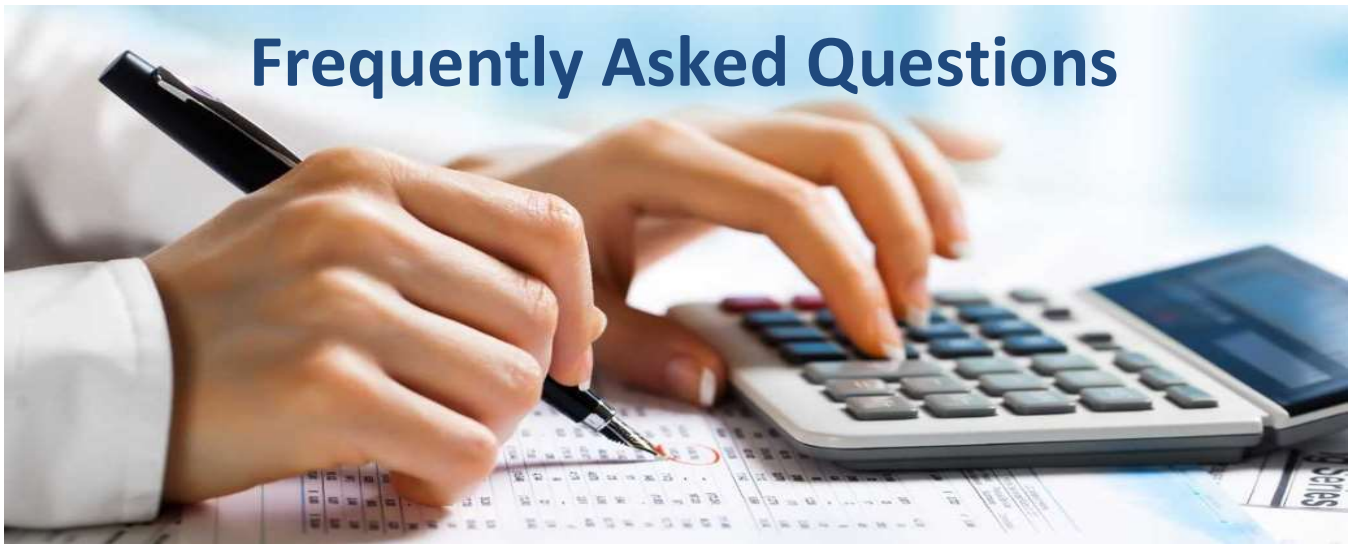


# Frequently Asked Questions



## 1. What is the difference between the gross distribution and the taxable amount reported on Form 1099-R?

**Form 1099-R, Box 1, "Gross Distribution":** In most cases, the amount reported for 2021 equals the sum of three elements:

- your total Staff Retirement Plan ("SRP") benefits paid to you in 2021,
- your 2021 quarterly tax reimbursements, and
- the amount of any adjustment, whether positive or negative, paid or collected in 2021 resulting from the confirmation of a tax reimbursement for a previous year.

If you received a withdrawal benefit from the SRP, you are not eligible for tax reimbursement and only your withdrawal benefit will be included in Box 1.

**Form 1099-R, Box 2a, "Taxable Amount":** The amount reported is the amount in Box 1 minus your pension tax exclusion, i.e., the portion of your SRP benefit that is not subject to U.S. income tax. Under U.S. law, the pension tax exclusion for a monthly pension expires after a fixed number of monthly payments. If your pension tax exclusion expired before 2021, your 2021 gross distribution will be the same as the taxable amount.

## 2. What is the pension tax exclusion?

The pension tax exclusion is the portion of the SRP benefit that represents a tax-free refund of (1) your own contributions to the SRP, and (2) if applicable, the estimated IDB Group SRP contributions relating to periods of SRP service while you were not a U.S. citizen and not subject to U.S. income tax on your IDB Group compensation. Under U.S. tax law, the pension tax exclusion as applied to monthly pension payments is spread out over a period that usually ranges from 21 to 34 years depending on your age and the age of your spouse upon retirement. After your pension tax exclusion expires, your entire pension and tax reimbursement will be subject to U.S. income taxes.