2025 Tax Reporting

5498 Information & Instructions

This document aims to inform our clients of critical tax deadlines, provide essential information regarding tax balancing and reporting, and detail the balancing and reporting processes.

Tax Deadlines

April 15, 2026 - For credit unions that need to create a 5498/5498-ESA/5498-SA Contribution file, it is created after this deadline.

NOTE: Credit union members may make IRA contributions for the 2025 tax year up until this deadline.

April 21, 2026 (5:00 pm MST) - For credit unions using FLEX to report to the IRS, tax files need to be created.

NOTE: **Data must be received by FLEX no later than Tuesday, April 21, 2026** to be included in the FLEX reporting file transmitted to the IRS. Data received after this date and time will be considered late and will be processed under the following:

- FLEX will make its best effort but cannot guarantee credit union data will be reported to the IRS by the reporting deadline
- As a result of being late, the credit union could be subject to fines from the IRS
- Data received after **April 21, 2026** will be assessed a late fee of **$500.00**.
- If data has not been received by April 21 2026, it will be assumed by FLEX that the credit union is using alternative reporting measures. *No additional attempts to confirm this status will be made by FLEX.*

For those using a third-party company for printing and/or reporting, please contact the third-party company for deadlines.

Notes & Disclaimers

Changes to Reporting Data - Changes to reporting data are extremely difficult and involved. If it is determined that changes or corrections are necessary for accurate tax reporting, please note the following:

- Any changes affecting less than 250 accounts per form type must be made and reported manually by the credit union.
- Any changes affecting 250 or more accounts per form type will require maintenance by the credit union on the data, FLEX assistance with generating corrected files, and then sending the corrected files to FLEX. Changes of this nature will be billed at the current rate in effect for time, materials, and postage required to process the replacement file. FLEX cannot ensure a mailing date for any forms generated with corrected files.

Absolutely no changes can be made to the reporting data once reporting files have been transmitted to the IRS. Any corrections necessary at this point must be processed manually by the credit union.

Data submitted after the deadline is subject to a late fee of $500.00.

5498 Tax Reporting

1. **Verify Tax Information -**
   a. Using Telnet, type 'GO TAX5498' and press [ENTER].
   b. Select *Option 3*, 'Maintain C.U. Tax Information' and verify the Payer (credit union) Information is correct.
   c. If FLEX is performing your government reporting, the Transmitter Information should be as follows:
      - Transmitter Code: 97567
      - Name Line #1: Computer Marketing Corporation
      - Name Line #2: Attn: Tax Department
      - Mailing Address: 8520 S Sandy Parkway
      - City, State, Zip: Sandy, UT 84070
   d. After verifying Tax Information is correct, press [ENTER].

2. **Run Reports -**
   a. From the TAX5498 menu, select *Option 1*, '5498 Error Listings'.
      - This option must be run prior to April reporting to facilitate a clean reporting process, even if previously completed by staff in January.
   b. This option produces two exception reports for the given tax year:
      - Bad Tax Address Report - pulls incomplete addresses and incorrect address codes.
      - Detail Listing of Invalid IRA Contributions - shows any data incompatibility on a credit transaction against the appropriate group codes. Reason codes shown at the bottom of this report are:
        1. Invalid IRA Code - Indicates code is not found or not consistent with being a contribution.
        2. IRA Code V incompatible with share/cert type - Indicates share or certificate type is identified as a Non-Roth group.
        3. L or K Code used after April deadline - Indicates the effective date is not within the allowed contribution period for the current tax year.
        4. SEP without Contribution Type defined - Indicates there is no indicator of Employee or Employer on the item.

