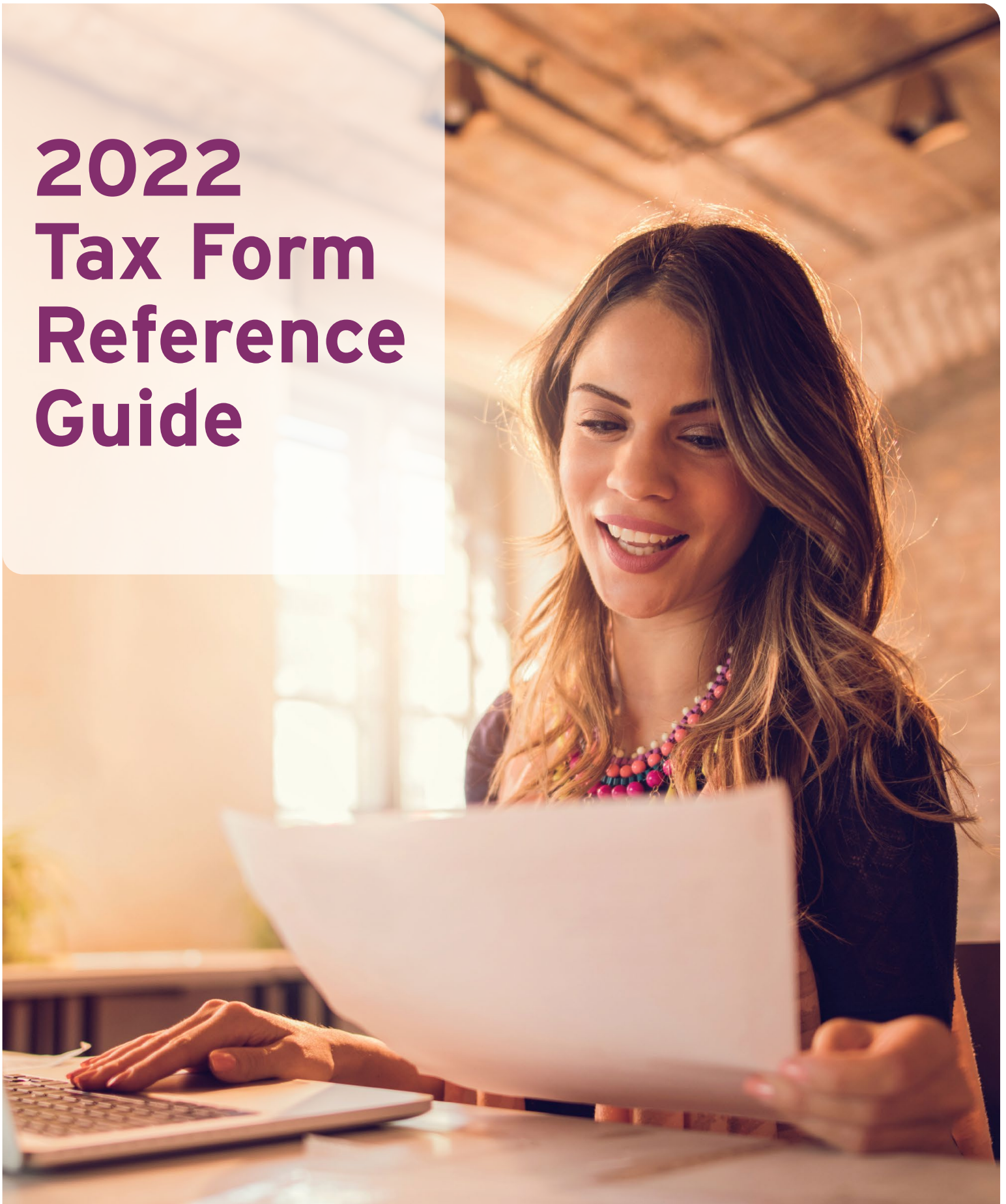


# 2022 Tax Form Reference Guide



CERTAINTY | INGENUITY | ADVANTAGE

 **Computershare**

# Welcome

Computershare has prepared this Tax Guide to help you better understand the IRS forms that you will receive based on the types of stock plan transactions you performed in 2022. We understand that IRS regulations can be confusing and at times, overwhelming, so our objective is to assist in simplifying the process.

