

Label

(See instructions on page 14.) Use the IRS label. Otherwise, please print or type.

Label Here

For the year Jan. 1–Dec. 31, 2008, or other tax year beginning , 2008, ending , 20 OMB No. 1545-0074 Your first name and initial Last name Your social security number If a joint return, spouse's first name and initial Last name Spouse's social security number Home address (number and street). If you have a P.O. box, see page 14. Apt. no. City, town or post office, state, and ZIP code. If you have a foreign address, see page 14. You must enter your SSN(s) above. Checking a box below will not change your tax or refund.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You Spouse

Filing Status

Check only one box.

- 1 Single 2 Married filing jointly (even if only one had income) 3 Married filing separately. Enter spouse's SSN above and full name here. 4 Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 Qualifying widow(er) with dependent child (see page 16)

Exemptions

If more than four dependents, see page 17.

6a Yourself. If someone can claim you as a dependent, do not check box 6a 6b Spouse 6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see page 17) 6d Total number of exemptions claimed Boxes checked on 6a and 6b No. of children on 6c who: lived with you did not live with you due to divorce or separation (see page 18) Dependents on 6c not entered above Add numbers on lines above

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 21.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Table with 2 columns: Description and Amount. Rows include: 7 Wages, salaries, tips, etc. Attach Form(s) W-2; 8a Taxable interest. Attach Schedule B if required; 8b Tax-exempt interest. Do not include on line 8a; 9a Ordinary dividends. Attach Schedule B if required; 9b Qualified dividends (see page 21); 10 Taxable refunds, credits, or offsets of state and local income taxes (see page 22); 11 Alimony received; 12 Business income or (loss). Attach Schedule C or C-EZ; 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here; 14 Other gains or (losses). Attach Form 4797; 15a IRA distributions; 15b Taxable amount (see page 23); 16a Pensions and annuities; 16b Taxable amount (see page 24); 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E; 18 Farm income or (loss). Attach Schedule F; 19 Unemployment compensation; 20a Social security benefits; 20b Taxable amount (see page 26); 21 Other income. List type and amount (see page 28); 22 Add the amounts in the far right column for lines 7 through 21. This is your total income

Adjusted Gross Income

Table with 2 columns: Description and Amount. Rows include: 23 Educator expenses (see page 28); 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ; 25 Health savings account deduction. Attach Form 8889; 26 Moving expenses. Attach Form 3903; 27 One-half of self-employment tax. Attach Schedule SE; 28 Self-employed SEP, SIMPLE, and qualified plans; 29 Self-employed health insurance deduction (see page 29); 30 Penalty on early withdrawal of savings; 31a Alimony paid b Recipient's SSN; 32 IRA deduction (see page 30); 33 Student loan interest deduction (see page 33); 34 Tuition and fees deduction. Attach Form 8917; 35 Domestic production activities deduction. Attach Form 8903; 36 Add lines 23 through 31a and 32 through 35; 37 Subtract line 36 from line 22. This is your adjusted gross income

1040

NOTE: THIS BOOKLET DOES NOT CONTAIN TAX FORMS

INSTRUCTIONS

Including Instructions for Schedules A, B, C, D, E, F, J, and SE

2008



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Get a faster refund, reduce errors, and save paper. For more information on **IRS e-file**, see **page 5** or click on **IRS e-file** at www.irs.gov.

IRA DEDUCTION INCREASED

You and your spouse, if filing jointly, may each be able to deduct up to \$5,000 (\$6,000 if age 50 or older at the end of 2008).

STANDARD DEDUCTION FOR REAL ESTATE TAXES AND DISASTER LOSSES

You may be able to increase your standard deduction by state and local real estate taxes you paid and certain disaster losses.

FIRST-TIME HOMEBUYER CREDIT

If you bought a home after April 8, 2008, you may be able to take this credit.

RECOVERY REBATE CREDIT

This credit is reduced by any economic stimulus payment you received.