NOTE: All transactions with IRA Code 5 will be ignored. IRA Code 5 indicates Direct Internal Transfer and is exempt from reporting. *All exception items must be corrected prior to selecting* Option 5 *for reporting.*

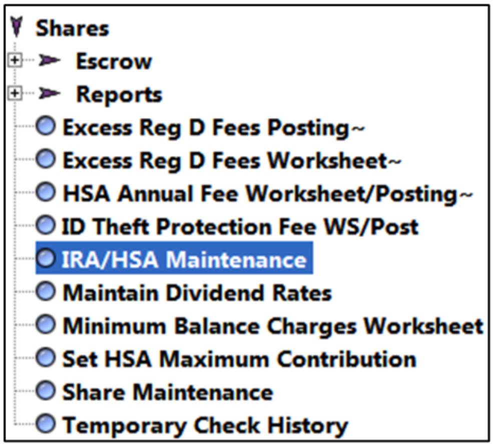
3. **Correcting Invalid Contributions -**
   a. From the TAX5498 menu, select *Option 2*, 'IRA History by Selected IRA Code'.
      - This option produces a listing of all transactions found in history for the reporting period that have been coded with selected IRA Code.
   b. This listing can be designated to either appear on screen or be sent to the printer. The report will show account, suffix, sequence number, transaction description, actual date, effective date, teller ID, transaction code, IRA code, and SEP (employee or employer) code, if applicable.
      - This report may be useful in balancing or finding discrepancies as it can be used to list any contribution or distribution code used during the reporting period.

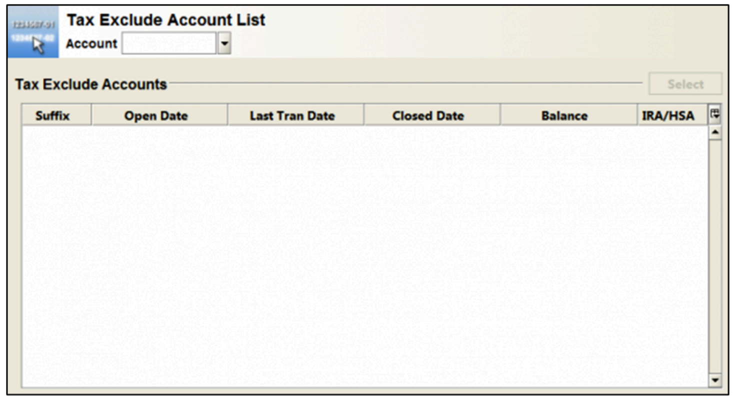
NOTE: IRA Code 9 is defined as 'Transfer to Spouse Incident to Divorce'. Using IRA Code 9 in FLEX indicates the contribution will be reported as 'contribution to a qualified plan' and will appear in *Box 2* on IRS form 5498. If this is not the intention, change IRA code from '9' to '5' so the contribution will not be reported to the IRS.

   c. Re-run this option until all records have been corrected. If discrepancies are found, follow the steps below.

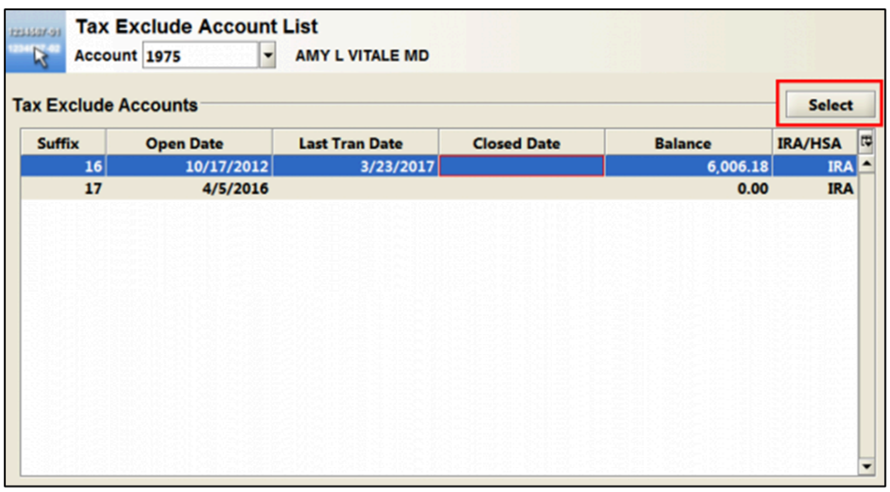
4. **IRA/HSA Maintenance -**

   a. Access ‘IRA/HSA Maintenance’ under the *Shares* menu in the FLEX main menu, and enter the account number that needs correction.

