

## INSTRUCTIONS TO COMPLETE THE SCHEDULE OF PARTICIPANT BENEFIT PAYMENTS FOR CALENDAR YEAR 2023

The "Schedule of Participant Benefit Payments for Calendar Year 2023" worksheet must be completed to report benefits paid to terminated participants, life insurance subject to PS 58 costs and participant loans that were defaulted during 2023. The worksheet will be used to generate the required IRS Forms 1099-R, 1096 and 945, if applicable. Please note that IRS Form 1099-R must be provided to participants no later than January 31, 2024. Therefore, we require that you complete this worksheet and return it to us no later than Tuesday, January 19, 2024 via fax: (305) 274-1882 or e-mail: [ps@pensionnetwork.net](mailto:ps@pensionnetwork.net).

In order to complete the "Schedule of Participant Benefit Payments for Calendar Year 2023" worksheet, please follow these instructions carefully:

Column (1): Type the participant's name and Social Security Number as it appears on their Social Security card.  
Type the participant's complete mailing address.

Column (2): There are two primary ways a benefit payment is reported. 1- non-taxable and 2- taxable. Typically a non-taxable amount is paid with one check and a taxable amount is paid with two checks (tax withholding to IRS and payment to participant). P.S. 58 costs and defaulted loans are reported as a single amount taxable to the participant with no withholding tax.

Columns (3) (4) and (5): **If Participant elected a Rollover:**  
Type the amount paid directly to the IRA or qualified plan next to "TO ROLLOVER" in column (3).  
Type the date of the check or wire on the corresponding row in column (4).  
Type the check number or wire tracking number on the corresponding row in column (5).  
**If Participant elected a Lump Sum:**  
Type the amount paid directly to the participant next to "TO PARTICIPANT" in Column (3).  
Type the date of the check or wire on the corresponding row in column (4).  
Type the check number or wire tracking number on the corresponding row in column (5).  
Type the amount paid directly to IRS for taxes withheld next to "TO IRS FOR TAX W/H" in column (3).  
If the participant received a required minimum distribution, this may be zero if no tax was withheld.  
Type the date of the check or wire on the corresponding row in column (4).  
Type the check number or wire tracking number on the corresponding row in column (5).  
**If Participant had life insurance with reportable P.S. 58 costs:**  
Type the amount provided by insurance agent next to "TO PARTICIPANT" in column (3).  
Type N/A on the corresponding row in column (4).  
Type N/A on the corresponding row in column (5).  
**If Participant had a loan defaulted during the year:**  
Type the amount of the outstanding balance as of the default date - including interest - next to "TO PARTICIPANT" in column (3).  
Type the date the loan was defaulted on the corresponding row in column (4).  
Type N/A on the corresponding row in column (5).

Column (6): Type the corresponding distribution code. The code must consist of at least one number. A letter code may also be added, if applicable. The codes are as follows:

- 1 - Early distribution before age 59-1/2 if code 2 does not apply.
- 2 - Early distribution before age 59-1/2; however, either (a) participant was at least age 55 and terminated employment, or (b) distribution is part of a series of substantially equal installment payments.
- 3 - Legal Disability.
- 4 - Death.
- 7 - Normal distribution. Use this code if the participant is over age 59-1/2 and the distribution is not rolled over.
- 8 - Refund of excess deferrals or contributions.
- 9 - Cost of current life insurance protection (PS 58 costs).
- G - Direct rollover to a qualified plan, a tax-sheltered annuity, a governmental 457(b) plan, or an IRA.
- L - Loans treated as distributions.

Example #1: Joe, age 40, receives a hardship distribution. The code entered for Joe is 1.

Example #2: Sally, age 57, terminates and receives a distribution of 100% of her account.  
The code entered for Sally is 2.

Example #3: Bob, age 65, retires and receives a distribution of 100% of his account. Bob rolls this distribution over to an IRA. The code entered for Bob is G.

Example #4: Tina, age 68, retires and receives a distribution of 100% of her account. Tina does not roll this distribution over. The code entered for Tina is 7.

Example #5: Tom, age 32, defaulted on his plan loan. The code entered for Tom is 1L.

Example #6: Gina, age 42, received a refund of deferrals and earnings as a result of the plan's failing the ADP test. The code entered for Gina is 8.