

1040A

NOTE: THIS BOOKLET DOES NOT CONTAIN TAX FORMS



INSTRUCTIONS 2011



makes doing your taxes
faster and easier.



is the fast, safe, and free
way to prepare and e-file
your taxes. See
www.irs.gov/freefile.

Get a faster refund, reduce errors, and save paper.
For more information on **IRS e-file** and Free File,
see Options for e-filing your returns in these
instructions or click on **IRS e-file** at IRS.gov.

MAILING YOUR RETURN

If you file a paper return, you may be mailing it to a
different address this year.

FUTURE DEVELOPMENTS

The IRS has created a page on IRS.gov for
information about Form 1040A and its instructions at
www.irs.gov/form1040a. Information about any future
developments affecting Form 1040A (such as
legislation enacted after we release it) will be posted
on that page.

For details on these and other changes, see
What's New, in these instructions.



Department of the Treasury Internal Revenue Service IRS.gov

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• Corrective distributions (including any earnings) of excess salary deferrals or excess contributions to retirement plans. The plan must advise you of the year(s) the distributions are includible in income.



Attach Form(s) 1099-R to Form 1040A if any federal income tax was withheld.

If you rolled over part or all of a distribution from a qualified retirement plan (other than a designated Roth account) to a Roth IRA in 2010 (or you rolled over part or all of a distribution from a 401(k) or 403(b) plan to a designated Roth account in 2010) and did not elect to report the taxable amount on your 2010 return, you generally must report half of it on your 2011 return and the rest on your 2012 return. See *2010 Roth IRA rollovers* or *2010 in-plan Roth rollovers*, whichever applies, later.

Fully taxable pensions and annuities. Your payments are fully taxable if (a) you did not contribute to the cost (see *Cost*, later) of your pension or annuity, or (b) you got back your entire cost tax free before 2011. If your pension or annuity is fully taxable, enter the total pension or annuity payments (from Form(s) 1099-R, box 1) on line 12b; do not make an entry on line 12a. But see *Insurance premiums for retired public safety officers*, later.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, see Pub. 525. If you received a Form RRB-1099-R, see Pub. 575 to find out how to report your benefits.

Partially taxable pensions and annuities. Enter the total pension or annuity payments (from Form 1099-R, box 1) on line 12a. If your Form 1099-R does not show the taxable amount, you must use the General Rule explained in Pub. 939 to figure the taxable part to enter on line 12b. But if your annuity starting date (defined later) was after July 1, 1986, see *Simplified Method*, later, to find out if you must use that method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a \$1,000 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you can report that amount on line 12b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method or if the exclusion for retired public safety officers, discussed next, applies.

Insurance premiums for retired public safety officers. If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for coverage by an accident or health plan or a long-term care insurance contract. You can do this only if you retired because of disability or because you reached normal retirement age. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be from a plan maintained by the employer from which you retired as a public safety officer. Also, the distribution must be made directly from the plan to the provider of the accident or health plan or long-term care insurance contract. You can exclude from income the smaller of the amount of the premiums or \$3,000. You can only make this election for amounts that would otherwise be included in your income.

An eligible retirement plan is a governmental plan that is:

- a qualified trust,
- a section 403(a) plan,
- a section 403(b) plan, or
- a section 457(b) plan.

If you make this election, reduce the otherwise taxable amount of your pension or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R does not reflect the exclusion. Report your total distributions on line 12a and the taxable amount on line 12b. Enter "PSO" next to line 12b.

If you are retired on disability and reporting your disability pension on line 7, include only the taxable amount on that line and enter "PSO" and the amount excluded in the space to the left of line 7.

Simplified Method. You must use the Simplified Method if either of the following applies.

1. Your annuity starting date (defined later) was after July 1, 1986, and you used this method last year to figure the taxable part.
2. Your annuity starting date was after November 18, 1996, and both of the following apply.

a. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.

b. On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than 5. See Pub. 575 for the definition of guaranteed payments.

If you must use the Simplified Method, complete the Simplified Method Worksheet in these instructions to figure the taxable part of your pension or annuity. For more details on the Simplified Method, see Pub. 575 or Pub. 721 for U.S. Civil Service retirement benefits.



If you received U.S. Civil Service retirement benefits and you chose the alternative annuity option, see Pub. 721 to figure the taxable part of your annuity. Do not use the Simplified Method Worksheet in these instructions.

Annuity starting date. Your annuity starting date is the later of the first day of the first period for which you received a payment or the date the plan's obligations became fixed.

Age (or combined ages) at annuity starting date. If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the annuity starting date.

If you are the beneficiary of an employee who died, see Pub. 575. If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount.

Cost. Your cost is generally your net investment in the plan as of the annuity starting date. It does not include pre-tax contributions. Your net investment should be shown in box 9b of Form 1099-R for the first year you received payments from the plan.

Rollovers. Generally, a qualified rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan within 60 days of receiving the distribution. However, a qualified rollover to a Roth IRA or a designated Roth account is generally not a tax-free distribution. Use lines 12a and 12b to report a qualified rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 12a the distribution from Form 1099-R, box 1. From this amount, subtract any contributions (usually shown in box 5) that were taxable to you when made. From that result, subtract the amount of the qualified rollover. Enter the remaining amount, even if zero, on line 12b. If the remaining amount is zero and you have no other distribution to report on line 12b, enter zero on line 12b. Also, enter "Rollover" next to line 12b.

See Pub. 575 for more details on rollovers, including special rules that apply to rollovers from designated Roth accounts, partial rollovers of property, and distributions under qualified domestic relations orders.

2010 Roth IRA rollovers. If you rolled over part or all of a distribution from a qualified retirement plan (other than a designated Roth account) to a Roth IRA in 2010 and did not elect to report the taxable amount on your 2010 return, include on line 12b the amount from your 2010 Form 8606, line 25a. However, you may have to include a different amount on line 12b (or include an amount on line 11b instead of 12b) if either of the following applies.