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All information in this document is solely for educational purposes. The information is based on our understanding of regulations as of 2022. Reporting requirements may be subject to change. Computershare cannot confirm the accuracy or completeness of the information contained herein. All issuers and taxpayers are advised to review their own records for accurate information regarding equity award transactions. Computershare is not a tax advisor. Please consult knowledgeable tax advisors with any questions concerning tax reporting obligations.

# Non-Qualified Stock Options (NQ)

Listed below are the tax documents you can expect to receive and the dates the forms are to be issued if you have Non-Qualified Stock Options, are a U.S. taxpayer (W-9 certified) and had exercise activity in 2022.

The forms you will receive are based on your account activity. If you have an options transaction, the income will be reported on Form W-2 or Form 1099-NEC whereas the actual sale of shares will be reflected on Form 1099-B.

## COMPENSATORY INCOME (regardless of exercise method)

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
Employee	W-2	((FMV-exercise price) x # options exercised)), all payroll withholding deducted	Company	Jan. 31, 2023
Non-employee	1099-NEC	((FMV-exercise price) x # options exercised), usually no withholding	Company	Jan. 31, 2023



On all charts, Company refers to the company that issued you the stock option or grant, or the company within whose employee stock purchase plan you participate.

## SHARES SOLD UPON EXERCISE

Transaction Type	Expected Tax Form	Amounts	Issued By	Form Deadline
Cashless for cash	1099-B	Net proceeds [(Sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023
Cashless hold (sell-to-cover)	1099-B	Net proceeds [(Sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023
Net exercise (withhold shares for option cost and taxes)	N/A			
Stock swap	N/A			
Cash Buy	N/A			

Tax preparers will need your Form W-2 or Form 1099-NEC, 1099-B, as well as the stock option exercise confirmation. You can log into your account via Computershare's Employee Online website to print your stock option account exercise confirmation(s).

The cost basis for shares you sell is equal to the Fair Market Value (FMV) of the stock on exercise date. However, the cost basis reported on Form 1099-B will only reflect the cash paid (exercise price) of your option. Therefore, you will be required to make adjustments on your tax return. You will receive an insert attached to your 1099-B explaining the cost basis for any transactions performed in 2022. You can find a sample of the letter in the appendix.

You may also find your cost basis information through your year-end statement, by printing your transaction history page from Computershare's Employee Online site.

Your tax documents will also be available on Computershare's Employee Online site approximately two weeks after the above-mentioned issue dates or you can contact a Computershare customer service representative to request a duplicate copy mailed to your home.

# Incentive Stock Options (ISOs)

Listed below are the tax documents you can expect to receive and the dates the forms are to be issued if you have incentive stock options and had exercise activity in 2022.

The forms you will receive are based on your exercise activity. If you have an options transaction, the income will be reported on Form W-2 or 1099-NEC whereas the actual sale of shares will be reflected on the 1099-B.

## COMPENSATORY INCOME (for shares sold at exercise)

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
Employee	W-2	Shares sold at exercise * (FMV-exercise price)	Company	Jan. 31, 2023
Non-employee	1099-NEC	Shares sold at exercise * (FMV-exercise price)	Company	Jan. 31, 2023

## SHARES SOLD UPON EXERCISE

Transaction Type	Expected Tax Form	Amounts	Issued By	Form Deadline
Cashless for cash	1099-B	Net proceeds [(Sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023
Cashless hold (sell-to-cover)	1099-B	Net proceeds [(Sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023
Stock swap	N/A			
Cash Buy	N/A			

## Additional Forms

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
ISO exercise (U.S. only)	3921	Various	Computershare or Company	Jan. 31, 2023

Tax preparers will need your Form W-2 or Form 1099-NEC, Form 1099-B, as well as the stock option exercise confirmation. You can log into your account via Computershare's Employee Online website to print your Stock Option account exercise confirmation(s).

The cost basis for shares you sell—**but only those sold immediately upon exercise**--is equal to the FMV on exercise date. However, the cost basis reported on Form 1099-B will only reflect the exercise price of your option. Therefore, adjustments will be required on your tax return. You will receive an insert attached to your 1099-B explaining your cost basis for any transactions performed in 2022. You can find a sample of the letter in the Appendix.

The cost basis for shares acquired through the exercise of an ISO and sold after exercise date may vary. Please consult a tax advisor.

