

Form 1040—Lines 16a and 16b

If you must use the Simplified Method, complete the worksheet below to figure the taxable part of your pension or annuity. For more details on the Simplified Method, see Pub. 575 or Pub. 721 for U.S. Civil Service retirement benefits.



**If you received U.S. Civil Service retirement benefits and you chose the alternative annuity option, see Pub. 721 to figure the taxable part of your annuity. Do not use the worksheet below.**

**Age (or Combined Ages) at Annuity Starting Date**

If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. But if your annuity starting date was after 1997 and the payments are for your life and that of your

**Simplified Method Worksheet—Lines 16a and 16b**

Keep for Your Records

**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.

**Note.** 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, line 16b. Enter the total pension or annuity payments received in 2009 on Form 1040, line 16a.

- Enter the total pension or annuity payments received in 2009. Also, enter this amount on Form 1040, line 16a. 1.
- 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.
- 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.
- Divide line 2 by the number on line 3. 4.
- 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.
- 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.
- Subtract line 6 from line 2. 7.
- Enter the smaller of line 5 or line 7. 8.
- Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. 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* on page 25 before entering an amount on line 16b. 9.
- Was your annuity starting date before 1987?  
 Yes. Leave line 10 blank.  
 No. Add lines 6 and 8. This is the amount you have recovered tax free through 2009. You will need this number when you fill out this worksheet next year. 10.

Table 1 for Line 3 Above		
IF the age at annuity starting date (see page 25) 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 (see page 25) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210