

2019

Instructions for Forms 1099-R and 5498

**Distributions From Pensions, Annuities,
Retirement or Profit-Sharing Plans, IRAs,
Insurance Contracts, etc.**

Volume 2 of 2



Department of the Treasury
Internal Revenue Service





If you made periodic payments from a qualified plan and the annuity starting date is after November 18, 1996, you must use the simplified method to figure the tax-free amount each year. See Annuity starting date in 1998 or later, earlier.

If a total distribution is made, the total employee contributions or insurance premiums available to be recovered tax free must be shown only in box 5. If any previous distributions were made, any amount recovered tax free in prior years must not appear in box 5.

For payments of reportable death benefits, enter your estimate of the buyer's investment in the contract in box 5.

If you are unable to reasonably obtain the data necessary to compute the taxable amount, leave box 2a blank, leave box 5 blank (except in the case of a payment of reportable death benefits), and check the first box in box 2b. In the case of a payment of reportable death benefits, box 5 must be completed.

For more information, see Rev. Proc. 92-86, 1992-2 C.B. 495, and section 72(d).

For reporting charitable gift annuities, see Charitable gift annuities, earlier.

Box 6. Net Unrealized Appreciation (NUA) in Employer's Securities

Use this box if a distribution from a qualified plan (except a qualified distribution from a designated Roth account) includes securities of the employer corporation (or a subsidiary or parent corporation) and you can compute the NUA in the employer's securities. Enter all the NUA in employer securities if this is a lump-sum distribution. If this is not a lump-sum distribution, enter only the NUA in employer securities attributable to employee contributions. See Regulations section 1.402(a)-1(b) for the determination of the NUA. Also see Notice 89-25, Q/ A-1, 1989-1 C.B. 662. Include the NUA in box 1 but not in box 2a except in the case of a direct rollover to a Roth IRA or a designated Roth account in the same plan (see Notice 2009-75, Q/A-1,

and Notice 2010-84, Q/A-7). You do not have to complete this box for a direct rollover.

Box 7. Distribution Code(s)

Enter an "X" in the IRA/SEP/SIMPLE checkbox if the distribution is from a traditional IRA, SEP IRA, or SIMPLE IRA. Do not check the box for a distribution from a Roth IRA or for an IRA recharacterization.

Enter the appropriate code(s) in box 7.

Use the *Guide to Distribution Codes*, later, to determine the appropriate code(s) to enter in box 7 for any amounts reported on Form 1099-R. Read the codes carefully and enter them accurately because the IRS uses the codes to help determine whether the recipient has properly reported the distribution. If the codes you enter are incorrect, the IRS may improperly propose changes to the recipient's taxes.

When applicable, enter a numeric and an alpha code. For example, when using Code P for a traditional IRA distribution under section 408(d)(4), you also must enter Code 1, if it applies. For a normal distribution from a

qualified plan that qualifies for the 10-year tax option, enter Codes 7 and A. For a direct rollover to an IRA or a qualified plan for the surviving spouse of a deceased participant, or on behalf of a nonspouse designated beneficiary, enter Codes 4 and G (Codes 4 and H if from a designated Roth account to a Roth IRA). If two or more distribution codes are not valid combinations, you must file more than one Form 1099-R.



Enter a maximum of two alpha/numeric codes in box 7. See the Guide to Distribution Codes, later, for allowable combinations. Only three numeric combinations are permitted on one Form 1099-R: Codes 8 and 1, 8 and 2, or 8 and 4. If two or more other numeric codes are applicable, you must file more than one Form 1099-R. For example, if part of a distribution is premature (Code 1) and part is not (Code 7), file one Form 1099-R for the part to which Code 1 applies and another Form 1099-R for the part to which Code 7 applies. In addition, for the distribution of excess deferrals, parts of the distribution may be taxable in 2 different years. File separate Forms 1099-R

using Code 8 or P to indicate the year the amount is taxable.



If a qualified plan loan offset occurs in a designated Roth account (Codes M and B), or a loan is treated as a deemed distribution under section 72(p) (Codes L and B) and a numeric code is needed to indicate whether the recipient is subject to the 10% tax under 72(t), omit Code M or Code L, as applicable.

Even if the employee/taxpayer is age 59½ or over, use Code 1 if a series of substantially equal periodic payments was modified within 5 years of the date of the first payment (within the meaning of section 72(q)(3) or (t)(4)), if you have been reporting distributions in previous years using Code 2.

For example, Mr. B began receiving payments that qualified for the exception for part of a series of substantially equal periodic payments under section 72(t) (2)(A)(iv) when he was 57. When he was 61, Mr. B modified the payments. Because the payments were modified within 5 years, use Code 1 in the

year the payments were modified, even though Mr. B is over 59½.

If you do not know that the taxpayer meets the requirements for substantially equal periodic payments under section 72(t)(2)(A)(iv), use Code 1 to report the payments.



For further guidance on what makes a series of substantially equal periodic payments, see Notice 89-25, Q/A-12, as modified by Rev. Rul. 2002-62, 2002-42 I.R.B. 710. Notice 2004-15, 2004-9 I.R.B. 526, available at IRS.gov/irb/2004-09_IRB/ar09.html, allows taxpayers to use one of three methods in Notice 89-25, as modified by Rev. Rul. 2002-62, to determine whether a distribution from a nonqualified annuity is part of a series of substantially equal periodic payments under section 72(q)(2)(D).