Your tax documents will also be available on Computershare's Employee Online site approximately two weeks after the above-mentioned issue dates or you can contact a Computershare Customer Service Representative to request a duplicate copy mailed to your home.

# Restricted Stock Awards and Units

Listed below are the tax documents you can expect to receive and the dates the forms are to be issued if you have restricted stock awards (RSA) or restricted stock units (RSU) and have had account activity in 2022. The forms you receive are based on your account activity. For example, RSA and RSU vestings, as well as dividends paid on unvested awards, will be reported on your W-2. For all RSA and RSU sales, you will receive a 1099-B from Computershare.

## COMPENSATORY INCOME

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
Employee	W-2	FMV per share at vesting (or delivery) date	Company	Jan. 31, 2023
Non-employee	1099-NEC	FMV per share at vesting (or delivery) date	Company	Jan. 31, 2023

## ELECTION METHOD: SALES OF SHARES

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
RSA/RSU vesting - share withholding	N/A			
RSA/RSU sales - sell to cover	1099-B	Net proceeds ((Shares sold x sales price) - Fees)	Computershare	Feb. 15, 2023
RSA/RSU sales - sell all	1099-B	Net proceeds ((Shares sold x sales price) - Fees)	Computershare	Feb. 15, 2023
RSA/RSU cash	N/A			



## DIVIDENDS

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
RSA dividends (unvested shares)	W-2 or 1099-NEC	(Dividend rate per share x # of shares held as of record date)	Company	Jan. 31, 2023
RSA dividends, retained shares U.S. (vested shares)	1099-DIV	(Dividend rate per share x # of shares held as of record date)	Computershare	Jan. 31, 2023
RSA dividends, retained shares non-U.S. employees (vested shares)	1042-S (U.S. sourced dividends only)	(Dividend rate per share x # of shares held as of record date), possible treaty rate withholding	Computershare	Mar. 15, 2023

When RSA's vest, taxes are withheld on the vest date and the taxable gain amount is reported on your W-2. Tax preparers will also need your RSA/RSU exercise confirmations. You can log in to Computershare's Employee Online website to print your exercise confirmation form(s).

The sale of RSA/RSU shares can result after an RSA/RSU vesting. Your company plan may allow the option to choose from several different tax payment methods at vest: send cash, sell enough, sell all or withhold shares to cover tax obligation. If you choose cash, depending on your past selection of share deposit account method, upon receipt of payment, your shares will be moved into either your equity holdings account at Computershare or your common account at the transfer agent of the company from which you received the RSA/RSU. If you choose share withholding/sell enough, your shares are moved into your equity holdings account at Computershare or your common account at the transfer agent of the company from which you received the RSA/RSU for sale at a later date. If you elect to sell all, you will receive the net payment based on your method of payment choice (check, wire, ACH).

Your tax documents will also be available on Computershare's Employee Online site approximately two weeks after the above-mentioned issue dates or you can contact a Computershare customer service representative to request a duplicate copy mailed to your home.



## 83(b) ELECTIONS

If you have made an IRC Section 83(b) election on your restricted stock award, the forms you can expect to receive are as follows:

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
RSA grant date	W-2	(FMV at grant date x # of shares elected)	Company	Jan. 31, 2023
RSA vesting	No income recognized	N/A	N/A	N/A
83(b) elections - dividend payments	1099-DIV	(Dividend rate per share x # of shares held as of record date)	Computershare	Jan. 31, 2023

# Employee Stock Purchase Plan - Non-Qualified

Listed below are the tax documents you can expect to receive if you are participating in an employee stock purchase plan (ESPP). The forms you receive are based on the activity in your account. For example, if you made ESPP contributions in 2022, matching contributions from the company offering your ESPP will be reported on the W-2 from that company. If you sold shares from your ESPP plan, you will receive a 1099-B from Computershare. You will also receive a 1099-DIV from Computershare reporting your 2022 dividends.

