

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs,**  
**Insurance Contracts, etc.**

**OMB Control Number 1545-0119**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC), Section 6047(d), Information relating to certain trusts and annuity plans; requires employer maintaining or plan administrator of a plan, to make returns and reports regarding such plan where designated distributions may be made. IRC, Section 408(i), Individual retirement accounts; state the trustee of an individual retirement account and the issuer of an endowment contract or an individual retirement annuity shall make such reports regarding such account, contract, or annuity shall be furnished to the individuals for whom the account, contract, or annuity is, or is to be, maintained with respect to contributions, and distributions aggregating \$10 or more in any calendar year.

Public Law 116-94, Div. O Title I, Section 114, "Increase in age for required beginning date for mandatory distributions," December 20, 2019, increases the required beginning date for mandatory distributions from age 70 ¼ to age 72.

Form 1099-R, is used for each person to whom an employer or plan administrator has made a designated distribution or are treated as having made a distribution of \$10 or more from profit-sharing or retirement plans, any individual retirement arrangements, annuities, pensions, insurance contracts, survivor income benefit plans, permanent and total disability payments under life insurance contracts, charitable gift annuities, etc.

2. USE OF DATA

IRS uses the data to verify that taxable payments from these plans are reported on the recipients' income tax returns.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Electronic filing of Form 1099-R is currently available.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The IRS proactively works with both internal and external stakeholders to minimize the burden on small businesses, while maintaining tax compliance. The Agency also seeks input regarding the burden estimates from the public via notices and tax product instructions. This form can be filed electronically, which further reduces any burden to small businesses.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

A less frequent collection of this information would not allow the IRS to verify that taxable payments from these plans are reported on the recipients' income tax returns and would hinder the IRS from meeting its mission.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

We received no comments during the comment period in response to the Federal Register notice (86 FR 24692), dated May 7, 2021.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift will be provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Information Returns Master-file (IRMF)", "Information Returns Processing (IRP)" and Privacy Act System of Records notices (SORN) has been issued for these systems under Treasury/IRS 22.061-Information Return Master File (IRMF); Treasury/IRS 24.030-Customer Account Data Engine Master File; and IRS 34.037-IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's can be found at <https://www.irs.gov/privacy-disclosure/privacy-impact-assessments-pia>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §§408(i), 6047(d),	Form 1099-R	105,974,100	1	105,974,100	.44	46,628,604
Totals		105,974,100				46,628,604

The following regulations impose no additional burden. Please continue to assign OMB number 1545-0119 to these regulations.

1.6047-1(a)	1.6047-1(a)(4)	1.6041-2	1.402(e)-14	1.408-7	35.3405-1
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13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized startup expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product, such as labor cost, and operating expenses associated with the downstream impact, such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries, and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is summarized in the table below.

<b>Product</b>	<b>Aggregate Cost per Product (factor applied)</b>		<b>Printing and Distribution</b>		<b>Government Cost Estimate per Product</b>
Form 1099-R	119,953	+	36,930	=	156,883
Form 1099-R and F5498 Instructions	45,697	+	4,419	=	50,116
<b>Grand Total</b>	<b>165,650</b>		<b>41,349</b>		<b>206,999</b>
Table costs are based on 2021 actuals obtained from IRS Chief Financial Office and Media and Publications					

15. REASONS FOR CHANGE IN BURDEN

The number of responses was revised to reflect estimated increases in Form 1099-R filers due to growth in the number of individuals taking distributions. While the SECURE Act increased the age for IRA required minimum distributions to age 72 beginning in 2020, the IRS is unable to estimate to what extent this may reduce the number of distributions.

The above changes will result in an increase of 5,108,744 hours and a new total burden of 46,628,604 hours.

	<b>Requested</b>	<b>Program Change Due to New Statute</b>	<b>Program Change Due to Agency Discretion</b>	<b>Change Due to Adjustment in Agency Estimate</b>	<b>Change Due to Potential Violation of the PRA</b>	<b>Previously Approved</b>
Annual Number of Responses	105,974,100	0	0	16,641,100	0	89,333,000
Annual Time Burden (Hr)	46,628,604	0	0	5,108,744	0	37,519,860

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis, and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTION TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books

or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.