



The Pension Boards
United Church of Christ, Inc.

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DATE: January 2025

TO: Ministers Who Received Distributions from The United Church of Christ Lifetime Retirement Income Plan during 2024

FROM: Member Services, The Pension Boards – United Church of Christ, Inc. (Pension Boards)

RE: Reporting Payments on Your 2024 Federal Income Tax Return

Grace to you and peace in this New Year.

This letter provides information about the reporting for federal income tax purposes of annuity benefit payments and any other distributions you received in 2024 from The United Church of Christ Lifetime Retirement Income Plan (**Plan Distributions**). Plan Distributions are reported on Form 1099-R, which will be mailed by The Northern Trust Company no later than January 31, 2025. For your convenience, a sample copy of Form 1099-R is shown below.

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		1 Gross distribution \$ _____ 2a Taxable amount \$ _____		OMB No. 1545-0119 2024 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. The Northern Trust Company 50 South LaSalle St. C5S Chicago, Illinois 60603-1003 As Paying Agent for: B1600 PBUC PBUC Ministers		2b Taxable amount not determined <input checked="" type="checkbox"/> Total distribution <input type="checkbox"/>	Copy 1 For State, City, or Local Tax Department		
PAYER'S TIN 36-3046063	RECIPIENT'S TIN	3 Capital gain (included in box 2a) \$ _____		4 Federal income tax withheld \$ _____	1099-R SAMPLE
RECIPIENT'S name William K. Green 787 Adams Street Street address (including apt. no.) Anytown, NY 10002 City or town, state or province, country, and ZIP or foreign postal code		5 Employee contributions/ Designated Roth contributions or insurance premiums \$ _____	6 Net unrealized appreciation in employer's securities \$ _____		
		7 Distribution code(s) <input type="checkbox"/> IRA/SEP/SIMPLE	8 Other \$ _____ %		
		9a Your percentage of total distribution %	9b Total employee contributions \$ _____		
10 Amount allocable to IRR within 5 years \$ _____	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld \$ _____	15 State/Payer's state no.	16 State distribution \$ _____
Account number (see instructions) B1600 7000072 1-312-557-9700		13 Date of payment	17 Local tax withheld \$ _____	18 Name of locality	19 Local distribution \$ _____
Form 1099-R		www.irs.gov/Form1099R		Department of the Treasury - Internal Revenue Service	

How Plan Distributions are taxed

In general, distributions made to a U.S. taxpayer are subject to federal income tax if contributions were not taxed at the time they were made. Thus, an individual generally pays income tax on any part of their distribution attributable to regular employer contributions, investment earnings and their pre-tax contributions **on which income taxes have not previously been paid.**

Housing allowance

You may not be taxed on that portion of the Plan Distribution that is designated as eligible for a housing allowance paid to a retired minister. .Generally, the entire Plan Distribution has been designated under provisions of the Plan as eligible for the housing allowance.

If no after-tax contributions were made toward your annuity

The amount in **Box 5 of Form 1099-R** is recorded as **“0”** or left blank. If the Plan’s records show that you made after-tax contributions to your account, you will receive under separate cover a letter indicating the amount of your after-tax contributions.

Determining allowable housing expenses

Eligible housing expenses for the year may be subtracted from the gross Plan Distribution reported in **Box 1 of Form 1099-R.**

If you own your home, your allowable housing expenses are the **lesser** of:

1. The fair rental value of your home (furnished, plus utilities); **or**
2. The amounts you actually paid in 2024 for:
 - Down payment on a home
 - Payments (including prepayments) on a mortgage loan to purchase or improve the home (including principal and interest)
 - Real estate taxes
 - Property insurance
 - Utilities (electricity, gas, water, trash pickup, local telephone charges)
 - Furnishings and appliances (purchase and repair)
 - Structural repairs and remodeling
 - Yard maintenance and improvements
 - Appurtenances
 - Maintenance items (household cleaners, light bulbs, pest control, etc.
 - Homeowners’ association dues

If you are renting your home, the allowable housing expenses are the **lesser** of:

1. The fair rental value of the home (furnished, plus utilities); **or**
2. The total amount you actually paid in 2024 for rent, plus the cost of utilities and furnishings during the year and any items from the above list paid as a renter.