## COMPENSATORY INCOME

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
Employee contribution (company match)	W-2	(FMV of shares received <i>minus</i> employee investment)	Company	Jan. 31, 2023

## SHARE SALE TRANSACTION

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
ESPP sales	1099-B	Net Proceeds [(Sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023

## DIVIDENDS

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
ESPP dividends - cash payment - U.S.	1099-DIV	(Dividend rate per share x # of shares held as of record date)	Computershare	Jan. 31, 2023
ESPP dividend - reinvestment - U.S.	1099-DIV	(Dividend rate per share x # of shares held as of record date)	Computershare	Jan. 31, 2023
ESPP dividends - cash - non-U.S.	1042-S (U.S. sourced dividends only)	(Dividend rate per share x # of shares held as of record date), possible treaty rate withholding	Computershare	Mar. 15, 2023
ESPP dividend - reinvestment - non-U.S.	1042-S (U.S. sourced dividends only)	(Dividend rate per share x # of shares held as of record date), possible treaty rate withholding	Computershare	Mar. 15, 2023

# Employee Stock Purchase Plan - Qualified

Listed below are the tax documents you can expect to receive if you are participating in an IRC Section 423(b) qualified employee stock purchase plan (ESPP). The forms you receive are based on the activity in your account. For example, if you made ESPP contributions in 2022, matching contributions from the company offering your ESPP will be reported on the W-2 from that company. If you sold shares from your ESPP plan, you will receive a 1099-B from Computershare. You will also receive a 1099-DIV from Computershare reporting your 2022 dividends.

## COMPENSATORY INCOME

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
Employee contribution (company match)	None	N/A	N/A	N/A
Disqualifying disposition (DD)	W-2	(FMV per share at purchase - purchase price) x # of shares sold in DD	Company	Jan. 31, 2023
Qualifying disposition	W-2	*	Company	Jan. 31, 2023

\* Will recognize compensatory income as the lesser of:

1. (Sale proceeds - discounted cost of shares) or
2. (FMV at beginning of offering period \* discount %), but not less than zero when sales price is less than purchase price.

## SHARE TRANSACTION

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
ESPP sales	1099-B	Net proceeds [(sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023
Transfer of shares	3922	Various data	Computershare/ Company	Jan. 31, 2023

You may find your cost basis information through your year-end statement or by printing your transaction history page from Computershare's Employee Online site. You can log in to the website to review your ESPP account activity to gain a better understanding of which forms you will be receiving.

Your tax documents will also be available on Computershare's Employee Online site approximately two weeks after the above-mentioned issue dates or you can contact a Computershare Customer Service Representative to request a duplicate copy mailed to your home.

# Equity Holdings Account

Listed below are the tax documents you can expect to receive if you have shares in your Computershare equity holdings account (also known as a retained shares account, common stock account or plan long shares account) and have had account activity in 2022. The forms you receive are based on your account activity.

Transaction Type	Expected Tax Form	Amounts	Issued By	Date Form Issued
Sales	1099-B	Net Proceeds [(Sale price x # shares sold) - transaction fees]	Computershare	Feb. 15, 2023
Dividend reinvestment	1099-DIV	(Dividend rate per share x # of shares held as of record date)	Computershare	Jan. 31, 2023
Dividend paid in cash	1099-DIV	(Dividend rate per share x # of shares held as of record date)	Computershare	Jan. 31, 2023
Dividends - cash - non-U.S.	1042-S (U.S. sourced dividends only)	(Dividend rate per share x # of shares held as of record date), possible treaty rate withholding	Computershare	Mar. 15, 2023
Dividend - reinvestment - non-U.S.	1042-S (U.S. sourced dividends only)	(Dividend rate per share x # of shares held as of record date), possible treaty rate withholding	Computershare	Mar. 15, 2023

# Beneficiary Processing

Beneficiary exercises are taxed differently depending on the date of death and the date of exercise. Rules are as follows:

## Exercise within the calendar year of death

If the beneficiary exercises the options within the calendar year of death of the employee, then Social Security and Medicare taxes are withheld at the time of exercise. This is the only withholding that will reflect on the decedents W-2 and the income will be reported on Form 1099-MISC in the beneficiary's name and social security number which is issued by the decedents employer. The proceeds from the sale of shares will be reported by Computershare on Form 1099-B in the beneficiary's name.

## Exercise after the calendar year of death

If the beneficiary exercises options after the calendar year of death of the employee, then no tax withholding takes place. The employer must create and send a Form 1099-MISC reflecting the income in the beneficiary's name and social security number. The proceeds from the sale of shares will be reported by Computershare on Form 1099-B in the beneficiary's name and social security number.

