

## ***Attention!***

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Additional information about the printing of these specialized tax forms can be found in: Publication 1167, *Substitute Printed, Computer-Prepared, and Computer-Generated Tax Forms and Schedules*; and, Publication 1179, *Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G*.

The publications listed above may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS publication number.

9898

 VOID  CORRECTED

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>  <b>Copy A For Internal Revenue Service Center</b>  <b>File with Form 1096.</b>  For Paperwork Reduction Act Notice and instructions for completing this form, see the <b>1998 Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		\$		<b>1998</b>  Form <b>1099-R</b>		
		2a Taxable amount				
\$		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		
PAYER'S Federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a)		4 Federal income tax withheld		
		\$		\$		
RECIPIENT'S name		5 Employee contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		
		\$		\$		
Street address (including apt. no.)		7 Distribution code	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other	%	
				\$		
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions \$		
Account number (optional)		10 State tax withheld		11 State/Payer's state no.		
		\$				
		\$		\$		
		13 Local tax withheld		14 Name of locality		
		\$				
		\$		\$		
				15 Local distribution		
				\$		

Form **1099-R**

Cat. No. 14436Q

Department of the Treasury - Internal Revenue Service

**Do NOT Cut or Separate Forms on This Page**

VOID     CORRECTED

PAYER'S name, street address, city, state, and ZIP code		<b>1</b> Gross distribution \$ _____		OMB No. 1545-0119  <span style="font-size: 2em; font-weight: bold;">1998</span>  Form <b>1099-R</b>		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>	
		<b>2a</b> Taxable amount \$ _____					
		<b>2b</b> Taxable amount not determined <input type="checkbox"/>					
PAYER'S Federal identification number	RECIPIENT'S identification number	<b>3</b> Capital gain (included in box 2a) \$ _____		<b>4</b> Federal income tax withheld \$ _____		<b>Copy 1 For State, City, or Local Tax Department</b>	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		<b>5</b> Employee contributions or insurance premiums \$ _____		<b>6</b> Net unrealized appreciation in employer's securities \$ _____			
		<b>7</b> Distribution code	IRA/SEP/SIMPLE <input type="checkbox"/>	<b>8</b> Other \$ _____ %			
		<b>9a</b> Your percentage of total distribution %		<b>9b</b> Total employee contributions \$ _____			
Account number (optional)		<b>10</b> State tax withheld \$ _____ \$ _____		<b>11</b> State/Payer's state no.		<b>12</b> State distribution \$ _____ \$ _____	
		<b>13</b> Local tax withheld \$ _____ \$ _____		<b>14</b> Name of locality		<b>15</b> Local distribution \$ _____ \$ _____	

Form **1099-R**

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119		<b>1998</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
		\$					
		2a Taxable amount				<b>Copy B</b> <b>Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 4, attach this copy to your return.</b>	
		\$					
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>			
PAYER'S Federal identification number		RECIPIENT'S identification number		3 Capital gain (included in box 2a)			
				\$		\$	
RECIPIENT'S name		5 Employee contributions or insurance premiums		6 Net unrealized appreciation in employer's securities			
		\$		\$			
Street address (including apt. no.)		7 Distribution code		8 Other		This information is being furnished to the Internal Revenue Service.	
				\$ %			
City, state, and ZIP code		IRA/SEP/SIMPLE <input type="checkbox"/>					
		9a Your percentage of total distribution %		9b Total employee contributions \$			
Account number (optional)		10 State tax withheld		11 State/Payer's state no.		12 State distribution	
		\$				\$	
		13 Local tax withheld		14 Name of locality		15 Local distribution	
		\$				\$	
		\$				\$	

## Instructions for Recipient

Generally, distributions from pensions, annuities, profit-sharing and retirement plans, IRAs, insurance contracts, etc., are reported to recipients on Form 1099-R.

**Qualified plans.** If your annuity starting date is in 1998, you must use the new simplified method to figure your taxable amount if your payer did not show the taxable amount in box 2a. See **Pub. 575**, Pension and Annuity Income.

