

Important Annuitant Tax and Payment Reminders for 2015

Expect arrival of 1099-R

If you received a TRS benefit in 2014, the Office of the Comptroller will mail an IRS Form 1099-R to you by Jan. 31, 2015. This form will report your income received from TRS during 2014.

The amount shown in Box 5 on the 1099-R form represents the non-taxable portion of TRS retirement benefits paid to you for the year and is the difference between Boxes 1 and 2a. Box 9B will only have a value if 2014 was the first year that you received a benefit from TRS.

If you do not receive a 1099-R form by February 1, 2015 or you need a duplicate copy sent to you, please log in to the Member Account Access area. Annually after Feb. 1, you may request a duplicate 1099-R online for a prior year.

If you have not yet set up your online member account, please watch this video to learn how: <http://trs.illinois.gov/members/videos/acctAccess.htm>. Your member ID is required to set up an account. All annuitants received their member cards with their member IDs in July via email or mail.

Increase reflected on Feb. 1 check

TRS pays your monthly annuity in arrears. The check issued Jan. 1, 2015 is your payment for the month of December. Cost-of-living adjustment (COLA) increases, certain insurance premiums and federal tax withholding changes will be reflected on the check issued Feb. 1, 2015, which is your monthly annuity for January 2015.

The checks you receive in January and February may be for different amounts if the January 2015 benefit payment received in February reflects your annual 3 percent post-retirement increase. With some exceptions, recipients of monthly survivor benefits will also see a 3 percent increase. The COLA increase is first effective on Jan. 1 following either your first retirement

anniversary or your 61st birthday, whichever is later. TRS only sends a notification letter before your first COLA occurs. If you are not a new retiree, you may log in to the secure Member Account Access area to view your annual benefit amount changes. You may also view your monthly statements online in Member Account Access.

Tax withholding tables change

Revised federal income tax withholding tables will go into effect on Jan. 1, 2015. As a result, the federal taxes withheld from your Jan. 1, 2015 annuity payment may increase or decrease based on your filing status. TRS cannot give tax advice due to federal and state restrictions. You may wish to contact a qualified tax advisor or the Internal Revenue Service at (800) 829-1040 to ensure that you have adequate federal withholding for the 2015 tax year. If you are under-withholding, there could be a negative consequence at tax time.

If you would like to change your withholding election, you must complete a new Form W4-P. You may print a personalized Form W4-P online within the secure Member Account Access area after you have signed in. Additionally, you can obtain a new blank form by calling us at (800) 877-7896 and pressing "2" for our 24-hour Forms Order Line and selecting #600, by visiting <http://www.irs.gov/pub/irs-pdf/fw4p.pdf> for a blank Form W4-P or by calling your local Internal Revenue Service office. A new Form W4-P replaces any former version on file with TRS.

| PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code | | 1 Gross distribution | OMB No. 1545-0119 | Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. |
|--|--|--|--|---|
| | | \$ | 2014 | |
| PAYER'S federal identification number | | 2a Taxable amount | | |
| RECIPIENT'S identification number | | \$ | | Copy C For Recipient's Records |
| RECIPIENT'S name | | 2b Taxable amount not determined <input type="checkbox"/> | Total distribution <input type="checkbox"/> | |
| Street address (including apt. no.) | | 3 Capital gain (included in box 2a) | 4 Federal income tax withheld | This information is being furnished to the Internal Revenue Service. |
| City or town, state or province, country, and ZIP or foreign postal code | | \$ | \$ | |
| 10 Amount allocable to IRR within 5 years | | 5 Employee contributions / Designated Roth contributions or insurance premiums | 6 Net unrealized appreciation in employer's securities | Box 5 |
| 11 1st year of desig. Roth contrib. | | \$ | \$ | |
| Account number (see instructions) | | 7 Distribution code(s) | 8 Other | Box 9b |
| | | IRA/SEP/SIMPLE <input type="checkbox"/> | \$ % | |
| | | 9a Your percentage of total distribution % | 9b Total employee contributions | |
| | | \$ % | \$ | |
| | | 12 State tax withheld | 13 State/Payer's state no. | 14 State distribution |
| | | \$ | | \$ |
| | | 15 Local tax withheld | 16 Name of locality | 17 Local distribution |
| | | \$ | | \$ |
| | | \$ | | \$ |