## COMPENSATORY INCOME (for shares sold at exercise)

Status	Expected Tax Form	Amounts	Issued By	Form Deadline
Employee	W-2	Shares sold at exercise * (FMV-exercise price)	Company	Jan. 31, 2023
(in year of death only) no income, only applicable withholding				
Non-employee	1099-MISC	Shares sold at exercise * (FMV-exercise price)	Company	Jan. 31, 2023



# Tax Form Samples - 1099-B

Page X of XX

MR A SAMPLE  
DESIGNATION (IF ANY)  
ADD 1  
ADD 2  
ADD 3  
ADD 4  
ADD 5

Payer's Details  
Payer Name  
Payer Address 1  
Payer Address 2  
Payer Address 3  
City, State, Zip  
Payer's Federal ID Number: XX-XXXXXX

Reported to IRS } ☐ Gross Proceeds  
                          } ☒ Net Proceeds

Account Number: C1234567890  
Recipient's ID No.XXX-XX-1234

☐ Corrected (if checked)

OMB No. 1545-0715

Form 1099-B - Proceeds From Broker and Barter Exchange Transactions

20XX

Issuer Name: FULL COMPANY NAME

Applicable check box on Form 8949	1a	Description of property	1b	Date acquired	1c	Date sold or disposed	1d	Proceeds (\$)	1e	Cost or other basis (\$)	1g	Wash sale loss disallowed	2	Type of gain or loss	4	FEDERAL INCOME TAX WITHHELD (\$)	5	Check if Noncovered security	12	Check if Basis reported to IRS	14	State name	15	State identification no.	16	State tax withheld (\$)	
Your sale of 350.0000 shares of CLASS DESCRIPTION (CUSIP: XXXXXXXXXX) sold @ \$10.00 on 5/25/2012 and totaling \$3500.00 will be reported to the IRS as follows:																											
		50.0000 of 350.0000 Shares sold				25 May 2012		500.00								140.00		<input checked="" type="checkbox"/>		<input type="checkbox"/>	CA	8036173C13			35.00		
		50.0000 of 350.0000 Shares sold		15 April 2011		25 May 2012		1000.00		800.00			Long Term / Ordinary			280.00		<input type="checkbox"/>		<input checked="" type="checkbox"/>	CA	8036173C13			70.00		
		50.0000 of 350.0000 Shares sold				25 May 2012		2000.00		2300.00			Short Term / Ordinary			560.00		<input type="checkbox"/>		<input checked="" type="checkbox"/>	CA	8036173C13			140.00		
Your sale of 433.3333 shares of CLASS DESCRIPTION (CUSIP: XXXXXXXXXX) sold @ \$15.00 on 7/15/2012 and totaling \$6500.00 will be reported to the IRS as follows:																											
		100.0000 of 433.3333 Shares sold				15 Jul 2012		1500.00								420.00		<input checked="" type="checkbox"/>		<input type="checkbox"/>	CA	8036173C13			105.00		
		333.3333 of 433.3333 Shares sold				15 Jul 2012		5000.00		3833.33			Short Term / Ordinary			1400.00		<input type="checkbox"/>		<input checked="" type="checkbox"/>	CA	8036173C13			350.00		

NOTE: The Payer will report the amount in column 1d to the IRS. The difference between the reportable proceeds in column 1d and the net proceeds you received represents withholding taxes and nonstandard service fees or charges you may have paid.

Copy B - For Recipient (Keep for your records)

This is important tax information and is being furnished to the Internal Revenue Service (except as indicated). 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.

101UTX\_01CMSE\_01

# Tax Form Samples - 1099-DIV



The Sample Company

**IMPORTANT TAX RETURN DOCUMENT ENCLOSED**

000001

MR A SAMPLE  
DESIGNATION (IF ANY)  
ADD 1  
ADD 2  
ADD 3  
ADD 4  
ADD 5  
ADD 6

Computershare



Computershare  
PO Box 505005  
Louisville, KY 40233-5005  
Within USA, US territories & Canada XXX XXX XXXX  
Outside USA, US territories & Canada XXX XXX XXXX  
www.computershare.com/investor

Control#: 1234 5678 9012

Holder Account Number

C1234567890 J N T



\*Uncertified accounts are subject to withholding  
taxes on dividend payments and sales proceeds.

SSN/TIN Certified

Yes/No\*

## Instructions for Recipients

**Recipient's Taxpayer Identification Number (TIN):** For your protection, this form may show only the last four digits of your TIN (SSN, ITIN, ATIN, OR EIN). However, the issuer has reported your complete identification number to the IRS.

