# RetireeReminder

for retired members of Maine Public Employees Retirement System

mainePERS Public Employees Retirement System

December 2009


Taxing matters

*This issue is all about helping you with that taxing matter - **your 2009 tax returns**. Included here is some basic advice to help you finish-up early and have time for the fun in your life!*

## What do I need to file my 2009 tax returns?


The information you need to file your 2009 tax returns is summarized on the Form 1099-R (used to report annuities) we send you each January. Throughout each year MainePERS tracks how much money we pay you and how much of that amount is taxable to you. For those of you who are newly retired and unfamiliar with 1099-Rs, this is how we know what to report to the Internal Revenue Service and how you know what to report on your tax returns.

It is important to use the information on your 1099-R to complete your tax returns because the government matches the amount we report to them with the amount you report on your tax returns. Our deadline for mailing your 1099-R to you is January 31st.

If you do not receive your 1099-R by February 10, please contact our Payrolls Administration unit at 1-800-451-9800, ext. 3260 or via email at PayrollAdmin@mainepers.org. This is important to you! TIP: Page 2 of this newsletter shows you a sample 1099-R and what information each box on the form provides you in filing your 2009 tax returns.

## Reminders for Disability Retirees

### Annual Statement of Compensation (ASC) due by April 15th.

Including copies of all your tax forms and schedules filed with the IRS is an important step that will save you time. If you file a joint return, include all tax information filed as part of the joint return. For more information , contact Michelle Burtt at 1-800-451-9800 or via email at Michelle.Burtt@mainepers.org.

### Planning Ahead for Tax Time

TIP: In order for things to go smoothly for you, tell your tax preparer if your benefit is a retirement or disability benefit or if part of your benefit goes to another person.

## Need Help with Your Tax Return?

GOOD NEWS - HELP HAS ARRIVED! The IRS Volunteer Income Tax Assistance Program (VITA) and the Tax Counseling for the Elderly (TCE) Programs offer free tax help for taxpayers who qualify.

EVEN BETTER: As part of these IRS-sponsored programs, AARP offers Tax-Aide assistance at more than 7,000 sites nationwide during the tax-filing season. Trained and certified AARP Tax-Aide volunteers help people of low-to-middle income - with special attention to those age 60 and older - to prepare their federal and state tax returns.

To locate the nearest AARP Tax-Aide site, call 1-888-227-7669 or visit AARP's dedicated Tax Aide web page at **www.aarp.org/money/taxaide**. There you will find links to Tax Aide sites near you, information on tax preparation and online tax assistance. More information will be available on this site at the beginning of February; the IRS (www.irs.gov) also has information on these programs.

**THE RETIRED MEMBERS SECTION AT WWW.MAINEPERS.ORG IS YOUR ONE-STOP SHOP FOR INFORMATION, FORMS, AND MORE. VISIT TODAY!**

# An Explanation of the IRS Form 1099-R

In January of each year, the Maine Public Employees Retirement System mails an Internal Revenue Service Form 1099-R to each person who received either a benefit payment or a refund of contributions in the prior calendar year. Below is an explanation of Form 1099-R and the information reported on it. Note: This is a SAMPLE only--please do not use this form for completion.

**THIS IS A SAMPLE ONLY. DO NOT PRINT THIS FORM.**

| | | | | |
|---|---|---|---|---|
| PAYER'S name, street address, city, state, and ZIP code | | 1 Gross distribution<br>2a Taxable amount<br>2b Taxable amount not determined ☐ | OMB No. 1545-0119<br>2009<br>Form 1099-R<br>Total distribution ☐ | **Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.** |
| PAYER'S Federal identification number | RECIPIENT'S identification number | 3 Capital gain (included in box 2a) | 4 Federal income tax withheld | **Copy A For Internal Revenue Service Center**<br>**File with Form 1096.** |
| RECIPIENT'S name, street address, city, state and ZIP code | | 5 Employee contributions or insurance premiums | 6 Net unrealized appreciation in employer's securities | **For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G** |
| | | 7 Distribution code(s) IRA/ SEP/ SIMPLE ☐ | 8 Other % | |
| | | 9a Your percentage of total distribution % | 9b Total employee contributions | |
| Account number (optional) | | 10 State tax withheld | 11 State/Payer's state no. | 12 State distribution |
| | | 13 Local tax withheld | 14 Name of locality | 15 Local distribution |

SAMPLE

Form **1099-R** Department of the Treasury - Internal Revenue Service

1 This box shows your total earnings from MainePERS benefits for 2009.

2a This box shows the Federal taxable portion of your earnings. **If Box 2a is blank and there is an "x" in Box 2b, you and/or your tax accountant need to determine what part of your earnings is taxable.**

4 This box shows the amount of federal income tax already withheld from your earnings (if any).

5 This box shows the total of your non-taxable contributions for 2009.

7 This box contains a number and/or letter that represents what type of benefit or refund you received. Instructions on the reverse of Form 1099-R define the meaning of the number or letter code.

9b This box shows the remaining contributions to recover. This amount is reduced each year by the amount in box 5.

10 This box shows the amount of state income, if any, withheld from your earnings.

11 This box shows the number 23, the State of Maine code number.

The three initials following the account number in the box to the left of 10 represent what type of benefit you are receiving: disability, death, service retirement, or refund.

12 This box shows the amount taxable by the State of Maine.

Boxes 3, 6, 8, 9a, 13, 14 and 15 are blank because they are not pertinent to this MainePERS distribution.