

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
- Mid-February – Duplicates can be requested online or by phone

All those boxes!

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution		OMB No. 1545-0119 2024 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
		2a Taxable amount				
PAYER'S TIN		RECIPIENT'S TIN		2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S name		3 Capital gain (included in box 2a)		4 Federal income tax withheld		
Street address (including apt. no.)		5 Employee contributions/ Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		
City or town, state or province, country, and ZIP or foreign postal code		7 Distribution code(s)		8 Other		
		IRA/SEP/SIMPLE <input type="checkbox"/>				
		9a Your percentage of total		9b Total employee contributions		

**Copy 1
For
State, City,
or Local
Tax Department**

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

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

All those boxes!

		\$	2024		Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
		2a Taxable amount	Form 1099-R			
		\$	2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
PAYER'S TIN	RECIPIENT'S TIN	3 Capital gain (included in box 2a)	4 Federal income tax withheld		Copy 1 For State, City, or Local Tax Department	
		\$	\$			
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)		8 Other		
		IRA/ SEP/ SIMPLE <input type="checkbox"/>		\$ %		
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
		\$				\$

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?!

Form W-4P Department of the Treasury Internal Revenue Service	Withholding Certificate for Periodic Pension or Annuity Payments		OMB No. 1545-0074
	Give Form W-4P to the payer of your pension or annuity payments.		2024
Step 1: Enter Personal Information	(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)

Step 4 (optional): Other Adjustments	(a) Other income (not from jobs or pension/annuity payments). 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) \$ <input type="text"/>
	(b) Deductions. 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	4(b) \$ <input type="text"/>
	(c) Extra withholding. Enter any additional tax you want withheld from each payment .	4(c) \$ <input type="text"/>

Step 5: Sign Here	_____ Your signature (This form is not valid unless you sign it.)	_____ Date
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For Privacy Act and Paperwork Reduction Act Notice, see page 3. Cat. No. 10225T Form **W-4P** (2024)

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 10th 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 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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(877) 9-ASK-TRS (877-927-5877)
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 Information

TRS Phone & Hours



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



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