

## Verizon Communications benefits—year-end tax information

This information describes the tax forms sent to you for pension and/or other benefit payments you received in 2023 and includes answers to questions that are often asked by other participants, as well as examples of the tax forms.

Your 2023 tax forms are included in this mailing. If you misplace your form(s) or need additional copies, go to [principal.com/welcome](https://principal.com/welcome) and select “Get Started” to create your username and password.

If you’re already a customer of [principal.com](https://principal.com), simply select Login and use your existing username and password to view pension and/or other benefit plan tax forms.

Once you set up your account access, take a minute to review the plan dashboard and explore the resources and features available to you.

Within the My Profile link you can:

- Access your 2023 tax forms and prior year tax forms (as applicable).
- You can receive an email that your tax forms are available next year by clicking the Subscribe Link and go paperless.
- Review your contact information to ensure that your mailing and email address are correct.

### Frequently asked questions

#### **I received a 1099-R, 1099-MISC, W2 and/or 1042-S and the TIN/SSN is masked—why?**

Due to data privacy guidelines, the full TIN/SSN has been partially masked on the 1099-R, 1099-MISC, W2 and/or 1042-S tax forms.

#### **I received multiple tax forms—why?**

Depending on your situation you may receive more than one tax form:

- You may be receiving a payment as a beneficiary and as a retiree in 2023.
- You may have received a lump-sum rollover distribution and annuity payments from a qualified plan in 2023.
- You may have received a lump-sum rollover distribution and a lump-sum cash payment distribution from a qualified plan in 2023.
- You may have received payments from a qualified plan and a non-qualified\imputed income payment in 2023.
- You may have received a payment as an active employee of Verizon and also as a retiree in 2023.
- You may have had an address change to a different state in 2023.
- You may have been receiving a pension due to disability and turned age 65 in 2023.

#### **What is the code of distribution?**

Codes of distribution are assigned based on your age and the type of payment you’re receiving. For additional information regarding codes of distribution, please visit the Internal Revenue Service (IRS) website at [IRS.gov/forms-instructions](https://www.irs.gov/forms-instructions).

#### **What if I didn’t receive my 2023 W-2 from Verizon payroll?**

If you did not receive your W-2 statement for a period of active service with Verizon in 2023, please call Verizon Employee Payroll Support at 800.932.7947.

**My state and/or federal withholding is incorrect—how can I get this amount corrected?**

It is important to review your current state and federal tax withholdings at the beginning of 2024 to ensure you are meeting your tax obligation. We cannot change the reporting of state and/or federal withholding once the 2023 tax year has closed. If there is an error in the withholding amount on your tax form, please speak with a financial advisor or your tax preparer for information on how to recover amounts withheld that exceed your tax obligation.

**Why do I have imputed income in box 12 of my 2023 W-2 form?**

If you had retiree life insurance coverage greater than \$50,000 during 2023, a portion of the amount over \$50,000 is reported to the government as taxable income.

If our records indicate you have a domestic partner who does not qualify as a tax dependent, the value of the Verizon medical and/or dental coverage provided to your domestic partner (and to children of your domestic partner) during 2023 is reported as taxable income.

**How can I change my payment to be directly deposited into my bank account?**

Call the Verizon Benefits Center at 855.4vz.bens (855.489.2367) to make direct deposit changes.

**Why did I receive a tax form for a payment I haven't cashed in 2023?**

Regardless of whether you have cashed the check, under new IRS requirements, your distribution in 2023 is considered income and must be reported to the IRS as such.

The table below indicates tax forms you should receive based on your circumstances.

<b>If you are a:</b>	<b>You will receive:</b>
Service Pensioner, Vested Pensioner, Disability Pensioner or Beneficiary	Form 1099-R
Service Pensioner who received a non-qualified pension	Form W-2
Beneficiary or Alternate Payee who received a non-qualified pension	Form 1099-MISC
Recipient of payment from any of the Verizon Savings Plans	Form 1099-R
Post-Divestiture Retiree (retired on or after January 1, 1984) living outside of the Verizon service areas and receiving taxable concession telephone reimbursement	Form W-2
Service Pensioner with over \$50,000 in basic group term life insurance coverage (cost of coverage as determined by the IRS)	Form W-2
Service Pensioner with domestic partner coverage	Form W-2
Service or Disability Pensioner who received medical or dental credits or a Medicare Incentive Payment	Form W-2
Recipient of any payments issued by your former and/or active payroll	Form W-2
Non-Resident Alien (these tax forms will be mailed by March 15, 2024)	Form 1042-S
Puerto Rico Resident (these tax forms will be mailed by February 29, 2024)	Form 480.7C

**For more information**

If you have questions about your tax form(s) that are not addressed within this communication or if you do not receive your tax form(s) by February 15, 2024 (or the date on the table above, as applicable), please contact the Verizon Benefits Center. Make sure you have the last four digits of your Social Security number, your date of birth and your Benefits Center password available and then dial 855.4vz.bens (855.489.2367). Listen to the main menu to make your selection and then follow the prompts to reach a representative.