If part of a distribution is paid in a direct rollover and part is not, you must file a separate Form 1099-R for each part showing the appropriate code on each form.

Governmental section 457(b) plan

distributions. Generally, a distribution from a governmental section 457(b) plan is not subject to the 10% additional tax under section 72(t). However, an early distribution from a governmental section 457(b) plan of an amount that is attributable to a rollover from another type of eligible retirement plan or IRA is subject to the additional tax as if the distribution were from a plan described in section 401(a). See section 72(t)(9). If the distribution consists solely of amounts that are not attributable to such a rollover, enter Code 2 in box 7. If the distribution consists solely of amounts attributable to such a rollover, then enter the appropriate code in box 7 as if the distribution were from a plan described in section 401(a). If the distribution is made up of amounts from both sources, you must file separate Forms 1099-R for each part of the distribution unless Code 2 would be entered on each form.

Box 8. Other

Enter the current actuarial value of an annuity contract that is part of a lump-sum

distribution. Do not include this item in boxes 1 and 2a.

To determine the value of an annuity contract, show the value as an amount equal to the current actuarial value of the annuity contract, reduced by an amount equal to the excess of the employee's contributions over the cash and other property (not including the annuity contract) distributed.

If an annuity contract is part of a multiple recipient lump-sum distribution, enter in box 8, along with the current actuarial value, the percentage of the total annuity contract each Form 1099-R represents.

Also, enter in box 8 the amount of the reduction in the investment (but not below 0 (zero)) against the cash value of an annuity contract or the cash surrender value of a life insurance contract due to charges or payments for qualified long-term care insurance contracts.

Box 9a. Your Percentage of Total Distribution

If this is a total distribution and it is made to more than one person, enter the percentage received by the person whose name appears on Form 1099-R. You need not complete this box for any IRA distributions or for a direct rollover.

Box 9b. Total Employee Contributions

You are not required to enter the total employee contributions or designated Roth contributions in box 9b. However, because this information may be helpful to the recipient, you may choose to report them.

If you choose to report the total employee contributions or designated Roth contributions, do not include any amounts recovered tax free in prior years. For a total distribution, report the total employee contributions or designated Roth contributions in box 5 rather than in box 9b.

Box 10. Amount Allocable to IRR Within 5 Years

Enter the amount of the distribution allocable to an IRR made within the 5-year period beginning with the first day of the year in which the rollover was made. Do not complete this box if an exception under section 72(t) applies.

For further guidance on determining amounts allocable to an IRR, see Notice 2010-84, Q/A-13.

Box 11. 1st Year of Desig. Roth Contrib.

Enter the first year of the 5-tax-year period. This is the year in which the designated Roth account was first established by the recipient.

Boxes 12–17. State and Local Information

These boxes and Copies 1 and 2 are provided for your convenience only and need not be completed for the IRS. Use the state and local information boxes to report distributions and taxes for up to two states or localities.

Keep the information for each state or locality separated by the broken line. If state or local income tax has been withheld on this distribution, you may enter it in boxes 12 and 15, as appropriate. In box 13, enter the abbreviated name of the state and the payer's state identification number. The state number is the payer's identification number assigned by the individual state. In box 16, enter the name of the locality. In boxes 14 and 17, you may enter the amount of the state or local distribution. Copy 1 may be used to provide information to the state or local tax department. Copy 2 may be used as the recipient's copy in filing a state or local income tax return.

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Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
1—Early distribution, no known exception.	Use Code 1 only if the participant has not reached age 59 ^{1/2} , and you do not know if any of the exceptions under Code 2, 3, or 4 apply. However, use Code 1 even if the distribution is made for medical expenses, health insurance premiums, qualified higher education expenses, a first-time home purchase, or a qualified reservist distribution under section 72(t)(2)(B), (D), (E), (F), or (G). Code 1 also must be used even if a taxpayer is 59 ^{1/2} or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period which began with the first payment.	8, B, D, K, L, M, or P
2—Early distribution, exception applies.	Use Code 2 only if the participant has not reached age 59 ^{1/2} and you know the distribution is the following. <ul style="list-style-type: none">• A Roth IRA conversion (an IRA converted to a Roth IRA).• A distribution made from a qualified retirement plan or IRA because of an IRS levy under section 6331.• A governmental section 457(b) plan distribution that is not subject to the additional 10% tax. But see Governmental section 457(b) plans, earlier, for information on distributions that may be subject to the 10% additional tax.• A distribution from a qualified retirement plan after separation from service in or after the year the participant has reached age 55.• A distribution from a governmental defined benefit plan to a public safety employee (as defined in section 72(t)(10)(B)) after separation from service, in or after the year the employee has reached age 50.• A distribution that is part of a series of substantially equal periodic payments as described in section 72(q), (t), (u), or (v).• A distribution that is a permissible withdrawal under an eligible automatic contribution arrangement (EACA).• Any other distribution subject to an exception under section 72(q), (t), (u), or (v) that is not required to be reported using Code 1, 3, or 4.	8, B, D, K, L, M, or P
3—Disability.	For these purposes, see section 72(m)(7).	D
4—Death.	Use Code 4 regardless of the age of the participant to indicate payment to a decedent's beneficiary, including an estate or trust. Also use it for death benefit payments made by an employer but not made as part of a pension, profit-sharing, or retirement plan. Also use it for payments of reportable death benefits.	8, A, B, D, G, H, K, L, M, or P
5—Prohibited transaction.	Use Code 5 if there was a prohibited transaction involving the IRA account. Code 5 means the account is no longer an IRA.	None
6—Section 1035 exchange.	Use Code 6 to indicate the tax-free exchange of life insurance, annuity, long-term care insurance, or endowment contracts under section 1035.	W

