

Publications

IRS Issues Guidance on Basis Reporting Errors

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SERVICES

The IRS recently issued unofficial guidance on Form 1099-R reporting error due to failure to take into account a participant's basis for annuity payments received from a section 401(a) qualified plan. Specifically, private letter ruling 201021042 addresses the proper basis recovery where the Form 1099-R incorrectly stated that the taxable amount in box 2a was the gross amount paid to the participant, and the participant failed to exclude any portion of the payments from taxation on Form 1040.

If you have any questions to be covered by an upcoming IRS Reporting Corner newsletter or wish to stay connected with various reporting and withholding updates related to employee benefits, please visit the IRS Reporting Corner.