Form RRB-1099/1099-R (1-2015)

GENERAL INFORMATION

This **original tax statement** is issued by the U.S. Railroad Retirement Board (RRB) and contains information you will need to determine if any of the railroad retirement payments made to you in 2014 are taxable. You must use the amounts from both tax statements to determine your total taxable RRB income. Payments and repayments resulting from railroad retirement annuity adjustments are shown on your tax statements and may be fully or partially taxable. This is true whether adjustments result in net amounts due or net overpayments which you are asked to repay, and whether any overpayments are recovered or waived. All the information shown on the tax statements is sent to the United States Internal Revenue Service (IRS). You may receive more than one tax statement for 2014. When only one type of tax statement pertains to you, the other tax statement type is void (blank) and contains the caption **"THIS FORM IS NOT REQUIRED FOR YOUR 2014 TAXES."** If you have questions about this form call your nearest RRB field office. To obtain the address of your nearest RRB field office, call the RRB at 1(877) 772-5772 and select option "5". You may also visit the RRB to obtain free RRB forms and publications on the Internet at **www.rrb.gov.** If you received social security benefits in 2014 that were paid by the RRB, you will receive a Form SSA-1099 and Notice 703 from the Social Security Administration (SSA). If you do not receive the SSA forms, contact your nearest SSA office or call the SSA at 1-800-772-1213. You may also visit the SSA on the Internet at **www.ssa.gov.**

EXPLANATION OF ITEMS ON FORM RRB-1099

Box 3 - Gross Social Security Equivalent Benefit Portion of Tier 1 Paid in 2014 - This is the total amount of the SSEB portion of Tier 1 benefits paid to you in 2014. It includes any SSEB benefits paid in 2014 that were for prior years.

Box 4 - Social Security Equivalent Benefit Portion of Tier 1 Repaid to RRB in 2014 - This is the total amount of SSEB benefits you repaid to the RRB in 2014. It includes any SSEB benefits you repaid in 2014 that were for prior years. You may have repaid a SSEB benefit by returning a payment, by making a cash refund, or by having an amount withheld from your annuity for overpayment recovery purposes.

Box 5 - Net Social Security Equivalent Benefit Portion of Tier 1 Paid in 2014 - This total is the amount in Box 3 **minus** the amount in Box 4. A figure in parenthesis is a negative amount. A negative amount means you repaid the RRB more than you received or were credited with receiving in 2014. If you received more than one Form RRB-1099 or Form SSA-1099 for 2014, a negative figure in Box 5 of one form can be used to offset a positive figure in Box 5 of another form. To see if any part of the SSEB is taxable, refer to the Social Security Benefits worksheet in the **2014 Instructions for Form 1040 and/or 1040A booklet(s)** and/or **IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits.**

Box 6 - Workers' Compensation Offset in 2014 - This figure is for informational purposes. This is the amount of any workers' compensation deducted from your SSEB payments. This amount is included in the amount shown in Box 3.

Box 7 - Social Security Equivalent Benefit Portion of Tier 1 Paid for 2013 - This is the amount of SSEB that was paid in 2014 and due for 2013. This amount is included in the amount in Box 3.

Box 8 - Social Security Equivalent Benefit Portion of Tier 1 Paid for 2012 - This is the amount of SSEB that was paid in 2014 and due for 2012. This amount is included in the amount in Box 3.

Box 9 - Social Security Equivalent Benefit Portion of Tier 1 Paid for Years Prior to 2012 - This total is the amount of SSEB that was paid in 2014 and due for a period prior to 2012. This amount is included in the amount in Box 3. Any Tier 1 benefit paid for a period prior to 1986 is treated as SSEB.

Box 10 - Federal Income Tax Withheld – This is the amount of U.S. Federal income tax withheld from your SSEB payments in 2014. This total is based on the amount of SSEB tax withholding requested on **IRS Form W-4V, Voluntary Withholding Request.** Include this amount on your tax year 2014 income tax return as taxes withheld. If no SSEB taxes were withheld, **-0-** will be shown in this box. If you want to elect or change tax withholding on the SSEB portion of Tier 1, you should obtain **IRS Form W-4V, Voluntary Witholding Request**, from the IRS and file the form with the RRB. If you are planning to move outside of the United States or if you currently reside outside the United States and have not furnished the RRB with your citizenship and residence information for tax purposes, contact the RRB to obtain and file **Form RRB-1001, Nonresident Questionnaire. CAUTION: In some cases, a tax withholding amount may be shown in this box even though you did not request SSEB tax withholding. This happens if you previously had taxes withheld from your pension payments (NSSEB, Tier 2, and/or VDB), but the taxability of those payments has since changed. In these cases, the tax withholding amount is applied to the SSEB since that is your only taxable regular annuity component.**

Box 11 - Medicare Premium Total - This is only for informational purposes and the RRB does not report this amount to the IRS. This is the total amount of Part B, Part C and/or Part D Medicare premiums deducted from your railroad retirement annuity payments shown on this Form RRB-1099. The Medicare total is normally shown on Form RRB-1099. However, if Form RRB-1099 is not required for your 2014 taxes, then this total will be shown on Form RRB-1099-R. **Medicare Premiums deducted from your social security benefits, paid by a third party, paid through direct billing, or refunded to you will not be shown in this box. The basic monthly Part B Medicare premium for 2014 is $104.90 ($1,258.80 annual total); however your premium amount may be different.**

For information about SSEB, social security payments, taxability, Forms RRB-1099 and SSA-1099, refer to **IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits.** SSEB payments shown on Form RRB-1099 are treated in the same manner as social security benefits for U.S. Federal income tax purposes.

