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2014



Department of the Treasury  
Internal Revenue Service

# Instructions for Form 1098-Q

## Qualifying Longevity Annuity Contract Information

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 1098-Q and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form1098q](http://www.irs.gov/form1098q).

### What's New

#### New Form 1098-Q and Instructions for Form 1098-Q.

Beginning after July 1, 2014, the form and instructions implement new reporting requirements under Treasury Decision (TD) 9673. Additionally, TD 9673 provides guidance necessary for compliance with the required minimum distribution rules under section 401(a)(9) applicable to an individual retirement annuity and account (IRA) or a plan that holds a longevity annuity contract.

### Reminder

In addition to these specific instructions, you should also use the 2014 General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file (nominee/middleman).
- When and where to file.
- Electronic reporting requirements.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers.
- Backup withholding.
- Penalties.
- Other general topics.

You can get the general instructions at [www.irs.gov/form1098q](http://www.irs.gov/form1098q) or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions

File form 1098-Q, Qualifying Longevity Annuity Contract Information if you issue any contract that is intended to be a qualifying longevity annuity contract (QLAC). A QLAC is an annuity contract that is purchased from an insurance company for an employee and that, in accordance with the rules of application of paragraph (d) of Treasury Regulations 1.401(a)(9)-6, Q&A 17 (Q&A 17), satisfies each of the following requirements.

- Premiums for the contract satisfy the requirements of paragraph (b) of Q&A 17.
- The contract provides that distribution under the contract must commence no later than a specified annuity starting date that is no later than the first day of the month immediately following the 85th anniversary of the employee birth.
- The contract provides that, after distribution under the contract commence, those distributions must satisfy the requirements of Q&A 17 (other than the requirement that

annuity payments commence on or before the required beginning date.

- The contract does not make available any commutation value benefit, cash surrender value, or other similar feature.
- No benefits are provided under the contract after the death of the employee other than the benefits described in Q&A 17 (c).
- When the contract is issued, the contract (or a rider or endorsement with respect to that contract) states that the contract is intended to be a QLAC.
- The contract is not a variable contract under IRC section 817, an indexed contract, or similar contract except to the rules provided by the commissioner.

### Who Must File

Any person who issues a contract purchased or held under any plan, annuity, or account described in IRC section 401(a), 403(b), 408 (other than a Roth IRA), or eligible governmental plan under section 457(b), must file Form 5498-A.

### Furnishing Statements to Participants

If you are required to file Form 1098-Q, you must furnish a statement to the participant annually. For more information about the requirement to furnish a statement to each participant, see part M in the 2014 General Instructions for Certain Information Returns.

**Truncating participant's identification number on payee statements.** Pursuant to Treasury Regulations section 301.6109-4, all filers of this form may truncate a participant's identification number (social security number (SSN), individual taxpayer identification number (TIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's identification number may not be truncated on any form. See part J in the 2014 General Instructions for Certain Information Returns.

**Manner and time for filing.** You must file Form 1098-Q with the IRS and furnish a statement to the individual in whose name the contract has been purchased for each calendar year beginning with the year in which the premiums for a contract are first paid and ending with the earlier of the year in which the individual in whose name the contract has been purchased attains age 85 or dies. If the individual dies and the sole beneficiary under the contract is the individual's spouse (in which case the spouse's annuity would not be required to commence until the individual would have commenced benefits under the contract had the individual survived), you must file Form 1098-Q and provide a statement annually to the spouse until the year in which the distributions to the spouse begin or the year in which the spouse dies, if earlier.

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**Issuer's Name, Address, Telephone Number, and Federal Identification Number Boxes**

Enter the name, address (including street address, city or town, province or state, country, and ZIP or foreign postal code) and telephone number of the entity with the filing requirement (issuer) in the box in the upper left corner. The telephone number must allow a participant to reach a person knowledgeable about the information reported on the form.

**Name of Plan, Number, and Employer Identification Number**

Enter name of the plan sponsor who purchased the contract, the number of the plan and the employer identification number of the plan sponsor.

**Box 1a. Annuity Amount on Start Date**

If the payments have not yet started, enter the amount of the periodic annuity payable on the start date.

**Box 1b. Annuity Start Date**

If the payments have not yet started, enter the annuity starting date on which the annuity is scheduled to start.

**Box 2.**

Check the box if payments have not yet started and the start date may be accelerated.

**Box 3. Total Annual Premiums**

Enter the cumulative total amount of all premiums paid for the contract through the end of the calendar year.

**Box 4 Fair Market Value of QLAC**

Enter the fair market value (FMV) of the QLAC as of the close of the calendar year.

**Boxes 5a through 5l**

Enter the amount of each premium paid for the contract and the date of the premium payment.