Simplified Method Worksheet—Lines 16a and 16b

Keep for Your Records

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 2005 on Form 1040, line 16a.

1. Enter the total pension or annuity payments received in 2005. Also, enter this amount on Form 1040, line 16a			**1.** 1,200.00
2. Enter your cost in the plan at the annuity starting date	**2.**	26,000.00	
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	**3.**	260.00	
4. Divide line 2 by the number on line 3	**4.**	100.00	
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	**5.**	1,200.00	
6. Enter the amount, if any, recovered tax free in years after 1986	**6.**	0.00	
7. Subtract line 6 from line 2	**7.**	26,000.00	
8. Enter the **smaller** of line 5 or line 7			**8.** 1,200.00
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			**9.** 10,800.00

Table 1 for Line 3 Above

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

Proof as of June 10, 2005 (Subject to Change)