QUESTIONS & ANSWERS

I transferred my retirement account directly to another trustee during 2019. Why didn’t I receive a Form 1099-R?

Federal regulations do not require the filing of a Form 1099-R for direct transfers between trustees. In addition, direct transfers do not need to be reported on your federal personal income tax return.

Why was money withheld from my traditional IRA distribution?

Federal law requires withholding on traditional IRA distributions at a rate of 10%. This serves as a prepayment of your federal income tax and is not to be confused with any IRS penalties for premature withdrawals. Please contact BNY Mellon Shareholder Services to elect not to have this withholding apply to future IRA distributions. Eligible distributions from qualified and other retirement plans are subject to mandatory federal withholding of 20% unless directly rolled over to an IRA or other retirement plan.

Some of the contributions previously made to my traditional IRA account have been nondeductible contributions. How do I determine how much of my 2019 distributions are taxable?

In order to determine the taxable amount of your 2019 distributions received from your traditional IRA, you must complete Form 8606 (Nondeductible IRAs), Part I. Nondeductible contributions to a traditional IRA are also reportable on Form 8606, Part I.

During 2019, I converted my traditional IRA account to a Roth IRA account. Why is this transfer included on my 2019 Form 1099-R?

Federal regulations require the custodian of the IRA account to report the converted amount as a taxable distribution in Box 2a on your Form 1099-R for tax reporting purposes. Form 8606 (Nondeductible IRAs) should be used to determine the taxable amount of this conversion to be entered on your Form 1040.

Why is my rollover transaction from my IRA account reported on Form 1099-R?

All retirement account distributions are reportable to the IRS on Form 1099-R. If your IRA was rolled over into another IRA investment, that amount will also be reported to you and the IRS on Form 5498 (“IRA Contribution Information”), which is mailed in May for the prior calendar year.

If you have any further questions on your account(s) or the materials enclosed, please feel free to call us at the telephone number printed on your tax form, contact your advisor or visit us at www.bnymellonim.com/us.

The information in this guide should not be considered legal or tax advice. Your particular circumstances may require you to report tax information differently. Any questions on how to report your tax information should be referred to your tax advisor.

Information detailed on the form in this guide is hypothetical and for illustrative purposes only.

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Box 1. **GROSS DISTRIBUTION**

Total amount of any distributions taken from your retirement account during 2019.

2a. **TAXABLE AMOUNT**

The taxable portion of your retirement account distributions. See Form 1040 instructions for line 4a and 4b on how to enter this on your tax return.

If you have previously made one or more nondeductible contributions to your traditional IRA account(s), please refer to the “QUESTIONS & ANSWERS” portion of this guide for further information.

Box 2b. **TAXABLE AMOUNT NOT DETERMINED**

If this box is checked, the taxable amount of your distribution has not been determined.

Box 2b. **TOTAL DISTRIBUTION**

If this box is checked, the full balance of the retirement account was distributed to you during 2019. There is no share balance left.

Box 4. **FEDERAL INCOME TAX WITHHELD**

The amount of federal income tax that was withheld from any distribution. This amount is considered a prepayment of your federal personal income tax. Should be entered on Form 1040, Line 17.

Box 7. **DISTRIBUTION CODE**

The distribution code indicates the type of distribution you received. A list of the distribution codes and their corresponding meanings can be found on the reverse side of your Form 1099-R.

**IRA/SEP/SIMPLE**

If this box is checked, the distribution was taken from an IRA, SEP IRA or SIMPLE IRA account.

Box 12. **STATE TAX WITHHELD**

The amount of state income tax that was withheld from any distribution. This amount is considered a prepayment of your state personal income tax.

Box 13. **STATE/PAYER’S STATE NO.**

Shows state and state identification number, if applicable to which taxes were paid.