**Account Number:** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1a:** Shows total ordinary dividends that are taxable. Include this amount on the "Ordinary dividends" line of Form 1040 or 1040-SR. Also, report it on Schedule B (Form 1040), if required.

**Box 1b:** Shows the portion of the amount in box 1a that may be eligible for reduced capital gains rates. See the Form 1040 or 1040-SR instructions for how to determine this amount and where to report.

The amount shown may be dividends a corporation paid directly to you as a participant (or beneficiary of a participant) in an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040 or 1040-SR but treat it as a plan distribution, not as investment income, for any other purpose.

**Box 2a:** Shows total capital gain distributions from a regulated investment company (RIC) or real estate investment trust (REIT). See *How To Report* in the Instructions for Schedule D (Form 1040). But, if no amount is shown in boxes 2b-2d and 2f and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on your Form 1040 or 1040-SR rather than Schedule D. See the Form 1040 or 1040-SR instructions.

**Box 2b:** Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. See the Unrecaptured Section 1250 Gain Worksheet in the Instructions for Schedule D (Form 1040).

**Box 2c:** Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to an exclusion. See the Schedule D (Form 1040) instructions.

**Box 2d:** Shows the portion of the amount in box 2a that is 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet in the Instructions for Schedule D (Form 1040).

**Box 2e:** Shows the portion of the amount in box 1a that is section 897 gain attributable to disposition of U.S. real property interests (USRPI).

**Box 2f:** Shows the portion of the amount in box 2a that is section 897 gain attributable to disposition of USRPI. Note: Boxes 2e and 2f apply only to foreign persons and entities whose income maintains its character when passed through or

distributed to its direct or indirect foreign owners or beneficiaries. It is generally treated as effectively connected to a trade or business within the United States. See the instructions for your tax return.

**Box 3:** Shows a return of capital. To the extent of your cost (or other basis) in the stock, the distribution reduces your basis and is not taxable. Any amount received in excess of your basis is taxable to you as capital gain. See Pub. 550.

**Box 4:** Shows backup withholding. A payer must backup withhold on certain payments if you did not give your TIN to the payer. See Form W-9 for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5:** Shows the portion of the amount in box 1a that may be eligible for the 20% qualified business income deduction under section 199A. See the instructions for Form 8995 and Form 8995-A.

**Box 6:** Shows your share of expenses of a nonpublicly offered RIC, generally a nonpublicly offered mutual fund. This amount is included in box 1a.

**Box 7:** Shows the foreign tax that you may be able to claim as a deduction or a credit on Form 1040 or 1040-SR. See the Form 1040 or 1040-SR instructions.

**Box 8:** This box should be left blank if a RIC reported the foreign tax shown in box 7.

**Box 9:** Shows cash liquidation distributions.

**Box 12:** Shows exempt-interest dividends from a mutual fund or other RIC paid to you during the calendar year. See the Instructions for Form 1040 or 1040-SR for where to report. This amount may be subject to backup withholding. See Box 4 above.

**Box 13:** Shows exempt-interest dividends subject to the alternative minimum tax. This amount is included in box 12. See the Instructions for Form 6251.

**Nominees:** If this form includes amounts belonging to another person, you are considered a nominee recipient. You must file Form 1099-DIV (with a Form 1096) with the IRS for each of the other owners to show their share of the income, and you must furnish a Form 1099-DIV to each. A spouse is not required to file a nominee return to show amounts owned by the other spouse. See the current tax year General Instructions for Certain Information Returns.

188UDR

COY

00RTOD (Rev. 8/22)

☐ CORRECTED (if checked)

Dividends and Distributions

Company NameXXXXXXXXXXXXXXXXXXXX

Duplicate

PAYER'S Federal identification number: XXXXXX

PAYER'S name, street address, city, state, ZIP code, and telephone no.

