



UNITED STATES RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

FORM RRB-1099-R Tax Statement General Information

The Form RRB-1099-R tax statement enclosed is issued by the U.S. Railroad Retirement Board (RRB) and represents payments made to you in the tax year indicated on the statement. You will need to determine if any of the railroad retirement payments made to you are taxable. Explanations of items on Form RRB-1099-R are on the back of this explanation sheet.

The mailing address shown on Form RRB-1099-R is the address we currently have on our records. Please review the mailing address shown. If the mailing address shown is incorrect or incomplete, please provide the RRB with your correct mailing address.

Form RRB-1099-R reports the total gross payments, repayments and the related U.S. Federal income tax withheld from the Non-Social Security Equivalent Benefit (NSSEB) portion of tier 1, tier 2, vested dual benefit (VDB), and supplemental annuity payments. Form RRB-1099-R is used for both U.S. citizen and nonresident alien beneficiaries. These payments are treated as private pensions for U.S. Federal income tax purposes. For more information about these payments and Form RRB-1099-R, refer to **IRS Publication 575, Pension and Annuity Income**. Payments and repayments resulting from railroad retirement annuity adjustments are shown on your tax statement, and may be fully or partially subject to taxation. This is true whether adjustments result in net amounts due or net overpayments which you are asked to repay, and whether any overpayments are recovered or waived. **A repayment is a returned payment, a cash refund, or an amount withheld from your annuity to recover an overpayment.** Certain payments and repayments are **not** taxable and are **not** shown on your tax statements. These certain payments and repayments include tier 1, tier 2, VDB benefits paid for a period **before** December 1983; tier 2 and VDB benefits repaid for a period **before** December 1983; separation allowance lump sum amounts; residual lump sum amounts; lump sum death payments; and Railroad Retirement Act tax refunds. Railroad retirement payments are **not** taxable for U.S. state income tax purposes.

There are two boxes located at the top left hand side of Form RRB-1099-R indicated as **CORRECTED** or **DUPLICATE**. **Neither box is checked if this is an original Form RRB-1099-R.** One of these boxes is checked when either a corrected or duplicate Form RRB-1099-R is prepared. Both boxes are checked if the Form RRB-1099-R is a duplicate of a previously corrected Form RRB-1099-R. You may receive more than one original Form RRB-1099-R for the tax year indicated. Each original Form RRB-1099-R is valid and should be included when you file your income tax return for the tax year indicated. **A "duplicate" Form RRB-1099-R is the same as a previously released original or corrected Form RRB-1099-R. The RRB may issue a "corrected" Form RRB-1099-R if there is an error in the "original" Form RRB-1099-R. A "corrected Form RRB-1099-R replaces the corresponding "original" Form RRB-1099-R. Therefore, you must use the latest corrected or duplicate Form RRB-1099-R you received AND any original Form RRB-1099-R that the RRB has not corrected when you file and/or amend your income tax return for that same tax year. If you are required to file an income tax return, a negligence penalty or other sanction may be imposed on you if the income is taxable and the United States Internal Revenue Service (IRS) determines that it has not been reported.**

If you are a U.S. citizen, you may also receive Form RRB-1099, **OR** if you are a nonresident alien of the United States you may receive Form RRB-1042S in addition, to Form RRB-1099-R. Both Forms RRB-1099 and RRB-1042S report the Social Security Equivalent Benefit (SSEB) portion of tier 1. **If you are a nonresident alien AND your country of legal residence and/or tax withholding rate changed during a given tax year, you may receive more than one set of Forms RRB-1042S and/or RRB-1099-R.** If you are affected by the General Rule provisions, you must compute the taxable and nontaxable amounts of your annuity payments shown on your Form RRB-1099-R using the employee contributions amount also shown on Form RRB-1099-R. For more detailed information refer to **IRS Pub. 575, Pensions and Annuity Income**. If you are using the Simplified General Rule, refer to the Simplified General Rule worksheet in the **Instructions for Form 1040** and/or **1040A Booklet(s)** to determine your taxable amount. If you are **not** using the Simplified General Rule, refer to **IRS Publication 939, General Rule for Pensions and Annuities**, to determine your taxable amount. For widow(er)s who were paid as a spouse for part of the tax year, use only the annuity payments you received as a widow(er) to figure your nontaxable amount.

