

EAP WTHD25: For 1099 Reporting Year...

KB417486

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Service
PeopleSoft Enterprise FIN
Payables



1.0

Applies To

All Users

Summary

Purpose

In light of recent 1099 form changes from the IRS, we are releasing an Oracle patch (Bug 38342920) to assist you in preparing for the change. The Bug includes report, queries, data mover script, and demo data for use in a testing environment. We recommend that you follow the instructions and make the changes as soon as possible prior to the regular 1099 Update patch in November.

Due to the setup differences between customers, we are not able to provide standard data conversion scripts. Instead, we are providing you detailed setup instructions, report, queries, and data mover script to identify changes required to assist you in making the required changes to support the 1099-MISC and 1099-NEC forms and reporting. As always, if you need additional assistance feel free to contact Oracle Support.

The IRS has made changes to Form 1099-NEC for Excess golden parachute payments. These payments are no longer reported on Form 1099-MISC and will now be reported on Form 1099-NEC, box 3. In addition, Form 1099-MISC, box 14 - Nonqualified deferred Comp, has changed to box 15 on Form 1099-MISC for reporting year 2025.

Note: Logic changes to the 1099 Application Engine process to support 2025 changes to forms 1099-MISC and 1099-NEC, are in progress within PeopleSoft Development. These changes will be posted in the future.

Note: Bug 38342920 - AP: NEW 2025 IRS REQUIREMENTS FOR REPORTING 1099-NEC/MISC, must be applied along with the required setup, before applying the 1099 Update for 2025.

Solution

NOTE: Please follow the steps in the order listed below. For setup screen shots and scripts, please reference below Attachment: "1099_2025".

A. Configure two new Withholding Forms 1099-MISC and 1099-NEC and associated Classes

1. Add two new Withholding Types - 2025M and 2025N, and associate their Classes accordingly:

Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Types and Classes

a. Class 03 - Excess Golden Parachute Pymnts, is added to 2025N

b. Withholding Type 1099M, box 14 - Nonqualified deferred Comp, has changed to box 15 for Withholding Type 2025M

2. For each new Withholding Type, Add Withholding Jurisdiction, Business Unit Categories, and Supplier Categories

a. Withholding Jurisdiction: Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Jurisdictions

Business Unit Categories: Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Business Unit Categories

Supplier Categories: Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Supplier Categories

b. For Withholding Type 2025N, repeat Step 2a

3. Add Withholding Types 2025M and 2025N, along with its Withholding Classes, to the Withholding Entity

Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Withholding Entities

a. You can add the new Withhold Types and Classes to the existing Entity OR you can add a new Effective Date = 1/1/2025

b. If a new Effective Date is added, this same Effective Date must be added to the Procurement Control, see Step A5 below

4. Add Report Definitions US_2025M for 2025M and US_2025N for 2025N:

Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Report Definition

a. Report Definition 1 tab: Report Definition must be created with the same definition names mentioned on Step 4, Line Number = Class number

b. Report Definition 2 tab: Populate Process Type = Application Engine and *Process Name = AP_APY1099

5. Add the newly configured Withholding Types to the Procurement Control (General Ledger Business Unit):

Main Menu > Setup Financials/Supply Chain > Business Unit Related > Procurement > Procurement Control

a. Add Withholding Types 2025M and 2025N

b. Through Chartfields link, associate the Chartfields to the Withholding Classes

Note: Attached file, The attachment below, 1099_2025, contains screen shots showing sample scripts to copy data between your environments.

Warning: **upd38342920_demo_data.dms**, included in Bug 38342920, can only be used in delivered Demo or PUM environment.

B. Update 1099/Withholding applicable Supplier Withholding Location(s) configuration

1. To identify all active Withholding Suppliers and their existing 1099 Setup, run the adhoc report APX2020 – Supplier 1099 Withholding Classes delivered in Bug 38342920

Main Menu > Suppliers > 1099/Global Withholding > General Reports > Supplier 1099 Wthd Classes

a. *SetID, *Entity, 2024 Type, *Jurisdiction, *2025 MISC Type, and *2025 NEC Type, are all required. Please select your organizations applicable values.

- *2024 Type - The existing Withholding Type your organization has been using, for most organizations, this value will be 1099M.

- *2025 MISC Type - The newly added Withholding Type that was added in Step A-1 above with a value of 2025M.

- *2025 NEC Type - The newly added Withholding Type that was added in Step A-1 above with a value of 2025N.

b. The report can be sorted by either Supplier Name or Supplier ID.

c. You can optionally define a single range of Supplier ID's if desired.

