

How to finish out your year without a headache



(Excluding the effects of your New Year's Eve
Champagne...)

Preparing for year-end

- Engage all impacted business partners
 - Payroll, Compensation, Finance
- Document and calendar deadlines
 - Checklists are handy
- Delegate and communicate responsibilities within your team

November

- Coordinate reporting deadlines with Payroll
- Finalize grant dates for remaining months with Compensation and Legal
- Review year-end deadlines with Accounting and Finance
- Ensure your brokers and transfer agents know deadlines, too
- Coordinate with outside vendor for 6039 forms

November (con't)

- Survey US ESPP purchases and ISOs that have been transferred from your broker to identify any DDs
 - Only necessary if you have ESPP program or ISOs AND you allow employees to move shares

December

- Send all US QD/DD transactions to Payroll for January - November activity
 - Remember to generate second file for December activity after 12/31 market close
- Ensure all other equity income and tax information is reported to appropriate payroll teams after 12/31 market close

December (con't)

- Ensure all terminations through 12/31 are entered in your equity administration system for correct reporting of cancellations
- If you have a 12/31 ESPP purchase date (my sympathies), consolidate and validate contributions prior to purchase date, if possible

Finishing out the old year

- Ensure all country-specific calendar year-end reports are filed; non-US employee income and taxes should be verified with payrolls where reporting is required
- Validate that all US employee income and tax withholdings have been reported on W-2s
- Generate 3921 and 3922 forms as required to US employees by 1/31; Federal forms are due 2/28 or 3/31 depending upon filing method

Finishing out the old year (con't)

- Prepare 1099s for non-employees, including board members, and deceased employees
- Complete all year-end expense, EPS and external reporting requirements
- Ensure your employee website information about year-end is updated and easy to understand

Calendar Fiscal Year Companies

- Start gathering information/prepare reports for 10-K, Director & Officer Questionnaires, and Proxy
- Send Form 5 Surveys to Insiders - file Forms 5 if necessary
- Look at plan reserves, evergreen provisions

Starting out the new year

- Before transacting any exercises or vestings in January:
 - Update any tax rates or thresholds for the new year
 - Reset any YTD amounts to zero
- Review \$25K limits for ESPP
- Review Corporate Calendar/Blackout Schedule
- Calendar major events (Insider transactions, large grants, vestings, etc.)
- **BREATHE!!**

Questions?

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