

Tax on Lump-Sum Distributions
From Qualified Retirement Plans

1994

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040 or Form 1041. ▶ See separate instructions.

Attachment
Sequence No. **28**

Name of recipient of distribution

Identifying number

Part I Complete this part to see if you qualify to use Form 4972

	Yes	No
1 Did you roll over any part of the distribution? If "Yes," do not use this form	1	
2 Was the retirement plan participant born before 1936? If "No," do not use this form	2	
3 Was this a lump-sum distribution from a qualified pension, profit-sharing, or stock bonus plan? (See Distributions That Qualify for the 20% Capital Gain Election or for the 5- or 10-Year Tax Option in the instructions.) If "No," do not use this form	3	
4 Was the participant in the plan for at least 5 years before the year of the distribution?	4	
5 Was this distribution paid to you as a beneficiary of a plan participant who died? If you answered "No" to both questions 4 and 5, do not use this form.	5	
6 Was the plan participant:		
a An employee who received the distribution because he or she quit, retired, was laid off, or was fired?	6a	
b Self-employed or an owner-employee who became permanently and totally disabled before the distribution?	6b	
c Age 59½ or older at the time of the distribution? (Caution: If "No," you may owe an additional tax. Get Form 5329 and its instructions for details.) If you answered "No" to question 5 and all parts of question 6, do not use this form.	6c	
7a Did you use Form 4972 after 1986 for a previous distribution from your own plan? If "Yes," do not use this form for a 1994 distribution from your own plan	7a	
b If you are receiving this distribution as a beneficiary of a plan participant who died, did you use Form 4972 for a previous distribution received for that plan participant after 1986? If "Yes," you may not use the form for this distribution	7b	

If you qualify to use this form, you may choose to use either Part II or Part III; OR you may choose to use both Part II and Part III.

Part II Complete this part to choose the 20% capital gain election (See instructions.)

8 Capital gain part from box 3 of Form 1099-R	8	
9 Multiply line 8 by 20% (.20) If you also choose to use Part III, go on to line 10. Otherwise, enter the amount from line 9 on Form 1040, line 39, or Form 1041, Schedule G, line 1b, whichever applies.	9	

Part III Complete this part to choose the 5- or 10-year tax option (See instructions.)

10 Ordinary income from Form 1099-R, box 2a minus box 3. If you did not complete Part II, enter the taxable amount from box 2a of Form 1099-R	10	
11 Death benefit exclusion	11	
12 Total taxable amount. Subtract line 11 from line 10	12	
13 Current actuarial value of annuity (from Form 1099-R, box 8)	13	
14 Adjusted total taxable amount. Add lines 12 and 13. If this amount is \$70,000 or more, skip lines 15 through 18, and enter this amount on line 19	14	
15 Multiply line 14 by 50% (.50), but do not enter more than \$10,000	15	
16 Subtract \$20,000 from line 14. If the result is less than zero, enter -0-	16	
17 Multiply line 16 by 20% (.20)	17	
18 Minimum distribution allowance. Subtract line 17 from line 15	18	
19 Subtract line 18 from line 14	19	
20 Federal estate tax attributable to lump-sum distribution	20	
21 Subtract line 20 from line 19	21	
If line 13 is blank, skip lines 22 through 24 and go to line 25.		
22 Divide line 13 by line 14 and enter the result as a decimal	22	
23 Multiply line 18 by the decimal on line 22	23	
24 Subtract line 23 from line 13	24	

Part III 5- or 10-year tax option—CONTINUED

5-year tax option	25 Multiply line 21 by 20% (.20)	25		
	26 Tax on amount on line 25. Use the Tax Rate Schedule for the 5-Year Tax Option in the instructions	26		
	27 Multiply line 26 by five (5). If line 13 is blank, skip lines 28 through 30, and enter this amount on line 31	27		
	28 Multiply line 24 by 20% (.20)	28		
	29 Tax on amount on line 28. Use the Tax Rate Schedule for the 5-Year Tax Option in the instructions	29		
	30 Multiply line 29 by five (5)	30		
	31 Subtract line 30 from line 27. (Multiple recipients, see page 4 of the instructions.) . . .	31		
32 Add line 9 and line 31	32			
10-year tax option	33 Multiply line 21 by 10% (.10)	33		
	34 Tax on amount on line 33. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions	34		
	35 Multiply line 34 by ten (10). If line 13 is blank, skip lines 36 through 38, and enter this amount on line 39	35		
	36 Multiply line 24 by 10% (.10)	36		
	37 Tax on amount on line 36. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions	37		
	38 Multiply line 37 by ten (10)	38		
	39 Subtract line 38 from line 35. (Multiple recipients, see page 4 of the instructions.) . . .	39		
	40 Add line 9 and line 39.	40		
41 Tax on lump-sum distribution. Compare lines 32 and 40. Enter the smaller amount here. Also, enter this amount on Form 1040, line 39, or Form 1041, Schedule G, line 1b, whichever applies. ▶	41			