The totals reported on your Form RRB-1099-R may **not** equal the total amount of NSSEB, tier 2, VDB and supplemental annuity benefit payments actually received during the tax year indicated. For beneficiaries receiving Medicare, the difference may be the total amount of Medicare premiums paid during the tax year indicated since amounts shown on tax statements are **before** any deduction for Medicare. Effective for tax years 1997 and later, the RRB only shows the total Part B Medicare premiums that were deducted from railroad retirement annuity payments for the tax year indicated on Form RRB-1099-R. **The RRB does not show the Medicare premiums deducted from social security benefits on any tax statement issued by the RRB.** In addition, Medicare premium refunds are **not** included in your Medicare premium total.

IF YOU HAVE ANY QUESTIONS ABOUT HOW TO FIGURE YOUR TAXABLE PAYMENTS AND/OR WHAT AMOUNTS TO SHOW ON YOUR INCOME TAX RETURNS AND/OR HOW TO AMEND INCOME TAX RETURNS, CONTACT YOUR OWN TAX PREPARER OR THE IRS. However, contact the RRB if you have questions about your Form RRB-1099-R and railroad retirement benefit payments, or if you need to request a duplicate Form RRB-1099-R for any tax year. When contacting the RRB, always give the claim number and payee code shown in Box 1 of your Form RRB-1099-R. The recipient's identification number in Box 2 of Form RRB-1099-R is either the United States social security number OR individual taxpayer identification number (ITIN) OR employer identification number (EIN) for the person or Estate listed as the recipient. **You should contact your nearest RRB field office (if you reside within the United States) OR U.S. consulate/embassy (if you reside outside the United States) for local assistance with your inquiries.** If you reside **within** the United States, you may call the RRB at 1-800-808-0772 and select option "5" to obtain the address and telephone number of your nearest RRB field office. In addition, you may visit us on the Internet at <http://www.rrb.gov>.

You may want to photocopy and retain this Form RRB-1099-R for income verification and record keeping purposes.

PLEASE BE SURE THE RRB ALWAYS HAS YOUR CURRENT MAILING ADDRESS.

EXPLANATION OF ITEMS ON FORM RRB-1099-R

BOX 3 - EMPLOYEE CONTRIBUTIONS - This is the amount of railroad retirement payroll taxes paid by the employee that **exceeds** the amount that would have been paid in social security payroll taxes if the employee's railroad service had been covered under the Social Security Act. The IRS refers to this amount as an employee's investment in the contract (cost). **It is not a payment or income that you received in the tax year indicated on the Form RRB-1099-R.** The amount shown is the **latest** amount reported, which may have increased or decreased from a previous Form RRB-1099-R. A change in the employee contribution may affect the nontaxable portion of your NSSEB/tier 2 payments. You may need to recompute that nontaxable amount as explained in **IRS Publication 575, Pension and Annuity Income** and/or **IRS Publication 939, General Rule for Pensions and Annuities**. **If the employee contributions amount reported on the enclosed Form RRB-1099-R for the tax year indicated is different from the employee contributions amount reported on a previously issued Form RRB-1099-R, you may need to file an original or an amended income tax return(s) using the employee contributions amount reported on the enclosed Form RRB-1099-R.** The total contributions shown **have not** been reduced by any amounts that the RRB previously calculated as recovered. If you had a **previous** annuity entitlement that terminated **and** you are calculating a nontaxable pension amount under the General Rule for your **current** annuity entitlement, you should contact the RRB for confirmation of your correct employee contributions amount. If this box is blank, it means that your NSSEB/tier 2 payment is fully taxable.

