

COVID Retirement Distribution (Form 1099-R) Worksheet

Complete only if you received a retirement plan distribution during 2020. Your name: _____

Spouse, please complete a second form if you received a retirement distribution

1. Were **you** or your **spouse** or **dependent** diagnosed with COVID-19 by a test? _____ yes _____ no
2. Did you or your spouse experience adverse financial consequences as a result of **you**, your **spouse**, or a **member of your household** (that is, someone who shares your principal residence):
 - being quarantined, furloughed, or laid off due to COVID-19,
 - being unable to work due to lack of childcare due to COVID-19,
 - closing or reducing hours of a business that they own or operate due to COVID-19,
 - having pay or self-employment income reduced due to COVID-19, or
 - having a job offer rescinded or start date for a job delayed due to COVID-19. _____ yes _____ no

If you checked yes to either of the above, you have choices for 2020 with respect to your retirement plan distribution as described below. **If you checked no to both questions, stop here.**

First choice: You can spread the taxable part of your eligible distribution over 3 years. If you select this option, 1/3rd of your eligible distributions will be taxed in 2020, 1/3rd in 2021, and 1/3rd in 2022. This election applies to virtually all retirement distributions. You can designate one or more distributions for this election up to a limit of \$100,000.

Pros: you have more time to pay the tax on the distribution(s). You may receive a larger refund or have a smaller balance due for 2020; but will have a smaller refund or larger balance due in 2021 and/or 2022.

Cons: if your tax rate increases in 2021 or 2022 compared to 2020, it might cost more. Future tax law changes may increase or decrease future tax rates. You can refer to the 2020 tax rate schedules on the reverse side for your filing status.

Would you like to spread one or more taxable distributions over the 3 years? _____ yes _____ no

Second choice: You also have the right to repay a distribution and avoid paying the tax until a later year. However, you cannot repay either a pension or a distribution from an account you inherited from someone other than your spouse. Most other distributions can be repaid. Repayment can be to the same account, if allowed by the administrator, or to a different account, such as an IRA. You have 3 years from the day after you received the distribution to complete the repayment. A repayment up to the day you timely file your return counts for that tax year. As an example: a repayment on Feb. 1, 2021 (before you file your 2020 return) would be applied to the amount taxable in 2020. No election is needed – just let us know how much you repay and when.

Pros: if you don't need the funds, you may want to delay the income and the tax on it until a future date.

Cons: if you repay an amount that was shown as taxable in a prior year, an amended return will be needed to get your tax dollars back.

You can choose both: show the income 1/3rd in each year and reserve the right to repay any or all of your distribution. You can change your mind about repaying your distribution (that is, don't repay it). But either opting for the 3-year spread or opting out of the 3-year spread must be made by the due date of your 2020 return and cannot be changed later.

The maximum amount of distributions for these special provisions is \$100,000. You and your spouse are each limited to \$100,000 for either option for your respective distributions.

2020 Tax Rate Schedules



The Tax Rate Schedules are shown so you can see the tax rate that applies to all levels of taxable income. Don't use them to figure your tax. Instead, see the instructions for line 16.

Schedule X—If your filing status is Single

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$9,875	..... 10%	\$0
9,875	40,125	\$987.50 + 12%	9,875
40,125	85,525	4,617.50 + 22%	40,125
85,525	163,300	14,605.50 + 24%	85,525
163,300	207,350	33,271.50 + 32%	163,300
207,350	518,400	47,367.50 + 35%	207,350
518,400	.....	156,235.00 + 37%	518,400

Schedule Y-1—If your filing status is Married filing jointly or Qualifying widow(er)

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$19,750	..... 10%	\$0
19,750	80,250	\$1,975.00 + 12%	19,750
80,250	171,050	9,235.00 + 22%	80,250
171,050	326,600	29,211.00 + 24%	171,050
326,600	414,700	66,543.00 + 32%	326,600
414,700	622,050	94,735.00 + 35%	414,700
622,050	.....	167,307.50 + 37%	622,050

Schedule Y-2—If your filing status is Married filing separately

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$9,875	..... 10%	\$0
9,875	40,125	\$987.50 + 12%	9,875
40,125	85,525	4,617.50 + 22%	40,125
85,525	163,300	14,605.50 + 24%	85,525
163,300	207,350	33,271.50 + 32%	163,300
207,350	311,025	47,367.50 + 35%	207,350
311,025	.....	83,653.75 + 37%	311,025

Schedule Z—If your filing status is Head of household

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$14,100	..... 10%	\$0
14,100	53,700	\$1,410.00 + 12%	14,100
53,700	85,500	6,162.00 + 22%	53,700
85,500	163,300	13,158.00 + 24%	85,500
163,300	207,350	31,830.00 + 32%	163,300
207,350	518,400	45,926.00 + 35%	207,350
518,400	.....	154,793.50 + 37%	518,400