

# About your IRS Form 1099-R

The IRS Form 1099-R reports distributions from your UBS Financial Services Inc. Individual Retirement Account (IRA) including your traditional IRA, Roth IRA, Rollover IRA, SIMPLE IRA, Simplified Employee Pension (SEP-IRA) or qualified retirement plan for which UBS Financial Services Inc. is the custodian.

## Why this is important

UBS is required to report all distributions to the Internal Revenue Service (IRS) and the appropriate state tax departments regardless of whether any part of the distribution amount is taxable. Please retain your IRS Form 1099-R as you may need to refer to the contents for your tax filing.

## No tax or legal advice

UBS Financial Services Inc., its affiliates and its employees do not provide tax or legal advice. You should consult with your personal tax and/or legal advisors regarding your particular situation.

## Tax forms on UBS Online Services

For clients enrolled in UBS Online Services, tax forms are also available online on the date they are mailed to you. Speak to your UBS Financial Advisor about enrolling in UBS Online Services or self-enroll by selecting "Register for online access" at [ubs.com/onlineservices](https://ubs.com/onlineservices).

## IRS Form 1099-R frequently asked questions

For your convenience, we have created the following frequently asked questions and encourage you to review them ahead of contacting your Financial Advisor with questions about your IRS Form 1099-R.

## Why have I received IRS Form 1099-R?

IRS Form 1099-R is provided to each person who received a distribution of \$10 or more from a retirement plan. If line 4 (federal income tax withheld) or line 14 (state tax withheld) shows an amount, you should submit a copy of IRS Form 1099-R with your income tax returns.

## Why might I receive multiple IRS Forms 1099-R for the same account?

Multiple 1099-R Forms are produced for a number of reasons, including:

- You took multiple distributions within the same tax year while residing in different states during that same year.
  - A form will be issued for each of the distributions and the appropriate state code for where you resided will be listed on line 15. Multiple forms are issued whether or not state tax was withheld.
  - **For example:** *In March, you lived in New York and you took a distribution. In September, you moved to New Jersey and in October you took another distribution.*
  - *You will receive two IRS Forms 1099-R, one with a New York state code for the March distribution and a second with a New Jersey state code for the October distribution.*
- You took multiple distributions in different distribution categories.
  - **For example:** *In January, you took a distribution prior to turning age 59½. This is an "early distribution." In November, after reaching age 59½, you took another distribution. This is a "normal distribution."*
  - *You will receive two IRS Forms 1099-R. One will indicate IRS distribution code 1 ("early distribution, no known exception") on line 7 for the distribution taken prior to age 59½. The second will indicate IRS distribution code 7 ("normal distribution") on line 7 for the distribution taken after reaching age 59½.*

**Note:** Multiple IRS Forms 1099-R generated for the same account per taxpayer will be mailed in the same envelope.

### **Why are normal distributions (and certain other types of distributions) displayed as taxable on Form 1099-R?**

The IRS does not require IRA custodians to determine the taxable amount of distributions, including Roth conversions. Generally, the "gross distribution" and the "taxable amount" will be the same on IRS Form 1099-R. Note that checkbox 2b entitled "taxable amount not determined" will be checked in accordance with IRS instructions. The taxpayer is responsible for determining whether any portion of a distribution is not subject to tax, as UBS cannot confirm whether you reported to the IRS any IRA contributions as non-deductible. Therefore, please consult with your tax advisor to determine the taxable portion of the distribution (if any) and refer to IRS Publication 590-B "Distributions from Individual Retirement Arrangements (IRAs)" and IRS Form 8606 "Nondeductible IRAs" and the related IRS Instructions for Form 8606 for additional information.

### **Why are Qualified Charitable Distributions (QCDs) from an IRA displayed as taxable on Form 1099-R?**

The IRS states that there are no special instructions for reporting QCDs on Form 1099-R. QCDs are reported in the same manner as normal distributions or beneficiary distributions. Therefore, the same rules apply to qualified charitable distributions as described in the prior question.

If you made a QCD from your IRA, please consult with your tax advisor to properly classify this distribution on your individual tax return.

### **How do I identify what type of distribution is being reported to the IRS on Form 1099-R?**

Distribution codes on line 7 of Form 1099-R identify the type of distribution being reported to the IRS. For example, code 7 indicates a normal distribution, meaning you had reached the age of 59½ or older at the time the distribution was made.

**Note:** All of the distribution codes and details are listed on the back of IRS Form 1099-R.

### **When is distribution code "G" applicable?**

According to IRS instructions, code G is used to report a direct rollover from a qualified plan, a section 403(b) plan or a governmental section 457(b) plan to an eligible retirement plan (another qualified plan, a section 403(b) plan, a governmental section 457(b) plan or an IRA). Additionally, code G designates a direct payment from an IRA to an accepting employer plan. However, **code G does not apply to rollovers from one IRA (or from a Roth IRA) to another IRA (or Roth IRA).**

### **How are distributions of assets that don't have a readily available Fair Market Value ("FMV") reported on Form 1099-R?**

In accordance with IRS instructions, IRS code K is used in combination with another distribution code to report a distribution of IRA assets that do not have a readily available FMV.

