

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 1996 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 38, 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 do not 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	
If line 11 is blank, skip lines 20 through 22 and go to line 23.		
20 Divide line 11 by line 12 and enter the result as a decimal	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 3 of the instructions.) . . .	29		
10-year tax option	Note: 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 3 of the instructions.) . . .	36		
	37	Compare lines 29 and 36. Generally, you should enter the smaller amount here (see instructions) ▶	37		
	38	Tax on lump-sum distribution. Add lines 7 and 37. Also, include in the total on Form 1040, line 38, or Form 1041, Schedule G, line 1b, whichever applies ▶	38		

