



Form 13614-C					ury - Internal Revenu					OMB Number
(October 2024) Intake/Interview a				iew and	l Quality F	Revie	w Sheet			1545-1964
lote: Do not complete this in 'ou will need: Tax Information such as Fon Social Security cards or ITIN Picture ID (such as valid driv Volunteers are trained to p	ms W-2, 1099, letters for all per's license) fo	1098, 1099 persons on r you and y	5. your tax return our spouse	• Con • You • If yo	nplete pages 1-4 o are responsible fo u have questions,	or the infor ask the IF	mation on your return. RS-certified volunteer p	reparer.		
Your first name (pronouns, optional) M.I. Last name			Your date of bir	rth `	Your job	1				
Spouse's first name (pronou	ns, optional)	M.I.	Last name		Spouse's date	of birth	Spouse's job			
Mailing address		-		Apt#	City			State		ZIP code
Felephone number Email address			!			Did you live or work in	n two or mo	ore states	in 2024	
ch		1				IF	□ Ves □ No			F
Answer the followin	g questions	on this p	age and the next pa	age about y	ou and your sp	ouse's ta	x situation			
•	recovered money from any or the following in 2021			Incor	Income to be included (To be completed by certified volunteer))	Notes/Comments
A f			□ (B	☐ (B) W-2s Number of forms						
How many jobs										
			☐ (B	☐ (B/A) Tips (basic when reported on W2) ☐ (B/A) 1099-R (basic when taxable amount is reported) Number of forms						
			□ (B							
			N							
☐ (B) Social Security or Railroad Retirement Benefits			□ (B	☐ (B) SSA-1099, RRB-1099						
☐ (B) Unemployment benefits			□ (B) 1099-G	Number	of forms				
(B) Refund of state	e or local inco	me tax		□ Di	d you receive a	refund of	state or local taxes	☐ Yes	□ No	
¬ — · ·					d you itemize las	st vear		☐ Yes	□ No	
					a you iterinze ia.	or your		103		
(B) Interest or divi	dends (bank a	account, b	onds, etc.)) 1099-INT/DIV		of forms			



About Retirement Income

- Additional resources listed in L< "References" tab
- Review all tips and cautions in the lesson
- Read all examples and sample interviews
- We will review answers to each exercise



Objectives – Retirement Income

- Identify how retirement income is reported to the taxpayer using Form 1099-R series
- Calculate the taxable portion of different types of retirement income
- Determine how to report retirement income on the tax return
- Determine when an adjustment to withholding should be made
- Time Required: 15 minutes



Topics





- Retirement Income Documents
- When to Adjust Withholding



- Retirement Plan Distributions
- Taxable IRA Distributions
- Reporting IRA Distributions
- Taxable Pensions and Annuities
- Other Retirement Income Issues



Key Terms

Definitions are always available in the L< online Glossary.

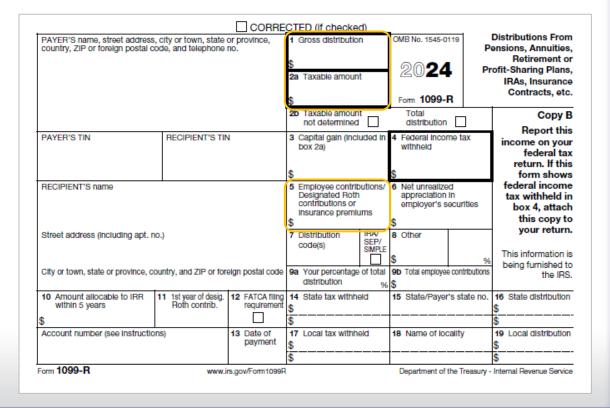
- Annuity
- After-tax Contributions
- Before-tax Contributions
- Excludable Income
- Form W4-P
- Form W4-V
- Individual Retirement Arrangement (IRA)
- Lump-sum Distribution

- Railroad Retirement Benefits (RRBs)
- Required Minimum Distribution (RMD)
- Retirement Income
- Rollover
- Simplified Method



Retirement Income Documents

- What forms are used to report retirement income?
 - The Form 1099-R series CSA, CSF, RRB 1099-Rs
- The forms indicate amount received, taxable portion, and taxpayer's cost (investment) in the retirement plan.
- Pub 4012,
 Form 1099-R





Retirement Plan Distributions



- Retirement plans are funded by either "before-tax" or "after-tax" contributions.
- This funding status determines if the distribution from the retirement plan is taxable
 - If the taxpayer *did not* contribute to the retirement plan, *all* the distributions are fully taxable
 - If the taxpayer made *all* contributions to a plan with *before-tax* dollars, the entire distribution is *fully* taxable.
 - If the taxpayer made all contributions to a plan with after-tax dollars, then
 the distributions will be partially taxable. The portion that represents
 earnings is taxable since it has not been previously taxed. Review Pub 4012,
 Form 1099-R

	Employee Contributions	Contributions		Taxability of Distributions			
ı		Before-Tax	After-Tax	Fully	Partially		
I	No	n/a	n/a	Yes	_		
I	Yes	Yes	_	Yes	_		
I	Yes	_	Yes	_	Yes		



Taxable IRA Distributions



- What is the difference between distributions from a Roth IRA and a traditional IRA?
 - Roth IRA distributions are generally tax-free, because the contributions were after-tax
 - Traditional IRA distributions may be fully or partially taxable, because the contributions may have been deductible or non-deductible
- Additional taxes may apply to nonqualified distributions from a ROTH IRA. Taxpayers who made nonqualified Roth IRA distributions should be referred to a professional tax preparer.
- Distributions from SIMPLE and SEP IRAs are in scope for VITA/TCE, because they are taxable and are generally reported on the return just like taxable traditional IRA distributions.
 - Note: Distributions from SIMPLE IRAs in the first two years (code S)
 can only be rolled over tax-free into other SIMPLE IRAs. Taxable
 SIMPLE IRA rollovers are out of scope for VITA/TCE.