**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 is not required to compute the taxable amount. Therefore, the amounts in boxes 1 and 2a will be the same most of the time. See the Form 1040 or 1040A instructions to determine the taxable amount. If you are at least age 70½, you must take minimum distributions from your IRA. If you do not, you may be subject to a 50% excise tax on the amount that should have been distributed. See **Pub. 590**, Individual Retirement Arrangements (IRAs), and **Pub. 560**, Retirement Plans for Small Business, for more information on IRAs.

**Roth and education IRAs.** For distributions from a Roth IRA or an education IRA (Ed IRA), generally the payer is not required to compute the taxable amount. You must compute any taxable amount. See your Form 1040 or 1040A instructions. An amount shown in box 2a may be taxable earnings on an excess contribution.

If you converted or rolled over a traditional IRA or SEP to a Roth IRA in 1998, you must include one-fourth of the taxable amount in your income each year for 4 years (1998 through 2001). See **Form 8606**, Nondeductible IRAs (Contributions, Distributions, and Basis), to figure the taxable amount.

**Loans treated as distributions.** If you borrow money from a qualified plan, tax-sheltered annuity, or government 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 taxable, Code L will be shown in box 7. See **Pub. 575**.

**Beneficiaries.** If you receive a plan distribution as the beneficiary of an employee who died before August 21, 1996, you may be entitled to a **death benefit exclusion** of up to \$5,000. See **Pub. 575**.

**Box 1.** Shows the total amount you received this year. The amount may have been a direct rollover, a transfer or conversion to a Roth IRA, or you may have received it as periodic payments, as

nonperiodic payments, or as a total distribution. Report this amount on Form 1040 or 1040A on the line for "Total IRA distributions" or "Total pensions and annuities" (or the line for "Taxable amount"), whichever applies, unless this is a lump-sum distribution and you are using **Form 4972**, Tax on Lump-Sum Distributions. However, if you have not reached minimum retirement age, report your disability payments on the line for "Wages, salaries, tips, etc." Also report on that line corrective distributions of excess deferrals, excess contributions, or excess aggregate contributions.

If you received a death benefit payment made by an employer but not made from the employer's pension, profit-sharing, or retirement plan, see **Pub. 525**, Taxable and Nontaxable Income.

If a life insurance, annuity, or endowment contract has been transferred tax free to another trustee or contract issuer, an amount will be shown in this box and Code 6 will be shown in box 7. You need not report this on your tax return.

**Box 2a.** This part of the distribution is generally taxable. If there is no entry in this box, the payer may not have all the facts needed to figure the taxable amount. In that case, the first box in box 2b should be marked. You may want to get one of the following publications from the IRS to help you figure the taxable amount: **Pub. 571**, Tax-Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations, **Pub. 575**, **Pub. 590**, **Pub. 721**, Tax Guide to U.S. Civil Service Retirement Benefits, or **Pub. 939**, General Rule for Pensions and Annuities. For an IRA distribution, see **IRAs** and **Roth and education IRAs** above. For a direct rollover, zero should be shown, and you must enter zero (-0-) on the "Taxable amount" line of your tax return.

If this is a total distribution from a qualified plan and you were at least age 59½ on the date of distribution (or you are the beneficiary of someone who had reached age 59½ or someone born before 1936), you may be eligible for the 5- or 10-year tax option. See **Form 4972** for more information. The 5- or 10-year tax option does not apply to any IRA or to tax-sheltered annuities.

**Box 2b.** If the first checkbox is marked, the payer was unable to determine the taxable amount, and box 2a should be blank unless this is a traditional IRA, SEP, or SIMPLE distribution. If the second checkbox is marked, the distribution was a total distribution that closed out your account.

