

1099 Forms



TRS issues 1099 forms each January to individuals who received distributions from TRS in the previous year. Forms are sent by mail at the end of January, and members can also view their forms in the secure section of our website—normally by February 1.

This brochure answers common questions members may have about 1099 forms.

Q1: What is a 1099-R?

A1: Form 1099-R (commonly known as a 1099 form) is a tax form that reports distributions made from a pension plan or other retirement account to an individual during a calendar year. TRS sends a copy of this form to the individual and reports the information to the Internal Revenue Service (IRS).

Q2: When will I receive my 1099 forms for a given year?

A2: All 1099 forms for a given tax year are sent by the following January 31. TRS announces on our website and social media when 1099 forms are mailed.

You'll also find 1099 forms posted in the secure section of our website at www.trsnyc.org ▶ **Documents** ▶ **1099 Forms**. Forms for a given year are normally available for viewing by the following February 1. TRS notifies members by email when their 1099 forms are available for online viewing.

Q3: What 1099 forms can I view online?

A3: In general, 1099 forms for the last five tax years are available for members to view in the secure section of our website. However, 1099 forms for monthly retirement benefits prior to 2021 are not available online.

Q4: What distributions are reported on a 1099-R form?

A4: TRS issues a separate 1099-R form for each of the following types of distributions:

- Advance payments and retirement allowance payments from the Qualified Pension Plan (QPP)
- Annuity payments from the Tax-Deferred Annuity (TDA) Program
- TDA Direct Withdrawals and Direct Rollovers
- TDA Required Minimum Distributions (RMDs)
- Death benefit payments
- Defaulted loans and taxable loans taken at retirement
- Withdrawals of funds upon separation from service
- Refunds of erroneous contributions
- Taxable excess withdrawals, including those taken at retirement
- Lump-sum disability payments

Q5: Where are the taxable and tax-free amounts listed on my 1099-R form?

A5: The taxable amount is listed in box #2a; the tax-free amount is listed in box #5.

Q6: What does it mean if a “0” is shown as the taxable amount in box #2a?

A6: A “0” in box #2a indicates a Direct Rollover in which you received no funds directly.

Q7: Why would “Taxable amount not determined” be checked in box #2b?

A7: Generally, TRS is able to calculate the taxable portion of your gross distribution (*i.e.*, the amount in box #1), and that amount is reflected in box #2a. However, “Taxable amount not determined” in box #2b is checked when all the information required to calculate the taxable amount is not available. In that case, you may wish to consult with your tax advisor to determine the taxable portion of the distribution. In addition, if you are a retiree, your Benefits Letter may help you calculate this amount.

Q8: What is the distribution code used on the 1099-R form?

A8: The distribution code in box #7 indicates the type of distribution you received. Below is a list of the distribution codes used on the 1099-R form:

- 1** “Early” distribution to a member who is under age 59½ with no known exceptions, as defined by the IRS.
- 2** “Early” distribution to a member who is under age 59½, but qualified for an exception (*e.g.*, separated from service after the age of 55), as defined by the IRS.
- 3** Distributions to a member on an accident and/or ordinary disability retirement; distributions include retirement allowance payments, outstanding QPP or TDA loans at retirement, and total TDA withdrawals.
- 4** Death benefit distribution based on the death of a retired member.
- 4a** Death benefit distribution if the beneficiary qualifies for a 5-year or 10-year tax option.
(If you are a beneficiary of a member who was born before 1936, you may have the option of paying taxes on this distribution over a period of 5 or 10 years.)

- 7** “Normal” distribution to a member who is at least age 59½ (*e.g.*, QPP retirement allowance or TDA annuity payments).
- 8** Excess contributions, plus investment return, taxable in the year of distribution.
- D** Excess contributions, plus investment return, taxable two years before the year of distribution.
- E** Distributions under the IRS Employee Plans Compliance Resolution System (EPCRS) to correct overpayments made by the member (*e.g.*, overpayments on loans, deficits, service credit purchases).
- G** Direct Rollover to a qualified plan, a tax-sheltered annuity, or an Individual Retirement Arrangement (IRA).
- *L** Loan regarded as a “deemed” distribution for a member who is age 59½ or older, or for a member who is under age 59½ and has separated from service after the age of 55.
- *L1** Loan regarded as a “deemed” distribution for a member under age 55.
- P** Excess contributions, plus investment return, taxable in the year preceding the year of distribution.
- *** *A loan becomes a “deemed” distribution for any of the following reasons: if it is not fully repaid within the maximum five-year repayment period; if a member’s total past due amount is equal to or greater than the equivalent of one quarterly payment or three regular monthly payments, whichever is applicable; or if the outstanding loan balance exceeds \$50,000, in which case the amount exceeding \$50,000 becomes a “deemed” distribution.*

Q9: If I receive a distribution check in January, but the check was dated for December of the previous year, in which year will the distribution be taxable?

