

1099

1099S

Every January, PERA issues a Form 1099R to all benefit recipients. You will need this statement to prepare your federal and state tax returns. The 1099R indicates the taxable and non-taxable (if any) amount of your pension, and how much was withheld for taxes by PERA.

HOW TO USE YOUR 1099S

The illustration below explains what the main entries in your 1099-R represent. Additionally, we have prepared a short video explaining the 1099R in box-by-box detail. You can watch it in our Viewing Room.

UNDERSTANDING YOUR 1099-R				
BOX 1 Box 1 shows everything PERA paid to you in 2016	PAYERS name, street address, city, state and ZIP code		1 Gross distribution	OMB No. 1545-0119
	Public Employees Retirement Association 60 Empire Drive - Suite 200 St. Paul, Minnesota 55103-2088		\$ 1	2017
BOX 2a This is the amount that is taxable to you	PAYERS Federal identification number		2a Taxable amount	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, etc.
	41-0971299		\$ 2	
BOX 4 This is the amount that was withheld for federal taxes	RECIPIENTS identification number		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>
	RECIPIENTS name (first, middle, last)		3	4 Federal income tax withheld
BOX 5 This is the amount, if any, that is not taxable	1099-R Number		5 Employee contributions	Copy B For Recipient File this copy with your Federal Tax return when required.
	Form 1099-R		\$ 5	
BOX 12 This is the amount that was withheld for state taxes	12 State income tax withheld		7 Distribution code	8a Your percentage of total distribution %
	\$ 12		IRA/SEP <input type="checkbox"/>	
		13 Payers state number	14 State Distribution	
		MN 4053124	\$	
Department of the Treasury - Internal Revenue Service				

NOTE: BOX 1 - BOX 2 = BOX 5

BOX 1: The total (Gross) amount you received this year from refunds, direct rollovers, or annuity benefits before taking out any withholdings. This amount is usually reported on IRS Form 1040 on line 16a labeled “Pensions and Annuities.” If the pension is a disability pension and the member has not reached the minimum retirement age, the amount in Box 1 should usually be reported on line 7 labeled “Wages, salaries, tips, etc.”

BOX 2a: This box shows the part of the amount in Box 1 that is taxable. This amount is usually entered on line 16b on Form 1040. For a direct rollover, the taxable amount should be zero.

BOX 2b: If the distribution was a total distribution that closed out your account, the 2nd box in 2b will be checked.

BOX 3: Not used. (Shaded)

BOX 4: This is the amount of Federal income tax withheld on the distribution.

BOX 5: This box is used for after-tax contributions recovered during the year. The amount is generally determined by subtracting the amount in Box 2a from the amount in Box 1. Typically this amount does not need to be reported on your return.

BOX 6: Not used. (Shaded)

BOX 7: The code(s) in this box let the IRS know what type of distribution you received. There will be either 1 or 2 codes in Box 7. The Minnesota PERA does not use all the possible codes available. The definition of the codes used by the Minnesota PERA is as follows:

1. Lump sum distribution paid to you before you turned age 59 ½ when none of the exceptions under Distribution Code 2, 3 or 4 apply.



2. Distribution paid to you before you turned 59 ½, but as in the form of a monthly benefit. A “2” is also used for refunds paid after a separation from service in or after the year you reach age 55 (Regular Plan and Correctional Plan) or 50 (P&F Plan). For tax purposes, a “2” distribution code is treated like a “7” (normal distribution).
3. Disability benefit paid to you before you reach retirement age (or 5 years after the disability effective date, whichever is later, in the Correctional Plan and P&F Plan). If you hit normal retirement age during the year (age 65 in Coordinated/Basic/Correctional and age 55 in Police & Fire), you will receive one 1099R that reflects the disability payments (with a distribution code of “3”) and another 1099R reflecting the “retirement” benefits (with a distribution code of “2” or “7”). This code may also be used for some “in-the-line-of-duty” disabilities in the P&F Plan at any age (duty disabilitants with effective dates between 10/16/92 and 6/30/06 and “total and permanent” duty disabilitants with effective dates after 6/30/06 stay on disability for life).
4. Death benefit paid in a lump sum to a member’s beneficiary, estate or trust.
7. Benefit or refund paid in or after the year in which you reach age 59 ½.
8. Deduction In Error (DIE) refunds made directly to you.
- G. Direct Rollover to an IRA or to another qualified plan.

BOX 8: Not used. (Shaded)

BOX 9a: If a total distribution was made to more than one person, the percentage of the total distribution that you received is shown here.

BOX 9b: Not used. (Shaded)

BOX 12: If Minnesota state income tax was withheld from the distribution, this box will show the amount we withheld. This amount will be reported on Minnesota tax returns on the line labeled “Minnesota withholding.” PERA does not withhold taxes for any state other than Minnesota.

BOX 13: PERA’s identification number as assigned by the State of Minnesota, “MN/4053124”. The IRS does not use this ID number, but the State of Minnesota does to identify the payer. It does not refer to which state the income is taxable in, nor does it refer to which state withholding taxes were deducted. It is simply PERA’s ID number for Minnesota’s Department of Revenue.

BOX 14: Generally the taxable distribution (Same as Box 2a). If the taxable distribution is 0, however, the amount of the total distribution (Box 1) is entered in Box 12 as required by Minnesota’s Department of Revenue. This information is not used by the IRS. It is used by the State of Minnesota to record the distribution. If a member resides in another state all year, the distribution is not taxable income in Minnesota. The laws of the state where the member resides determine whether or not the distribution is taxable in that state. If a member resided in Minnesota for part of the year, they will claim that portion of income on the M1-NR form.