



Frequently Asked Questions

What is a 2019 Form 1099-R? The IRS requires that we report to you on the IRS Form 1099-R any distributions that you took from your retirement plan last year even if you rolled them into another plan. We will be sending this same information to the IRS. When you file your federal and state tax returns, you may need to attach a copy of this form to your returns.

Why was money withheld for taxes? If the account is an IRA, we are required by the IRS to withhold 10% for federal taxes unless you elected in writing not to have taxes withheld. If the account is an employer sponsored plan, we are required to withhold 20% in federal tax withholding from any distribution that is eligible for rollover treatment.

I already filed my taxes and did not report this amount. What do I do now? You will have to file an amended return that includes the information reported on 2019 Form 1099-R. Consult your tax or legal advisor for further information.

Why did I receive a 2019 Form 1099-R for the amount that I received from a deceased/divorced persons account? The IRS requires us to report all assets received by an individual from an account due to death or divorce.

Why did I receive a 2019 Form 1099-R on a distribution from my employers retirement plan that was rolled directly into an IRA? This is called a direct rollover. We are required by the IRS to report the assets leaving the employer plan on Form 1099-R. Your successor trustee is required to report a rollover contribution of the same assets on the IRS Form 5498. You may want to contact them to ensure that they will be reporting the rollover properly.

Why did I receive a 2019 Form 1099-R for my rollover from one IRA to another IRA? A rollover occurs when money is distributed from one tax-deferred account and deposited within 60 days to another tax-deferred account. Although the distribution is considered taxable, the trustee of the receiving IRA will issue a Form 5498 in May. That form tells the IRS you deposited the money into another IRA.

Why did I receive a Form 1099-R for a recharacterization of contributions? If you recharacterize contributions from one type of IRA to another, the amount is reportable on Form 1099-R, but not subject to income tax.

When does Hilltop Securities Inc. send this information to the IRS? We do not report 2019 Form 1099-R information to the IRS until the last week of April 2020.

***** Have you reviewed your beneficiaries listed on your IRA account(s)? It is a very good practice to frequently review who your beneficiaries are due to life events. If you have any questions please contact your Financial Advisor. *****

HilltopSecurities does not provide tax advice. This material is presented for informational purposes only. You should consult your tax advisor on all issues and questions concerning your tax situation