

TO OPEN, FOLD ON THE PERFORATION & TEAR OFF THIS STUB

U.S. OFFICE OF PERSONNEL MANAGEMENT
RETIREMENT OPERATIONS
P.O. BOX 45
BOYERS, PA 16017-0045

OFFICIAL BUSINESS - PENALTY FOR PRIVATE USE, \$300

2012
(CSF FORM 1099R)
IMPORTANT TAX
DOCUMENT ENCLOSED

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Important Tax Information - CSF 1099R, Statement of Survivor Annuity Paid

General — The 2012 tax year includes the 12 monthly annuity payments dated January 2 through December 1, 2012, as well as any adjustments made through December. It does *not* include the payment you received in January 2013.

Lump Sum Payment — If, during 2012 you received a lump sum payment equal to the deceased employee's retirement contributions, the lump sum is included in the gross annuity amount shown on this form. The lump sum payment and the monthly annuity payments you received during the tax year are subject to different Internal Revenue Service (IRS) tax rules. For your convenience in filing your income tax return, we have shown the lump sum payment amount and the total amount of annuity paid during the tax year separately. The amount of the lump sum credit on which your tax liability is based will be greater than the amount actually paid to you if the deceased owed deposits for service not subject to retirement or redeposits for monies withdrawn from the retirement system that were not paid back. Subject to the exception below, any outstanding deposits and redeposits were deemed paid if the deceased elected to receive the lump sum payment. These deemed amounts are taxable as though they were paid in 2012 since these deposit and redeposit amounts deemed paid increased the monthly annuity payments. We previously provided the dollar amounts deemed paid (if any) on form RI 37-8, that was sent with the Alternative Annuity election letter. All monies deemed paid in 2012 are a part of your 2012 tax liability, even if you have not been paid the total lump sum. **Exception:** *If your annuity commenced on or after December 2, 1990, and the deceased employee received a refund of Civil Service Retirement contributions for a period of service that ended before October 1, 1990 (or ended before March 1, 1991, if your annuity commenced on/after October 28, 2009), the amount of redeposit is not included in the amount of the lump sum credit.*

Filing Instructions — Your survivor annuity is reportable on your income tax return every year, unless your total income is below the amount required to file a return. If your total income is below that amount and you had tax withheld, you should file a return in order to get a refund. Read your IRS Form 1040 instructions carefully. Then, if you have questions, contact your local IRS office.

Taxable Annuity Amount — If you receive a CSRS or FERS survivor annuity based on the death of a Federal employee you can recover the employee's cost tax-free. The employee's cost is the total of the retirement plan contributions that were taken out of his or her pay. If you receive a CSRS or FERS survivor annuity based on the death of a Federal retiree your annuity payments are fully or partly taxable under either the General Rule or the Simplified Method. For a detailed explanation of how to determine the taxable portion of your annuity, request Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*, from the IRS. If after reviewing Publication 721 you need assistance in determining the taxable portion of your annuity, contact your local IRS office. The retirement system does not provide tax advice and does not supply IRS publications.

Additional Tax Information

Children's Survivor Benefits — If this statement reflects annuity payments made for surviving children, the payments for each child should be reported as the child's income (not yours) for Federal income tax purposes. These amounts are usually shown at the bottom of combined statements. When filing your tax return, attach a statement explaining why the income amount on your return differs from the combined amount on the CSF 1099R. In some cases, statements which include payments for surviving children do not reflect the individual amounts of annuity received by each child. This happens whenever annuity adjustments are made which are not attributable to any one child. If your statement includes payments for surviving children, but does not list annuity payments for each child, you must refer to the notices of annuity adjustments mailed to you throughout the year to compute the amount of annuity which should be reported for each child. If you cannot determine the amounts paid to each child, and you are not going to include the child's annuity income on your

own tax return, call for assistance from the Office of Personnel Management's (OPM) Retirement Information Office at 1-888-767-6738.