MAILING YOUR RETURN

You may be mailing your return to a different address this year.

For details on these and other changes, see pages 6 and 7.



cluded in your income. If your IRA includes nondeductible contributions, the HFD is first considered to be paid out of otherwise taxable income. See Pub. 969 for details.



The amount of an HFD reduces the amount you can contribute to your HSA for the year. If you fail to maintain eligibility for an HSA for the 12 months following the month of the HFD, you may have to report the HFD as income and pay an additional tax. See Form 8889, Part III.

Exception 5. If the distribution is the withdrawal of an economic stimulus payment that was directly deposited to your IRA, enter the total distribution on line 15a. If you made the withdrawal by the due date of your return (including extensions):

- Enter “ESP” next to line 15b, and
- If the total distribution was less than or equal to the economic stimulus payment, enter -0- on line 15b. Otherwise, enter the amount by which the distribution was more than the economic stimulus payment on line 15b unless another exception applies to that part.

See Pub. 590 for details.

More than one exception applies. If more than one exception applies, attach a statement showing the amount of each exception, instead of making an entry next to line 15b. For example: “Line 15b – \$1,000 Rollover and \$500 HFD.”

More than one distribution. If you (or your spouse if filing jointly) received more than one distribution, figure the taxable amount of each distribution and enter the total of the taxable amounts on line 15b. Enter the total amount of those distributions on line 15a.



You may have to pay an additional tax if (a) you received an early distribution from your IRA and the total was not rolled over, or (b) you were born before July 1, 1937, and received less than the minimum required distribution from your traditional, SEP, and SIMPLE IRAs. See the instructions for line 59 on page 44 for details.

Lines 16a and 16b

Pensions and Annuities



Special rules may apply if you received a distribution from a profit-sharing or retirement plan and your main home was in the Kansas disaster area or a Midwestern disaster area. Special rules may also apply if you received a distribution to buy or construct a main home in a Midwestern disaster area, but that home was not bought or

constructed because of the Midwestern storms, tornadoes, or flooding. For details, see Pub. 4492-A (Kansas) or Pub. 4492-B (Midwestern disaster areas).

You should receive a Form 1099-R showing the amount of your pension and annuity payments, including distributions from 401(k) and 403(b) plans. See page 26 for details on rollovers and lump-sum distributions. Do not include the following payments on lines 16a and 16b. Instead, report them on line 7.

- Disability pensions received before you reach the minimum retirement age set by your employer.
- Corrective distributions (including any earnings) of excess salary deferrals or excess contributions to retirement plans. The plan must advise you of the year(s) the distributions are includible in income.



Attach Form(s) 1099-R to Form 1040 if any federal income tax was withheld.

Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 16b; do not make an entry on line 16a. Your payments are fully taxable if (a) you did not contribute to the cost (see page 26) of your pension or annuity, or (b) you got your entire cost back tax free before 2008. But see *Insurance Premiums for Retired Public Safety Officers* on this page.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, see Pub. 525. If you received a Form RRB-1099-R, see Pub. 575 to find out how to report your benefits.

Partially Taxable Pensions and Annuities

Enter the total pension or annuity payments you received in 2008 on line 16a. If your Form 1099-R does not show the taxable amount, you must use the General Rule explained in Pub. 939 to figure the taxable part to enter on line 16b. But if your annuity starting date (defined on this page) was after July 1, 1986, see *Simplified Method* on this page to find out if you must use that method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a \$500 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you can report that amount on line 16b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method or if the exclusion for retired public safety officers, discussed next, applies.

Insurance Premiums for Retired Public Safety Officers

If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance. You can do this only if you retired because of disability or because you reached normal retirement age. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider. You can exclude from income the smaller of the amount of the insurance premiums or \$3,000. You can only make this election for amounts that would otherwise be included in your income.