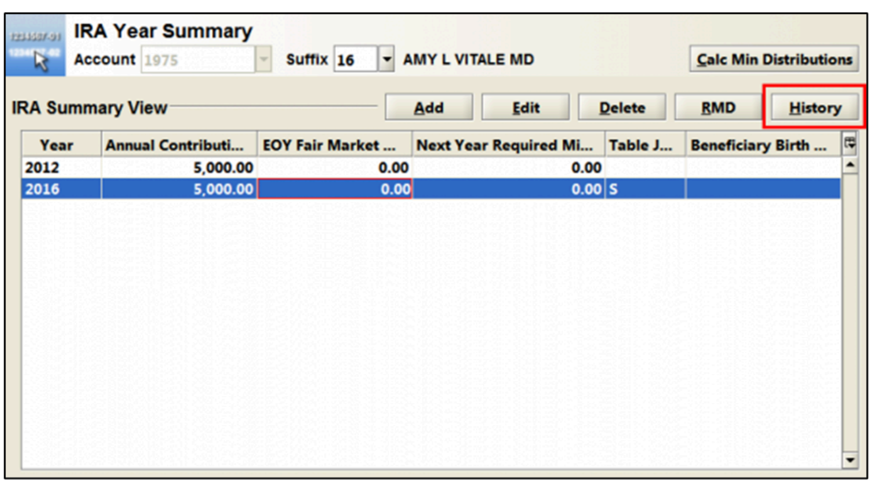




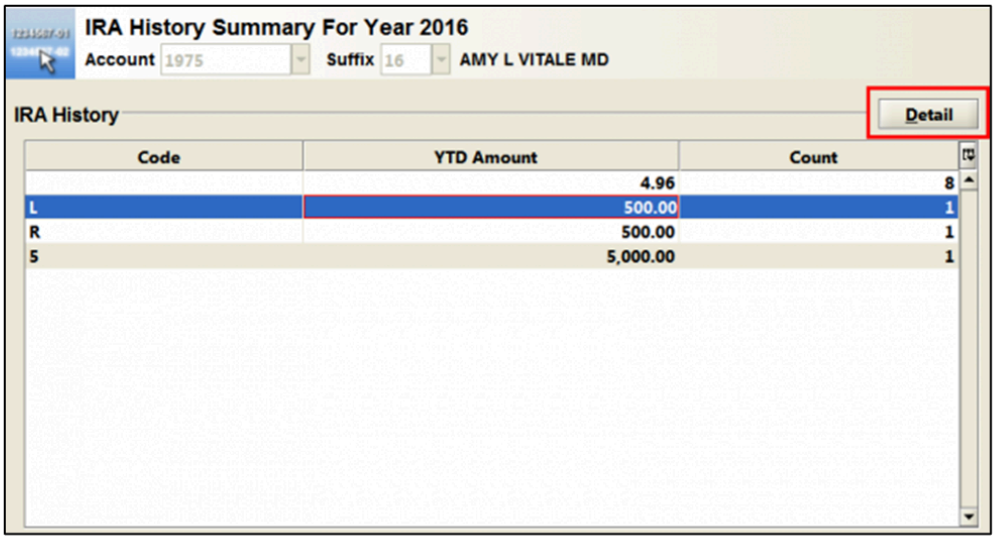
   b. Highlight the <u>suffix</u> needing correction and press [Select].



