



## Webinar Series for TRS Retirees

**This webinar will begin shortly. All attendees are muted. At the end of this short presentation you will be able to ask questions using the Q&A box on your screen.**

# TAX FORMS

## 1099-R AND W-4P

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# The Facts. . .

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- TRS benefits are federally taxable
  - Contributions were made pre-tax
  - Some optional contributions were made after-tax
  - **W-4P** form tells TRS how much to withhold
  - **1099-R** form reports how much was paid/withheld
  
- Illinois does not tax retired income
  - Most other states DO tax your pension
  - TRS can withhold state tax for some states

# 1099-R

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## Purpose

- Used to file federal and state tax returns
- Looks like the W-2 forms you received from your employer
- Reports
  - How much you were paid (taxable/non-taxable)
  - How much tax was withheld
  - One form for each amount you received [monthly pension/lump sum(s)]
  - Original 1099-R is three copies – Fed, State, and Local taxes

## Timeline

- Early December - TRS reports data and ADDRESS info to the IL Comptroller
- January 31 – Comptroller’s office mails 1099R forms to each member
- Mid-February – Duplicates can be requested online or by phone

# All those boxes!

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.
STATE OF ILLINOIS 69-0330001 COMPTROLLER - WITHHOLDING AGENT 325 WEST ADAMS STREET SPRINGFIELD, ILLINOIS 62704-1871		\$*****5079.96		<b>2023</b> Form 1099-R		
PAYER'S TIN 37-6002057		2a Taxable amount \$*****5079.96		2b Taxable amount not determined <input type="checkbox"/>		Copy 2 File this copy with your state, city, or local income tax return, when required.
RECIPIENT'S TIN ***-**-1		3 Capital gain (included in box 2a) \$*****.00		4 Federal income tax withheld \$*****.00		
RECIPIENT'S name, street address (including apt. no.), city or town, state or province, country, 473 F		5 Employee contributions/ Designated Roth contributions or insurance premiums \$*****.00		6 Net unrealized appreciation in employer's securities \$*****.00		
10 Amount allocable to IRR within 5 years \$		7 Distribution code(s) 4		8 Other \$*****.00 %		
11 1st year of desig. Roth contrib.		9a Your percentage of total distribution %		9b Total employee contributions \$*****.00		
12 FATCA filing requirement <input type="checkbox"/>		14 State tax withheld \$*****.00		15 State/Payer's state number		
13 Date of payment		17 Local tax withheld \$*****.00		16 State distribution \$		
Account number (see instructions)		18 Name of locality		19 Local distribution \$		

Form 1099-R [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) Department of the Treasury - Internal Revenue Service

**Box 1 – “Gross Distribution”** – How much TRS paid you

**Box 2a – “Taxable Amount”** – How much of Box 1 is taxable



# All those boxes!

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code STATE OF ILLINOIS 69-0330001 COMPTROLLER - WITHHOLDING AGENT 325 WEST ADAMS STREET SPRINGFIELD, ILLINOIS 62704-1871			1 Gross distribution \$*****5079.96		OMB No. 1545-0119 <b>2023</b> Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S TIN 37-6002057			2a Taxable amount \$*****5079.96		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
RECIPIENT'S TIN ***-**-1			3 Capital gain (included in box 2a) \$*****.00		4 Federal income tax withheld \$*****.00		<b>Copy 2</b> File this copy with your state, city, or local income tax return, when required.	
RECIPIENT'S name, street address (including apt. no.), city or town, state or province, country, 473 F			5 Employee contributions/ Designated Roth contributions or insurance premiums \$*****.00		6 Net unrealized appreciation in employer's securities \$*****.00			
			7 Distribution code(s) 4		IRA/SEP SIMPLE <input type="checkbox"/>		8 Other \$*****.00 %	
			9a Your percentage of total distribution %		9b Total employee contributions \$*****.00			
10 Amount allocable to IRR within 5 years \$		11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld \$*****.00		15 State/Payer's state number		16 State distribution \$
Account number (see instructions)			13 Date of payment	17 Local tax withheld \$*****.00		18 Name of locality		19 Local distribution \$

Form 1099-R [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) Department of the Treasury - Internal Revenue Service

## Box 5 – “Employee Contributions/Designated Roth Contributions or insurance premiums”

– Amount of Box 1 that is NOT taxable

## Box 9b – “Total Employee Contributions” – After tax contributions made while contributing

– ONLY APPEARS IN FIRST YEAR OF RETIREMENT!