SAMPLE COMPANY  
C/O COMPUTERSHARE  
ADDRESS  
ADDRESS  
PHONE NUMBER

RECIPIENT's identification number: XXXXXX

Account number (see instructions): XXXXXX

RECIPIENT'S name, street address, city, state, ZIP code

MR. SAMPLE  
ADDRESS  
ADDRESS  
ADDRESS

Form 1099-DIV (keep for your records)

1a Total ordinary dividends	1b Qualified dividends	
\$	\$	
2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain	
\$	\$	
2c Section 1202 gain	2d Collectibles (28%) gain	2e Section 897 ordinary dividends
\$	\$	\$
2f Section 897 capital gain	3 Nondividend distributions	4 Federal income tax withheld
\$	\$	\$
5 Section 199A dividends	6 Investment expenses	
\$	\$	
7 Foreign tax paid	8 Foreign country or U.S. possession	
\$	\$	
9 Cash liquidation distributions	12 Exempt-interest dividend	
\$	\$	
13 Specified private activity bond interest dividends		
\$		
The reportable amounts above include the following additional income:		
Company Paid Fees	Company Paid Service Charges	
\$	\$	
Discount on Reinvestment		
\$		

OMB No. 1545-0110

20XX

Form 1099-DIV

Copy B  
For Recipient

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.

Department of the Treasury - Internal Revenue Service



# Tax Form Samples - 3921



The Sample Company

Computershare

Computershare  
PO Box 43078  
Providence Rhode Island 02940-3078  
Telephone XXX XXX XXXX  
www.computershare.com/investor

IMPORTANT TAX RETURN DOCUMENT ENCLOSED

Recipient MR A SAMPLE  
DESIGNATION (IF ANY)  
ADD 1  
ADD 2  
ADD 3  
ADD 4  
ADD 5  
ADD 6



Holder Account Number

C1234567890 XXXX



Recipient's ID No. XXXXXXXXXX  
Transferor's Federal ID No. XXXXXXXXXX  
OMB No. 1545-XXXX

☐ Corrected (if checked)

## Form 3921 - Exercise of an Incentive Stock Option Under Section 422(b)

20XX

1	2	3	4	5
Date option granted	Date option exercised	Exercise price per share	Fair market value per share on exercise date	No. of shares transferred
1-Jul-2010	30-Sep-2010	68.030000	69.910000	57.826000
1-Jul-2010	31-Dec-2010	68.030000	86.850000	57.826000

6	If other than TRANSFEROR, name, address, and EIN of corporation whose stock is being transferred	Transferor's Details
	Mr. A Sample Designation (if any) Add 1 Add 2 Add 3 Add 4 Add 5 Add 6 EIN	Mr. A Sample Designation (if any) Add 1 Add 2 Add 3 Add 4 Add 5 Add 6

### Instructions for Transferor (Form 3921)

You have received this form because your employer (or transfer agent) transferred your employer's stock to you pursuant to your exercise of an incentive stock option (ISO). You must recognize gain or loss on your tax return for the year in which you sell or otherwise dispose of the stock. Keep this form and use it to figure the gain or loss. For more information, see Pub. 525, Taxable and Nontaxable Income. When you exercise an ISO, you may have to include in alternative minimum taxable income a portion of the fair market value of the stock acquired through the exercise of the option. For more information, see Form 6251, Alternative Minimum Tax - Individuals, and its instructions.

**Recipient's Identification Number:** For your protection, this form may show only the last four digits of your taxpayer identification number. However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

**Account Number:** May show an account or other unique number the payer assigned to distinguish your account.

- Box 1:** Shows the date the option to purchase the stock was granted to you.
- Box 2:** Shows the date you exercised the option to purchase the stock.
- Box 3:** Shows Shows the exercise price per share of stock.
- Box 4:** Shows the fair market value (FMV) of a share of stock on the date the option was exercised.
- Box 5:** Shows the number of shares of stock transferred to you pursuant to the exercise of the option.
- Box 6:** Shows the name, address, and employer identification number (EIN) of the corporation whose stock is being transferred (if other than the corporation shown in Transferor boxes in upper left hand corner of the form).

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.

Form 3921  
Copy B - For Employee

Department of the Treasury - Internal Revenue Service



9 5 U T X H H H P P P P M M M M M M M M M M M M



# Tax Form Samples - 1042-S



The Sample Company

**IMPORTANT TAX RETURN DOCUMENT ENCLOSED**



Recipient

MR A SAMPLE  
DESIGNATION (IF ANY)  
ADD 1  
ADD 2  
ADD 3  
ADD 4  
ADD 5  
ADD 6

**Computershare**



Computershare  
PO Box 505005  
Louisville, KY 40233-5005  
Telephone XXX XXX XXXX  
www.computershare.com/investor

Holder Account Number

C1234567890 J N T

☐

Amended

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Amendment No.