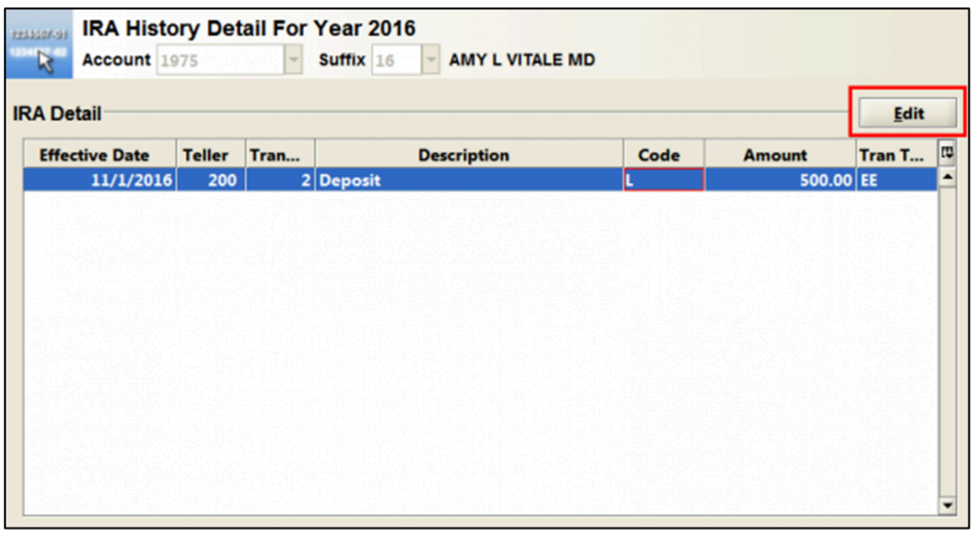
   c. Highlight the appropriate <u>reporting year</u> (in which the transaction occurred) and select [History].



d. Highlight the line item in 'IRA History Summary' for the <u>code</u> that needs correction and select [Detail].



e. Highlight the <u>transaction</u> needing correction and select [Edit].



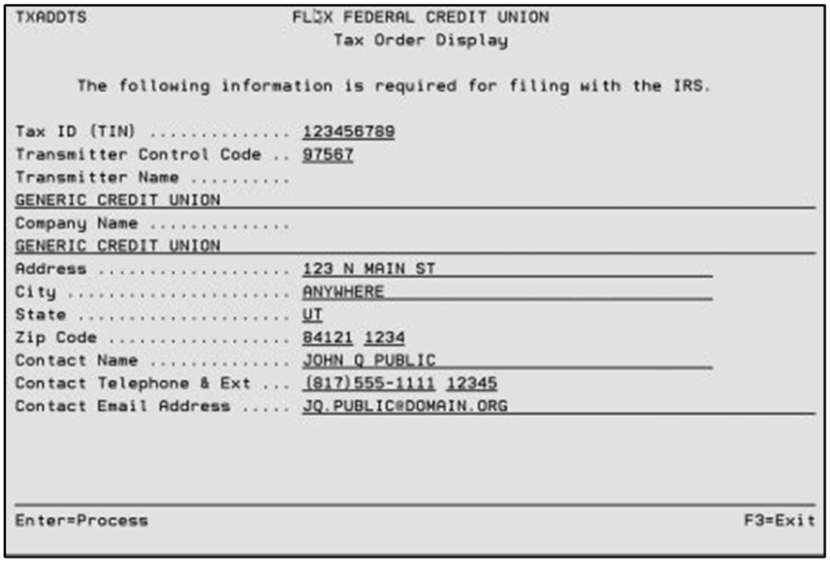
f. Make any necessary corrections to IRA code and/or Transaction Type.

NOTE: For SEP contributions, ER indicates 'Employer Contribution' and EE indicates 'Employee Contribution'.

5. Detail Transaction Reports and Reporting Files -

a. From the TAX5498 menu, select *Option 5*, ‘Create 5498/5498-ESA8/5498-SA Contribution Files (Apr)’.
   - This option prompts entry of additional information that will be included in the ‘T’ record, required in the IRS reporting files.

b. Verify that the information listed is correct for your credit union.



