



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
TAX ON LUMP-SUM DISTRIBUTIONS
From Qualified Retirement Plans

dor.sc.gov

Attach to form SC1040 or form SC1041. See federal instructions.

Name of recipient of distribution

Identifying number

Part I Complete this part to choose capital gain election. (See federal instructions.)

Table with 3 columns: Line number, Description, and Input field. Rows 1 and 2.

Part II Complete this part to choose the 10-year tax option. (See federal instructions.)

Table with 3 columns: Line number, Description, and Input field. Rows 3 through 20.

<b>Part II 10-year tax option - CONTINUED</b>				
<b>10-year tax option</b>	<b>21</b> Multiply line 17 by 10% (.10).....	<b>21</b>		
	<b>22</b> Tax on amount on line 21. Use the Tax Rate Schedule below.....	<b>22</b>		
	<b>23</b> Multiply line 22 by (10).....		<b>23</b>	
	<b>24</b> Subtract line 23 from line 20. (Multiple recipients, see federal instructions).....		<b>24</b>	
	<b>25 Tax on lump-sum distribution.</b> Add line 2 and line 24. Also, enter this amount on SC1040, line 7; or SC1041, line 9, whichever applies .....		<b>25</b>	

**Instructions:**

South Carolina provisions for lump sum distributions are the same as the federal provisions. If you used federal Form 4972 for a lump sum distribution, you must use the South Carolina SC4972 to compute the South Carolina tax.

**Line 4 Retirement Deduction:**

An **individual** may deduct up to \$3,000 of qualified **retirement** income, and, beginning in the tax year in which the individual reaches age 65, up to \$10,000 of qualified retirement income.

A **surviving spouse** receiving qualified **retirement** income attributable to a deceased spouse may deduct up to \$3,000 or \$10,000, whichever would have applied, based on age, had the deceased spouse lived. The surviving spouse retirement deduction is in addition to the **individual** retirement deduction from his or her own plan.

**The retirement deduction can be claimed here to the extent it is not claimed on SC1040 or Schedule NR.** If an age-65-and-older deduction has been claimed on SC1040 or Schedule NR, **do not** include any individual retirement deduction on line 4.

See SC1040 instructions for additional information.

**Line 5 Age-65-and-older deduction:**

Beginning in the tax year in which a **resident** reaches age 65, a deduction of \$15,000 can be claimed against **any** South Carolina income. However, it is reduced by the amount of any **individual** retirement deduction. The age-65-and-older deduction is not reduced by any **surviving spouse** retirement deduction.

**The age 65-and-older deduction can be claimed on line 5 to the extent it is not claimed on SC1040 or Schedule NR.**

See SC1040 instructions for additional information.

**2018 SOUTH CAROLINA TAX RATE SCHEDULE FOR LINES 19 AND 22 ONLY**

At Least	But Less Than	Compute the tax as follows:
-0-	\$ 2,970	\$0
\$ 2,970	5,940	3% times the amount less \$89
5,940	8,910	4% times the amount less \$149
8,910	11,880	5% times the amount less \$238
11,880	14,860	6% times the amount less \$356
14,860 +	or more	7% times the amount less \$505

**Social Security Privacy Act Disclosure**

It is mandatory that you provide your social security number on this tax form. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.