

# IRA/Pension Distributions (Form 1099-R, Form SSA-1099)

IRA/Pension Distributions	
Add or Edit a 1099-R	BEGIN
RRB-1099-R	BEGIN
Social Security Benefits	BEGIN
Nontaxable Distributions	BEGIN
	✓ Continue

There are four items to choose from, and within each item you can make entries for as many documents as needed.

# Form 1099-R

If more than one taxpayer, choose who the document belongs to.

EIN must be entered accurately, and is a common cause for e-file reject.

**Caution:** Box 2a will automatically fill in with the amount in Box 1. If a different amount is shown on the document, enter that amount directly.

The payor may calculate the tax-free amount and show the correct taxable amount in Box 2a. In that case, simply enter the amounts shown on the 1099-R. Don't use the worksheet.

If the payor doesn't calculate the taxable amount, Box 2b will be marked, and Box 2a may be blank, zero or the same as Box 1. In that case, use the Simplified Method.

If Simplified Method is required, click here for Worksheet and mark "Taxable amount not determined".

Box 2b offers "Taxable amount not determined" and "Total distribution". Mark exactly as shown on document.

If Box 4 has an entry, ensure that the tax withheld is entered and is correct.

Box 5 on the document may be current year's amount of employee contributions or insurance premiums.

If Box 5 is the same as Box 1, none of the distribution is taxable. If the payer has calculated the taxable amount of the pension in Box 2, generally the difference between Boxes 1 and 2 will appear in Box 5. If Box 5 is the amount of health insurance premiums, (typically only on a CSA 1099-R) you must MANUALLY carry the amount to the Schedule A, Itemized Deductions.

Box 7 is a required entry – enter exactly as shown on document. If IRA/SEP/Simple is marked, check to enter exactly as on document.

Box 9b shows the total employee contributions and may be needed if Box 2 has no entry – usually requires Worksheet (see Box 2a)

**Form 1099-R**  
 Check here if this is a standard 1099-R.

Only the amount entered in box 2a will be considered taxable.

Whose 1099-R is this?  
 Recipient  
 Mr Taxpayer  
 Mrs Taxpayer

Payer Information  
 Payer's ID  
 Name  
 Check here if foreign address  
 Address (Number and Street)  
 Zip Code  
 City, Town, or Post Office  
 State  
 - Please Select -

Recipient Information  
 Check here if foreign address  
 Address (Number and Street)  
 123 Main St  
 Zip Code  
 90210  
 City, Town, or Post Office  
 Beverly Hills  
 State  
 California

1099-R Information

1 Gross Distribution  
 \$

2a Taxable Amount  
 \$

Do you need to figure your taxable amount using the Simplified Method? Click here for the worksheet.  
 Worksheet

2b  
 Taxable amount not determined  
 Total distribution

3 Capital gain (included in box 2a)  
 \$

4 Federal income tax withheld  
 \$

5 Employee contributions or insurance premiums  
 \$

6 Net unrealized appreciation in employer's securities  
 \$

7 Distribution Code(s)  
 IRA/SEP/Simple

8 Other (Not collected)

9a Your percentage of total distribution  
 %

9b Total employee contributions  
 \$

10 Amount allocable to IRR within 5 years (Not needed for e-filing)

**Form CSA 1099-R—Civil Service Retirement Benefits**—The Office of Personnel Management issues Form CSA 1099-R for annuities paid or Form CSF 1099-R for survivor annuities paid. The CSA-Form 1099-R box numbers reflect the standard numbering on a Form 1099-R. If the taxable amount isn't calculated in box 2:

- The Simplified Method must be used.
- Enter box 9b on line 1 of the Simplified Method section, if applicable.
- Complete the other required entries of the Simplified Method section.
- Amounts in box 5 are for health insurance premiums paid by the annuitant (and need to be manually entered on the Schedule A worksheet).

