

2017 IRS Form 1099-R

General Information

IRS Form 1099-R is used to report redemptions, systematic withdrawals and/or remitted dividends from retirement accounts listing Foresters Financial as custodian.

Reportable Transactions

- the following are included as reportable transactions:

- Proceeds paid directly to the client (or designated individual) including:
 - Required Minimum Distributions
 - Distributions due to disability or financial hardship (or other qualifying event)
- Proceeds paid directly to another financial institution for investment into a non-retirement account
- Direct Rollovers (i.e. 401(k) to Traditional or Roth IRA)
- Proceeds paid to beneficiaries
- Proceeds representing a 457(b) or 403(b) loan in default
- Money removed due to an excess contribution
- Traditional, SEP or SIMPLE IRA to Roth IRA conversions
- Recharacterization of Traditional IRA or Roth IRA

Non-Reportable Transactions

- the following are **NOT** included as reportable transactions:

- Exchanges between different First Investors fund accounts within the same registration
- Trustee-to-Trustee transfers (i.e. Traditional IRA to Traditional IRA)
- Transfers between Traditional, SEP, SARSEP and SIMPLE IRAs
- Certain Fees

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code			1 Gross distribution		OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
<div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 2em; opacity: 0.5;">SAMPLE</div>			2a Taxable amount		2017	
			2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
PAYER'S federal identification number		RECIPIENT'S identification number		3 Capital gain (included in box 2a)		4 Federal income tax withheld
RECIPIENT'S name			5 Employee contributions / Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)			7 Distribution code(s)		IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other
City or town, state or province, country, and ZIP or foreign postal code			9a Your percentage of total distribution %		9b Total employee contributions %	
10 Amount allocable to IRR within 5 years		11 1st year of desig. Roth contrib.		12 State tax withheld		13 State/Payer's state no.
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>		15 Local tax withheld		16 Name of locality
				14 State distribution		17 Local distribution

Form 1099-R www.irs.gov/form1099r Department of the Treasury - Internal Revenue Service

- **Box 1—Gross Distribution.** Shows the total amount you received this year. The amount may have been a direct rollover, a conversion to a Roth IRA, a recharacterized IRA contribution; or a distribution as periodic payments, non-periodic payments or a total distribution.
- **Box 2a—Taxable Amount.** For Traditional, SEP, SARSEP and SIMPLE IRAs, the amount in this box is generally the same as the amount in box 1. For Roth IRAs, 403(b), MPP, PSP, 401(k) and 457(b) plans, this box is generally left blank. For Roth 403(b)s, the taxable portion of the distribution is reported in this box.

- **Box 2b—Taxable amount not determined; Total Distribution.** If the first box is checked, the payer was unable to determine the taxable amount. If the second box is checked, the distribution was a total distribution that closed out the account.
- **Box 4—Federal Income Tax Withheld.** This is the amount of Federal income tax withheld. This amount should be included on the income tax return as tax withheld, and if box 4 shows an amount other than zero, Copy B must be attached to the return.
- **Box 7—Distribution Code(s).** This box identifies the type of distribution received. Codes are defined on the reverse side of Form 1099-R.

Reporting Considerations

- Forms are mailed to clients by **January 31, 2018**
- Clients receive 3 copies
 - Copy 2 for state, city or local tax return
 - Copy B for federal tax return
 - Copy C for client's records
- The client will receive one Form 1099-R per account reflecting the total distributions under one distribution code from that account. For example, if a client received twelve (12) distributions from his (her) Traditional IRA representing a monthly required minimum distribution (Code 7), the customer would receive one (1) Form 1099-R representing the total of the twelve (12) distributions.

Annual Notice of Withholding on Systematic Distributions

If you are receiving systematic distributions from your account, your previously filed Federal tax withholding holding election can be revoked or changed by calling Foresters Financial Services, Inc. at (800) 423-4026 or speaking with your representative. Your election will become effective for your next scheduled systematic distribution.

Remember that if you elect not to have withholding apply to your distribution payments, or if you do not have enough Federal tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Common Questions

Q: I took a full distribution from my 403(b) account this past year because I left my employer. I received Form 1099-R today indicating that federal income tax was withheld from the proceeds. I was told that I would not be penalized because I terminated my employment and am over 60 years old. If that is true, why was there tax withheld?

A: Although it is true that you are not subject to the premature distribution penalty since a withdrawal due to "separation of service" after age 55 is a qualified distribution, the distribution is still considered an "eligible rollover distribution" that is subject to 20% mandatory withholding. If you timely roll over the entire amount of the withdrawal, including the tax withheld, to another retirement product such as an IRA, you should include the full amount (including withholding) as being rolled over on your tax return.

Q: My Traditional IRA account has received both deductible and non-deductible contributions. How do I determine how much of my distribution from last year is taxable?

A: Foresters Financial does not track which contributions in a Traditional IRA are deductible and which are non-deductible. Please refer to the instructions for IRS Form 8606 and/or consult a qualified tax advisor for assistance in making this determination.

Q: Why is the rollover from my 403(b) to my Traditional IRA reported on Form 1099-R when the money received from the 403(b) was invested into the IRA within 60 days?

A: All retirement account distributions are reportable to the IRS. In addition to Form 1099-R, you will receive an IRS Form 5498 at the end of May reporting the amount you invested into the IRA.

Q: I converted my Traditional IRA to a Roth IRA and I received Form 1099-R. Why did I receive this form?

A: Traditional IRA to Roth IRA conversions are reportable events. Upon conversion, both the tax-deductible contributions plus earnings from the Traditional IRA are taxable. You should receive Form 1099-R showing the distribution from the Traditional IRA and Form 5498 showing the money going into the Roth IRA. You should consult a tax advisor to determine your tax liability and the proper way to report the conversion.

IRS Resource Information

- **Phone Numbers:**
 - (800) 829-1040 (General Inquiries)
 - (800) 829-4059 (Hearing Impaired)
 - (800) 829-3676 (to order forms/publications)
- **Website**
 - www.irs.gov