

ABOUT YOUR END-OF-YEAR STATEMENTS

In addition to a newsletter, the end-of-year package we mailed you in December or January contains up to three documents: a 1099R tax statement and two Retiree Account Statements (RAS).

To better understand the numbers on these documents and how they relate to each other, lay your statements in the order shown below and review the below descriptions of each document.

Dec. 2, 2011 RAS

RETIREE ACCOUNT STATEMENT	
STATEMENT EFFECTIVE DATE Dec. 02, 2011	NEW PAY DUE AS OF Dec. 30, 2011
PLEASE REMEMBER TO NOTIFY DFAS IF YOUR ADDRESS CHANGES	

This Retiree Account Statement shows the changes in the pay you earned for December 2011. Most retirees received a pay increase this period because of the Cost of Living Adjustment (COLA) Congress approved.

Because you're paid retirement the month after earning it, this is the check you normally would have received on Jan. 3, 2012, but that pay date was moved forward to Dec. 30 to comply with a new law.

In the PAY ITEM DESCRIPTION section of your RAS, there are three columns.

1. The ITEM column lists each portion of your retired pay including the gross pay, a breakdown of any Veterans Affairs or former spouse payments deducted, your taxable income, and the Federal and State Income taxes withheld.

2. The OLD column shows what your pay was the previous month. In this case, your November payment issued Dec. 1.

3. The NEW column shows your most recent payment. In this case, your December payment issued Dec. 30. Your gross pay should be higher due to the COLA.

PAY ITEM DESCRIPTION		
ITEM	OLD	NEW
GROSS PAY	1000.00	1100.00
VA WAIVER	25.00	50.00
TAXABLE INCOME	975.00	1050.00

You'll find the YEAR TO DATE SUMMARY halfway down the right side of the statement.

Because this statement was issued Dec. 2, 2011, before the Dec. 30 payment was processed, these year-to-date totals do **not** include the Dec. 30 payment. Therefore, they do **not** match the figures on your 2011 1099R.

2011 1099R

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city, state, and ZIP code	1 Gross distribution	2011	
	\$15,000.00		
	2a Taxable amount	Form 1099-R	
	\$15,000.00		

Your 2011 1099R reflects all payments made to you in 2011, including the Dec. 30, 2011 payment.

Box 1, "Gross Distribution," shows the total amount of retirement pay you received during 2011. This total does not include any VA waiver or former spouse payments that were deducted from your retired pay. It also doesn't include money that was subject to garnishment for old debts.

The "Taxable Amount," in box 2a should match the amount in Box 1.

1 Gross distribution	OMB No. 1545-0119
\$15,000.00	2011
2a Taxable amount	Form 1099-R
\$15,000.00	

Please keep in mind:

1. The totals on your RAS dated Dec. 2, 2011 are not your totals for the year and should not match the numbers on your 1099R.

2. You cannot compute your taxable pay by multiplying your monthly gross pay by 12 and then adding your final December pay into that total. You have to work with your actual taxable pay.

Dec. 12, 2011 RAS

RETIREE ACCOUNT STATEMENT	
STATEMENT EFFECTIVE DATE DEC 12, 2011	NEW PAY DUE AS OF FEB 01, 2012
PLEASE REMEMBER TO NOTIFY DFAS IF YOUR ADDRESS CHANGES	

Your Retiree Account Statement dated Dec. 12, 2011 shows a change in your net pay that will take place when the new tax table for 2012 takes effect. This tax table will apply to pay earned in January 2012. You will receive this amount in your check dated Feb. 1, 2012.

ITEM	OLD	NEW
FITW	50.00	75.00
SITW	25.00	25.00
ALLOTMENT/BONDS	100.00	100.00
NET PAY	800.00	775.00

Your gross pay should remain the same as the gross pay in the RAS dated Dec. 2, 2011, but the net pay will probably decrease due to the adjustment in the taxes withheld from your pay.

YEAR TO DATE SUMMARY (INFORMATION ONLY)	
TAXABLE INCOME:	15,000
FEDERAL INCOME TAX WITHHELD:	1,003
STATE TAX WITHHELD FOR TEXAS:	875

Note the YEAR TO DATE SUMMARY box halfway down the right side of the statement. Because we created this statement before issuing the Feb. 1, 2012 payment, the totals do not include that payment. The totals include all payments made through Dec. 30, 2011. These totals correspond with the "Gross Distribution" and "Taxable Amount" figures on your 1099R.

