For Retirees & Near Retirees (55+)

FEBRUARY TAX DOC Review

1. CHECK YOUR 1099-R (BOX BY BOX)

A wrong distribution code triggers IRS notices.

- [ ] Box 1: Gross Distribution matches your records.
- [ ] Box 2a: Taxable Amount. If it shows the full amount, it's likely wrong.
- [ ] Box 4: Federal Tax Withheld matches what you requested.
- [ ] Box 7: Distribution Code is correct (G = rollover, 7 = normal).
- [ ] Contact the custodian immediately if a rollover isn't coded as "G."

2. VERIFY YOUR SSA-1099

Up to 85% of your Social Security may be taxable.

- [ ] Net Benefits (Box 5) match your bank deposit records.
- [ ] Federal tax withheld (Box 6) matches what you elected.
- [ ] Medicare premiums were deducted correctly.
- [ ] Check your notification letter for the 2026 COLA adjustment.
- [ ] Verify your direct deposit information is still active.

3. TRACK YOUR QCD'S

Qualified Charitable Distributions save taxes — if documented.

- [ ] Each QCD went directly from IRA custodian to the charity.
- [ ] You were 70½ or older at the time of each distribution.
- [ ] You have written acknowledgment from each charity.
- [ ] Your 1099-R shows the gross amount (QCD is separated on your return).
- [ ] Log the date, charity name, amount, and custodian for each QCD.

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4. SOCIAL SECURITY TAX CHECK

Know where you fall before you file.

- [ ] Calculate Combined Income: AGI + Nontaxable Interest + ½ of SS Benefits.
- [ ] Single filers: Under $25K = $0 taxable. $25K–$34K = up to 50%. Over $34K = up to 85%.
- [ ] Joint filers: Under $32K = $0 taxable. $32K–$44K = up to 50%. Over $44K = up to 85%.
- [ ] Review tax withholding (Form W-4V) on benefit payments.
- [ ] Increase withholding if RMDs push you into a higher bracket.

5. REVIEW INVESTMENT INCOME

Your consolidated statement may arrive late — wait for it.

- [ ] 1099-DIV: Note qualified vs. ordinary dividends (taxed differently).
- [ ] 1099-INT: Interest from bonds, CDs, and savings accounts.
- [ ] 1099-B: Verify cost basis is correct on stock/fund sales.
- [ ] Wait for the final consolidated broker statement (corrections in March).
- [ ] Match all forms to your actual account activity.

6. FLAG ERRORS BEFORE YOU FILE

Catching mistakes now prevents IRS letters later.

- [ ] Rollovers reported as taxable distributions (most common error).
- [ ] Tax withheld amounts that don't match your elections.
- [ ] Duplicate forms from custodian transfers or account changes.
- [ ] Request corrected forms in writing — don't just call.
- [ ] Save all original and corrected forms for at least three years.

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CATCH ERRORS BEFORE THE IRS DOES.

Rollover mistakes and wrong distribution codes cost retirees thousands. We catch them first.