# 1099-R Takeaways

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- 1) Make sure your address is updated if you have moved
- 2) Watch your mailbox in January/February  
Susana Mendoza – Comptroller of the State of Illinois
- 3) Keep track of your 1099-R form(s) until tax time
- 4) Request a duplicate online or by calling TRS if not received by February 15

# W-4P

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## Purpose

- Tells TRS how much tax to withhold
- Used to CHANGE withholding if necessary
- Change any time during the year

**NOTE:** Significant changes to the W-4P in 2023

“Old” withholding status doesn’t translate to new form



# More boxes?!

Form <b>W-4P</b> Department of the Treasury Internal Revenue Service	<b>Withholding Certificate for Periodic Pension or Annuity Payments</b>		OMB No. 1545-0074
	<b>Give Form W-4P to the payer of your pension or annuity payments.</b>		<b>2024</b>
<b>Step 1: Enter Personal Information</b>	(a) First name and middle initial	Last name	(b) Social security number
	Address		
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately		
	<input type="checkbox"/> Married filing jointly or Qualifying surviving spouse		
<input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			

**Step 1** – Fill in personal info and check the box for your withholding status (1c)

**TRS will withhold tax based on your taxable gross benefit and your status from 1(c)**

# More boxes?! (Continued)

<b>Step 4 (optional): Other Adjustments</b>	<b>(a) Other income (not from jobs or pension/annuity payments).</b> If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends . . . . .	<b>4(a)</b>	\$	
	<b>(b) Deductions.</b> If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . .	<b>4(b)</b>	\$	
	<b>(c) Extra withholding.</b> Enter any additional tax you want withheld from <b>each payment</b> . . . . .	<b>4(c)</b>	\$	

**Step 5: Sign Here**

<b>Your signature</b> (This form is not valid unless you sign it.)	<b>Date</b>
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**Step 4(c) – indicate any additional dollar amount that you'd like to have withheld**  
**Step 5 – Sign and Date**



# W-4P Takeaways

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- 1) TRS doesn't know how much you should withhold
- 2) Forms received by the 10<sup>th</sup> of the month will typically take effect with the next pension payment
- 3) TRS withholds based on YOUR gross benefit, not your household income
- 4) 'Single' withholds more tax than 'Married' – your withholding status and filing status don't have to match
- 5) We can help you complete the form – just ask!

# State Taxes

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- Illinois does not tax retired income
- TRS can withhold state income tax
  - Illinois, Indiana, Kentucky, Iowa, Wisconsin, Michigan
  - NOT Missouri or other states
- Call TRS for a state tax withholding form
  - Indicate what state
  - Indicate DOLLAR AMOUNT to withhold

**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**



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FAX: (217) 753-0964

**State Income Tax  
Withholding Request**

Social Security number:  
Claim number:  
Date of birth:  
Home telephone number:  
Work telephone number:  
Work extension number:

*Complete a separate form for each state and return to TRS.*

*Select one:*

Illinois

Kentucky

Indiana

Michigan

Iowa

Wisconsin

Enter the amount to be withheld from each payment.



\$

Signature

Date



# Contact TRS

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## Social Media



[members@trsillinois.org](mailto:members@trsillinois.org)



<https://www.trsil.org>



[Facebook.com/TRSillinois](https://www.facebook.com/TRSillinois)



[@ILLTRS](https://twitter.com/ILLTRS)

## Phone & Hours

Toll free: (877) 927-5877

M-F: 8:30 a.m. to 4:30 p.m.

<https://www.trsil.org/IRS-W-4P>

# Questions

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