

# BEFORE WE BEGIN



- This presentation will begin shortly and is scheduled to last approximately 45 minutes
- All virtual attendees are muted throughout the presentation
- Questions will be addressed at the end of each section as time permits

# **Teachers' Retirement System of the State of Illinois**

## **Connecting with Retirees 1099-R and W-4P Forms**



# The Facts

- **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 retirement income**
  - Most other states DO tax your pension
  - TRS can withhold state tax for some states

# 1099-R

## 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
- After February 15 – Duplicates can be requested online or by phone

# All those boxes!

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		1 Gross distribution \$	OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		2a Taxable amount \$	2025	Form 1099-R
		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	Copy 1 For State, City, or Local Tax Department
PAYER'S TIN	RECIPIENT'S TIN	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.) <small>City or town, state or province, country, and ZIP or foreign postal code</small>		7 Distribution code(s) <input type="checkbox"/> IRA/ SEP/ SIMPLE	8 Other \$	%
		8a Your percentage of total	8b Total employee contributions	

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

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

# All those boxes!

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 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld \$		15 State/Payer's state no.	16 State distribution \$
Account number (see instructions)		13 Date of payment	17 Local tax withheld \$		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

- 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

## Purpose



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

## Note



- There were significant changes to the W-4P in 2023. "Old" withholding status doesn't translate to the new form

# More boxes!?

<b>W-4P</b> Form Department of the Treasury Internal Revenue Service		<b>Withholding Certificate for Periodic Pension or Annuity Payments</b> Give Form W-4P to the payer of your pension or annuity payments.		OMB No. 1545-0074 <b>2026</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: Other Adjustments</b>	(a) <b>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	4(a) \$
	(b) <b>Deductions.</b> Use the Deductions Worksheet on page 4 to determine the amount of deductions you may claim, which will reduce your withholding. (If you skip this line, your withholding will be based on the standard deduction.) Enter the result here	4(b) \$
	(c) <b>Extra withholding.</b> Enter any additional tax you want withheld from each payment	4(c) \$
No withholding	I request that no withholding be withheld from my payments. See <i>Choosing not to have income tax withheld</i> on page 2	<input type="checkbox"/>
<b>Step 5: Sign Here</b>	<b>Your signature (This form is not valid unless you sign it.)</b>	<b>Date</b>
For Privacy Act and Paperwork Reduction Act Notice, see page 3.		Cat. No. 10225T
		Form <b>W-4P</b> (2026) Created 12/4/25

**Step 4(c) – indicate any additional dollar amount that you'd like to have withheld**  
**Step 5 – Sign and Date**

# W-4P Takeaways

- 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

Illinois does not tax retirement income

TRS can withhold state income tax

- Illinois, Indiana, Kentucky, Iowa, Wisconsin, Michigan
- NOT Missouri or other states

Call TRS or go online 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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## **State Income Tax Withholding Request**

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

Select one:  Illinois  Indiana  Iowa  Kentucky  Michigan  Wisconsin

Last name	First name	Middle initial	Maiden name	Social Security number
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Street address	City	State	ZIP code
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Daytime telephone number (      )	Enter the amount to be withheld from each payment \$
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Your signature	Date
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# Contact Information

## TRS Phone & Hours



Toll-free:  
(877) 927-5877  
M-F: 7:30 am to 4:30 pm



Visit us  
<https://trsil.org>



Email Address  
[members@trsil.org](mailto:members@trsil.org)

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