

**Tax on Lump-Sum Distributions**  
From Qualified Retirement Plans

▶ Attach to Form 1040 or Form 1041. ▶ See separate instructions.

Name of recipient of distribution

Identifying number

**Part I Complete this part to see if you qualify to use Form 4972**

	Yes	No
1 Was this a distribution of a plan participant's entire balance from all of an employer's qualified plans of one kind (pension, profit-sharing, or stock bonus)? If "No," do not use this form . . . . .	1	
2 Did you roll over any part of the distribution? If "Yes," do not use this form . . . . .	2	
3 Was this distribution paid to you as a beneficiary of a plan participant who died after reaching age 59½ (or who had been born before 1936)? . . . . .	3	
4 Were you a plan participant who received this distribution after reaching age 59½ and having been in the plan for at least 5 years before the year of the distribution? . . . . . If you answered "No" to both questions 3 and 4, do not use this form.	4	
5a Did you use Form 4972 after 1986 for a previous distribution from your own plan? If "Yes," do not use this form for a 1998 distribution from your own plan . . . . .	5a	
b If you are receiving this distribution as a beneficiary of a plan participant who died, did you use Form 4972 for a previous distribution received for that plan participant after 1986? If "Yes," you may not use the form for this distribution . . . . .	5b	

**Part II Complete this part to choose the 20% capital gain election** (See instructions.) Do not complete this part unless the participant was born before 1936.

6 Capital gain part from box 3 of Form 1099-R . . . . .	6	
7 Multiply line 6 by 20% (.20) . . . . . If you also choose to use Part III, go to line 8. Otherwise, include the amount from line 7 in the total on Form 1040, line 40, or Form 1041, Schedule G, line 1b, whichever applies.	7	

**Part III Complete this part to choose the 5- or 10-year tax option** (See instructions.)

8 Ordinary income from Form 1099-R, box 2a minus box 3. If you did not complete Part II, enter the taxable amount from box 2a of Form 1099-R . . . . .	8	
9 Death benefit exclusion for a beneficiary of a plan participant who died before August 21, 1996 . . . . .	9	
10 Total taxable amount. Subtract line 9 from line 8 . . . . .	10	
11 Current actuarial value of annuity (from Form 1099-R, box 8) . . . . .	11	
12 Adjusted total taxable amount. Add lines 10 and 11. If this amount is \$70,000 or more, skip lines 13 through 16, and enter this amount on line 17 . . . . .	12	
13 Multiply line 12 by 50% (.50), but <b>do not</b> enter more than \$10,000	13	
14 Subtract \$20,000 from line 12. If the result is less than zero, enter -0-	14	
15 Multiply line 14 by 20% (.20) . . . . .	15	
16 Minimum distribution allowance. Subtract line 15 from line 13 . . . . .	16	
17 Subtract line 16 from line 12 . . . . .	17	
18 Federal estate tax attributable to lump-sum distribution . . . . .	18	
19 Subtract line 18 from line 17 . . . . .	19	
<b>If line 11 is blank, skip lines 20 through 22 and go to line 23.</b>		
20 Divide line 11 by line 12 and enter the result as a decimal (rounded to at least four places) . . . . .	20	
21 Multiply line 16 by the decimal on line 20. . . . .	21	
22 Subtract line 21 from line 11 . . . . .	22	

**Part III** 5- or 10-year tax option—CONTINUED

5-year tax option	23	Multiply line 19 by 20% (.20) . . . . .	23		
	24	Tax on amount on line 23. Use the Tax Rate Schedule for the 5-Year Tax Option in the instructions . . . . .	24		
	25	Multiply line 24 by five (5). If line 11 is blank, skip lines 26 through 28, and enter this amount on line 29 . . . . .	25		
	26	Multiply line 22 by 20% (.20) . . . . .	26		
	27	Tax on amount on line 26. Use the Tax Rate Schedule for the 5-Year Tax Option in the instructions . . . . .	27		
	28	Multiply line 27 by five (5) . . . . .	28		
	29	Subtract line 28 from line 25. (Multiple recipients, see page 2 of the instructions.) . . .	29		
10-year tax option	<b>Note:</b> Complete lines 30 through 36 ONLY if the participant was born before 1936. Otherwise, enter the amount from line 29 on line 37.				
	30	Multiply line 19 by 10% (.10) . . . . .	30		
	31	Tax on amount on line 30. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions . . . . .	31		
	32	Multiply line 31 by ten (10). If line 11 is blank, skip lines 33 through 35, and enter this amount on line 36 . . . . .	32		
	33	Multiply line 22 by 10% (.10) . . . . .	33		
	34	Tax on amount on line 33. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions . . . . .	34		
	35	Multiply line 34 by ten (10) . . . . .	35		
	36	Subtract line 35 from line 32. (Multiple recipients, see page 2 of the instructions.) . . .	36		
	37	Compare lines 29 and 36. Generally, you should enter the <b>smaller</b> amount here (see instructions) . . . . . ▶	37		
	38	Tax on lump-sum distribution. Add lines 7 and 37. Also, include this amount in the total on Form 1040, line 40, or Form 1041, Schedule G, line 1b, whichever applies . . . . . ▶	38		

