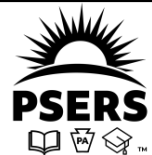


Tax Recipient Name:	Tax ID:
<p>Additional information to assist in filing your tax return for the Form 1099-R where Box 1 is \$</p> <p>Premium Assistance paid to you: \$ Healthcare premiums paid by you: \$</p> <p>Reminder, tax tables typically change every January based on the new IRS withholding rates. Your December and January check amounts are shown below. If there is a change in your monthly check amount for other than Federal Withholding Tax, you will also receive a separate notice.</p> <p>December 2023 Monthly Check: January 2024 Monthly Check:</p>	

Commonwealth of Pennsylvania - Public School Employees' Retirement System

5 N 5th Street
Harrisburg PA 17101-1905
Toll-free: 1.888.773.7748
www.psers.pa.gov
Fax: 717.772.3860
PSRS-293B (01/2017)

2023 Guide to your PSERS-Issued Form 1099-R



While this guide is intended to assist you in reading your Form 1099-R, it is not all inclusive. Please refer to the Internal Revenue Service (IRS) website for detailed instructions for Form 1099-R.

Box 1 – This is the total amount you received in the tax year for the distribution type shown in Box 7. The amount may have been received as periodic payments, as non-periodic payments, or as a total distribution. You may receive multiple Forms 1099-R if you received more than one type of distribution.

Box 2a – This is the taxable amount of your distribution. Your gross amount (Box 1) minus the excludable after-tax employee contributions (Box 5) equals the taxable amount. The excludable after-tax employee contributions are also referred to as investment in contract.

Box 2b – This box applies when the distribution was a total distribution that closed your account.

Box 3 – This box applies if you received a total distribution of a death benefit for a PSERS member whose date of birth was before January 2, 1936, and the member had PSERS service before 1974. You may be able to treat a portion of the death benefit distribution as capital gains. Additional information is available on the instructions for IRS Form 4972.

Box 4 – This is the amount of federal income taxes withheld on your distribution.

Box 5 – This represents the amount of investment in contract after tax contributions, if any, recovered tax free this year.

Box 7 – The codes listed identify the type(s) of distribution you may have received:

- 1** – Early distribution, no known exception. Code 1 is subject to an additional ten percent tax for early pension distribution.
- 2** – Early distribution, exception applies. This distribution is not subject to the ten percent additional tax.
- 3** – Disability. PSERS does not use Code 3 because the federal government defines disabled as unable to engage in any type of employment. For pension purposes, PSERS defines disabled as unable to perform the duties for which you were hired; therefore, PSERS cannot certify total disability according to IRS rules.
- 4** – Death. Distribution for lump sum payments direct rollovers, or survivor annuitant benefits.
- 7** – Normal distribution.
- A** – May be eligible for ten-year tax option. This code will be combined with either a Code 4 or Code 7.
- G** – Direct Rollover. This code may be combined with a Code 4.

Box 9a – This box is populated with your percentage of total distribution.

Frequently Asked Questions (FAQ):

Does PSERS provide tax advice? No. Please seek advice from a professional tax advisor or contact the Internal Revenue Service (IRS) at www.irs.gov or 1.800.829.1040. If you have someone else prepare your tax returns, please give them this Guide along with your other tax information.

Is my pension subject to Pennsylvania state and local income tax? No. Monthly retirement benefit payments from PSERS are exempt from Pennsylvania state and local taxes. If you live outside of Pennsylvania, you should contact the tax bureau where you live for pension distribution tax rules in your state.

Why did I receive more than one Form 1099-R? The IRS requires distribution codes in Box 7 to identify the type of payments you received during the tax year. If you received more than one type of payment, PSERS must prepare a separate Form 1099-R for each distribution code.

I believe that my PSERS issued Form 1099-R is incorrect. What should I do? You may call or write to PSERS. If writing, be sure to include your daytime telephone number and a copy of your Form 1099-R. Indicate the information that you believe to be incorrect. Upon our review, we will either issue a new Form 1099-R or will notify you that the original one is correct and explain why it is correct.

How do I change my federal tax withholding? Please submit a new *W-4P Federal Tax Withholding Certificate for Annuity Payments* (PSRS-996), which is available at psers.pa.gov, or an IRS Form *W-4P*, which is available at www.irs.gov.

What if I have questions about my medical deductions or premium assistance? The opposite side of this page provides a summary of any medical premiums deducted from your monthly annuity and the amount of premium assistance benefits that you received within the tax year. This information is provided in case you plan to itemize your healthcare expenses when filing your income tax return.

Premium Assistance is a reimbursement of your out-of-pocket premium expenses for healthcare insurance. These payments are not considered as taxable income; however, if you itemize healthcare expenses on your income tax return, premium assistance should be subtracted from your healthcare expenses. If your monthly retirement benefit was reduced to satisfy a Premium Assistance debt (to collect Premium Assistance payments made to you in error), your Form 1099-R will reflect the full amount of your retirement benefit. The payment of a debt does not affect your taxable income.

For questions about medical premiums, please contact the Health Administration Unit at 1.800.773.7725. For questions about premium assistance, please contact 1.866.483.5509.

If I lost or misplaced my form, how can I get a copy of Form 1099-R? You can access your personal PSERS account information and print duplicates of your Form 1099-R through your secure Member Self-Service Account, accessible via our public website, www.psers.pa.gov.

Reminder:

It is extremely important that you keep your address current. An invalid address may result in suspension of your monthly benefit until PSERS receives a valid address, and it may delay important information, such as your Form 1099-R, being sent to you. You can access and update your PSERS information at any time via your Member Self Service (MSS) account on the PSERS website. If you have not yet created your MSS account with PSERS, you may do so by selecting the Member Self Service icon on the PSERS website at psers.pa.gov.

Questions?

Contact PSERS at:
5 N 5th Street
Harrisburg PA 17101-1905

Phone: Toll-free 1.888.773.7748 (1.888.PSERS4U)
Email Contact: ContactPSERS@pa.gov