These may include, but are not limited to, the following asset types:

- Stock, other ownership interest in a corporation, short- or long-term debt obligations that are not readily tradable on an established securities market.
- Ownership interest in a Limited Liability Company (LLC), partnership, trust or similar entity (unless the interest is traded on an established securities market).
- Options contracts or similar products not offered for trade on an established option exchange.
- Securities that are thinly traded on established securities markets and therefore may not have readily available market values.

### **I am taking substantially equal periodic payments (commonly referred to as 72(t) distributions) from my IRA. Why might I have received two IRS Forms 1099-R?**

According to the IRS tax reporting requirements, you may receive two IRS Forms 1099-R if you have taken:

- Distributions before reaching age 59½ reported as "early distribution, exception applies (under age 59½)."
- Distributions after age 59½, reported as "normal" distributions.

### **Why do 72(t) distributions shown on the UBS account statement have a different description than the code shown on Form 1099-R?**

When taking 72(t) distributions, known as "substantially equal periodic payments," you must make a withdrawal at least once a year following one of three IRS-provided methods, and you must continue to do so for five years, or until you reach age 59½, whichever is later.

**For example:** *You began taking 72(t) distributions from your IRA at age 56 and you reached 59½ last year. The distribution description on your UBS account statement may differ from the code description on your IRS Form 1099-R. For the purpose of this example, you would be required to continue your 72(t) distributions until age 61 (age 56 + 5 years).*

- *On your UBS account statement, 72(t) distributions received on or after you reach age 59½ continue to be reflected as "premature with exception" distributions.*
- *Based on IRS reporting requirements, these distributions on your Form 1099-R are reported on line 7 as "normal distributions" for tax purposes (IRS distribution code 7).*

## Special types of distributions

### **If I took a distribution from my IRA and rolled it back within 60 days, why did I receive an IRS Form 1099-R?**

The IRS requires both the distribution and the subsequent deposit of the funds to be reported. The distribution is reported on IRS Form 1099-R and the rollover contribution is reported on IRS Form 5498. If you rolled back a distribution taken in 2024, please consult your tax advisor to properly classify this on your individual tax return.

### **When will I receive IRS Form 5498 for rollover contributions made in 2024?**

IRS Forms 5498 are mailed in May. You do not need your IRS Form 5498 to file your tax return.

### **I took a direct rollover from a qualified retirement plan and rolled it over to my IRA. Why did I receive IRS Form 1099-R?**

When you roll over assets from a qualified retirement plan to an IRA, the movement must be reported to the IRS as a direct rollover on IRS Form 1099-R. The rollover contribution must also be reported to the IRS. If your IRA received the rollover contribution in 2024, you will be mailed IRS Form 5498 in May.

### **If I took a distribution before age 59½ that is exempt from the early distribution penalty, why does my 1099-R reflect code 1 ("early distribution, no known exception")?**

The IRS states that there are no special instructions for reporting certain types of early distributions on Form 1099-R (e.g., for medical expenses, health insurance premiums, qualified higher education expenses, first-time home purchases, qualified reservist distributions, qualified disaster distribution, distribution due to terminal illness, qualified birth or adoption distributions, qualified domestic abuse distributions, distributions due to terminal illness and emergency personal expense distributions). Such distributions are reported in the same manner as other early distributions. If you made such a distribution from your IRA, please consult with your tax advisor to properly classify this distribution on your individual tax return.

## Additional information and helpful resources

### **Where can I find an explanation of each line of IRS Form 1099-R?**

An explanation of each line of IRS Form 1099-R is provided on the back of the Form.

### **What do I do if information on the Form 1099-R is incorrect?**

If you find incorrect information on your Form 1099-R, e.g., your tax identification number and/or Social Security number, a distribution or state code, etc., please contact your Financial Advisor as soon as possible. We will confirm the information and issue a corrected Form 1099-R.

### **Can I receive an e-mail notification when my tax forms are available for viewing in UBS Online Services?**

Yes, all accounts enrolled in e-Delivery of Tax Reports will receive an e-mail alert when your tax forms are available. To verify your e-Delivery settings, select the profile tools icon on the top of any page in UBS Online Services, then Services and Features. On the left-hand side, select e-Delivery.

Please note, it can take up to 48 hours for e-Delivery alert changes to take effect.

### **How do I download my UBS tax information to tax preparation software?**

UBS supports downloading tax information to Turbo Tax, H&R Block, Tax Form Drop-off (Lacerte), Tax Act and may include other tax preparation software that gathers Form 1099 data from the Open Financial Exchange (OFX), a secure financial data clearinghouse. All UBS tax documents are available for download without having to request access. You only need your UBS account number and the unique document ID printed on each Form 1099 as your credentials to download.

### **Where can I find additional information?**

The following IRS resources can provide you with additional information:

- Refer to [irs.gov](https://www.irs.gov) for additional information.
- Call **800-829-3676** to obtain a list of publications produced by the IRS.
- Call **800-829-1040** to speak to an IRS representative.

**Important information about brokerage and advisory services.**

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary), or ask your UBS Financial Advisor for a copy.

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