If you have more than one home, only expenses from your primary residence may be used in computing allowable housing expenses.

Cautions

If you are receiving a housing allowance from another source, the total of that housing allowance and the portion of your Plan Distribution designated as housing allowance cannot exceed the lesser of the applicable amounts above.

If you receive more than one pension or other distribution, if any, your housing costs can only reduce taxes on your benefit payments from the Plan. Please contact the payer of the other pension to determine taxability.

After computing allowable housing expenses

Use the enclosed **Taxpayer Prepared Supplementary Sheet #1**.

- Insert the gross amount of the Plan Distribution from **Box 1 of Form 1099-R in Line 5a (Pensions and annuities) of Form 1040 or Form 1040-SR**.
- Insert your allowable housing expenses in **Line 2 of Supplementary Sheet #1** and complete the remainder of that sheet.
- Transfer the amount in **Line 3 of Supplementary Sheet #1 to Line 5b (Pensions and annuities—Taxable amount) of Form 1040 or Form 1040-SR**, with the words, “**SEE SUPPLEMENTARY SHEET #1**.” This is the portion of your Plan Distribution, if any, that is in excess of the allowable housing expenses and therefore subject to federal income tax.

If you did not receive information from the Plan reporting your after-tax contributions (or if you wish to disregard them), and your only pension or other distribution is from the Plan, you may use a completed copy of the enclosed **Supplementary Sheet #1** as an attachment to your tax return. Be sure to retain a copy of the completed **Supplementary Sheet #1** for your records.

Any income tax withheld from your Plan Distribution, if any, is shown in Box 4 of **Form 1099-R**. Attach **Copy B of Form 1099-R** to your tax return to show the amount of tax withheld.

If after-tax pension contributions were made

If you have made after-tax pension contributions and your housing expenses exceed the Plan Distribution, if any, under law you may be able to lower your taxes because the portion of the Plan Distribution provided by after-tax pension contributions is not taxed. Please consult a tax advisor familiar with minister's tax rules if this situation applies to you.

Supplementation and Ministerial Assistance

Ministerial Assistance payments are not taxable. This income is not included in **Form 1099-R** and does not need to be reported.

If you are disabled and under age 55

If you are receiving disability pension benefits and were under age 55 during the entire 2024 year, **Distribution Code 3 appears in Box 7 of Form 1099-R**. These payments should be reported (with other wages, salaries, tips, etc.) on **Line 1 (Wages, salaries, tips, etc.) of Form 1040 or 1040-SR**. Disability benefits should not be reported as pension or annuities until you reach age 55, the minimum non-disability retirement age for the Plan. Disabled ministers also may be eligible for the housing allowance exclusion.

For members whose annuity commenced in 2024 and who elected a Partial Withdrawal Option at retirement

Amounts distributed in 2024 under the Partial Withdrawal Option (as defined in the Plan) are considered an eligible rollover. If you chose to have this distribution made as a direct rollover, no income tax was withheld, and you will be issued a separate **Form 1099-R** for that distribution with distribution **Code G** in **Box 7 of Form 1099-R**.

Self-employment (Social Security) tax

No self-employment tax (Social Security/SECA) is required to be paid on any part of your Plan Distribution.

Electronic filing

If you choose to file your tax return electronically, please confirm that the tax preparation program provides supplementary documentation to be included with the tax return.

The Pension Boards does not provide tax advice

The Pension Boards does not provide any legal, accounting, or tax advice to its members regarding the taxability of any transactions related to the Plan or preparation of your tax returns. This material is purely for informational purposes and members may consult their legal, accounting, or tax advisor before making any retirement decisions that could result in a taxable event, engaging in any transactions concerning their retirement funds, or the preparation of your tax returns.

Detailed information on federal income tax issues may be obtained from IRS publications and forms, which may be ordered by calling **1.800.829.3676**, or downloaded online at www.irs.gov.

If you have questions, please contact the Pension Boards Member Services Department at 1.800.642.6543, or info@pbucc.org