

**Tax on Lump-Sum Distributions**  
From Qualified Retirement Plans

Department of the Treasury  
Internal Revenue Service

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

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 OR was he or she at least age 59½ on the date of the distribution? 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 <b>What Is A Qualified Lump-Sum Distribution?</b> 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? ( <b>Caution:</b> 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 1995 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	

**Part II Complete this part to choose the 20% capital gain election** (See instructions.) Do not complete this part unless the participant was born before 1936.

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 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 <b>do not</b> 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	
<b>If line 13 is blank, skip lines 22 through 24 and go to line 25.</b>		
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			
<p><b>Note:</b> Complete lines 32 through 38 ONLY if the participant was born before 1936. Otherwise, enter the amount from line 31 on line 39.</p>					
10-year tax option	32	Multiply line 21 by 10% (.10) -----	32		
	33	Tax on amount on line 32. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions -----	33		
	34	Multiply line 33 by ten (10). If line 13 is blank, skip lines 35 through 37, and enter this amount on line 38 -----	34		
	35	Multiply line 24 by 10% (.10) -----	35		
	36	Tax on amount on line 35. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions -----	36		
	37	Multiply line 36 by ten (10) -----	37		
	38	Subtract line 37 from line 34. (Multiple recipients, see page 4 of the instructions.) -----	38		
	39	Compare lines 31 and 38. Enter the <b>smaller</b> amount here. ----- ▶	39		
40	Tax on lump-sum distribution. Add line 9 and line 39. Also, enter this amount on Form 1040, line 39, or Form 1041, Schedule G, line 1b, whichever applies ----- ▶	40			