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Instructions for Recipient

Generally, distributions from retirement plans (IRAs, qualified plans, section 403(b) plans and governmental section 457(b) plans), insurance contracts, etc., are reported to recipients on Form 1099-R.

Qualified plans and section 403(b) plans. If your annuity starting date is after 1987, you must use the simplified method to figure your taxable amount if your tax return did not show the taxable amount in box 2a. See the instructions for your plan.

IRAs. For distributions from a traditional individual retirement arrangement (IRA), simplified employee pension (SEP), or savings incentive match plan for employees (SIMPLE), generally the payer isn't required to compute the taxable amount. See the instructions for your tax return to determine the taxable amount. If you're at least 72, you must take a minimum distribution from your IRA (other than a Roth IRA). If you don't, you're subject to a 50% excise tax on the amount that should've been distributed. See Pub. 590-A and Pub. 590-B for more information on IRAs.

Roth IRAs. For distributions from a Roth IRA, generally the payer isn't required to compute the taxable amount. You must compute any taxable amount on an excess contribution form your Roth IRA. An amount shown in box 2a may be taxable earnings on an account number. See the instructions for your tax return to determine the taxable amount.

Plans used as distributions. If you borrow money from a qualified plan, a section 403(c)(9) plan or governmental section 457(b) plan, you may have to treat the loan as a distribution and include all or part of the amount borrowed in your income. There are exceptions to this rule. If your loan is a taxable code L will be shown in box 7. See Pub. 575.

Recipient's taxpayer identification number (TIN). For your protection, this form may show the last four digits of your TIN (SSN, ITIN, ATIN, or EIN). However,

Account number. May show an account, policy or other unique number the payer assigned to distinguish your account.

Box 1. Shows the total amount distributed this year. The amount may have been a direct rollover or transfer or conversion to a Roth IRA, recharacterized IRA contribution or you may have received it as periodic payments, nonperiodic payments, or a lump-sum distribution. Report the amount on Form 1040, 1040-SR, or 1040-NR on the line for "IRA distributions" or "Pensions and annuities" or the line for "Taxable amount" and on Form 8866, as applicable. However, if this is a lump-sum distribution, see Form 4972. If you haven't reached minimum retirement age, report your disability payments on the line for "Wages, salaries, tips, etc." on your tax return.

Also report on that the permissible withdrawals from automatic contributions or arrangements and corrective distributions of excess deferrals, excess contributions or excess aggregate contributions except the distribution of designated Roth contributions or your Roth IRA, a qualified long-term care contract or an enrollment contract was a life insurance annuity, a qualified long-term care annuity or a deferred annuity. If you had a life insurance annuity, a qualified long-term care annuity or a deferred annuity, and if the amount shown in box 6 will be less than the amount shown in box 7, then the amount shown in box 6 will be shown in box 7. You will need to report these amounts on your tax return. If code C is shown in box 7, the amount shown in box 6 is a receipt of reportable death benefits that is taxable in part.

Instructions for Recipient (Continued)

The securities unless you choose to include it in your gross income this year. See Pub. 575 and Form 4972. If you roll over the distribution to a designated Roth IRA account in the same plan or to a Roth IRA, see the instructions for box 2a. For a direct rollover to a designated Roth IRA in the same plan or to a Roth IRA, the amount shown in box 2a is included in box 7. If you didn't receive a lump-sum distribution, the amount shown is the NUA attributable to employee contributions, which isn't taxed until you sell the securities.

Box 2. The codes identify the distribution for your tax return. For more information on these distributions, see the instructions for your tax return. Also, certain distributions may be subject to an additional 10% tax. See the instructions for Form 5329.

- 1—Early distribution, no known exception (in most cases, under age 59½).
- 2—Early distribution, exception applies (under age 59½).
- 3—Disability.

- 4—Prohibited transaction.
- 5—Section 403(b) exchange (a tax-free exchange of life insurance, annuity, qualified long-term care insurance, or enrollment contracts).
- 6—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2022.

C. Reportable death benefits under section 6330(Y).

D. Annual payments from nonqualified annuities that may be subject to tax under section 1411.

E. Distribution under Employee Plans Compliance Resolution System (EPCRS).

F. Charitable gift annuity.

G. Direct rollover of a distribution to a qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA.

H. Direct rollover of a designated Roth account distribution to a Roth IRA.

I. Early distribution from a Roth IRA no known exception (in most cases, under age 59½).

J. Distribution of traditional IRA assets not having a readily available FIM.

K. Loans treated as distributions.

M. Qualified plan offset.

N. Recharacterized IRA contribution made for 2022 and recharacterized in 2022.

P. Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2021.

Q. Qualified distribution from a Roth IRA contribution made for 2021 and recharacterized in 2022.

R. Recharacterized IRA contribution made for 2021 and recharacterized in 2022.

S—Early distribution from a SIMPLE IRA in first 2 years, no known exception (under age 59½).

T—Roth IRA distribution, exception applies.

U—Divided distribution (ESOP under section 404(k)).

Note: This distribution isn't eligible for rollover.

W—Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.

SEP or SIMPLE distribution.

Box 3. If you received an annuity contract as part of a distribution, the value of the contract is shown. If an annuity contract is part of a distribution, it should be included in boxes 1 and 2. When you receive periodic payments from the annuity contract, the amount of the distribution is made to more than one person. The percentage of the annuity contract distributed to you is also included in boxes 1 and 2. When you receive periodic payments from the annuity contract, the amount of the distribution is made to more than one person. If charges were made for qualified long-term care insurance contracts under combined arrangements, the amount of the reduction in the investment (but not zero) in the annuity or life insurance contract is reported here.

Box 4. If a total distribution was made to more than one person, the percentage reported on this form is shown in this box.

Box 5. For a life annuity, from a qualified plan or from a section 403(b) plan with after-tax contributions, an amount may be shown for the employee's total investment in the contract. It is used to compute the taxable part of the distribution. See Pub. 575.

Box 10. If an amount is reported in this box, see the Instructions for Form 5329 and Pub. 575.

Box 11. The first year you made a contribution to the designated Roth account reported on this form is shown in this box.

Box 12. If checked, the payer is reporting on Form 1099 to satisfy its internal revenue code chapter 4 account reporting requirement under FICA. You may also be filing a filing requirement. See the Instructions for Form 8838.

Box 13. Shows the date of payment for reportable death benefits under section 6330(Y). If state or local income tax was withheld from the distribution, boxes 16 and 19 may show the part of the distribution subject to state and/or local tax.

Additional information: You may want to see:

Form W-4P, Form 4972, Form 5329, Form 8006

Pub. 525, Taxable and Non taxable Income

Pub. 560, Retirement Plans for Small Business

Pub. 571, Tax-Sheltered Annuity Plans

Pub. 580-A, Contributions to IRAs

Pub. 580-B, Distributions from IRAs

Pub. 721, U.S. Civil Service Retirement Benefits

Pub. 838, General Rule for Pensions and Annuities

Pub. 969, HSAs and Other Tax-Favored Health Plans

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