



UNITED STATES RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-1275

TXL-1042S (01-19)

FORM RRB-1042S Tax Statement General Information

The Form RRB-1042S tax statement enclosed is issued by the U.S. Railroad Retirement Board (RRB) and represents payments made to you in the tax year indicated on the statement. You will need to determine if any of the railroad retirement payments made to you are taxable. An explanation of the items on Form RRB-1042S are on the back of this form. The mailing address shown on Form RRB-1042S is the address we currently have on our records. If the mailing address shown is incorrect or incomplete, please provide the RRB with your correct mailing address.

Form RRB-1042S reports the Social Security Equivalent Benefit (SSEB) portion, Non-Social Security Equivalent Benefit (NSSEB) portion of Tier 1, Tier 2, Vested Dual Benefit (VDB), supplemental annuity payments and special guaranty benefits paid and repaid to nonresident aliens of the United States, and the related U.S. Federal income tax withheld.

The SSEB payments are similar to social security benefits for U.S. Federal income tax purposes. Payments and repayments resulting from railroad retirement annuity adjustments are shown on your tax statements, and may be fully or partially subject to taxation. 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. A repayment is a returned payment, a cash refund, or an amount withheld from your annuity to recover an overpayment. Certain payments and repayments are not taxable and are not reported on your tax statements. These certain payments and repayments include Tier 1, Tier 2, and vested dual benefits paid for a period before December 1983; tier 2 and vested dual benefits repaid for a period before December 1983; separation allowance lump-sum amounts; residual lump-sum amounts; lump-sum death payments; and Railroad Retirement Act tax refunds. For information about SSEB benefits and Form RRB-1042S, get *IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits*.

The NSSEB portion of Tier 1, Tier 2, Vested Dual Benefit and supplemental annuity payments are treated as private pensions for U.S. Federal tax purposes. They are taxed as contributory pension amounts or noncontributory pension amounts. The NSSEB portion of Tier 1, Tier 2, VDB and supplemental annuity are the pension annuity components of the railroad retirement annuity. The NSSEB, Tier 2, VDB and supplemental annuity payments, repayments and tax withholding amounts are shown on Form RRB-1042S. For more information about these payments, refer to *IRS Publication 575, Pension and Annuity Income*. To determine your taxable amount, follow the Instructions for Form 1040 and/or Form 1040A booklet(s), and/or *IRS Publication 939, General Rule for Pensions and Annuities*.

NOTE: You should have received Form SSA-1042S and Notice 703 from the Social Security Administration (SSA) if you also received social security benefits for the tax year indicated on the Form RRB-1042S. Contact SSA, not the RRB, if you need Form SSA-1042S and Notice 703.

Our records indicate that you are a nonresident alien of the United States. A nonresident alien is an individual who is neither a citizen nor resident of the United States, Guam, the U.S. Virgin Islands, Puerto Rico or the Northern Mariana Islands. Taxes should have been withheld from your railroad retirement benefit payments made in the tax year indicated on your tax statement(s), unless you were exempt under a tax treaty between the United States and your country of legal residence. You are not required to file a U.S. Federal income tax return if: (1) your entire tax liability was fulfilled by withholding of tax on benefits; (2) your only income from sources within the United States was not connected to a trade or business; and (3) the correct amount of tax for the correct period was withheld from your annuity payments. However, you may wish to file an income tax return to receive a tax refund if too much tax was withheld from these payments. If your country of legal residence changed and/or your tax withholding rate changed during a given tax year, you may receive more than one Form RRB-1042S. If you were also a resident of the United States during a given tax year, you may receive Forms RRB-1099 and/or RRB-1099-R, and be required to file Form 1040, U.S. Individual Income Tax Return. If you are required to file an income tax return, a negligence penalty or other sanction may be imposed on you if the income is taxable and the United States Internal Revenue Service (IRS) determines that it has not been reported. For more information on filing requirements for nonresident aliens, refer to *IRS Publication 519, U.S. Tax Guide for Aliens*.

There are two boxes located at the top left-hand side of the Form RRB-1042S indicated as "corrected" or "duplicate". Neither box will be checked if this is an original Form RRB-1042S. One of these boxes is checked when either a corrected or duplicate Form RRB-1042S is prepared. Both boxes are checked if the Form RRB-1042S is a duplicate of a previously corrected Form RRB-1042S. You may receive more than one original Form RRB-1042S for the tax year indicated. Each original Form RRB-1042S is valid and should be included when you file your income tax return for the tax year indicated. A duplicate Form RRB-1042S is the same as a previously released original or corrected Form RRB-1042S. The RRB may issue a corrected Form RRB-1042S if there is an error in the original Form RRB-1042S. A corrected Form RRB-1042S replaces the corresponding original Form RRB-1042S. Therefore, you must use the latest corrected or duplicate Form RRB-1042S you received, and any original Form RRB-1042S that the RRB has not corrected when you file and/or amend your income tax return for that same tax year.

