



[Companies, Remember To Provide IRS Form 3921 To Employees Who Exercised ISOs Last Year Before January 31st](#)

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Corporations must now comply with an additional reporting requirement with respect to exercises of incentive stock options (nonqualified stock options are not subject to this new requirement). Beginning with ISO exercises occurring in **2010**, corporations will have to file an information return with the IRS, in addition to providing a statement to the employee. The IRS has issued Form 3921 for this purpose, which corporations must use to satisfy these reporting requirements.

In general, the information to be provided on Form 3921 includes:

- the date the option was granted and exercised;
- the exercise price per share;
- the fair market value per share on the date of exercise; and
- the number of shares transferred pursuant to exercise of option.

Corporations must file Form 3921 with the IRS by February 28 (or March 31 for electronic filers) of the year following the year in which the ISO is exercised, and furnish a copy to the employee by January 31 of that year. This means that, for ISO stock exercises which occurred in the calendar year 2010, the reporting deadline is fast approaching. With respect to such exercises, corporations must complete and provide a copy of the form to the employee no later than **January 31, 2011**, and file the form with the IRS no later than **February 28, 2011** (or **March 31, 2011** for electronic filers).

You can find more information [here](#).

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