*(Continued on the back of Copy C.)*

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>	
		\$		<div style="font-size: 2em; font-weight: bold; text-align: center;">1998</div> Form <b>1099-R</b>			
		2a Taxable amount					
\$		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		<b>Copy C For Recipient's Records</b>	
PAYER'S Federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a)		4 Federal income tax withheld			
		\$		\$			
RECIPIENT'S name		5 Employee contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		This information is being furnished to the Internal Revenue Service.	
		\$		\$			
		Street address (including apt. no.)		7 Distribution code			8 Other
City, state, and ZIP code		IRA/SEP/SIMPLE <input type="checkbox"/>		\$ %			
		9a Your percentage of total distribution %		9b Total employee contributions \$			
Account number (optional)		10 State tax withheld		11 State/Payer's state no.		12 State distribution	
		\$				\$	
		\$				\$	
		13 Local tax withheld		14 Name of locality		15 Local distribution	
		\$				\$	
		\$				\$	

Form **1099-R**

(Keep for your records.)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient (Continued)

**Box 3.** If you received a lump-sum distribution from a qualified plan and you were born before 1936 (or you are the beneficiary of someone born before 1936), you may be able to elect to treat this amount as a capital gain on Form 4972 (not on Sch. D (Form 1040)). See the **Instructions for Form 4972**. For a charitable gift annuity, report as a long-term capital gain on Schedule D (Form 1040).

**Box 4.** This is the amount of Federal income tax withheld. **Include this on your income tax return as tax withheld, and if box 4 shows an amount other than zero, attach Copy B to your return.** Generally, if you will receive payments next year that are not eligible rollover distributions, you can change your withholding or elect not to have income tax withheld by giving the payer **Form W-4P**, Withholding Certificate for Pension or Annuity Payments.

**Box 5.** Generally, this shows the employee's investment in the contract (after-tax contributions), if any, recovered tax free this year; the part of premiums paid on commercial annuities or insurance contracts recovered tax free; or the nontaxable part of a charitable gift annuity. This box does not show contributions to any IRA.

**Box 6.** If you received a lump-sum distribution from a qualified plan that includes securities of the employer's company, the net unrealized appreciation (NUA) (any increase in value of such securities while in the trust) is taxed only when you sell the securities unless you choose to include it in your gross income this year. See Pub. 575 and the Instructions for Form 4972. If you did not receive a lump-sum distribution, the amount shown is the NUA attributable to employee contributions, which is not taxed until you sell the securities.

**Box 7.** These codes identify the distribution you received: **1**—Early distribution, no known exception (in most cases, under age 59½) (See Form 5329. For a rollover to a traditional IRA of the entire taxable part of the distribution, do not file Form 5329. See Form 1040 or 1040A instructions.); **2**—Early distribution exception applies (under age 59½) (You need not file Form 5329.); **3**—Disability (You need not file Form 5329.); **4**—Death (You need not file Form 5329.); **5**—Prohibited transaction; **6**—Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts); **7**—Normal distribution; **8**—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 1998; **9**—PS 58 costs (premiums paid by a trustee or custodian for current insurance protection, taxable to you currently); **A**—May be eligible

for 5- or 10-year tax option (See Form 4972.); **B**—May be eligible for death benefit exclusion (if employee died before August 21, 1996); **C**—May be eligible for both A and B; **D**—Excess contributions plus earnings/excess deferrals taxable in 1996; **E**—Excess annual additions under section 415 (Report on Form 1040 or 1040A on the line for taxable pension or annuity income. You need not file Form 5329.); **F**—Charitable gift annuity; **G**—Direct rollover to IRA (You need not file Form 5329.); **H**—Direct rollover to qualified plan or tax-sheltered annuity or a transfer from a conduit IRA to a qualified plan. (You need not file Form 5329.); **J**—Distribution from a Roth IRA in first 5 years (See Form 5329.); **K**—Distribution from a 1998 Roth conversion IRA in the first 5 years (See Form 5329.); **L**—Loans treated as distributions; **M**—Distribution from an education IRA (Ed IRA). If your education expenses during 1998 were not equal to or more than your distribution, part or all of your distribution may be taxable and subject to an additional 10% tax. (See Form 5329 and the Form 1040 instructions.); **P**—Excess contributions plus earnings/excess deferrals taxable in 1997; **S**—Early distribution from a SIMPLE IRA in first 2 years, no known exception (under age 59½) (May be subject to an additional 25% tax. See Form 5329.)