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
7—Normal distribution.	Use Code 7: (a) for a normal distribution from a plan, including a traditional IRA, section 401(k), or section 403(b) plan, if the employee/taxpayer is at least age 59½; (b) for a Roth IRA conversion if the participant is at least age 59½; and (c) to report a distribution from a life insurance, annuity, or endowment contract and for reporting income from a failed life insurance contract under section 7702(g) and (h). See Rev. Proc. 2008-42, 2008-29 I.R.B. 160, available at IRS.gov/irb/2008-29_IRB/ar19.html . Generally, use Code 7 if no other code applies. Do not use Code 7 for a Roth IRA. Note. Code 1 must be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period which began with the first payment.	A, B, D, K, L, or M
8—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2019.	Use Code 8 for an IRA distribution under section 408(d)(4), unless Code P applies. Also use this code for corrective distributions of excess deferrals, excess contributions, and excess aggregate contributions, unless Code P applies. See Corrective Distributions , earlier, and IRA Revocation or Account Closure , earlier, for more information.	1, 2, 4, B, J, or K
9—Cost of current life insurance protection.	Use Code 9 to report premiums paid by a trustee or custodian for current life or other insurance protection. See the instructions for box 2a , earlier, for more information.	None
A—May be eligible for 10-year tax option.	Use Code A only for participants born before January 2, 1936, or their beneficiaries to indicate the distribution may be eligible for the 10-year tax option method of computing the tax on lump-sum distributions (on Form 4972, Tax on Lump-Sum Distributions). To determine whether the distribution may be eligible for the tax option, you need not consider whether the recipient used this method (or capital gain treatment) in the past.	4 or 7
B—Designated Roth account distribution.	Use Code B for a distribution from a designated Roth account. But use Code E for a section 415 distribution under EPCRS (see Code E) or Code H for a direct rollover to a Roth IRA.	1, 2, 4, 7, 8, G, L, M, P, or U
C—Reportable death benefits under section 6050Y.	Use Code C for a distribution to report payments of reportable death benefits.	D
D—Annuity payments from nonqualified annuities and distributions from life insurance contracts that may be subject to tax under section 1411.	Use Code D for a distribution from any plan or arrangement not described in section 401(a), 403(a), 403(b), 408, 408A, or 457(b).	1, 2, 3, 4, 7, or C
E—Distributions under Employee Plans Compliance Resolution System (EPCRS).	See Distributions Under Employee Plans Compliance Resolution System (EPCRS) , earlier.	None
F—Charitable gift annuity.	See Charitable gift annuities , earlier.	None
G—Direct rollover and direct payment.	Use Code G for a direct rollover from a qualified plan, a section 403(b) plan, or a governmental section 457(b) plan to an eligible retirement plan (another qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA). See Direct Rollovers , earlier. Also use Code G for a direct payment from an IRA to an accepting employer plan, and for IRRs that are direct rollovers. Note. Do not use Code G for a direct rollover from a designated Roth account to a Roth IRA. Use Code H.	4, B, or K
H—Direct rollover of a designated Roth account distribution to a Roth IRA.	Use Code H for a direct rollover of a distribution from a designated Roth account to a Roth IRA.	4
J—Early distribution from a Roth IRA.	Use Code J for a distribution from a Roth IRA when Code Q or Code T does not apply. But use Code 2 for an IRS levy and Code 5 for a prohibited transaction.	8 or P
K—Distribution of traditional IRA assets not having a readily available FMV.	Use Code K to report distributions of IRA assets not having a readily available FMV. These assets may include: <ul style="list-style-type: none">• Stock, other ownership interest in a corporation, short- or long-term debt obligations, not readily tradable on an established securities market;• Ownership interest in a limited liability company (LLC), partnership, trust, or similar entity (unless the interest is traded on an established securities market);• Real estate;• Option contracts or similar products not offered for trade on an established option exchange; or• Other asset that does not have a readily available FMV.	1, 2, 4, 7, 8, or G

