

Simplified Method Worksheet-Lines 5a and 5b

Form 1040

(Keep for your records)

2021

Name(s) as shown on return

Tax ID Number

Before you begin: If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

More than one pension or annuity. If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040 or 1040-SR, line 5b. Enter the total pension or annuity payments received in 2021 on Form 1040 or 1040-SR, line 5a.

1. Enter the total pension or annuity payments from Form 1099-R, box 1. Also, enter this amount on Form 1040 or 1040-SR, line 5a **1.** _____
 2. Enter your cost in the plan at the annuity starting date **2.** _____
- Note.** If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.
3. Enter the appropriate number from **Table 1** below. **But** if your annuity starting date was **after** 1997 **and** the payments are for your life and that of your beneficiary, enter the appropriate number from **Table 2** below **3.** _____
 4. Divide line 2 by the number on line 3 **4.** _____
 5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before** 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6 **5.** _____
 6. Enter the amount, if any, recovered tax free in years after 1986. If you completed this worksheet last year, enter the amount from line 10 of last year's worksheet **6.** _____
 7. Subtract line 6 from line 2 **7.** _____
 8. Enter the **smaller** of line 5 or line 7 **8.** _____
 9. **Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040 or 1040-SR, line 5b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R. If you are a retired public safety officer, see *Insurance Premiums for Retired Public Safety Officers* before entering an amount on line 5b **9.** _____
 10. Was your annuity starting date before 1987?
 - Yes. STOP.** Do not complete the rest of this worksheet.
 - No.** Add lines 6 and 8. This is the **amount you have recovered tax free** through 2021. You will need this number if you need to fill out this worksheet next year **10.** _____
 11. **Balance of cost to be recovered.** Subtract line 10 from line 2. If zero, you won't have to complete this worksheet next year. The payments you receive next year will generally be fully taxable **11.** _____

Table 1 for Line 3 Above

AND your annuity starting date was -

IF the age at annuity starting date was...	before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	300	360
56-60	260	310
61-65	240	260
66-70	170	210
71 or older	120	160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date were . . .	THEN enter on line 3 . . .
110 or under	410
111-120	360
121-130	310
131-140	260
141 or older	210