If the IRA/SEP/SIMPLE box is marked, you have received a traditional IRA, SEP, or SIMPLE IRA distribution.

**Box 8.** If you received an annuity contract as part of a distribution, the value of the contract is shown. It is not taxable when you receive it and should not be included in boxes 1 and 2a. When you receive periodic payments from the annuity contract, they are taxable at that time. If the distribution is made to more than one person, the percentage of the annuity contract distributed to you is also shown. You will need this information if you use the special 5- or 10-year tax option (Form 4972).

**Box 9a.** If a total distribution was made to more than one person, the percentage you received is shown here.

**Box 9b.** If this is the **first** year of a life annuity from a qualified plan or from a tax-sheltered annuity (with after-tax contributions), the amount shown is the employee's total investment in the contract. It is used to compute the taxable part of the distribution. See Pub. 575.

**Boxes 10–15.** If state or local income tax was withheld from the distribution, these boxes may be completed. Boxes 12 and 15 may show the part of the distribution subject to state and/or local tax.

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>	
		\$		<div style="font-size: 2em; font-weight: bold; text-align: center;">1998</div>			
		2a Taxable amount					Form <b>1099-R</b>
PAYER'S Federal identification number		RECIPIENT'S identification number		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
		3 Capital gain (included in box 2a)		4 Federal income tax withheld		<div style="text-align: center; font-weight: bold;"> <b>Copy 2</b>            File this copy with your state, city, or local income tax return, when required.         </div>	
\$		\$					
RECIPIENT'S name		5 Employee contributions or insurance premiums		6 Net unrealized appreciation in employer's securities			
		\$		\$			
Street address (including apt. no.)		7 Distribution code		8 Other			
		IRA/SEP/SIMPLE <input type="checkbox"/>		\$ %			
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions \$			
Account number (optional)		10 State tax withheld		11 State/Payer's state no.		12 State distribution	
		\$				\$	
		13 Local tax withheld		14 Name of locality		15 Local distribution	
		\$				\$	
						\$	



VOID  CORRECTED

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>		
		\$		<b>1998</b> Form <b>1099-R</b>				
		2a Taxable amount						
PAYER'S Federal identification number		RECIPIENT'S identification number		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		<b>Copy D For Payer</b>
		3 Capital gain (included in box 2a)		4 Federal income tax withheld				
PAYER'S name		5 Employee contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		For Paperwork Reduction Act Notice and instructions for completing this form, see the <b>1998 Instructions for Forms 1099, 1098, 5498, and W-2G.</b>		
Street address (including apt. no.)		7 Distribution code		8 Other				
City, state, and ZIP code		IRA/SEP/SIMPLE <input type="checkbox"/>		%				
Account number (optional)		9a Your percentage of total distribution %		9b Total employee contributions \$		12 State distribution \$		
		10 State tax withheld \$		11 State/Payer's state no.		13 Local distribution \$		
		13 Local tax withheld \$		14 Name of locality		15 Local distribution \$		

Form **1099-R**

Department of the Treasury - Internal Revenue Service

## Payers, Please Note—

Specific information needed to complete this form and other forms in the 1099 series is given in the **1998 Instructions for Forms 1099, 1098, 5498, and W-2G**. A chart in those instructions gives a quick guide to which form must be filed to report a particular payment. You can order those instructions and additional forms by calling 1-800-TAX-FORM (1-800-829-3676).

**Due dates.** Furnish Copies B and C of this form to the recipient by February 1, 1999.

File Copy A of this form with the IRS by March 1, 1999.

