

## 1099-Q FAQs

### 1) Why am I receiving a 1099-Q form? What should I do with it?

A 1099-Q form is a record of funds distributed from a qualified tuition program (529 plan) to an account owner, student beneficiary, or designated school. As a qualified tuition program, the GET Program is required by federal law to report this information to you.

- **If you're an account owner**, you're receiving a 1099-Q form because we sent you a refund or reimbursement check in 2014.
- **If you're a student beneficiary**, you're receiving a 1099-Q form because we sent you a reimbursement check or paid money directly to your school in 2014.

### 2) Do I need to report this on my taxes?

According to the IRS Website (<http://www.irs.gov/uac/529-Plans:-Questions-and-Answers>):

*“Earnings are not subject to federal tax and generally not subject to state tax when used for the qualified education expenses of the designated beneficiary, such as tuition, fees, books, as well as room and board.”*

**However**, please consult a tax professional for details about your individual situation. We also encourage you to review the following:

- IRS *Instructions for Form 1099-Q*: <http://irs.gov/pub/irs-pdf/i1099q.pdf>
- IRS *529 Plans: Questions & Answers*: <http://irs.gov/uac/529-Plans:-Questions-and-Answers>
- IRS *Publication 970: Tax Benefits for Education*: <http://www.irs.gov/publications/p970/>

### 3) What are qualified higher education expenses?

These include the tuition, fees, books, supplies, and equipment required for enrollment or attendance at an eligible college, university or other educational institution. They may also include some room and board costs. For details, review Chapter 8 of IRS *Publication 970 Tax Benefits for Education*, available on the IRS website: <http://www.irs.gov/publications/p970/>

### 4) What do the numbers on the 1099-Q form mean?

- **Box 1** shows the total funds distributed from your GET account(s).
- **Box 2** shows the earnings that could be subject to taxation if you didn't use them for qualified education expenses as required by federal law.
- **Box 3** shows the portion of the distributed funds that was paid into your GET account(s). This equals the difference between Box 1 and Box 2.

### 5) When could the earnings in Box 2 be taxable?

The earnings could be taxable under the following circumstances:

- If any portion of the distributed funds were not used for qualified education expenses.
- The student beneficiary was changed to someone who is not an eligible family member of the original student beneficiary.

Other circumstances may apply. Consult a tax professional for more information.

### 6) How do I report taxable earnings?

You report taxable earnings on line 21 of IRS form 1040. If additional penalties apply, you also may need to complete IRS form 5329. Consult a tax professional for more information.

**This information is based on current IRS regulations, and is not to be considered tax advice. The GET Program cannot provide tax advice or assistance. Any questions about your individual situation should be directed to a tax professional or IRS specialist.**

### Resources:

Internal Revenue Service ([www.irs.gov](http://www.irs.gov)):

- *Publication 970 – Tax Benefits for Education:* <http://www.irs.gov/publications/p970/>
- *529 Plans: Questions & Answers:* <http://irs.gov/uac/529-Plans:-Questions-and-Answers>
- *Instructions for Form 1099-Q:* <http://www.irs.gov/pub/irs-pdf/i1099q.pdf>
- Telephone: 1-800-829-1040 (toll-free)