If you receive survivor benefits for a minor child, we recommend you ask the IRS for their Publication 929, *Tax Rules for Children and Dependents*. Any questions you have on the tax treatment of survivor benefits paid for a child should be addressed to your local IRS office.

How to Start, Stop, or Change Monthly Federal Income Tax Withholding — Call OPM's Retirement Information Office at 1-888-767-6738. If you have TTY equipment, call 1-855-887-4957.

How to Start, Stop, or Change State Income Tax Withholding — You may have State income tax withheld from your monthly annuity only if your State elects to participate in the Voluntary State Income Tax Withholding Program. These States *do not* participate in the program or do not have State income tax:

Alabama	New York
Alaska	Pennsylvania
Florida	Puerto Rico
Hawaii	South Dakota
Illinois	Tennessee
Kansas	Texas
Kentucky	Virgin Islands
Massachusetts	Washington
Nevada	Wyoming
New Hampshire	

If you live in one of these states, you should contact your State tax office for information on the tax liability of your survivor annuity.

If you live in the District of Columbia or in a state that participates in the program and you wish to have income taxes withheld from your annuity, please call 1-888-767-6738.

Services Online — Visit our interactive web site at www.opm.gov/retire. This site allows you to make changes to your Federal and State income tax withholdings and compute your Taxable Annuity Amount using the Simplified Method. This site also allows you to view and/or print your current year CSF 1099R and two prior years.

Missing or Incorrect Social Security Numbers — We are required to report your Social Security Number to the IRS with your income information. If your Social Security Number is not shown on your tax statement or is incorrectly shown on your tax statement, you should put your correct number (in ink) on the CSF 1099R form if you are required to attach it to your return. Then inform OPM's Retirement Operations Center, P.O. Box 45, Boyers, PA 16017 of your correct Social Security Number. Be sure to include your CSF number and a copy of your Social Security card when you contact OPM.

Useful Items — You may want to see:

- Publication 524, *Credit for the Elderly or the Disabled*
- Publication 575, *Pension and Annuity Income*
- Publication 590, *Individual Retirement Arrangements (IRAs) (Including ROTH IRAs and Education IRAs)*
- Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*
- Publication 929, *Tax Rules for Children and Dependents*
- Publication 939, *General Rule for Pensions and Annuities*

These publications are free and may be obtained from the IRS by calling 1-800-TAX-FORM (1-800-829-3676).

Reminder — Not complying with Federal retirement tax obligations could mean penalties, interest, and potential levy of your retirement income. Call the IRS at 1-800-829-3676 for Publication 1798, *"Retiring Qs & As"*. It gives answers to "retiring" tax questions.

PAID BY OFFICE OF PERSONNEL MANAGEMENT
RETIREMENT OPERATIONS
P.O. BOX 45
BOYERS, PA 16017-0045

STATEMENT OF SURVIVOR ANNUITY PAID
Copy B - File with Federal tax return

OMB No. 1545-0119
Form: 1099-R
Distributions From
Pensions, Annuities,
Retirement or Profit-
Sharing Plans, IRAs,
Insurance Contracts, etc.

2012

Form CSF 1099R (Rev. 1/2013)
This information is being furnished to the
Department of Treasury - Internal Revenue Service

PAYER's Federal Identification 52-6083699	Recipient's ID No. (Survivor)	Account number (Retirement Claim No.)	1. Gross distribution	
5. Employee Contributions/ Designated ROTH Contributions or Insurance Premiums	PAID TO →		2a. Taxable amount	
7. Distribution Code(s)			4. Federal Income Tax Withheld	
9b. Total Employee Contributions			12. State tax withheld	13. State/Payer's state no.
			12. State tax withheld	13. State/Payer's state no.

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STATEMENT OF SURVIVOR ANNUITY PAID
Copy 2 - To be filed with annuitant's
state or local return

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STATEMENT OF SURVIVOR ANNUITY PAID
Copy C - For annuitant's records.
This information is being furnished
to the U.S. Internal Revenue

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STATEMENT OF SURVIVOR ANNUITY PAID
Copy 2A - To be filed with annuitant's state or
local tax return

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