BOX 4 - CONTRIBUTORY AMOUNT PAID - An amount in this box is the gross amount of any NSSEB and tier 2 benefits paid in the tax year indicated on the Form RRB-1099-R, **less** any NSSEB and tier 2 repayments made in that tax year and are attributed to that tax year. If the year for which any NSSEB and tier 2 repayments were made is for an earlier year or for an unknown year, those NSSEB and tier 2 repayment amounts are shown in Box 8. The amount in Box 4 is the total **contributory** pension paid for the tax year indicated and can be used by employees and survivors of deceased employees covered under General Rule provisions to compute their taxable NSSEB and taxable tier 2 amounts. See **IRS Publication 575, Pension and Annuity Income** and/or **IRS Publication 939, General Rule for Pensions and Annuities**.

BOX 5 - VESTED DUAL BENEFIT - This is the gross amount of vested dual benefit (VDB) payments paid in the tax year indicated on the Form RRB-1099-R **less** any VDB repayments made in that tax year and are attributed to that tax year. This amount is fully taxable for U.S. Federal income tax purposes. If the year for which the VDB repayments were made is for an earlier year or for an unknown year, those repayment amounts are shown in Box 8.

BOX 6 - SUPPLEMENTAL ANNUITY - This is the gross amount of supplemental payments paid in the tax year indicated on the Form RRB-1099-R **less** any supplemental annuity repayments made in that tax year and are attributed to that tax year. This amount is fully taxable for U.S. Federal income tax purposes. If the year for which the supplemental annuity repayments were made is for an earlier year or for an unknown year, those repayment amounts are shown in Box 8.

BOX 7 - TOTAL GROSS PAID - This is the sum of the amounts shown in Boxes 4, 5, and 6. The amount represents the total pension paid in the tax year indicated on the Form RRB-1099-R.

BOX 8 - REPAYMENTS - This amount represents any NSSEB, tier 2, VDB, and supplemental annuity repayments made to the RRB in the tax year indicated on the Form RRB-1099-R for earlier (prior) years **or** for unknown years. You may have repaid a benefit by returning a payment, by making a cash refund, or by having an amount withheld from your annuity for overpayment recovery. **This amount has not been deducted from the paid amounts in Boxes 4, 5, or 6. Refer to IRS Pub. 575, Pension and Annuity Income,** for instructions on how to handle prior year repayments for income tax purposes.

BOX 9 - FEDERAL INCOME TAX WITHHELD - This is the total amount of U.S. Federal income tax withheld from your NSSEB, tier 2, VDB and supplemental annuity payments. Include this on your income tax return as taxes withheld. **CAUTION: This box includes tax withholding up to the amount of NSSEB, tier 2, VDB and supplemental annuity payments you received. Prior to tax year 1997, if you requested a tax withholding amount greater than your total monthly NSSEB, tier 2, VDB, and supplemental annuity amount, the additional tax withholding will be shown in Box 10, Federal Income Tax Withheld, of Form RRB-1099.**

BOX 10 - RATE OF TAX - If you are a U.S. citizen, this item does **not** apply to you. If you are being taxed as a nonresident alien of the United States, this is the rate at which U.S. Federal income tax was withheld from the NSSEB, tier 2, VDB, and supplemental annuity payments shown on the Form RRB-1099-R.

BOX 11 - COUNTRY - If you are a U.S. citizen, this item does **not** apply to you. If you are being taxed as a nonresident alien of the United States, this item indicates the country of which you were a legal resident for U.S. Federal income tax purposes for the payments shown on the Form RRB-1099-R.

BOX 12 - MEDICARE PREMIUM TOTAL - This is the total amount of Part B Medicare premiums deducted from your railroad retirement annuity payments during the tax year indicated on Form RRB-1099-R. This amount is for informational purposes and only applies to tax years 1997 and later. **If your Form RRB-1099-R is for a tax year prior to tax year 1997, this box is blank even though you may have had Medicare premiums deducted from your railroad retirement annuity payments.** Medicare premium refunds are not included in the Medicare total. The Medicare total is normally shown on Form RRB-1099 (for U.S. citizens) or Form RRB-1042S (for nonresident aliens). **However, if Form RRB-1099 or Form RRB-1042S are not required for the tax year indicated, then the Medicare total will be shown on Form RRB-1099-R. If your Medicare premiums were deducted from your social security benefits; paid by a third party; and/or you paid the premiums by direct billing, your Medicare total will not be shown in this box item.**