2. Each Supplier must be updated manually, one at a time, with the newly added Withholding Type(s) and Classes

Main Menu > Suppliers > Supplier Information > Add/Update > Supplier > Location > Global/1099 Withholding

Attention: Do not replace/delete the existing Withholding setup. Just uncheck the “Default Jurisdiction” flag on the existing Withholding Class row and make the newly

added Withholding type and Class as the default. This is mandatory to maintain data integrity.

- Example: Update the Supplier and add a new row for 2025M Withholding Type for year 2025

- Make sure to uncheck “Default Jurisdiction” box for the existing Withholding Type

- Check the “Default Jurisdiction” box for the new Withholding Type row added
- For NEC Withholding Class 03, add the new 2025N Withholding Type if applicable
- If Multiple Classes are used along with NEC Class 03, add both the new 2025M and 2025N Withholding Types as needed

C. Updating existing Vouchers/Withholding Transactions for year 2025

To identify unpaid Withholding applicable Vouchers with old 1099 details, run Query/Report WTHD_UNPAID_VCHR from Query Manager (Reporting Tools > Query > Query Manager) delivered in Bug 38342920

1. Unpaid Vouchers:

- a. Main Menu > Accounts Payables > Vouchers > Add/Update/Regular Entry > Invoice information tab
- b. On the Invoice Information page, click on the Withholding link and update the Withholding details with the new Withholding Type and Class.

2. Paid Vouchers

- a. For paid vouchers, the 1099 details on the vouchers can no longer be changed.
- b. Update Withholding will not work as the Supplier is now setup with two different Withholding Types.
- c. In such cases: Post all the Payments and run Post Withholding. This will generate the Withholding Transactions.
Main Menu > Suppliers > 1099/Global Withholding > Maintain > Post Withholdings
- d. For each Supplier, update Type and Class for all applicable Supplier transaction rows through Adjust Withholding.
Main Menu > Suppliers > 1099/Global Withholding > Maintain > Adjust Withholding
 - After making changes through Adjust Withholding, the changed row will have “Override” in the Short Name column

- For Audit/Documentation purposes, use the Adjust Reason tab to add a reason why the change was made (optional step)

Tip: To identify the transactions that need updating for a Supplier, Search transactions by Entity, the old Withholding Type, and Start Date = 01/01/2025

To identify all existing Suppliers and their Withholding transactions that need updating, run the Query/Report, WTHD_TRXN_TBL, from Query Manager

(Reporting Tools > Query > Query Manager) delivered in Bug 38342920.

Sample SELECT Script: Attached is sample SELECT SQLs that identifies Suppliers/Withholding Transactions that have to be updated to reflect 1099 changes for year 2025.

These SELECT SQL can be used as guideline to build your own INSERT/UPDATE SQLs

- These scripts are specific to an **Oracle Database ONLY**. Other platform specific changes will need to be made accordingly.
- It is imperative that at a minimum, the following steps are followed before and after executing any of the SQL statements:
 1. Setup steps 1 – 4 of **Doc ID 3102721.1 - EAP WTHD25: For 1099 Reporting Year 2025, What Setup is Required to Implement the IRS Changes For 1099-NEC and 1099-MISC?** must be complete prior to executing any of the SQL statements contained in this document.
 2. Backup your data

3. Carefully review and analyze these scripts (by technical staff and DBA)
4. Review with functional business leaders
5. Execute scripts in a test environment prior to any production updates
6. Verify SQL updates after committing changes in test environment
7. Navigate to appropriate components/pages to additionally verify data updates

1099 IRS Reporting Requirements for 2025:

Release 9.2 Bug 38342920 - AP: NEW 2025 IRS REQUIREMENTS FOR REPORTING 1099-NEC/MISC

Once the next 9.2 PUM Image is posted, Bug 38342920 will no longer be available as an individual post.

See the PeopleSoft Update Manager (PUM) Home Page Information Center [1641843.2](#) for the latest posted image to apply under the PeopleSoft Update Image Home Pages tab > FSCM Update Image Home Page > FSCM Update Image Link section.

For instructions on acquiring patches for all PeopleSoft products, please refer to How to Download PeopleSoft Bundles and Fixes from My Oracle Support [KB430616](#).

Attachments :

[3102721.1-1099_IRS_2025_CHANGE-1099-MISC_and_1099-NEC_IRS_reporting_requirements_effective_2025.pdf](#)
[Sample_Reference_scripts_for_Supplier_and_Wthd_1099_data_for_2025.pdf](#)

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