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Reminder: IRS 1099 Reporting Change effective January 1 [1]

December 23, 2025

As discussed earlier this month, the Internal Revenue Service will soon be increasing the general reporting threshold for most payments on Form 1099-NEC (Nonemployee Compensation) and 1099-MISC (Miscellaneous Information). The current threshold of $600 will increase to $2,000 effective January 1, 2026. There is no change to the $10 reporting threshold for certain types of payments, such as royalties.

As a result:

- For reportable payments made to non-employees *during Calendar Year 2026,* the University will issue a 1099-NEC/1099-MISC if the aggregate amount paid is $2,000 or more during 2026.
- With the increased IRS reporting threshold, CU's internal reporting threshold is also increasing: Effective 1/1/26, departments will report *non-employee* cash-like/petty cash/non-cash distributions to the PSC if the aggregate amount exceeds $700 during 2026.

Questions? Refer to the December 16, 2025 OUC Newsletter [2] for additional details or contact FSS@cu.edu [3].

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