



GLAD TIDINGS CHILD CARE  
CENTER  
ATTN ERROLYN FRASER  
2830 E 60TH ST  
KANSAS CITY MO 64130-3741

01/03/2017

#### NOTICE OF PAYMENT OF TAXABLE DISABILITY BENEFIT AND DEPOSIT OF FICA TAXES

This letter shall serve as the annual notification [required by Treas. Reg. 31-6051-3(a)] that the taxable disability benefits described below (with respect to which you have certain withholding and reporting obligations) have been paid.

Aflac is not engaged in the practice of law, nor can Aflac render legal advice about the tax treatment of these benefits. However, under current law, you as the employer have certain withholding and reporting obligations with respect to the payment of these disability benefits, and there may be serious consequences if your withholding and reporting obligations are not properly fulfilled. Therefore, we recommend that you consult with your legal or tax advisor regarding these obligations, or review Circular E, Employee's Tax Guide. As a matter of general information, it is Aflac's understanding that under current law, affected employers will generally be required to do the following:

- (1) Deposit the appropriate amount attributable to the employer's portion of FICA, FUTA, or RRTA tax with the government upon receipt of notification from Aflac that the employee's portion of FICA or RRTA taxes have been withheld from the benefit payment and deposited;
- (2) Submit a Form W-2 to the disability benefit recipient on or before January 31st of the year after the benefits are paid, reflecting the following information:
  - (i) your company's name, address and employer identification number (EIN);
  - (ii) Aflac will provide to you annually by January 15 the following information: employees name, Social Security number, sick pay paid, FIT withheld, employee Social Security tax withheld and employee Medicare tax withheld which should be reported by you as follows on a W-2:
    - (a) in box 1, the amount of sick pay the employee must include in income;
    - (b) in box 2, any income tax withheld from the sick pay by the third-party payer (i. e., Aflac);
    - (c) in box 3, the amount of sick pay that is subject to employee Social Security tax or RRTA;
    - (d) in box 4, the employee Social Security tax or Employee Tier 1 tax withheld by the third-party payer;
    - (e) in box 5, the sick pay subject to employee Medicare tax or RRTA;
    - (f) in box 6, the employee Medicare tax or Tier 1 Medicare tax withheld by the third-party payer; and
    - (g) in box 12, the amount of sick pay not includable in income because the employee contributed to the sick pay plan (indicated by a Code "J").

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The information required to be furnished by this paragraph may either be furnished on the same Form W-2 on which the employee's ordinary wages are reported, or on a separate Form W-2 that states that the amounts are for third-party sick pay. (Note: Only disability benefit payment includable in gross income must be reported in box "1", labeled "Wages, Tips and Other Compensation" on Form W-2. Excludable amounts related to employee after-tax contributions where the employer and employee share the cost of the premiums should be reported in box "12" and described as "nontaxable").

- (3) Submit appropriate forms (i.e., W-2, W-3, etc.) reflecting the payment of disability benefits to the Internal Revenue Service and Social Security Administration on or before February 28th of the year after the benefits are paid; and
- (4) Comply with any applicable state income and employment tax obligations.

Aflac believes this information to be correct, but you as the employer have the sole responsibility to determine what your withholding and reporting obligations are with respect to these disability benefits and to comply with those obligations.

If you have specific questions regarding this information, please contact your accountant or tax advisor for additional general information regarding the withholding and reporting obligations described above.

CLAIMS DEPARTMENT

\*P844106446\*



American Family Life Assurance Company of Columbus (Aflac)  
Worldwide Headquarters • 1932 Wynnton Road • Columbus, GA 31999-0001  
1-800-992-3522  
1-800-SI-AFLAC (1-800-742-3522) en español  
aflac.com

IMPORTANT TAX INFORMATION

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Our records indicate the following persons received disability benefits during the calendar year 2016: FICA Withheld - submitted by Aflac

Insured	Policy Number	Social Security #	Date Paid	Disability Amount Paid	Social Security Tax	Medicare Tax	Total FICA Withheld	Net Paid
CLARK SHOBOWALE, KAMILAH S	POD1L8W8	486-84-7430	11/28/2016	\$1,633.33	\$101.27	\$23.68	\$124.95	\$1,508.38
			Subtotal:	\$1,633.33	\$101.27	\$23.68	\$124.95	\$1,508.38
			Total:	\$1,633.33	\$101.27	\$23.68	\$124.95	\$1,508.38

\* FICA adjustment refunded to the employee.