An eligible retirement plan is a governmental plan that is:

- A qualified trust,
- A section 403(a) plan,
- A section 403(b) annuity, or
- A section 457(b) plan.

If you make this election, reduce the otherwise taxable amount of your pension or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R does not reflect the exclusion. Report your total distributions on line 16a and the taxable amount on line 16b. Enter “PSO” next to line 16b.

If you are retired on disability and reporting your disability pension on line 7, include only the taxable amount on that line and enter “PSO” and the amount excluded on the dotted line next to line 7.

Annuity Starting Date

Your annuity starting date is the later of the first day of the first period for which you received a payment or the date the plan’s obligations became fixed.

Simplified Method

You must use the Simplified Method if either of the following applies.

1. Your annuity starting date (defined above) was after July 1, 1986, and you used this method last year to figure the taxable part.
2. Your annuity starting date was after November 18, 1996, and both of the following apply.

a. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.

b. On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than 5. See Pub. 575 for the definition of guaranteed payments.



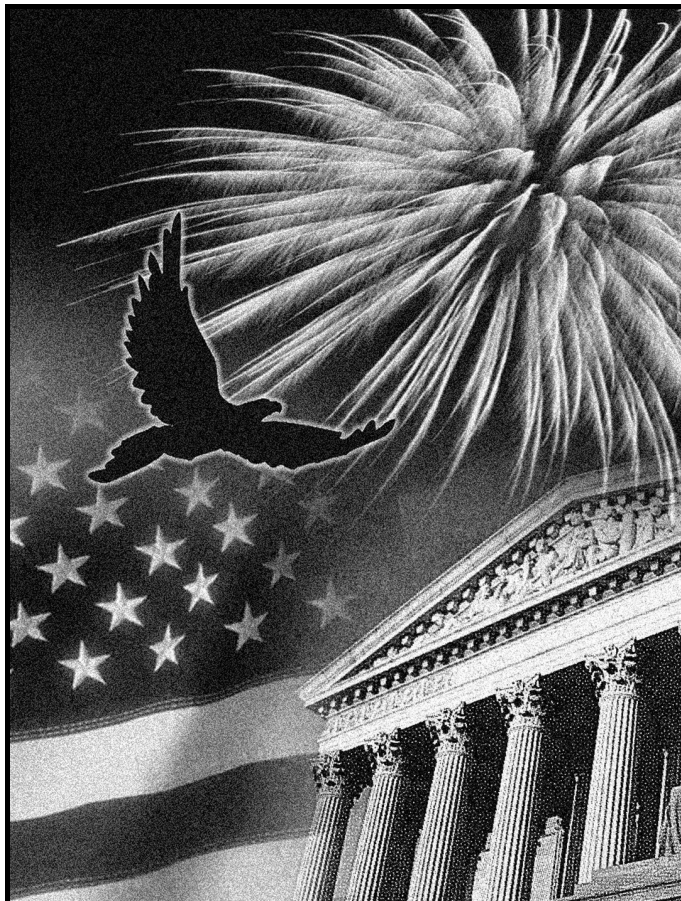
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Pension and Annuity Income

For use in preparing
2008 Returns



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Insurance Premiums for Retired Public Safety Officers

If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider. You can exclude from income the smaller of the amount of the insurance premiums or \$3,000. You can only make this election for amounts that would otherwise be included in your income. The amount excluded from your income cannot be used to claim a medical expense deduction.

An eligible retirement plan is a governmental plan that is:

- a qualified trust,
- a section 403(a) plan,
- a section 403(b) annuity, or
- a section 457(b) plan.

If you make this election, reduce the otherwise taxable amount of your pension or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R does not reflect this exclusion. Report your total distributions on Form 1040, line 16a; Form 1040A, line 12a; or Form 1040NR, line 17a. Report the taxable amount on Form 1040, line 16b; Form 1040A, line 12b; or Form 1040NR, line 17b. Enter "PSO" next to the appropriate line on which you report the taxable amount.

