

Harold, age 65, began receiving pension income under a joint and survivor annuity. Harold's annuity starting date is January 1, 2008. He had contributed \$26,000 to a qualified plan and had received no distribution before 2008. Harold is to receive a monthly pension benefit of \$1,000 and his wife, age 66, is to receive a monthly survivor benefit of \$500 upon Harold's death. Complete lines 1 through 9 of Harold's Simplified Method Worksheet.

Without closing the PDF window, return to the lesson screen and click Check My Answer.



Before you begin: ✓ If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

Note. If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 2008 on Form 1040, line 16a.

<p>1. Enter the total pension or annuity payments received in 2008. Also, enter this amount on Form 1040, line 16a</p> <p>2. Enter your cost in the plan at the annuity starting date</p> <p>Note. If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.</p> <p>3. Enter the appropriate number from Table 1 below. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, enter the appropriate number from Table 2 below</p> <p>4. Divide line 2 by the number on line 3</p> <p>5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was before 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6</p> <p>6. Enter the amount, if any, recovered tax free in years after 1986. If you completed this worksheet last year, enter the amount from line 10 of last year's worksheet</p> <p>7. Subtract line 6 from line 2</p> <p>8. Enter the smaller of line 5 or line 7</p> <p>9. Taxable amount. Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R. If you are a retired public safety officer, see <i>Insurance Premiums for Retired Public Safety Officers</i> on page 22 before entering an amount on line 16b.</p> <p>10. Was your annuity starting date before 1987?</p> <p><input type="checkbox"/> Yes. Leave line 10 blank.</p> <p><input type="checkbox"/> No. Add lines 6 and 8. This is the amount you have recovered tax free through 2008. You will need this number when you fill out this worksheet next year</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8.</p> <p>9.</p> <p>10.</p>	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div>
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Table 1 for Line 3 Above

IF the age at annuity starting date (see page 22) was . . .	AND your annuity starting date was—	
	before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date (see page 22) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210