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
L—Loans treated as deemed distributions under section 72(p).	Do not use Code L to report a plan loan offset. See Loans Treated as Distributions , earlier.	1, 2, 4, 7, or B
M—Qualified plan loan offset.	Use Code M for a qualified plan loan offset. Use Code M for a plan loan offset distribution due to severance from employment or termination of the plan. Also, see Plan loan offsets , earlier.	1, 2, 4, 7, or B
N—Recharacterized IRA contribution made for 2019.	Use Code N for a recharacterization of an IRA contribution made for 2019 and recharacterized in 2019 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
P—Excess contributions plus earnings/excess deferrals taxable in 2018.	See the explanation for Code 8. The IRS suggests that anyone using Code P for the refund of an IRA contribution under section 408(d)(4), including excess Roth IRA contributions, advise payees, at the time the distribution is made, that the earnings are taxable in the year in which the contributions were made.	1, 2, 4, B, or J
Q—Qualified distribution from a Roth IRA.	Use Code Q for a distribution from a Roth IRA if you know that the participant meets the 5-year holding period and: <ul style="list-style-type: none"> • The participant has reached age 59½, • The participant died, or • The participant is disabled. Note. If any other code, such as 8 or P, applies, use Code J.	None
R—Recharacterized IRA contribution made for 2018.	Use Code R for a recharacterization of an IRA contribution made for 2018 and recharacterized in 2019 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
S—Early distribution from a SIMPLE IRA in the first 2 years, no known exception.	Use Code S only if the distribution is from a SIMPLE IRA in the first 2 years, the employee/taxpayer has not reached age 59½, and none of the exceptions under section 72(t) is known to apply when the distribution is made. The 2-year period begins on the day contributions are first deposited in the individual's SIMPLE IRA. Do not use Code S if Code 3 or 4 applies.	None
T—Roth IRA distribution, exception applies.	Use Code T for a distribution from a Roth IRA if you do not know if the 5-year holding period has been met but: <ul style="list-style-type: none"> • The participant has reached age 59½, • The participant died, or • The participant is disabled. Note. If any other code, such as 8 or P, applies, use Code J.	None
U—Dividends distributed from an ESOP under section 404(k).	Use Code U for a distribution of dividends from an employee stock ownership plan (ESOP) under section 404(k). These are not eligible rollover distributions. Note. Do not report dividends paid by the corporation directly to plan participants or their beneficiaries. Continue to report those dividends on Form 1099-DIV.	B
W—Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.	Use Code W for charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements which are excludable under section 72(e)(11) against the cash value of an annuity contract or the cash surrender value of a life insurance contract.	6
*See the first two Cautions for box 7 instructions, earlier.		

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Specific Instructions for Form 5498

File Form 5498, IRA Contribution Information, with the IRS by June 1, 2020, for each person for whom in 2019 you maintained any individual retirement arrangement (IRA), including a deemed IRA under section 408(q).

An IRA includes all investments under one IRA plan. It is not necessary to file a Form 5498 for each investment under one plan. For example, if a participant has three certificates of deposit (CDs) under one IRA plan, only one Form 5498 is required for all contributions and the fair market values (FMVs) of the CDs under the plan.

However, if a participant has established more than one IRA plan with the same trustee, a separate Form 5498 must be filed for each plan.

Contributions. You must report contributions to any IRA on Form 5498. See the instructions under boxes 1, 2, 3, 4, 8, 9, 10, 13a, and 14a, later. If no reportable contributions were

made for 2019, complete only boxes 5 and 7, and boxes 11, 12a, 12b, 15a, and 15b, if applicable. See Reporting FMV of certain specified assets, later.



You are required to file Form 5498 even if required minimum distributions (RMDs) or other annuity or periodic payments have started.

Report contributions to a Kay Bailey Hutchison Spousal IRA under section 219(c) on a separate Form 5498 using the name and TIN of the spouse.

For contributions made between January 1 and April 15, 2020, trustees and issuers should obtain the participant's designation of the year for which the contributions are made.

Direct rollovers, transfers, and recharacterizations. You must report the receipt of a direct rollover from a qualified plan, section 403(b) plan, or governmental section 457(b) plan to an IRA. Report a direct rollover in box 2. For information on direct

rollovers of eligible rollover distributions, see *Direct Rollovers*, earlier.

If a rollover or trustee-to-trustee transfer is made from a savings incentive match plan for employees (SIMPLE) IRA to an IRA that is not a SIMPLE IRA and the trustee has adequately substantiated information that the participant has not satisfied the first 2 years of plan participation, report the amount as a regular contribution in box 1 even if the amount exceeds \$6,000 (\$7,000 for participants 50 or older).

Transfers. Do not report on Form 5498 a trustee-to-trustee transfer from (a) a traditional IRA or a simplified employee pension (SEP) IRA to another traditional IRA or SEP IRA, or to a SIMPLE IRA after the first 2 years of plan participation; (b) a SIMPLE IRA to another SIMPLE IRA, or to a traditional IRA or SEP IRA after the first 2 years of plan participation; or (c) a Roth IRA to another Roth IRA.

Recharacterizations. You must report each recharacterization of an IRA contribution. If a participant makes a contribution to an IRA

(first IRA) for a year, the participant may choose to recharacterize the contribution by transferring, in a trustee-to-trustee transfer, any part of the contribution (plus earnings) to another IRA (second IRA). The contribution is treated as made to the second IRA (recharacterization). A recharacterization may be made with the same trustee or with another trustee. The trustee of the first IRA must report the amount contributed before the recharacterization as a contribution on Form 5498 and the recharacterization as a distribution on Form 1099-R. The trustee of the second IRA must report the amount received (FMV) in box 4 on Form 5498 and check the type of IRA in box 7.

All recharacterized contributions received by an IRA in the same year must be totaled and reported on one Form 5498 in box 4. You may report the FMV of the account on the same Form 5498 you use to report a recharacterization of an IRA contribution and any other contributions made to the IRA for the year.

No recharacterizations of conversions made in 2018 or later. A conversion of a traditional IRA to a Roth IRA, and a rollover from any other eligible retirement plan to a Roth IRA, made in the participant's tax years beginning after December 31, 2017, cannot be recharacterized as having been made to a traditional IRA. Conversions made in the 2017 tax year may be recharacterized by the due date (with extensions) for filing the return for that tax year.