Unique form identifier

Duplicate

OMB No. 1545-0096

## Form 1042-S - Foreign Person's U.S. Source Income Subject to Withholding

20XX

Information about Form 1042-S and its separate instructions is at [www.irs.gov/form1042s](http://www.irs.gov/form1042s).

1 Income code <b>00</b>	2 Gross income <b>1,234.56</b>	3 Chapter indicator. Enter "3" or "4" <input checked="" type="checkbox"/>	3a Exemption code <b>00</b>	4a Exemption code <b>00</b>	13e Recipient's U.S. TIN, if any
		3b Tax rate <b>12.34</b>	4b Tax rate <b>12.34</b>	13f Ch. 3 status code	13g Ch. 4 status code
5 Withholding allowance				13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any
6 Net income <b>123.45</b>		7b Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>			13j LOB code
7a Federal tax withheld <b>123.45</b>		7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>			
8 Tax withheld by other agents <b>123.45</b>				13k Recipient's account number	13l Recipient's date of birth
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions)				14a Primary Withholding Agent's Name (if applicable)	
10 Total withholding credit (combine boxes 7a, 8 and 9) <b>123.45</b>				14b Primary Withholding Agent's EIN <b>12-3456789</b>	15 Check if pro-rata basis reporting <input checked="" type="checkbox"/>
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code
12a Withholding agent's EIN <b>12-3456789</b>	12b Ch. 3 status code <b>00</b>	12c Ch. 4 status code <b>00</b>		15c Ch. 4 status code	
12d Withholding agent's name XX				15d Intermediary or flow-through entity's name XX	
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15e Intermediary or flow-through entity's GIIN <b>12-123456789</b>	
12f Country code	12g Foreign taxpayer identification number, if any			15f Country code	15g Foreign tax identification number, if any
12h Address (number and street) XX				15h Address (number and street) XX	
12i City or town, state or province, country, ZIP or foreign postal code XX				15i City or town, state or province, country, ZIP or foreign postal code XX	
13a Recipient's name XX	13b Recipient's country code <b>XX</b>			16a Payer's name	16b Payer's TIN
13c Address (number and street) XX				16c Payer's GIIN	16d Ch. 3 status code
13d City or town, state or province, country, ZIP or foreign postal code XX				16e Ch. 4 status code	
				17a State income tax withheld	17b Payer's state tax no.
					17c Name of state

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 1042-S (20XX)

Copy B - For Recipient

Department of the Treasury - Internal Revenue Service



3 5 U T X



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# Terms You Should Know

- 1 **Disposition**  
This term is another word for a sale or transfer of stock.
- 2 **Qualifying Disposition**  
If the holding period requirement is met before selling the shares, the sale price will determine whether both ordinary income and capital gains apply.
- 3 **Disqualifying Disposition**  
If the required holding period of two years from offering/grant and one year from purchase is not met on the exercise of an Incentive Stock Option (ISO) or in a Qualified ESPP grant, the sale is considered a disqualifying disposition and therefore results in certain tax consequences.

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- 4 **Cost Basis**  
The cost basis refers to the cost of shares used to calculate your gains or losses for tax purposes.
- 5 **Covered Transaction**  
Covered means the cost basis for 1099-B reportable transactions must be reported to the IRS by Computershare.
- 6 **Noncovered Transaction**  
Noncovered means the cost basis for 1099-B reportable transactions is not reported to the IRS by Computershare.

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- 7 **Capital Gain or Loss**  
This refers to the profit or loss resulting from the sale of a capital asset, such as stock.
- 8 **Short-Term Capital Gain or Loss**  
Short-term capital gain/loss occurs when stock is held after a transaction resulting in shares is performed. If the shares are held for 12 months or less before selling, then it is taxed at a higher capital gain rate.
- 9 **Long-Term Capital Gain or Loss**  
Long-term capital gain/loss occurs when stock is held after a transaction resulting in shares is performed (RSU, RSA, ESPP Purchase etc.). If the shares are held for more than 12 months before selling, then it is taxed at the favorable capital gain rate.

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# Questions?



## Via the Web

1. **Log on to:**  
[www.computershare.com](http://www.computershare.com)
2. **Click on the “Contact us” link located at the top right.**



If you have any questions pertaining to your W-2, please contact the human resources department of the company that provided you the W-2.

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