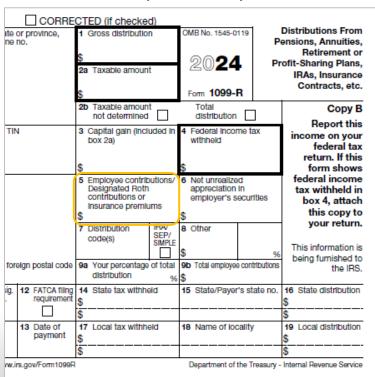
Reporting IRA Distributions



- Distribution codes on <u>Form 1099-R</u>: Form 1099-R has explanations; also on the back of Form 1099-R.
- Distributions rolled directly into another qualified plan are not taxable (code G). Generally, eligible rollover distributions paid to the taxpayer are not taxable if they are rolled over to another qualified plan or

retirement account within 60 days.

Roth account rollover is code H





Taxable Pensions and Annuities



- When are pension or annuity payments fully taxable?
 - Taxpayers did not pay any part of the cost of their employee pensions or annuities
 - Employers did not withhold part of the cost from the taxpayers' pay while they worked
 - Employers withheld part of the cost from the taxpayers' "before-tax" pay while they worked



 Select Nontaxable Distributions to record Qualified Charitable Distributions (QCDs) and eligible retired public safety officer distributions for health insurance premiums. Qualified Health Savings Accounts funding distributions are out of scope.



Taxable Pensions and Annuities



- Two methods used to figure taxable portion of pension or annuity payment:
 - The General Rule out of scope
 - The Simplified Method
 - Form 1040 Instructions Simplified Method Worksheet
- Disability income from a retirement plan is taxed differently depending on the taxpayer's age:
 - Before minimum retirement age taxed as wages
 - After minimum retirement age taxed as pension



Other Retirement Income Issues



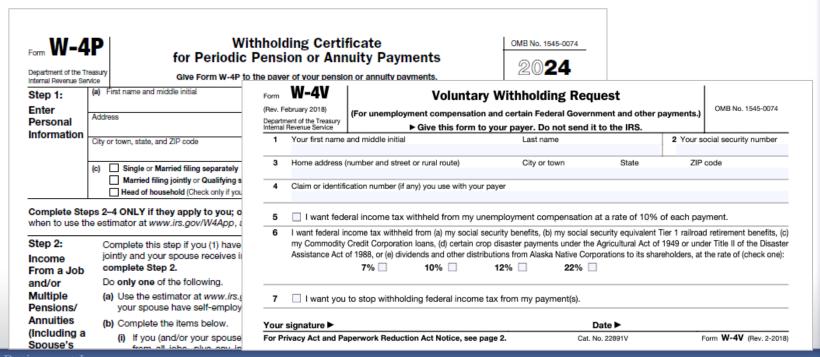
- Some distributions are subject to additional taxes, computed on <u>Form 5329</u>. Only Part I of Form 5329 is within scope.
 - Lump sum distributions
 - Premature distributions
 - Required minimum distributions
 - Withdrawal of excess IRA contributions

Form 5329 Department of the Treasury Internal Revenue Service	Additional (Including IRAs) a Attach to For Go to www.irs.gov/Form	ts	OMB No. 1545-0074 2024 Attachment Sequence No. 29	
Name of individual subject to ac	ditional tax. If married filing jointly, see in	nstructions.	You	r social security number
Fill in Your Address On if You Are Filing This Form by Itself and Not With Your Tax Return	City, town or post office, state, and below. See instructions.	d ZIP code. If you have a foreign address, also complete the	if th	Apt. no.
	Foreign country name	Foreign province/state/county	Fore	ign postal code
	itional 10% tax on the full amo line 8, without filing Form 5329.	ount of the early distributions, you may be ab . See instructions.	le to repor	t this tax directly o
disaster dis	tribution) before you reached	. Complete this part if you took a taxable dis age 59½ from a qualified retirement plan (ting this tax directly on Schedule 2 (Form 104	including a	an IRA) or modifie



When to Adjust Withholding

- Discuss with taxpayer if they owe \$1,000 or more on their tax return
 - Taxpayers can request withholding using Form W-4P, Form W-4R, or Form W-4V
 - If no withholding, taxpayer may need to make quarterly estimated tax payments. Refer the taxpayer to Publication 505, Tax Withholding and Estimated Tax.





Summary

- This lesson covered:
 - Identifying, calculating and reporting the taxable portion of retirement income
 - Types of retirement income and forms used to report it
 - Requirements for taking minimum distributions
 - When adjustments to withholding may be needed
- Check your understanding of this lesson by going to Certification Warm
 Up on your student landing page



Out of Scope for this Lesson:

- Form 8606 required
- Nondeductible contributions made to a traditional IRA
- Taxpayers subject to additional tax due to excess IRA contributions
- Roth IRA distributions that are taxable or partially taxable, and those with Form 1099-R, code J or T
- Distributions with code 5, 8, 9, A, E, K, N, P, R, and U
- IRA rollovers that do not meet the tax-free requirements
- Part of a distribution is a return of after-tax contributions (may require Form 8606)
- General Rule used to figure the taxable portion of pensions and/or annuities for past years
- Form 1099-R, distribution code A (lump-sum distribution qualifying for special tax treatments)
- Contributions to SIMPLE and SEP IRAs