

PENCHECKS 1099R ONLY / TAX REMITTANCE SERVICES

PenChecks can produce and file 1099Rs (and Remit Taxes) for distributions that have already been processed by another party. There are two circumstances under which PenChecks can perform this service.

CIRCUMSTANCES

1. ROLLOVER DISTRIBUTIONS

- A rollover payment was already sent out and no taxes were due
- A 1099R needs to be reported to the IRS and mailed to the participant

PenChecks can collect the details pertaining to these payouts, report the information to the IRS and appropriate State tax agencies and produce, mail and file the participant 1099Rs in January.

2. LUMP SUM DISTRIBUTIONS FOR WHICH THE TAXES HAVE NOT YET BEEN PAID

- A lump sum payment (net of taxes) has been sent to a participant; Fed and/or State taxes have been withheld from the distribution but have not yet been paid
- Fed / State taxes still must be remitted to the IRS and/or appropriate State tax agencies
- 1099R and Annual Tax Reconciliation (IRS Form 945) must be filed with the IRS
- A Form 1099R needs to be mailed to the participant

PenChecks can collect the distribution details, receive funds corresponding to the taxes withheld and remit such funds to the proper taxing authorities, file all necessary forms (i.e. IRS Forms 1099R & 945) with the appropriate tax agencies and produce and mail the participant 1099Rs in January.

REPORTING & WITHHOLDING

PenChecks provides a 1099R Only Form (or a spreadsheet template for multiple records) to be completed by the client. PenChecks files all required tax forms (i.e. 1099R, 945) under its own trust tax ID number; therefore, PenChecks cannot provide the 1099R Only Service for any distributions for which taxes have been paid by a party other than PenChecks. If PenChecks will be remitting taxes on behalf of a client, all tax funds must be received by the PenChecks, Inc. Employee Benefit Distribution Trust.

Note: Any previous distributions for which taxes were withheld and paid by another party in the current tax year, will still require a separate Form 945 to be filed for the trust tax ID number that those distributions were processed from.

DISTRIBUTION SERVICES

Remember, for future payments and distributions that have not been processed yet, take advantage of *PenChecks Pension Distribution Services*. In addition to processing the 1099Rs and tax remittances, PenChecks can also manage and effectuate the entire distribution. PenChecks has several levels of *Pension Distribution Services* which can even include notifications to participants and collecting benefit elections.

For more information
WWW.PENCHECKS.COM
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