

MEMO# 31291

July 18, 2018

2018 Instructions for Forms 1099-R and 5498

[31291]

July 18, 2018 TO: ICI Members

Bank, Trust and Retirement Advisory Committee

Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: 2018 Instructions for Forms 1099-R and 5498

The IRS has posted the 2018 version of the Instructions for Form 1099-R (Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.) and Form 5498 (IRA Contribution Information).[\[1\]](#)

The updated instructions indicate that two new distribution codes were added to Form 1099-R for box 7 (new code “C” for reportable death benefits under certain life insurance policy sales and new code “M” for qualified plan loan offset amounts due to termination of the plan or the employee’s severance from employment). In addition, on Form 5498, new code “PO” was added for box 13c (postponed contributions) to report a rollover of a qualified plan loan offset amount.[\[2\]](#)

The Instructions also include a reminder that Roth IRA conversions occurring after December 31, 2017 may not be recharacterized.[\[3\]](#)

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endnotes

[\[1\]](#) The 2018 Instructions for Forms 1099-R and 5498 are available at <https://www.irs.gov/pub/irs-pdf/i1099r.pdf>. The 2018 Form 5498 is available at <https://www.irs.gov/pub/irs-pdf/f5498.pdf>; and Form 1099-R is available at <https://www.irs.gov/pub/irs-pdf/f1099r.pdf> (at the time of this memorandum, the 2018 version of Form 1099-R was not yet posted, but should be posted at this same address).

[2] The tax bill enacted at the end of 2017 included a provision extending the period during which a qualified plan loan offset amount may be contributed to an eligible retirement plan as a rollover contribution, from 60 days after the date of the offset to the due date (including extensions) for filing the individual's income tax return for the taxable year in which the plan loan offset occurs (i.e., the taxable year in which the amount is treated as distributed from the plan). The extended period is available for plan loan offset amounts that are treated as distributed from a qualified retirement plan, a section 403(b) plan, or a governmental section 457(b) plan, solely by reason of the termination of the plan or the failure to meet the repayment terms of the loan because of the employee's severance from employment. The provision is effective for plan loan offset amounts treated as distributed in taxable years beginning after December 31, 2017. See ICI Memorandum No. 30991, dated December 21, 2017, available here: https://www.ici.org/my_ici/memorandum/memo30991.

[3] See ICI Memorandum No. 30991, dated December 21, 2017, available here: https://www.ici.org/my_ici/memorandum/memo30991.