Catch-up contributions. Participants who are age 50 or older by the end of the year may be eligible to make catch-up IRA contributions or catch-up elective deferral contributions. The annual IRA regular contribution limit of \$6,000 is increased to \$7,000 for participants age 50 or older. Catch-up elective deferral contributions reported on Form 5498 may be made under a salary reduction SEP (SARSEP) or under a SIMPLE IRA plan. For 2019, up to \$6,000 in catch-up elective deferral contributions may be made under a SARSEP, and up to \$3,000 to a SIMPLE IRA plan. For more information

on catch-up elective deferral contributions, see Regulations section 1.414(v)-1.

Include any catch-up amounts when reporting contributions for the year in box 1, 8, 9, or 10, or for a prior year in box 13a.

Roth IRA conversions. You must report the receipt of a conversion from an IRA to a Roth IRA even if the conversion is with the same trustee. Report the total amount converted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA in box 3.

IRA revocation or account closure. If a traditional IRA, Roth IRA, or SIMPLE IRA is revoked during its first 7 days (under Regulations section 1.408-6(d)(4)(ii)) or closed at any time by the IRA trustee pursuant to its resignation or such other event mandating the closure of the account, Form 5498 must be filed to report any regular, rollover, IRA conversion, SEP IRA, or SIMPLE IRA contributions to the IRA. For information about reporting a distribution from a revoked or closed IRA, see IRA Revocation or Account Closure, in the *Specific Instructions for Form 1099-R*, earlier.

Total distribution, no contributions.

Generally, if a total distribution was made from an account during the year and no contributions, including rollovers, recharacterizations, or Roth IRA conversion amounts, were made for that year, you need not file Form 5498 nor furnish the annual statement to reflect that the FMV on December 31 was zero.

RMDs. An IRA (other than a Roth IRA) owner/participant must begin taking distributions for each calendar year beginning with the calendar year in which the participant attains age 70½. The distribution for the 70½ year must be made no later than April 1 of the following calendar year; RMDs for any other year must be made no later than December 31 of the year. See Regulations section 1.401(a)(9)-6 for RMDs from annuity contracts.

For each IRA you held as of December 31 of the prior year, if an RMD is required for the year, you must provide a statement to the IRA participant by January 31 regarding the RMD using one of two alternative methods

described below. You are not required to use the same method for all IRA participants; you can use *Alternative one* for some IRA participants and *Alternative two* for the rest. Under both methods, the statement must inform the participant that you are reporting to the IRS that an RMD is required for the year. The statement can be provided in conjunction with the statement of the FMV.

If the IRA participant is deceased, and the surviving spouse is the sole beneficiary, special rules apply for RMD reporting. If the surviving spouse elects to treat the IRA as the spouse's own, then report with the surviving spouse as the owner. However, if the surviving spouse does not elect to treat the IRA as the spouse's own, then you must continue to treat the surviving spouse as the beneficiary. Until further guidance is issued, no reporting is required for IRAs of deceased participants (except where the surviving spouse elects to treat the IRA as the spouse's own as described above).

Alternative one. Under this method, include in the statement the amount of the RMD with

respect to the IRA for the calendar year and the date by which the distribution must be made. The amount may be calculated assuming the sole beneficiary of the IRA is not a spouse more than 10 years younger than the participant. Use the value of the account as of December 31 of the prior year to compute the amount. See the instructions for boxes 11, 12a, and 12b, later, for how to report.

Alternative two. Under this method, the statement informs the participant that a minimum distribution with respect to the IRA is required for the calendar year and the date by which such amount must be distributed. You must include an offer to furnish the participant with a calculation of the amount of the RMD if requested by the participant.

Electronic filing. These statements may be furnished electronically using the procedures described in part F of the 2019 General Instructions for Certain Information Returns.

Reporting to the IRS. If an RMD is required, check box 11. See Box 11, later. For example, box 11 is checked on the Form 5498

for a 2020 RMD. You are not required to report to the IRS the amount or the date by which the distribution must be made.

However, see the Caution following the box 11 instructions, later, for reporting RMDs to participants.

For more details, see Notice 2002-27 on page 814 of Internal Revenue Bulletin 2002-18 at [IRS.gov/pub/irs-irbs/irb02-18.pdf](https://www.irs.gov/pub/irs-irbs/irb02-18.pdf), as clarified by Notice 2003-3 on page 258 of Internal Revenue Bulletin 2003-2 at [IRS.gov/pub/irs-irbs/irb03-02.pdf](https://www.irs.gov/pub/irs-irbs/irb03-02.pdf).

Inherited IRAs. In the year an IRA participant dies, you, as an IRA trustee or issuer, generally must file a Form 5498 and furnish an annual statement for the decedent and a Form 5498 and an annual statement for each nonspouse beneficiary. An IRA holder must be able to identify the source of each IRA he or she holds for purposes of figuring the taxation of a distribution from an IRA. Thus, the decedent's name must be shown on the beneficiary's Form 5498 and annual statement. For example, you may enter "Brian Willow as beneficiary of Joan Maple" or

something similar that signifies that the IRA was once owned by Joan Maple. You may abbreviate the word "beneficiary" as, for example, "bene."

For a spouse beneficiary, unless the spouse makes the IRA his or her own, treat the spouse as a nonspouse beneficiary for reporting purposes. If the spouse makes the IRA his or her own, do not report the beneficiary designation on Form 5498 and the annual statement.

An IRA set up to receive a direct rollover for a nonspouse designated beneficiary is treated as an inherited IRA.