If you are retired on disability and reporting your disability pension on line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR, include only the taxable amount on that line and enter "PSO" and the amount excluded on the dotted line next to the applicable line.

Railroad Retirement Benefits

Benefits paid under the Railroad Retirement Act fall into two categories. These categories are treated differently for income tax purposes.

The first category is the amount of tier 1 railroad retirement benefits that equals the social security benefit that a railroad employee or beneficiary would have been entitled to receive under the social security system. This part of the tier 1 benefit is the social security equivalent benefit (SSEB) and you treat it for tax purposes like social security benefits. If you received, repaid, or had tax withheld from the SSEB portion of tier 1 benefits during 2008, you will receive Form RRB-1099, Payments by the Railroad Retirement Board (or Form RRB-1042S, Statement for Nonresident Alien Recipients of Payments by the Railroad Retirement Board, if you are a nonresident alien) from the U.S. Railroad Retirement Board (RRB).

For more information about the tax treatment of the SSEB portion of tier 1 benefits and Forms RRB-1099 and RRB-1042S, see Publication 915.

The second category contains the rest of the tier 1 railroad retirement benefits, called the non-social security equivalent benefit (NSSEB). It also contains any tier 2 benefit, vested dual benefit (VDB), and supplemental annuity benefit. Treat this category of benefits, shown on Form RRB-1099-R, as an amount received from a qualified employee plan. This allows for the tax-free (nontaxable) recovery of employee contributions from the tier 2 benefits and the NSSEB part of the tier 1 benefits. (The NSSEB and tier 2 benefits, less certain repayments, are combined into one amount called the Contributory Amount Paid on Form RRB-1099-R.) Vested dual benefits and supplemental annuity benefits are non-contributory pensions and are fully taxable. See *Taxation of Periodic Payments*, later, for information on how to report your benefits and how to recover the employee contributions tax free. Form RRB-1099-R is used for U.S. citizens, resident aliens, and nonresident aliens.

Nonresident aliens. A nonresident alien is an individual who is not a citizen or a resident alien of the United States. Nonresident aliens are subject to mandatory U.S. tax withholding unless exempt under a tax treaty between the United States and their country of legal residency. A tax treaty exemption may reduce or eliminate tax withholding from railroad retirement benefits. See *Tax withholding* next, for more information.

If you are a nonresident alien and your tax withholding rate changed or your country of legal residence changed during the year, you may receive more than one Form RRB-1042S or Form RRB-1099-R. To determine your total benefits paid or repaid and total tax withheld for the year, you should add the amounts shown on all forms you received for that year. For information on filing requirements for aliens, see Publication 519, U.S. Tax Guide for Aliens. For information on tax treaties between the United States and other countries that may reduce or eliminate U.S. tax on your benefits, see Publication 901, U.S. Tax Treaties.

Tax withholding. For SSEB payments received, get Form W-4V, Voluntary Withholding Request, from the IRS and file it with the RRB to request or change your income tax withholding. For NSSEB, tier 2, VDB, and supplemental annuity payments received, use Form RRB W-4P, Withholding Certificate for Railroad Retirement Payments, to elect, revoke, or change your income tax withholding. If you are a nonresident alien or a U.S. citizen living abroad, you should provide Form RRB-1001, Nonresident Questionnaire, to the RRB to furnish citizenship and residency information and to claim any treaty exemption from U.S. tax withholding. Nonresident U.S. citizens cannot elect an exempt withholding status on payments delivered outside of the U.S.

Help from the RRB. To request an RRB form or to get help with questions about an RRB benefit, you should contact your nearest RRB field office if you reside in the United States (call 1-877-772-5772 for the nearest field office) or U.S. consulate/Embassy if you reside outside the United States. You can visit the RRB on the Internet at www.rrb.gov.

Form RRB-1099-R. The following discussion explains the items shown on Form RRB-1099-R. The amounts shown on this form are before any deduction for: