



## Form 1099-Rs

### Frequently Asked Questions (FAQ)

#### 1. Can I retrieve my Form 1099-R online?

Yes – If you have a MemberDirect account, you may view, print and download your Form 1099-R directly from your member account. We will still mail your Form 1099-R to you even if you access and print them from your MemberDirect account. To access your Form 1099-R online, login and use the right-side menu to access 1099-R Details. To create a MemberDirect account, visit [www.SBCERA.org](http://www.SBCERA.org) and click the green MemberDirect LOGIN button on the right side of the screen. On the MemberDirect page, click Enroll Now, on the top right of the screen, and follow the instructions.

#### 2. When should I expect to receive my Form 1099-R?

SBCERA mails all Form 1099-Rs to its retirees, beneficiaries, and payees by January 31<sup>st</sup> of each year. This form, which indicates the total income you have received from SBCERA, is used to complete your Federal and/or state income tax returns.

#### 3. Why did I receive one or more Form 1099-Rs from SBCERA?

SBCERA is required to report distributions and retirement payments on the Internal Revenue Service (IRS) Form 1099-R. These distributions/payments include payments for refunds, disability retirements, service retirements, continuances, death benefits, survival benefits, burial benefits and Domestic Relations Orders (DRO's). **A separate Form 1099-R is issued for each individual payment type described above.** For example, if you are a retiree and you also receive a continuance from a deceased retiree, you would receive two Form 1099-Rs – one for the service retirement and one for the continuance.

#### 4. Is SBCERA a “Qualified” retirement plan?

Yes – SBCERA is considered a qualified retirement plan according to IRS code section 401(a).

#### 5. What is Box 1 – Gross Distribution?

The Gross Distribution is the total distribution and/or payment amount paid to you by SBCERA before taxes were withheld.

## 6. What is Box 2a – Taxable Amount, and why is it different than Box 1?

The Taxable Amount is the amount of the distribution and/or payment that is deemed taxable income per the IRS. This amount is determined by SBCERA using IRS guidelines. Common reasons the Taxable Amount is less than the Gross Distribution amount are:

- A. The payment is partially or completely non-taxable because of a service-connected disability retirement; or,
- B. The payment is partially or completely non-taxable due to an amount contained in Box 5, see Question 9 below for further explanation.

## 7. What are the check boxes in Box 2b?

If the “Taxable Amount Not Determined” box is checked, this indicates SBCERA is unable to determine the taxability of the distribution and/or payment. This box is checked for all members who retired before July 1, 1986, and for some retirees with a “heart presumptive” disability retirement. Members should consult with their tax advisor regarding the tax treatment of this payment.

If the “Total Distribution” box is checked, this indicates SBCERA paid a refund of contributions to the recipient due to termination from employment or the death of a member.

## 8. What is Box 4 – Federal Income Tax Withheld?

The amount withheld in Federal income taxes from the total distribution and/or payments made by SBCERA.

## 9. What is Box 5 – Employee Contributions/Designated Roth Contributions or Insurance Premiums?

During employment, some retirees may have made contributions on an after-tax basis (tax was already withheld by the employer). As the member paid taxes on these contributions during the employment period, this is referred to as the “Safe Harbor” amount and is non-taxable to the member. The “Safe Harbor” amount will reduce the taxable income of the retirement benefit in Box 2a.

## 10. What is Box 7 – Distribution Code?

The distribution codes describe the type of distribution and/or payment made by SBCERA. A complete listing of code descriptions is included on the back of your 1099-R form. The most common codes and descriptions used by SBCERA are as follows:

**Code 1:** Refund before the age of 59 ½, or service retirement under the age of 55 for General members or under the age of 50 for Safety members.

**Code 2:** Service retirement between the ages of 55 and 59 ½ for General members or between the ages of 50 and 59 ½ for Safety members.

**Code 3:** Disability retirement.

**Code 4:** Death payments including continuances.

**Code 7:** Refund or service retirement after the age of 59 ½.

**Code G:** Rollover of contributions to a qualified savings plan.

## **11. What is Box 12 – State Tax Withheld?**

The amount withheld in state income taxes (California only) from the total distribution and/or payments made by SBCERA. If your permanent place of residency is outside of California, you are responsible for paying other state taxes separately.

## **12. What is Box 13 – State/Payer’s State No.?**

The State’s or Payer’s account number is only included in this box for members who had an active California address at any point during the year or had California state taxes withheld from their SBCERA distribution and/or payment. **(Note: If required by a member who did not have state taxes withheld from SBCERA, the account number is 80311772.)**

## **13. What if I believe there is an error on my Form 1099-R(s)?**

If you feel there is an error on your Form 1099-R, please contact SBCERA to request a new or duplicate form.

## **14. I have not received my Form 1099-R, what should I do?**

SBCERA encourages you to wait until February 7<sup>th</sup> before contacting us regarding the status of your Form 1099-R. If you have not received your Form 1099-R by the 7<sup>th</sup> of February, please login or enroll in MemberDirect to print and/or download it. If you prefer not to setup a MemberDirect account, please contact SBCERA to request a duplicate 1099-R.

### **Disclaimer**

*This FAQ Sheet was drafted by the SBCERA staff in order to help members understand the 1099-R tax form. Every effort has been made to ensure the accuracy of the information offered. However, you should not rely solely on the information contained herein. In the event of any discrepancy between the information contained in this FAQ and the Government and/or Tax Code provisions, the Code provisions will govern. Members should consult their tax advisor for further information.*