A9: The distribution will be taxable for the year indicated on the check.

Q10: Will I receive a 1099-R form for advance payments of my retirement allowance?

A10: Yes. You will receive a 1099-R form for the total advance payments you receive during a calendar year. Any regular retirement allowance payments you receive during the same year will be reported on the same 1099-R form.

Q11: How are my retirement allowance payments taxed?

A11: All *service* and *ordinary disability* retirement allowance payments (including advance payments) are subject to federal taxes and are reported on 1099-R forms.

If you retired under *accident* disability, the entire “regular pension” component of your monthly benefit is tax-free; the annuity portion of your accident disability retirement allowance payments is generally taxable. The taxable annuity portion comprises any amounts paid from the Annuity Reserve Fund or Pension Reserve Fund (for Tiers I/II members) or any amount paid from the Annuity Reserve Accumulation Fund (for members in other tiers). Taxes are not generally withheld from advance payments under accident disability retirement.

Q12: How can I elect the rate at which taxes are withheld?

A12: You may elect to have a specific amount of federal tax withheld from your retirement allowance payments by logging in at www.trsnyc.org and going to **Payments** ▶ **W-4P**. You may also file the IRS’ “Withholding Certificate for Periodic Pension or Annuity Payments” (W-4P) with TRS.

Your withholding election will generally take effect approximately two to six weeks after TRS receives your online W-4P filing, or approximately two months after TRS receives your paper form.

If you have filed no withholding election for your retirement allowance payments, a default withholding rate is applied to your payments: For payments that began in tax year 2022, the default rate is the rate for a single person with no adjustments; for payments that began before 2022, it is the rate for a married person with three dependents. Please note that, if you have a permanent residence outside of the United States, IRS regulations prohibit you from electing to have no federal tax withheld from your retirement benefits.

Q13: Is interest reported separately on the 1099-R form?

A13: No. Interest earnings associated with the following distributions would be reported on a 1099-INT form: Advance payments and retirement allowance payments from the Qualified Pension Plan (QPP), Annuity payments from the Tax-Deferred Annuity (TDA) Program. Interest earnings associated with any other distributions named in A4 are included in the 1099-R gross distribution.

Q14: What should I do with the 1099 forms that I receive?

A14: You should save 1099 forms with your other tax records for the year. When you file your federal tax return, you must report the amounts that your 1099-R forms designate as taxable distributions and as taxes withheld. You must also report any amounts that your 1099-INT forms designate as interest.

Q15: Why was I issued more than one 1099-R form?

A15: TRS issues a separate 1099-R form for each type of distribution listed in **A4**. In addition, retirees receiving a QPP retirement allowance who reached age 59½ during the previous calendar year would receive two 1099 forms: one for the period prior to reaching age 59½, and one for the period after reaching age 59½.

Q16: Why didn't I receive a 1099 form from TRS?

A16: TRS may not have made a taxable or tax-deferred distribution to you or on your behalf during the year. However, if you received a distribution, or if TRS processed a Direct Rollover of your QPP or TDA funds during the year, you should have received a 1099 form. If you changed your address without notifying TRS, the 1099 form would have been sent to your previous address.

Q17: How can I receive another copy of my 1099 form?

A17: If you don't receive your 1099 form in the mail, or if you want another copy, please print the form from the secure section of our website. Forms for a given year are normally available for viewing by the following February 1.

Q18: Whom should I contact if I have questions about my 1099 forms?

A18: If you have tax-related questions about your 1099 forms, please contact a trusted tax advisor. TRS' Member Services Representatives cannot provide tax advice.

For your convenience, TRS forms and publications are available on our website. If you require additional assistance, we encourage you to contact our Member Services Center at 1 (888) 8-NYC-TRS.

This publication should not be solely relied upon, as it is based on currently available information that is subject to change. TRS suggests that you consult with an attorney and/or a tax advisor if you have any specific legal or tax questions concerning this information. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.



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