Wealth Enhancement®



Tax Season Questions

As tax season ramps up, Bethany Thompson, Certified Tax Specialist™, put together a list of some of our most asked tax questions. As always, please consult your tax advisor, as FCA and its affiliates are not tax or legal advisors.

Why did I get a 1099 For my 401(k) rollover?

If you rolled over your 401(k) to an IRA in 2023, you may wonder why you received a 1099-R. This is because the IRS requires all retirement plan distributions to be reported, regardless of whether it was a taxable distribution or not. The 1099-R shows the total amount of the distribution, and what amount was taxable. If the entire distribution was a rollover, you will not have to pay any taxes on the rollover; however, it still needs to be reported on your tax return.

What tax form should I expect to receive for my IRA?

If you took distributions from your IRA account in 2023, you will receive a 1099-R. The 1099-R will report the total distribution amount, along with any federal or state taxes that were withheld from your distribution. If you made any contributions to your IRA for tax year 2023, you will receive form 5498 that includes your contribution information. If you didn't take any withdrawals and did not have any contributions to your IRA for

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2023, you may or may not receive a 5498 form based on your custodian. There are no gains to report on your tax return within a retirement account.

What if some of these distributions were Qualified Charitable Distributions?

If you took qualified charitable distributions from your IRA, all of your distributions (normal distributions and QCDs) will be combined and reported on your 1099-R. You will need to work with your tax advisor to properly report the portion of the distributions that are considered QCDs.

What about my Roth IRA?

Your Roth IRA will follow the same guidelines as your traditional IRA, however, the rules regarding whether your distribution was taxable will differ. Roth IRA distributions are tax-free if certain requirements are met. You should consult your tax advisor regarding your specific situation.

What about non-retirement accounts?

If you have a non-retirement account, such as an individual or joint account, you will receive a consolidated 1099 that includes your interest, dividends, and capital gains (or loss). These will need to be reported on your tax return. These forms are generally available in mid to late February but may take longer in some circumstances.

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