

**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 Did you roll over any part of the distribution? If "Yes," do not use this form . . . . .	1	
2 Was the retirement plan participant born before 1936? If "No," do not use this form . . . . .	2	
3 Was this a lump-sum distribution from a qualified pension, profit-sharing, or stock bonus plan? (See <b>Distributions That Qualify for the 20% Capital Gain Election or for the 5- or 10-Year Tax Option</b> in the instructions.) If "No," do not use this form . . . . .	3	
4 Was the participant in the plan for at least 5 years before the year of the distribution? . . . . .	4	
5 Was this distribution paid to you as a beneficiary of a plan participant who died? . . . . . If you answered "No" to both questions 4 <b>and</b> 5, do not use this form.	5	
6 Was the plan participant:		
a An employee who received the distribution because he or she quit, retired, was laid off, or was fired? . . . . .	6a	
b Self-employed or an owner-employee who became permanently and totally disabled before the distribution?	6b	
c Age 59½ or older at the time of the distribution? ( <b>Caution:</b> If "No," you may owe an additional tax. Get Form 5329 and its instructions for details.) . . . . .	6c	
If you answered "No" to question 5 and <b>all</b> parts of question 6, do not use this form.		
7a Did you use Form 4972 after 1986 for a previous distribution from your own plan? If "Yes," do not use this form for a 1994 distribution from your own plan . . . . .	7a	
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 . . . . .	7b	

If you qualify to use this form, you may choose to use either Part II or Part III; OR you may choose to use both Part II and Part III.

**Part II Complete this part to choose the 20% capital gain election** (See instructions.)

8 Capital gain part from box 3 of Form 1099-R . . . . .	8	
9 Multiply line 8 by 20% (.20) . . . . . If you also choose to use Part III, go on to line 10. Otherwise, enter the amount from line 9 on Form 1040, line 39, or Form 1041, Schedule G, line 1b, whichever applies.	9	

**Part III Complete this part to choose the 5- or 10-year tax option** (See instructions.)

10 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 . . . . .	10	
11 Death benefit exclusion . . . . .	11	
12 Total taxable amount. Subtract line 11 from line 10 . . . . .	12	
13 Current actuarial value of annuity (from Form 1099-R, box 8) . . . . .	13	
14 Adjusted total taxable amount. Add lines 12 and 13. If this amount is \$70,000 or more, <b>skip</b> lines 15 through 18, and enter this amount on line 19 . . . . .	14	
15 Multiply line 14 by 50% (.50), but <b>do not</b> enter more than \$10,000	15	
16 Subtract \$20,000 from line 14. If the result is less than zero, enter -0- . . . . .	16	
17 Multiply line 16 by 20% (.20) . . . . .	17	
18 Minimum distribution allowance. Subtract line 17 from line 15 . . . . .	18	
19 Subtract line 18 from line 14 . . . . .	19	
20 Federal estate tax attributable to lump-sum distribution . . . . .	20	
21 Subtract line 20 from line 19 . . . . .	21	
<b>If line 13 is blank, skip lines 22 through 24 and go to line 25.</b>		
22 Divide line 13 by line 14 and enter the result as a decimal . . . . .	22	
23 Multiply line 18 by the decimal on line 22 . . . . .	23	
24 Subtract line 23 from line 13 . . . . .	24	

**Part III 5- or 10-year tax option—CONTINUED**

<b>5-year tax option</b>	25	Multiply line 21 by 20% (.20) . . . . .	25		
	26	Tax on amount on line 25. Use the Tax Rate Schedule for the 5-Year Tax Option in the instructions . . . . .	26		
	27	Multiply line 26 by five (5). If line 13 is blank, skip lines 28 through 30, and enter this amount on line 31 . . . . .	27		
	28	Multiply line 24 by 20% (.20) . . . . .	28		
	29	Tax on amount on line 28. Use the Tax Rate Schedule for the 5-Year Tax Option in the instructions . . . . .	29		
	30	Multiply line 29 by five (5) . . . . .	30		
	31	Subtract line 30 from line 27. (Multiple recipients, see page 4 of the instructions.) . . . .	31		
32	Add line 9 and line 31. . . . .	32			
<b>10-year tax option</b>	33	Multiply line 21 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). If line 13 is blank, skip lines 36 through 38, and enter this amount on line 39 . . . . .	35		
	36	Multiply line 24 by 10% (.10) . . . . .	36		
	37	Tax on amount on line 36. Use the Tax Rate Schedule for the 10-Year Tax Option in the instructions . . . . .	37		
	38	Multiply line 37 by ten (10) . . . . .	38		
	39	Subtract line 38 from line 35. (Multiple recipients, see page 4 of the instructions.) . . . .	39		
40	Add line 9 and line 39. . . . .	40			
	41	Tax on lump-sum distribution. Compare lines 32 and 40. Enter the <b>smaller</b> amount here. Also, enter this amount on Form 1040, line 39, or Form 1041, Schedule G, line 1b, whichever applies. . . . . ▶	41		