# SAMPLE Form 1099-R

The 1099-R form reports qualified pension payments and/or distributions from savings plans and other retirement plans to the IRS. Descriptions of the types of information you may find on your Form 1099-R are provided below. Please note due to data privacy guidelines the tax identification number (TIN/SSN) will be partially masked/hidden. The first five characters will include Xs.

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution	2023			Form 1099-R	
		2a Taxable amount					
		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>				
PAYER'S TIN	RECIPIENT'S TIN	3 Capital gain (included in box 2a)	4 Federal income tax withheld		Copy 1 For State, City, or Local Tax Department		
RECIPIENT'S name		5 Employee contributions/ Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities				
Street address (including apt. no.)		7 Distribution code(s)	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other			
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution %	9b Total employee contributions %				
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld	15 State/Payer's state no.	16 State distribution		
\$			\$		\$		
Account number (see instructions)		13 Date of payment	17 Local tax withheld	18 Name of locality	19 Local distribution		
			\$		\$		

Form 1099-R [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) Department of the Treasury - Internal Revenue Service

## 1. Gross distribution

Amount(s) paid in 2023 from pension plans, annuities, retirement or profit-sharing plans, IRAs, savings distributions, insurance contracts, etc. Lump-sum payments rolled over to a qualified IRA or other retirement plan will also appear here.

## 2a. Taxable amount

Taxable portion of amount paid. Usually this is the same as the amount in Box 1. However, payments that were directly rolled over to a qualified IRA or other retirement plan should not appear here.

## 2b. Taxable amount not determined/Total distribution

If you received a lump-sum distribution, Total distribution (second) box contains an X.

## 3. Capital gain

Capital gains will appear here if applicable.

## 4. Federal income tax withheld

Federal income tax withheld from distribution(s).

## 7. Distribution code(s)

IRS code to identify type of distribution. (Refer to the instructions on the back of the form.)

## 14. State tax withheld

State income tax withheld from distribution(s).

## 17. Local tax withheld

Local income tax withheld from distribution(s).

## 18. Name of locality

Populated for New York City or Yonkers residents only.

## SAMPLE Form W-2

The Form W-2 reports income and other items, such as taxable fringe benefits, payments from non-qualified pension plans and supplemental retirement plans. Descriptions of the types of information you may find on your Form W-2 are provided below.

22222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	
f Employee's address and ZIP code		11 Nonqualified plans		12a	
		13 Statutory employee Retirement plan Third-party sick pay		12b	
		14 Other		12c	
				12d	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
				18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

Form **W-2** Wage and Tax Statement  
Copy 1—For State, City, or Local Tax Department

2023

Department of the Treasury—Internal Revenue Service

### 1. Wages, tips, other compensation

Taxable concession telephone reimbursements, flexible benefits credits, imputed income on basic group term life insurance and payments from any non-qualified or supplemental retirement plans will appear here. If you received any wages from a Verizon employee payroll system during 2023, you will receive a separate W-2 from Verizon. If you retired during 2023, any taxable concession telephone reimbursement or imputed income earned while you were active will be reported on the Form W-2 you receive from Verizon.

### 2. Federal income tax withheld

Amount withheld from payments reported in Box 1.

### 3. Social security wages

Wages subject to Social Security tax. For 2023, maximum wages subject to Social Security tax is \$160,200.

### 4. Social security tax withheld

Social security withholding is 6.2% of Box 3.

### 5. Medicare wages and tips

Wages subject to Medicare tax.

### 6. Medicare tax withheld

Medicare withholding is 1.45% of Box 5. There is no limit on wages for purposes of Medicare withholding.

### 11. Nonqualified plans

Nonqualified deferred compensation either paid or earned in 2023. If there is a difference between Federal Income Tax (FIT) wages and FICA (Social Security & Medicare) wages, the difference is reported in Box 11 for non-qualified pension and savings plans and taxable fringe benefits.

### 12. Imputed Income and uncollected FICA taxes:

**Box 12a.** The value of imputed income on basic group term life insurance (GTLI) in excess of \$50,000 will appear as Code C.

**Box 12b.** The amount of Social Security tax will appear as Code M.

**Box 12c.** The amount of uncollected Medicare tax resulting from imputed income on GTLI will appear as Code N. You are responsible for reporting this tax liability on your income tax return. More specific questions should be directed to your tax advisor.

**Box 12d.** The cost of non-taxable health insurance provided through your employer will appear as Code DD.