FMV. On the decedent's Form 5498 and annual statement, you must enter the FMV of the IRA on the date of death in box 5. Or you may choose the alternate reporting method and report the FMV as of the end of the year in which the decedent died. This alternate value will usually be zero because you will be reporting the end-of-year valuation on the beneficiary's Form 5498 and annual statement. The same figure should not be shown on both the beneficiary's and

decedent's forms. If you choose to report using the alternate method, you must inform the executor or administrator of the decedent's estate of his or her right to request a date-of-death valuation.

On the beneficiary's Form 5498 and annual statement, the FMV of that beneficiary's share of the IRA as of the end of the year must be shown in box 5. Every year thereafter that the IRA exists, you must file Form 5498 and furnish an annual statement for each beneficiary who has not received a total distribution of his or her share of the IRA showing the FMV at the end of the year and identifying the IRA as described above.

However, if a beneficiary takes a total distribution of his or her share of the IRA in the year of death, you need not file a Form 5498 nor furnish an annual statement for that beneficiary, but you must still file Form 5498 for the decedent.

If you have no knowledge of the death of an IRA participant until after you are required to file Form 5498 (June 1, 2020), you are not required to file a corrected Form 5498 nor

furnish a corrected annual statement. However, you must still provide the date-of-death valuation in a timely manner to the executor or administrator upon request.

In the case of successor beneficiaries, apply the preceding rules by treating the prior beneficiary as the decedent and the successor beneficiary as the beneficiary. Using the example above (Brian Willow as beneficiary of Joan Maple), when that account passes to Brian's successor beneficiary, Maurice Poplar, Form 5498 and the annual statement for Maurice should state "Maurice Poplar as beneficiary of Brian Willow." The final Form 5498 and annual statement for Brian Willow will state "Brian Willow as beneficiary of Joan Maple" and will show the FMV as of the date of Brian's death or year-end valuation, depending on the method chosen.

For more information about the reporting requirements for inherited IRAs, see Rev. Proc. 89-52, 1989-2 C.B. 632.

Disaster relief reporting. Special tax law provisions and reporting instructions may apply when the President declares a location

to be a major disaster area. To determine the location of and special rules applicable to individual federally declared disaster areas, go to [IRS.gov](https://www.irs.gov) click on "News" then click on "Tax Relief in Disaster Situations." The information provided includes:

- A list of the areas for which relief has recently been granted,
- News releases detailing the scope of the relief and any special reporting instructions, and
- A link to the Federal Emergency Management Agency's list of federal disaster declarations. Also, see Pub 976, Disaster Relief, for more information.

See the instructions for boxes 13a through 13c for reporting postponed contributions, later.

Special reporting for U.S. Armed Forces in designated combat zones. A participant who is serving in or in support of the Armed Forces in a designated combat zone or qualified hazardous duty area has an additional period after the normal contribution

due date of April 15 to make IRA contributions for a prior year. The period is the time the participant was in the designated zone or area plus at least 180 days. The participant must designate the IRA contribution for a prior year to claim it as a deduction on the income tax return.

Under section 219(f), combat zone compensation that is excluded from gross income under section 112 is treated as includible compensation for purposes of determining IRA contributions.

A qualifying participant is:

- Serving, or has served in a combat zone;
- Serving, or has served in a qualifying hazardous duty area; or
- Serving, or has served in an active direct support area.

If a qualifying participant designates an IRA contribution for a prior year, other than an IRA contribution made by April 15 for the preceding year, you must report the type of IRA (box 7) and the amount on Form 5498.

Report the amount either for (1) the year for which the contribution was made, or (2) a subsequent year. See the instructions for boxes 13a, 13b, and 13c, later.

1. If you report a contribution for 2019 made before April 15, 2020, no special reporting is required. Include the contribution in box 1 or box 10 of an original Form 5498 or of a corrected Form 5498 if an original was previously filed.
2. If you report the contribution on Form 5498 in a subsequent year, you must include the year for which the contribution was made, the amount of the contribution, and one of the following indicators.
 - a. Use "EO13239" for Afghanistan and those countries in direct support, including Djibouti, Jordan, Kyrgyzstan, Pakistan, Somalia, Syria, Tajikistan, Uzbekistan, Yemen, and the Philippines. For the Philippines only, personnel must be deployed in conjunction with

Operation Enduring Freedom
supporting military operations in
the Afghanistan combat zone.

- b. Use "EO12744" for the Arabian Peninsula, including air space and adjacent waters (the Persian Gulf, the Red Sea, the Gulf of Oman, the Gulf of Aden, the portion of the Arabian Sea that lies north of 10 degrees north latitude and west of 68 degrees east longitude, and the total land areas of Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates), and Jordan which is in direct support of the Arabian Peninsula.
- c. c. Use "EO13119" or Public Law 106-21 "PL106-21" for the Federal Republic of Yugoslavia (Serbia and Montenegro), Albania, Kosovo, the Adriatic Sea, and the Ionian Sea north of the 39th parallel. (**Note.** The combat zone designation for Montenegro and Kosovo

(previously a province within Serbia) under Executive Order 13119 remains in force even though Montenegro and Kosovo became independent nations since EO13119 was signed.)

- d. Use Public Law 115-97 "PL115-97" for the Sinai Peninsula of Egypt.



For additions to, or subtractions from, the list of combat zones or qualified hazardous duty areas implemented by executive orders and public laws, and direct support areas designated by the Secretary of Defense, after the publication date of these instructions, go to [IRS.gov/Form5498](https://www.irs.gov/Form5498).