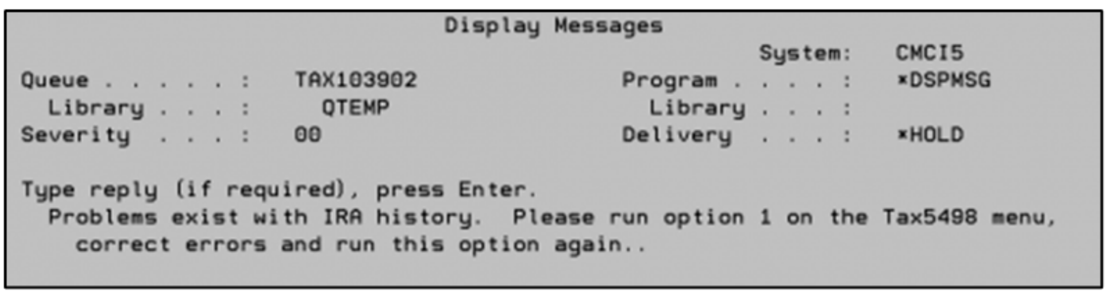
```
TXADDTS                          FLEX FEDERAL CREDIT UNION
                                     Tax Order Display

      The following information is required for filing with the IRS.

Tax ID (TIN) .............. 123456789
Transmitter Control Code .. 97567
Transmitter Name ..........
GENERIC CREDIT UNION
Company Name ..............
GENERIC CREDIT UNION
Address ................... 123 N MAIN ST
City ...................... ANYWHERE
State ..................... UT
Zip Code .................. 84121 1234
Contact Name .............. JOHN Q PUBLIC
Contact Telephone & Ext ... (817)555-1111 12345
Contact Email Address ..... JQ.PUBLIC@DOMAIN.ORG

Enter=Process                                                          F3=Exit
```

c. If any exceptions for bad addresses and/or invalid IRA codes have not been corrected properly, the following message will appear:



```
                            Display Messages
                                                  System:   CMCI5
Queue . . . . . :   TAX103902              Program . . . . :   *DSPMSG
  Library . . . :     QTEMP                  Library . . . :
Severity  . . . :   00                     Delivery  . . . :   *HOLD

Type reply (if required), press Enter.
  Problems exist with IRA history.  Please run option 1 on the Tax5498 menu,
    correct errors and run this option again..
```

d. If this message appears, return to the TAX5498 menu to run the ‘Error Listings’ and make corrections.

e. Re-run *Option 5* to verify all records have been corrected. *A new report is generated and an updated file is copied to the FLEX drive.*

f. After all exceptions have been properly corrected, *Option 5* will produce three reports: CR5498, CR5498ESA, and CR5498SA in the *User Data* field.
   - These reports show detailed contributions for traditional IRA accounts, Roth IRA accounts, rollover contributions, Education IRA contributions, HSA contributions, and FMV figures.

g. *Option 5* will also create three reporting files: F5498.IRS, F5498E.IRS, and F5498SA.IRS. These files will be automatically copied to the i:Drive and placed in the TAX5498.25 folder.

6. **Reporting Files -**
   a. After balancing is complete, government reporting files must be transmitted to FLEX or your third-party processor.
   b. If using a third-party processor for reporting, the credit union must contact the third-party processor to determine how to upload or transmit 5498 tax files to the third party.
      - File in the TAX5498.25 folder (located in the i:Drive" contain data needed for reporting, generated according to standard IRS regulations.
   c. If using FLEX for reporting, verify files have been properly received by FLEX following these instructions:
      - Send an email to serve as notification that your April 5498 tax reporting files have been completed.
      - Indicate your credit union name in the subject line.
      - Address email to the FLEX Tax Support at tax_eoy@flexcutech.com
        1. Receipt of email will trigger FLEX to retrieve files from your system to be used for government reporting.
        2. Retain a copy of this email notification to support any questions about timing and availability of your data file.

All transmission notifications must be received by FLEX not later than 5:00 pm MST on Tuesday, April 21, 2026.

Any data received after this deadline will be considered late and be processed under the following provisions:

- **A late fee of $500.00 will be assessed to your account with any data received after this deadline.**
- FLEX will process files received on a first-in/first-out basis, beginning with data received prior or on the deadline, followed by that received after.
- FLEX will make its best efforts to but cannot guarantee on-time IRS reporting for data received after Thursday, April 23, 2026. *As a result, the credit union may be subject to fines or penalties imposed by the IRS.*

Still have questions?

Contact the FLEX Tax Team