# Form 1099-R Box 7 Distribution Codes

Box 7 Distribution Codes	Explanations
<b>1 — Early distribution, no known exception.</b>	<ul style="list-style-type: none"> <li>• If this amount was rolled over within 60 days of the withdrawal and—if the distribution was from an IRA--no prior rollover was made in the same 12-month period, enter the amount rolled over in Line 1 of the Exclusion Worksheet below the 1099-R screen. Trustee to trustee transfer isn't considered a prior rollover. If more than one rollover from an IRA in the 12-month period, return is out of scope.</li> <li>• If this wasn't rolled over, a 10% additional tax will be applied unless the taxpayer qualifies for an exception. See page Tab H for a list of exceptions. If the taxpayer qualifies for an exception, check the box on the 1099-R just below Box 7 that says, "Click here to force Form 5329." Go to Form 5329, and on line 2, enter the code for the exception and the amount that qualifies for the exception.</li> </ul>
<b>2 — Early distribution, exception applies.</b>	Code 2 applies if the taxpayer is under 59 ½ but the payer knows that an exception to the additional tax applies. If the IRA/SEP/SIMPLE box <b>ISN'T</b> checked, no further action needed. If the IRA/SEP/SIMPLE box <b>IS</b> checked, additional reporting may be required on Form 8606, and the return is out of scope.
<b>3 — Disability.</b>	<p>Code 3 is for a disability pension.</p> <ul style="list-style-type: none"> <li>• If the taxpayer is under the minimum retirement age for the company he retired from, then check the box on the 1099-R just below Box 7 that says, "Click here if Code 3 and disabled." This will put this disability income on Line 7 of Form 1040 instead of Line 16. It will also include the amount in earned income for calculation of the earned income credit, the dependent care credit and the additional child tax credit.</li> <li>• If the taxpayer has reached the minimum retirement age, no further action is needed.</li> </ul>
<b>4 — Death.</b>	Code 4 is for a survivor's benefit or an inherited IRA. If it's a pension, the original retiree has died, and the survivor is receiving his or her share of the pension. If the original pensioner was using the Simplified Method, continue to use it for the survivor. If it's an inherited IRA and the original owner had a basis, the survivor takes over that basis.
<b>5 — Prohibited transaction.</b>	This code is out of scope.
<b>6 — Tax-free Section 1035 exchange.</b>	This code is out of scope.
<b>7 — Normal distribution.</b>	<p>Code 7 is for normal distributions. It may occur in several different situations:</p> <ul style="list-style-type: none"> <li>• If the amounts in Box 1 and 2 are the same, and Box 2b isn't checked, the pension is fully taxable.</li> <li>• If the taxpayer makes a rollover from one IRA to another and holds the money less than 60 days, enter the amount rolled over on the Exclusion Worksheet, line 1. This will check the "rollover" box at Line 15 of Form 1040. Link out from there and enter a description of the rollover.</li> <li>• If the Box 2b is checked and there is an amount in Box 9b, complete the Simplified Method at the bottom of the 1099-R screen. Be sure to use the taxpayer's age at the time of retirement—not current age.</li> <li>• If there is an amount in Box 2 that is different than Box 1, no further action is needed.</li> <li>• If there is no amount (or zero) in Box 2, check to see if there is an amount in Box 5. If this is the same amount as Box 1, the distribution is the taxpayer's own money coming back. Enter the Box 5 amount on line 5 of the Exclusion Worksheet. None of the distribution will be taxed.</li> <li>• If any portion of this distribution was sent directly from the trustee to a charity, enter the amount on Line 2 of the Exclusion Worksheet. It won't be included in gross income. No charitable deduction may be taken for the donation.</li> </ul>
<b>8 — Excess contributions</b>	This code is out of scope.
<b>9 — Cost of current life insurance</b>	This code is out of scope
<b>A — May be eligible for 10-year tax option.</b>	This code is out of scope.

# Form 1099-R Box 7 Distribution Codes (continued)

Box 7 Distribution Codes	Explanations
<b>B — Designated Roth account distribution</b>	Code B is for a distribution from a designated Roth account. This code is in scope only if taxable amount has been determined.
<b>D — Annuity payments from nonqualified annuities</b>	Code D is used for a distribution from a private annuity in conjunction with the regular code. The distribution is subject to the net investment income tax. If the taxpayer has AGI over a threshold amount (\$200,000 for a single taxpayer or HoH, \$250,000 MFJ or QW, \$125,000 MFS), then this code means the return is out of scope. If the AGI is less than the threshold amount the return is in scope and no further action is needed.
<b>E — Distributions under Employee Plans Compliance Resolution System (EPCRS).</b>	This code is out of scope.
<b>F — Charitable gift annuity.</b>	Code F is used for the annuity payments from a charitable gift annuity. The difference between the distribution in Box 1 and the capital gain shown in Box 3 will appear on Line 15 of the 1040. Schedule D must be completed to report the capital gain. Describe it as "From 1099-R". The gain should be the amount in Box 3, and the gain is long term.
<b>G — Direct rollover of distribution and direct payment.</b>	Code G is for a direct rollover from a qualified plan to an eligible retirement plan. If box 2, taxable amount, is zero or blank, it won't be taxed. If there is an amount in box 2, the direct rollover is fully or partially taxable. No further action is needed.
<b>H — Direct rollover of a designated Roth account distribution to a Roth IRA.</b>	Code H is for a direct rollover of a distribution from a designated Roth account to a Roth IRA. It won't be taxed. No further action is needed.
<b>J — Early distribution from a Roth IRA.</b>	This code is out of scope.
<b>K — Distribution of IRA assets not having a readily available FMV</b>	This code is out of scope.
<b>L — Loans treated as deemed distributions</b>	Code L is for loans treated as deemed distributions. This code could possibly be combined with codes 1, 4, or B. For more information on how it is treated see the codes on this chart.
<b>N — Recharacterized IRA contribution.</b>	This code is out of scope.
<b>P — Excess contributions plus earnings/excess deferrals</b>	This code is out of scope.
<b>Q — Qualified distribution from a Roth IRA.</b>	This distribution isn't taxable. TaxSlayer® enters the distribution amount on Form 1040 Line 15a but not 15b. No further action is needed.
<b>R — Recharacterized IRA contribution.</b>	This code is out of scope.
<b>S — Early distribution from a SIMPLE IRA in the first 2 years, no known exception.</b>	A 25% additional tax will be applied unless the taxpayer qualifies for an exception. See Tab H for a list of exceptions. If the taxpayer qualifies for an exception, check the box on the 1099-R (just below Box 7) that says, "Click here to force Form 5329." Go to Form 5329 and, on line 2, enter the code for the exception and the amount that qualifies for it.
<b>T — Roth IRA distribution, exception applies.</b>	This code is out of scope.
<b>U — Dividends distributed from an ESOP</b>	This code is out of scope.
<b>W — Charges or payments for LTC contracts</b>	This code is out of scope.