Example. For a \$4,000 IRA contribution designated by a participant who served under EO13239 for the tax year 2016, enter "4000" in box 13a, "2016" in box 13b, and "EO13239" in box 13c only. Make no entry in box 1 or box 10.

Repayment of qualified reservist distributions. Report any repayment of a qualified reservist distribution as described in

section 72(t)(2)(G) in boxes 14a (amount) and 14b (with indicator code "QR").

Military death gratuities and servicemembers' group life insurance (SGLI) payments. Recipients of military death gratuities and SGLI payments may contribute amounts received to a Roth IRA, up to the amount of the gratuity or SGLI payment less any amounts contributed to Coverdell ESAs. Report the amount of the rollover contribution in box 2 only. See section 408A(e)(2), and Notice 2010-15, 2010-06 I.R.B. 390, available at [IRS.gov/irb/2010-06_IRB/ar09.html](https://www.irs.gov/irb/2010-06_IRB/ar09.html), for more information on limitations.

Electronic filers. You may request an automatic waiver from filing Forms 5498 for combat zone participants by submitting Form 8508, Request for Waiver From Filing Information Returns Electronically. Once you have received the waiver, you may report all Forms 5498 for combat zone participants on paper. Alternatively, you may report contributions made by the normal contribution due date electronically and report the

contributions made after the normal contribution due date on paper. You also may report prior year contributions by combat zone participants on a corrected Form 5498 electronically or on paper.

See part F in the 2019 General Instructions for Certain Information Returns for information on how to request a waiver on Form 8508.

Reporting FMV of certain specified assets. Assets held in an IRA that are not readily tradable on an established securities market or option exchange, or that do not have a readily available FMV, must be reported at the FMV determined as of December 31, 2019. See the instructions for boxes 15a and 15b, later.

Corrected Form 5498. If you file a Form 5498 with the IRS and later discover that there is an error on it, you must correct it as soon as possible. See part H in the 2019 General Instructions for Certain Information Returns, or Pub. 1220, if filing electronically. For example, if you reported contributions as rollover contributions in box 2, and you later

discover that part of the contribution was not eligible to be rolled over and was, therefore, a regular contribution that should have been reported in box 1 (even if the amount exceeds the regular contribution limit), you must file a corrected Form 5498.

Statements to participants. If you are required to file Form 5498, you must provide a statement to the participant. By January 31, 2020, you must provide participants with a statement of the December 31, 2019, value of the participant's account (including information required to be reported in boxes 15a and 15b for

hard-to-value assets) and RMD, if applicable. Trustees of SIMPLE IRAs also must provide a statement of the account activity by January 31, 2020. Contribution information for all other types of IRAs must be provided by June 1, 2020. You are not required to provide information to the IRS or to participants as to whether a contribution is deductible or nondeductible. In addition, the participant is not required to tell you whether a contribution is deductible or nondeductible.

If you furnished a statement of the FMV of the account (including information required to be reported in boxes 15a and 15b for hard-to-value assets) and RMD, if applicable, to the participant by January 31, 2020, and no reportable contributions, including rollovers, recharacterizations, or Roth IRA conversions, were made for 2019, you need not furnish another statement (or Form 5498) to the participant to report zero contributions.

However, you must file Form 5498 with the IRS by June 1, 2020, to report the December 31, 2019, FMV of the account and the FMV of hard-to-value assets. This rule also applies to beneficiary accounts under the inherited IRA rules, earlier. For more information about the requirement to furnish statements to participants, see part M in the 2019 General Instructions for Certain Information Returns.



If you do not furnish another statement to the participant because no reportable contributions were made for the year, the statement of the FMV of the account must contain a legend designating which information is being filed with the IRS.

Truncating taxpayer participant's TIN on payee statements. Pursuant to Regulations section 301.6109-4, all filers of Form 5498 may truncate a participant's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A trustee's or issuer's TIN may not be truncated on any form. See part J in the 2019 General Instructions for Certain Information Returns.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 5498.

Additionally, the IRS encourages you to designate an account number for all Forms 5498 that you file. See part L in the 2019 General Instructions for Certain Information Returns.

Box 1. IRA Contributions (Other Than Amounts in Boxes 2–4, 8–10, 13a, and 14a)

Enter contributions to a traditional IRA made in 2019 and through April 15, 2020, designated for 2019.

Report gross contributions, including the amount allocable to the cost of life insurance (see Box 6, later) and including any excess contributions, even if the excess contributions were withdrawn. If an excess contribution is treated as a contribution in a subsequent year under section 219(f)(6), do not report it on Form 5498 for the subsequent year. It has already been reported as a contribution on Form 5498 for the year it was actually contributed.

Also include employee contributions to an IRA under a SEP plan. These are contributions made by the employee, not by the employer, that are treated as regular IRA contributions subject to the 100% of compensation and \$6,000 (\$7,000 for participants 50 or older) limits of section 219. Do not include employer

SEP IRA contributions or SARSEP contributions under section 408(k)(6). Instead, include them in box 8.

Also, do not include in box 1 employer contributions, including salary deferrals, to a SIMPLE IRA (report them in box 9) and a Roth IRA (report them in box 10). In addition, do not include in box 1 rollovers and recharacterizations (report rollovers in box 2 and recharacterizations in box 4), or a Roth IRA conversion amount (report in box 3).

