

## 1099 Questions and Answers

Q: What is a 1099 MISC form?

A: The Internal Revenue Service (IRS) requires the 1099 MISC form for all Independent Longaberger Sales Consultants who meet established criteria (listed below). If you meet these requirements, Longaberger submits the information to the IRS, then sends you a copy for your records.

Q: What are the criteria for receipt of a 1099 MISC form?

A: You will receive a 1099 MISC at the end of January if you meet any one of the following criteria:

- You had \$5,000 or more in guest sales for the calendar year. The exact amount of your guest sales is not reported on the 1099 MISC form. You will see an “x” in Box 9 indicating that you reached this level of sales.
- You earned \$600 or more in overrides and sponsorship bonuses for the calendar year. Box 7 “Non-employee Compensation.”
- You received \$600 or more in prizes and awards for the calendar year. This will be noted in Box 3, “Other Income.” Included in this category are any prizes and awards earned through incentives throughout the year such as:
  - ❑ Free Longaberger products earned throughout the year. These are reported on the 1099 at 60 percent of retail. (We suggest you keep track of these earnings throughout the year, to avoid a surprise at year-end.)
  - ❑ Dollar awards. These awards, including gift certificates, are reported at face value.
  - ❑ Savings Bonds. Bonds are reported at one-half the face value.
  - ❑ Non-Longaberger products. These products are reported based on the actual cost to the company.
  - ❑ Trips. The value of a trip is reported based on the dollar value of the trip as determined by our travel vendor. The trip is a flat rate value; therefore, each consultant who earns a trip will receive a 1099 of equal value, regardless of travel arrangements, participation in activities, food etc. If more than one trip is earned, more than one trip will be reported. Optional third and fourth buy-ins are not “earned”; therefore, will not be reflected on the 1099.

Q: I lost or didn't receive my 1099 MISC form. How can I find out what was on this form?

A: The Tax Department is unable to release this information over the phone. You will need to first determine if you met the criteria for receiving a 1099. If you did, Longaberger's Tax Department can send a copy of your 1099 to your address as it appears in our system. You can also fax a written request with your signature; our Tax

Department will fax you a copy of the 1099 MISC form. The Tax Department can be reached by phone 740-322-5048, fax 740-322-5034 or e-mail [taxdept@longaberger.com](mailto:taxdept@longaberger.com).

Q: Can I receive an itemized list of my prizes and awards?

A: Longaberger's Tax Department encourages you to keep track of your prizes and awards throughout the year. If your records do not agree with ours, you may contact us for verification.

Q: Will I receive a year-end statement showing my retained 25 percent commission?

A: No. As an Independent Sales Consultant, you are responsible for keeping your own sales and expense records and reporting your income to the IRS accordingly. The only statement you will receive from Longaberger will be the 1099 MISC form if you meet the criteria.

Q: Do I need to report my income if I do not receive a 1099?

A: You are required to report all income earned to the IRS.

Q: What schedules will I need for reporting my income tax to the IRS?

A: You will need to report your income and expenses on Schedule C. Schedule SE is also required for filing self-employment tax.

Q: Can the Longaberger Tax Department provide income tax advice?

A: No. The Longaberger Company cannot give legal or income tax advice. Please refer to Publication 911 regarding tax information for direct sellers or go to the IRS website at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) and click on Small Business Products to request a free packet of information.

Q: Can I verify my commission with the company for the filing period?

A: Due to confidentiality, this request must be made in writing. There is a charge of \$15.00 for this report. A faxed request can be sent to Career Plan Support at 740-321-3737 or e-mail your request to [careerandguidelinesupport@longaberger.com](mailto:careerandguidelinesupport@longaberger.com).

Q: Can I request a copy of my activity statements?

A: There is an \$8.00 charge for each monthly activity statement. If you do not have access to your activity statements via [mylongaberger.com](http://mylongaberger.com), you can fax a request to Career Plan Support at 740-321-3737 or e-mail your request to [careerandguidelinesupport@longaberger.com](mailto:careerandguidelinesupport@longaberger.com).

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