EXPLANATION OF ITEMS ON FORM RRB-1099-R

Box 3 - Employee Contributions - This is the amount of railroad retirement payroll taxes paid by the employee that **exceeds** the amount that would have been paid in social security payroll taxes if the employee's railroad service had been covered under the Social Security Act. The IRS considers the employee contribution amount (EEC) an employee's cost or investment in any contributory [Non-Social Security Equivalent Benefit (NSSEB) and Tier 2] amounts paid. Any EEC amount shown is the entire amount attributable to a railroad account number and must be shared by all annuitants eligible to use it. The amount shown is the **latest** amount reported which may have increased or decreased from a previous Form RRB-1099-R. A change in the EEC amount may affect the nontaxable portion of your contributory amounts paid. You may need to recompute the nontaxable amount and/or file original or amended income tax return(s) using the EEC amount reported on this Form RRB-1099-R. **If this box is blank, it means that your contributory amount paid and total gross paid are fully taxable. Refer to IRS Publication 575, Pension and Annuity Income, and IRS Publication 939, General Rule for Pensions and Annuities.** For more information on the tax treatment and how to use the employee contribution amount, expected return, and the IRS actuarial tables **contact the IRS or your tax preparer for assistance.**

Box 4 - Contributory Amount Paid - This is the gross amount of any NSSEB portion of Tier 1 and Tier 2 benefits paid in 2014, **less** any NSSEB and Tier 2 repayments made in 2014 that are attributed to 2014. Any NSSEB and Tier 2 repayments made in 2014 for an earlier year or for an unknown year are shown in Box 8. The contributory amount paid (NSSEB and/or Tier 2 payments) may be partially taxable or fully taxable depending on the presence and use of the employee contribution amount. The amount in Box 4 is the total **contributory pension** paid for 2014 and may be used under the General Rule provisions to compute a nontaxable portion of NSSEB and Tier 2 payments. For more information on the tax treatment of the contributory amount paid, see **IRS Publication 575, Pension and Annuity Income** and/or **IRS Publication 939, General Rule for Pensions and Annuities**.

Box 5 - Vested Dual Benefit - This is the gross amount of VDB paid in 2014, **less** any VDB repayments made in 2014 that are attributed to 2014. This is a **noncontributory pension** amount and is **fully taxable** for U.S. Federal income tax purposes. VDB repayments made in 2014 for an earlier year or for an unknown year are shown in Box 8.

Box 6 - Supplemental Annuity - This is the gross amount of supplemental annuity paid in 2014, **less** any supplemental annuity repayments made in 2014 that are attributed to 2014. This is a **noncontributory pension** amount and is **fully taxable** for U.S. Federal income tax purposes. Supplemental annuity repayments made in 2014 for an earlier year or for an unknown year are shown in Box 8.

Box 7 - Total Gross Paid - (Sum of Boxes 4, 5, and 6) - **This amount represents the total pension paid in 2014.**

Box 8 - Repayments - This amount represents any NSSEB, Tier 2, VDB and supplemental annuity repayments made to the RRB in 2014 for years before 2014 **or** for unknown years. **This amount has *not* been deducted from the paid amounts in Boxes 4, 5, or 6.** You may have repaid a benefit by returning a payment, by making a cash refund, or by having an amount withheld from your annuity for overpayment recovery purposes. Refer to **IRS Publication 575, Pension and Annuity Income**, for instructions on how to handle prior year repayments for income tax purposes.

Box 9 - Federal Income Tax Withheld - This is the total amount of U.S. Federal income tax withheld from your NSSEB, Tier 2, VDB, and supplemental annuity payments in 2014. Include this on your tax year 2014 income tax return as taxes withheld. If no taxes were withheld, **-0-** will be shown in this box. If you want to elect or change tax withholding on the NSSEB portion of Tier 1, Tier 2, VDB, and supplemental annuity, you should contact the RRB to obtain and file **Form RRB W-4P, Withholding Certificate for Railroad Retirement Payments.** If you are planning to move outside of the United States or if you currently reside outside the United States and have not furnished the RRB with your citizenship and residence information for tax purposes, contact the RRB to obtain and file **Form RRB-1001, Nonresident Questionnaire.**

Box 10 - Rate of Tax - If you are being taxed as a U.S. citizen, this item does **not** apply to you. If you are being taxed as a nonresident alien of the United States, this is the rate at which taxes were withheld from the NSSEB, Tier 2, VDB, and supplemental annuity payments shown on this Form RRB-1099-R.

Box 11 - Country - If you are being taxed as a U.S. citizen, this item does **not** apply to you. If you are being taxed as a nonresident alien of the United States, this item indicates the country of which you were a known or assumed resident for tax purposes for the payments shown on this Form RRB-1099-R.

Box 12 - Medicare Premium Total - This is only for informational purposes and the RRB does not report this amount to the IRS. This is the total amount of Part B, Part C and/or Part D Medicare premiums deducted from your railroad retirement annuity payments shown on this Form RRB-1099-R. The Medicare total is normally shown on Form RRB-1099. However, if Form RRB-1099 is not required for your 2014 taxes, then this total will be shown on Form RRB-1099-R. **Medicare Premiums deducted from your social security benefits, paid by a third party, paid through direct billing, or refunded to you will not be shown in this box. The basic monthly Part B Medicare premium for 2014 is $104.90 ($1,258.80 annual total); however your premium amount may be different.**

The amounts shown on Form RRB-1099-R are the pension annuity components. For more information about NSSEB, Tier 2, VDB, Supplemental annuity benefits, pension taxability, and Form RRB-1099-R, refer to **IRS Publication 575, Pension and Annuity Income. Any amounts shown on your Form RRB-1099-R are considered a "normal distribution". Use distribution code "7" if you are asked for a distribution code for those amounts.** Railroad retirement payments shown on Form RRB-1099-R are treated as private pensions for U.S. Federal income tax purposes.