The totals reported on your Form RRB-1042S may not equal the total amount of SSEB payments you actually received during the tax year indicated. For beneficiaries receiving Medicare, the difference may be the total amount of Medicare premiums paid during the tax year indicated. Amounts shown on tax statements issued by the RRB are before any deduction for Medicare. Effective for tax years 1997 and later, the RRB only shows the total Part B, C, and/or D Medicare premiums that were deducted from railroad retirement annuity payments for the tax year indicated on Form RRB-1042S. The RRB does not show the Medicare premiums deducted from social security benefits on any tax statement issued by the RRB. In addition, Medicare premium refunds are not included in your Medicare premium total. Railroad retirement payments are not taxable for U.S. state income tax purposes.

If you have any questions about how to figure your taxable payments and/or what amounts to show on your income tax returns and/or how to amend income tax returns, contact your own tax preparer or the IRS. However, contact the RRB if you have questions about your Form RRB-1042S and railroad retirement benefit payments, or if you need to request a duplicate Form RRB-1042S for any tax year. When contacting the RRB about your Form RRB-1042S, always give the claim number and payee code shown in Box 6 of your Form RRB-1042S. The recipient's identification number in Box 7 of the Form RRB-1042S is either the United States social security number, individual taxpayer identification number (ITIN) or, employer identification number (EIN) for the person or Estate listed as the recipient. If you reside within the United States, contact the RRB at 1-877-772-5772 for assistance with your inquiries. If you reside outside the United States, contact the U.S. Consulate/Embassy. In addition, you may visit our Website at www.rrb.gov.

You may want to photocopy and retain Form RRB-1042S for income verification and record keeping purposes.

PLEASE BE SURE THE RRB ALWAYS HAS YOUR CURRENT MAILING ADDRESS.

EXPLANATION OF ITEMS ON FORM RRB-1099-R

Box 1. Income Code 98 – Indicates the amounts on this statement represent social security equivalent benefit payments.

Income Code 99 – Indicates the amounts on this statement represent pension payments.

Box 2. Chapter Indicator 3 – Indicates the amounts on this statement were withheld pursuant to Chapter 3 rules.

Box 3. Chapter 3 Status Code 02 – Indicates the RRB is a U.S. withholding agent.

Box 4. Chapter 4 Status Code 02 – Indicates the RRB is a U.S. withholding agent.

Box 5. 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. 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. 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 6. Claim Number and Payee Code – This is the RRB claim number and payee code associated with the payments and repayments reported on this Form RRB-1042S.

Box 7. Recipient's U.S. Taxpayer Identification Number (TIN) – This is the taxpayer identification number (Social Security Number, Individual Taxpayer Identification Number or Employer Identification Number) associated with the payments and repayments reported on this Form RRB-1042S.

Box 8. Recipient's Chapter 3 Status Code 16 – Indicates the amounts on this Form RRB-1042S were paid to an individual.

Box 9. Recipient's Date of Birth – The date of birth of the recipient.

Box 10. Gross Benefit Paid in the year shown above – This is the total amount of benefits paid to you in the tax year indicated on Form RRB-1042S. It includes any social security equivalent benefits paid in the indicated tax year that were for prior years.

Box 11. Benefit Repaid to RRB in the year shown above – This is the total amount of benefits you repaid to the RRB in the tax year indicated including any benefits you repaid in the indicated tax year for prior years. You may have repaid a social security equivalent benefit by returning a payment, by making a cash refund, or by having an amount withheld from your annuity for overpayment recovery purposes.

Box 12. Net Benefit Paid in the year shown above – This total is the amount in Box 10 minus the amount in Box 11. 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 the tax year indicated. If you receive more than one Form RRB-1042S or Form SSA-1042S for the same tax year, a negative figure in Box 11 of one form can be used to offset a positive figure in Box 11 of another form. To see if any part of the social security equivalent benefit is taxable, refer to IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits.

Box 13. Federal Tax Withheld – This total is the amount of U.S. Federal income tax withheld from your benefits in the tax year indicated while you were a known or assumed resident, for tax purposes, of the country shown in Box 14.

Box 14. Country – 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-1042S.

Box 15. Tax Rate – This is the rate (0%, 15% or 30%) at which U.S. Federal income tax was withheld from the benefits shown on this Form RRB-1042S.

Box 16. Exemption Code 04 – Indicates a reduction in the applicable nonresident alien tax rate due to a treaty exemption.

Box 17. 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 you railroad retirement annuity payments for the period covered by this Form RRB-1042S. 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.

For information about social security equivalent benefits, social security payments, taxability, Forms RRB-1042S and SSA-1042S, refer to **IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits**. Social security equivalent benefits shown on Form RRB-1042S are treated in the same manner as social security benefits for U.S. Federal income tax purposes.