

Form 1099-R Simplified Method



TaxSlayer Navigation: Federal Section>Income>1099-R, RRB-1099, RRB-1099-R, SSA-1099>Add or Edit a 1099-R>"Click here for options" (under Box 2a Taxable Amount); or Keyword "R"

If the taxpayer made after-tax contributions toward a pension, a portion of the annuity payment has already been taxed and isn't taxable now. Generally, if the starting date of the payments was prior to July 2, 1986, the Simplified Method wouldn't apply. If the taxpayer used the 3-year rule, the annuity is fully taxable. If they used the general rule, refer the taxpayer to a professional tax preparer.

Simplified Method Worksheet

CANCEL
CONTINUE

Gross distribution amount (from 1099-R)
\$25,000.00

Plan cost at annuity start date
\$

Starting date of annuity *
MM DD YYYY

Check here if this is a Joint or Survivor Annuity.

Death benefit exclusion
\$

Age of recipient at start date *
If joint or survivor annuity, add ages of recipients

Number of months paid in 2020 *

Amounts previously recovered
\$

Public Safety Officer Exclusion
\$

Enter the Plan cost (shown in Box 9b of 1099-R).

Enter the annuity start date. If the disability benefits were paid under this plan during the tax year, enter the date beginning after the taxpayer reached minimum retirement age as the annuity start date. The plan administrator should issue two separate 1099-R statements. If not, prorate the amount to be treated as wages based on the annuity start date.

For a joint or survivor annuity, add the ages of both spouses on the start date. For the beneficiary of an employee who died, see Publication 575, Pensions and Annuities.

For a joint and survivor annuity that starts:
-After the death of the employee, use only the survivor's age.
-Before the death of either beneficiary, continue with the same exclusion amount after the first death.

Enter the age of the taxpayer on the date the pension started – this may be different than the taxpayer's age at the end of that year.

Enter the amount that could have been recovered tax free in prior years even if not claimed. Look at last year's tax return to find this amount, or calculate the amount using the monthly tax free amount computed by TaxSlayer for the 2021 tax year times the number of months prior to 2021. For annuitants who retired between July 2, 1986 and Dec. 31, 1986, enter zero.

The taxable amount is calculated and carried to Box 2a on Form 1099-R.

Form CSA 1099-R - Civil Service Retirement Benefits -The Office of Personnel Management issues Form CSA 1099-R for annuities paid or Form CSF 1099-R for survivor annuities paid. The CSA-Form 1099-R box numbers reflect the standard numbering on a Form 1099-R. If the taxable amount isn't calculated in Box 2 the Simplified Method must be used.

Hint: If you use TaxSlayer's simplified method worksheet, enter a note with the taxpayer's annuity start date, age at the start date, and amounts previously recovered to help next year's preparer.

To make a note that will not be transmitted to the IRS but will stay with the file, select the pulldown arrow to the right of the taxpayer's name in top right corner. Choose Notes. Then give the note a name and enter details. This note will be attached to the page where you created it and it will also be accessible from the Client Search List.