Dear Annuitant,

Enclosed is Copy C of your *[year]* IRS Form 1099-R. If Federal Income Tax was withheld from your *[year]* annuity payments, we have enclosed Copy B. This form contains tax information regarding annuity payments you received from us during *[year]*. You should enter this information on your federal tax return as outlined below.

*Note that to protect the security of your personal information, we have masked all but the last 4 digits of your Social Security number.*

If there was no Federal Income Tax withheld from your annuity payments in *[year]*, you are not required by the IRS to attach Copy C of the 1099-R form to your federal tax return. The enclosed 1099-R form Copy C is for your records only.

If Federal Income Tax was withheld from your *[year]* annuity payments, you are required to attach Copy B to your federal tax return that you file with the IRS.

|  |  |  |  |
| --- | --- | --- | --- |
| Form 1099-R item | Box # | Definition | Form 1040 entry line |
| Gross distribution | 1 | Total annuity | Form 1040 line 5a |
| Taxable amount | 2a | Ordinary | Subtract Form 1099-R box 3 from Form 1099-R box 2a. Enter result on Form 1040, line 5b. |
| income plus |
| capital gain |
| income |
| Capital gain | 3 | Long-term | Check box F at the top of Part II of Form 8949. Enter “Form 1099-R” in column (a) on line 1 of Form 8949 Part II. Enter box 3 amount from Form 1099-R in column (d) and column (h) on line 1 of Form 8949 Part II. These entries total to Form 1040 Schedule D Part II line 10. |
| capital gain |
| income |
| Federal income tax | 4 | Tax withheld | Form 1040, line 25b |
| withheld |
| Employee contributions | 5 | Non-taxable | Do not report on Form 1040. |
| or insurance premiums | income |
| Distribution code | 7 | F = Gift | Do not report on Form 1040. |
| Annuity |

Sincerely,

[*Name and title of contact person at charity*]

Enclosure