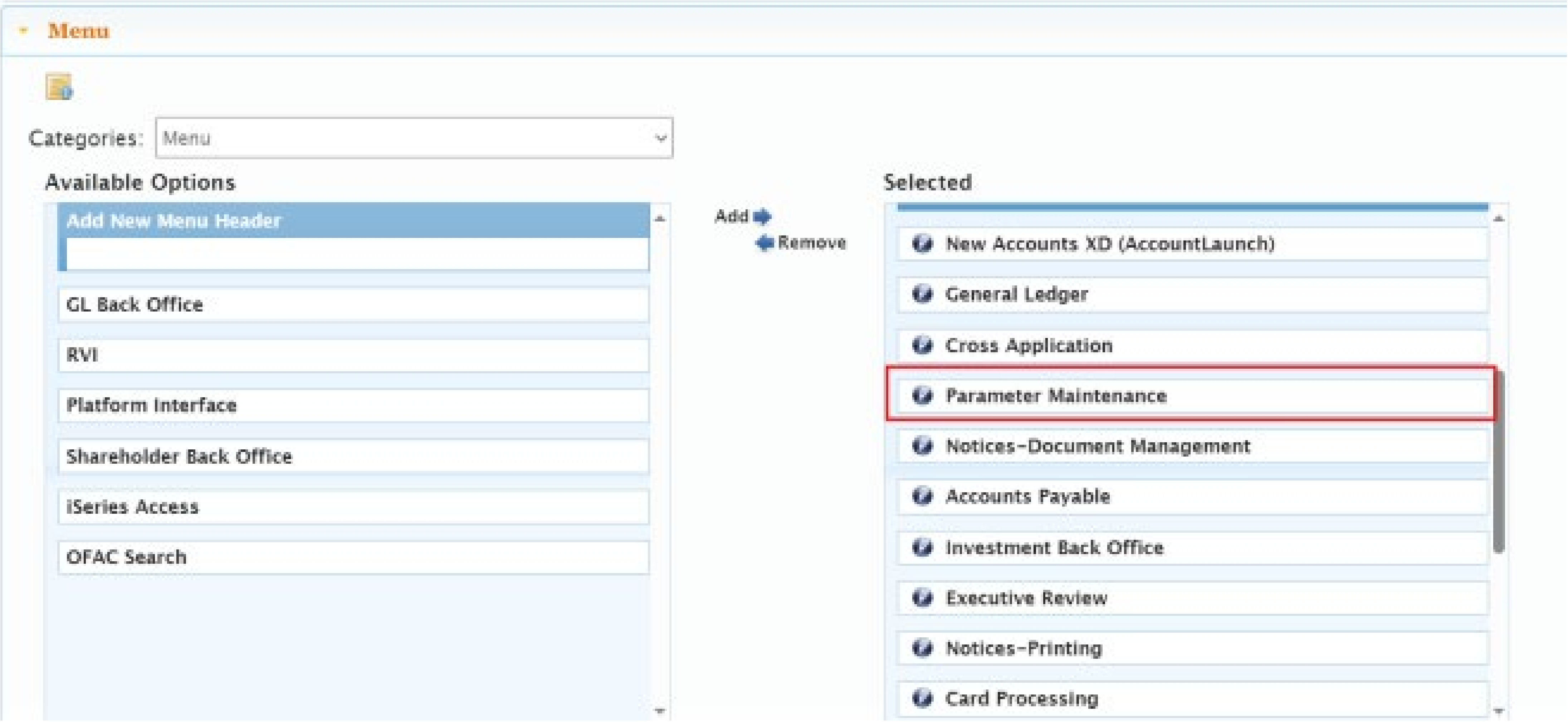
Parameter Maintenance

- **Admin Console > XD Permissions**
  - Edit Role or User and select **Menu**
- Users responsible for tax reporting or balancing IRAs must have Parameter Maintenance as a menu option for their role or user.



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Tax Reporting

- **Admin Console > XD Permissions**
  - Edit Role or User and select **Role Permissions**
- Tax Reporting should be enabled within the following Role Permissions:
  - Tax Information
  - Customer Inquiry
  - Deposit Account
  - Loan Account
  - Shareholder Account (if applicable)

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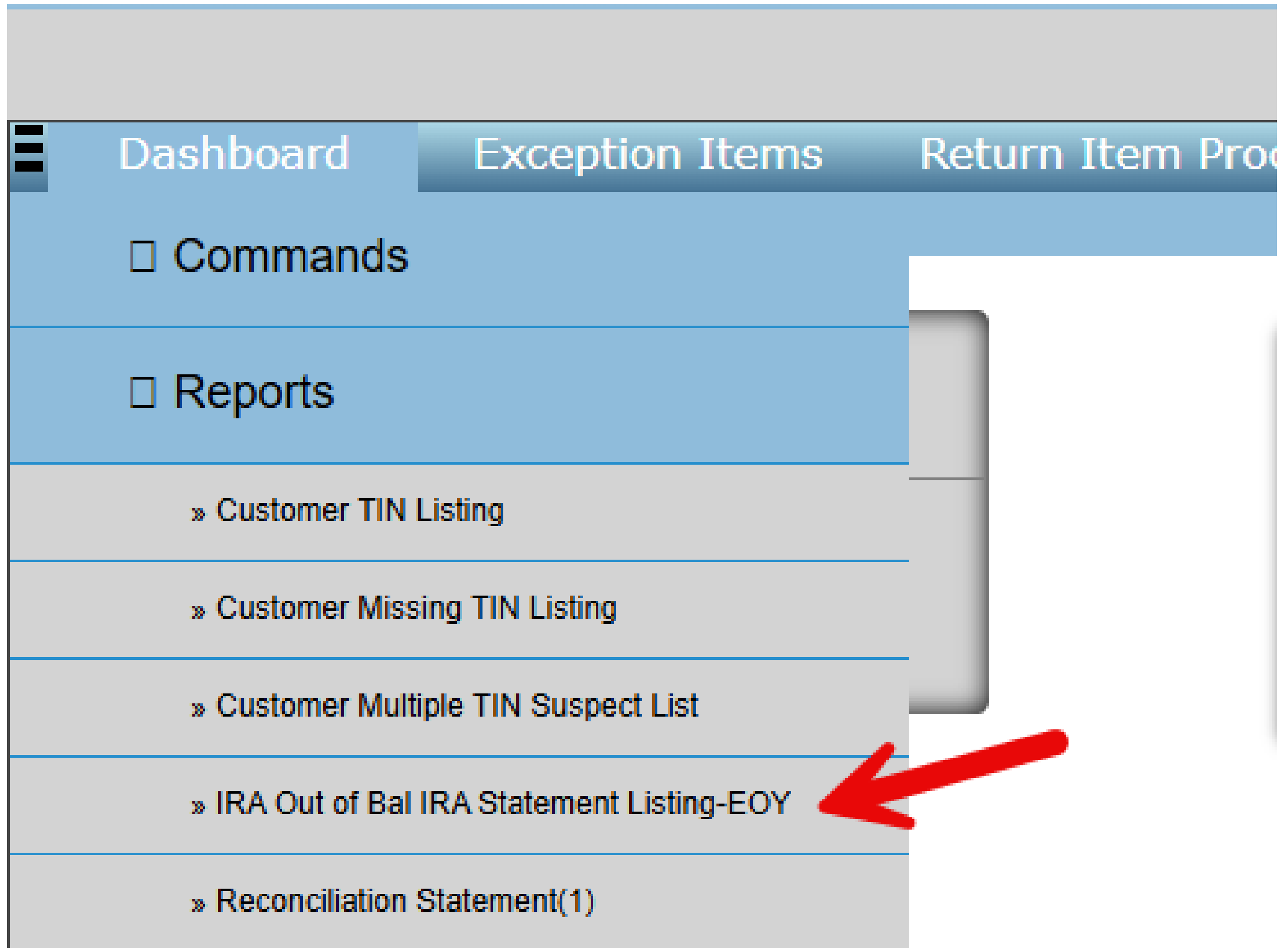
IRA Balancing

Generate the Out of Balance IRA Statement Listing

- To generate the IRA statement file:

  Deposit Back Office > More... > IRA Plans > Statements > Submit

- Once the Program Complete message is received, select the mini toggle menu in Deposit Back Office.
  - Select **Reports > IRA Out of Bal IRA Statement Listing – EOY**
  - Report DD5131 Out of Balance IRA Statement Listing – EOY will print based on your specific print settings.
- Refer to the 2025 Year End User Guide for details in resolving out of balance issues.



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Year-End Checklist

- The Year-End Checklist can be found in the Year End User Guide.

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Thank you!

For additional assistance contact SHAZAM Core Client Support:

- Call 800-537-5427
- Visit www.SHAZAM.net > Service Expert to open a support ticket