

Frequently Asked Questions Regarding Forms 1099

The following short responses are intended to present general information only. You should consult your personal tax advisor with questions about your specific situation.

Form 1099-R

What is a Form 1099-R?

A Form 1099-R is generally used to report designated distributions of \$10 or more from pensions, annuities, profit-sharing and retirement plans, IRAs, and insurance contracts. Copies of the Form 1099-R are provided to the taxpayer identified on the Form, the Internal Revenue Service and the appropriate state, city or local tax department. If you have questions about other types of payments reported on Form 1099-R, please consult your personal tax advisor.

What is the difference between a Form 1099-INT and a Form 1099-R?

The Form 1099-INT is used to report interest credited on certain contract proceeds. The Form 1099-R is used to report designated distributions of a contract's internal earnings (gain) that were previously untaxed.

Why did I receive a Form 1099-R?

Here are a few of the events which might cause a Form 1099-R to be generated:

- Any surrender of a contract that has gain
- A partial surrender of a contract that has gain
- A 1035 Exchange from one issuer to another. Although a 1035 Exchange is generally not taxed, the IRS requires the original issuer to report the amounts transferred to the new issuer
- The attachment of a collateral assignment on a non-qualified annuity contract that has a gain
- The annual reporting of gain on non-qualified annuity contracts owned by certain non-natural persons
- The deemed distribution of TSA (Tax Sheltered Annuity) loans

Will I receive a Form 1099-R for a direct rollover or for a trustee-to-trustee transfer of tax-qualified assets?

A direct rollover, which is the direct payment of an eligible rollover distribution to a traditional IRA or other eligible tax-qualified plan, must be reported on Form 1099-R. A trustee-to-trustee transfer involving no payment or distribution to the participant, which includes a trustee-to-trustee transfer from one IRA to another IRA or from one 403(b) plan to another 403(b) plan, is generally not reported on Form 1099-R.

Why is the taxable amount reported on my Form 1099-R higher than the gain on the non-qualified annuity from which I took a distribution?

If you opened multiple non-qualified contracts in the same year, the Internal Revenue Service requires us to treat the contracts as one contract when determining the amount of gain on a designated distribution. If you have further questions about how the taxable amount on the Form 1099-R was determined, please contact our Customer Service line or consult your personal tax advisor.

I misplaced the Form 1099-R I received. Is it possible to receive a duplicate copy?

You may be able to log on to www.massmutual.com and download copies of your 1099 forms. You can access the forms by going to www.massmutual.com; clicking on “Log In” in the upper-right corner; selecting either “Annuities” or “Insurance (Life & Disability Income)” in the drop-down menu. You will need to enter your username and password to enter the site. In order to access the website, you must have at least one active contract associated with your SSN/TIN.

If you are unable to access your forms on-line, you may request a duplicate Form 1099-R by calling our Customer Service line listed at the end of this document and an annuity service specialist will be available to assist you.

I didn't receive a Form 1099-R for the prior taxable year. Should I have received this Form?

A Form 1099-R reports distributions and other taxable events. Therefore, if your contract did not have a reportable event in the prior taxable year, you would not receive a Form 1099-R. If you are unsure of the liquidation or withdrawal status of your contract for the prior taxable year, please call the Customer Service line listed at the end of this document and an annuity service specialist will be available to assist you.

There is a discrepancy between my records and the information contained on the Form 1099-R. Can you help?

Yes. An annuity specialist will work with you to verify the amount of distributions received during the prior taxable year.

What is the significance of the distribution code information contained in Box 7 of the Form 1099-R?

The distribution codes identify the type of distribution received. For example, certain codes will indicate whether a premature distribution penalty is applicable, whether the distribution was part of a Section 1035 exchange, or whether the distribution was a return of excess contributions taxable in a current or prior year. For further code descriptions, please refer to the Form 1099-R instructions for Box 7. If an additional explanation is required, please contact our customer service line or consult your personal tax advisor. You may also go to the IRS website, www.irs.gov, for additional information about the Form 1099-R.

I receive substantially equal periodic payments from my non-qualified or tax-qualified contract. How will these payments be coded in Box 7 of Form 1099-R?

If you provide us with verification that your substantially equal periodic payments are being calculated in accordance with an IRS-approved method, MassMutual will code such a distribution as:

Code 2 early distribution, exception applies from a non-qualified or tax-qualified contract
Code T early distribution, exception applies from a Roth IRA

If you are unable to provide us with such verification or if MassMutual determines that subsequent contract activity invalidates the substantially equal periodic payment stream, MassMutual will code your distribution as:

Code 1, early distribution, no known exception from a non-qualified or tax-qualified contract
Code J, early distribution, no known exceptions from a Roth IRA

What are the Federal income tax consequences resulting from the conversion of a traditional IRA to a Roth IRA?

A conversion from a traditional IRA to a Roth IRA is fully taxable to the extent that the converted amount consists of deductible traditional IRA contributions and earnings on deductible and nondeductible traditional IRA contributions. The full amount of the conversion (including the actuarial present value of any additional living or death benefits) is reported as income on Form 1099-R. Please consult your personal tax advisor.

Why is the Form 1099-R box 2b checked indicating ‘Taxable Amount Not Determined’?

The cost basis information on your contract is not complete or is not tracked by MassMutual. This results in MassMutual’s inability to reasonably compute the taxable amount on the contract. The incomplete cost basis information may be a result of a Section 1035 Exchange where the cost basis from the previous contract was not provided or a distribution from an IRA contract in which the deductible and nondeductible contributions are tracked by the contract holder.

I have a Fixed Annuity Contract. Why is the gain reported on a Form 1099-R instead of a Form 1099-INT?

All earnings on an annuity contract are treated as designated distributions and must be reported on Form 1099-R regardless of whether the earnings are fixed (based on a credited interest rate) or variable.

Do I owe State income taxes on my distribution?

State income tax regulations vary, and each situation is different. Therefore, you should consult your personal tax advisor for your specific state information.

Form 1099-INT

Why did I receive a Form 1099-INT?

Here are a few of the events that cause a Form 1099-INT to be generated:

- Interest earned on annuity death claim proceeds from the valuation date to the date of settlement
- Interest earned on maturities from the maturity date to the date of settlement

If you have any additional questions or concerns, please call our Customer Service line at 1 (800) 272-2216 Monday through Friday, between the hours of 8:00 a.m. to 8:00 p.m. Eastern Time, and an annuity service specialist will be available to research your account.

Principal Underwriters:
MML Investors Services, Inc.
MML Distributors, LLC

Subsidiaries of
Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111-0001
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