



Understanding Your 1099-R

January 2012

This fact sheet lists the explanations for information that may be printed on a 1099-R for a benefit recipient under either the PERA or Denver Public Schools (DPS) benefit structures.

| Form 1099-R | | CORRECTED (if checked) | | 2011 | |
|--|---|--|--|---|--|
| PAYER'S Federal identification number 84-6220742 | | RECIPIENT'S identification number 111-11-1111 | | Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. | |
| PAYER'S name, street address, city, state, ZIP code and phone number PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION (800) 759-7372 1301 PENNSYLVANIA STREET DENVER CO 80203 | | | | | |
| 1 Gross distribution 13,003.04 | 2a Taxable amount 13,003.04 | 2b Taxable amount not determined | Total Distribution | | |
| 3 Capital gain (included in box 2a) | 4 Federal income tax withheld 825.76 | 5 Employee contributions/Designated Roth contributions or insurance premiums | 6 Net unrealized appreciation in employer's securities | | |
| RECIPIENT'S name, street address (incl. apt. no.), city, state and ZIP code JOHN J. JOHNSON 1301 PENNSYLVANIA DENVER CO 80203-1234 | | | 7 Distribution code(s) 7 | IRA/SEP/ SIMPLE | |
| | | | 8 Other | % | |
| 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 300.00 | 13 State/Payer's state no. CO/21-97092 | 14 State distribution | Account number (see instructions) 1-123456 | | |
| 15 Local tax withheld | 16 Name of locality | 17 Local distribution | Copy B Report this income on your Federal tax return. If this form shows Federal income tax withheld in Box 4, attach this copy to your Federal tax return. | | |
| This information is being furnished to the Internal Revenue Service. | | | | | |
| Department of the Treasury-Internal Revenue Service | | | | | |

Payer's Federal identification number

PERA's tax identification number (84-6220742) with the Internal Revenue Service (IRS).

Recipient's identification number

Your Social Security number; since information is provided to the IRS, your Social Security number must appear in its entirety.

Box 1—Gross distribution

Total benefit amount paid to you by PERA in the tax year noted.

Box 2a—Taxable amount

Total taxable benefits you received from PERA in the tax year noted. If you have previously taxed contributions in your PERA account (regular contributions made before July 1, 1984, in the PERA benefit structure, and regular contributions made before January 1, 1986, in the DPS benefit structure, and after-tax money used to purchase service credit), PERA uses a cost recovery method recognized by the IRS to amortize the nontaxable dollar amount each year. If you do not have any previously taxed contributions, your entire benefit amount is taxable.

Box 2b—Taxable amount not determined/Total distribution

Unless you took a withdrawal/refund of your PERA member contribution account, which closed out your PERA account from any future benefits being paid to you, these boxes will be blank. If you have an "X" in this box and Box 2a is blank, you will need to determine the taxable portion of your annual benefit.

Box 3—Capital gain (included in Box 2a)

This box will have a dollar amount reported if you were born before January 2, 1936, and you took a withdrawal/refund of your PERA account instead of choosing a monthly benefit.

Box 4—Federal income tax withheld

Federal income tax withheld from your PERA benefit in the tax year noted.

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Understanding Your 1099-R

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Box 5—Employee contributions/designated Roth contributions/insurance premiums

The nontaxable amount of benefits you received in the tax year noted (the difference between Box 1 and Box 2a). If you have previously taxed contributions in your PERA account, PERA uses a cost recovery method recognized by the IRS to amortize the nontaxable dollar amount each year and reports it in Box 5. Do not report this amount on your tax returns. This is not the premiums you paid to PERA for health care or life insurance. If you need the amount of your insurance premiums, refer to your year-end benefit check or EFT statement. If Box 5 is blank and there is an "X" in Box 2b, you must determine the nontaxable portion of your annual benefit.

Box 6—Net unrealized appreciation in employer's securities

This box does not apply to PERA benefit recipients receiving a monthly benefit or who chose a withdrawal/refund.

Box 7—Distribution code

The code applicable to your benefit as defined by the IRS:

- "2"** If you are receiving a monthly PERA service retirement benefit; you are younger than age 59½; and it is not a disability retirement.
- "3"** If you are receiving a disability retirement benefit.
- "4"** If you are receiving a monthly PERA benefit based on the death of a retiree or active PERA member. Refund of contributions if the retiree and cobeneficiary (if applicable) died before all of the contributions were distributed; the balance of the contributions go to the named beneficiary.
- "4G"** If the retiree and cobeneficiary (if applicable) died before all of the contributions were distributed; the balance of the contributions are rolled over to a qualified account.
- "7"** If you are receiving a monthly PERA service retirement benefit; you are age 59½ and over; and it is not a disability retirement.

Denver Public Schools (DPS) disability retirees who turned age 65 in 2011 and qualified for a recalculation to regular retirement will receive two 1099-Rs this year. PERA must change the distribution code in Box 7 when you turn age 65 from a disability retiree (distribution code 3) to a regular retiree (distribution code 7).

Box 8—Other

Does not apply to PERA benefit recipients.

Box 9a—Your percentage of total distribution

Does not apply to PERA benefit recipients.

Box 9b—Total employee contributions

The total tax-paid contributions in the member account at the time of retirement. This will only print for the first year of retirement. This is the figure used to calculate the taxable portion of the benefit based on the IRS's "Simplified Method" (prorates the previously taxed dollars of your benefit over a specific number of payments as warranted by the IRS; for more information on this rule, contact the IRS for a copy of its publication 575). See Box 5 description for additional information.

Box 10—Amount allocable to IRR within 5 years

Since PERA does not participate in any Roth IRA programs, in-plan Roth rollovers (IRR) do not apply to PERA benefit recipients.

Box 11—First year of designated Roth contributions

Does not apply to PERA benefit recipients since PERA does not participate in any Roth IRA programs.

Box 12—State tax withheld

Colorado State tax withheld from your benefit in the tax year noted.

Box 13—State/Payer's state no.

The state in which income tax was withheld. (Note: PERA only withholds state taxes for Colorado.) Payer's State no. is used by PERA for filing purposes with the State Department of Revenue.

Boxes 14-17—Do not apply to PERA benefit recipients

Since PERA does not take any withholding for local taxes, these boxes do not apply.

Account number

This is your PERA-assigned account number which appears on your benefit statement or benefit check as well as other correspondence you may receive from PERA.