Box 2. Rollover Contributions

Enter any rollover contributions (or contributions treated as rollovers) to any IRA received by you during 2019.

These contributions may be any of the following.

- A 60-day rollover between Roth IRAs or between other types of IRAs.
- A direct or indirect rollover (within 60 days) from a qualified plan, section 403(b) plan, or governmental section 457(b) plan.

- Any qualified rollover contribution as defined in section 408A(e) from an eligible retirement plan (other than an IRA) to a Roth IRA.
- A military death gratuity.
- An SGLI payment.

For the rollover of property, enter the FMV of the property on the date you receive it. This value may be different from the value of the property on the date it was distributed to the participant.

For more details, see Pub. 590-A.

Note. Do **not** use box 2 for late rollover contributions, including rollovers of qualified plan loan offset amounts after 60 days and repayments of designated disaster distributions after 60 days. See the instructions for boxes 13a through 13c, 14a, and 14b, later.

Box 3. Roth IRA Conversion Amount

Enter the amount converted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA during 2019. Do not include a rollover from

one Roth IRA to another Roth IRA, or a qualified rollover contribution under section 408A(e) from an eligible retirement plan (other than an IRA) to a Roth IRA. These rollovers are reported in box 2.

Box 4. Recharacterized Contributions

Enter any amounts recharacterized plus earnings from one type of IRA to another.

Box 5. Fair Market Value of Account

Enter the FMV of the account on December 31, 2019. For inherited IRAs, see *Inherited IRAs*, earlier.



Trustees and custodians are responsible for ensuring that all IRA assets (including those not traded on established markets or not having a readily determinable market value) are valued annually at their FMV.

Box 6. Life Insurance Cost Included in Box 1

For endowment contracts only, enter the amount included in box 1 allocable to the cost of life insurance.

Box 7. Checkboxes

Check the appropriate box.

IRA. Check “IRA” if you are filing Form 5498 to report information about a traditional IRA account.

SEP. Check “SEP” if you are filing Form 5498 to report information about a SEP IRA. If you do not know whether the account is a SEP IRA, check the “IRA” box.

SIMPLE. Check “SIMPLE” if you are filing Form 5498 to report information about a SIMPLE IRA account. Do not file Form 5498 for a SIMPLE 401(k) plan.

Roth IRA. Check “Roth IRA” if you are filing Form 5498 to report information about a Roth IRA account.

Box 8. SEP Contributions

Enter employer contributions made to a SEP IRA (including salary deferrals under a SARSEP) during 2019, including contributions made in 2019 for 2018, but not including contributions made in 2020 for 2019.

Trustees and issuers are not responsible for reporting the year for which SEP contributions are made. Do not enter employee contributions to an IRA under a SEP plan.

Report any employee contributions to an IRA under a SEP plan in box 1. Also include in box 8 SEP contributions made by a self-employed person to his or her own account.

Box 9. SIMPLE Contributions

Enter employer contributions, including salary deferrals, made to a SIMPLE IRA during 2019, including contributions made in 2019 for 2018, but not including contributions made in 2020 for 2019. Trustees and issuers are not responsible for reporting the year for which SIMPLE contributions are made. Do not include contributions to a SIMPLE 401(k) plan.

Box 10. Roth IRA Contributions

Enter any contributions made to a Roth IRA in 2019 and through April 15, 2020, designated for 2019. However, report Roth IRA conversion amounts in box 3. Report a qualified rollover contribution made under section 408A(e) from an eligible retirement plan (other than an IRA) to a Roth IRA in box 2.

Box 11. Check if RMD for 2020

Check the box if the participant must take an RMD for 2020. You are required to check the box for the year in which the IRA participant reaches age 70½ even though the RMD for that year need not be made until April 1 of the following year. Then check the box for each subsequent year an RMD is required to be made.



Boxes 12a and 12b are provided for your use to report RMD dates and amounts to participants. You may choose to complete these boxes, or continue to provide a separate Form 5498, or a separate statement, to report the information

required by Alternative one or Alternative two, earlier. To determine the RMD, see the regulations under sections 401(a)(9) and 408(a)(6) and (b)(3).

Box 12a. RMD Date

Enter the RMD date if you are using Form 5498 to report the additional information. See RMDs, earlier.

Box 12b. RMD Amount

Enter the RMD amount if you are using Form 5498 to report the additional information under Alternative one. See Alternative one, earlier.

Box 13a. Postponed/late Contrib.

Report the amount of any postponed contribution made in 2019 for a prior year. If contributions were made for more than 1 prior year, each prior year's postponed contribution must be reported on a separate form. Report the amount of a late rollover contribution made during 2019, including rollovers that are (1) certified by participants, (2) qualified plan loan offsets, and (3) related

to affected taxpayers in a federally declared disaster area. See Rev. Proc. 2016-47, 2016-37 I.R.B. 346, available at [IRS.gov/irb/2016-37_IRB/ar09.html](https://www.irs.gov/irb/2016-37_IRB/ar09.html). If the participant also has a postponed contribution, use a separate Form 5498 to report a late rollover.

Box 13b. Year

Enter the year for which the postponed contribution in box 13a was made. Leave this box blank for late rollover contributions and rollovers of qualified plan loan offset amounts.

Box 13c. Code

Enter the reason the participant made the postponed contribution.

- For participants' service in a combat zone, hazardous duty area, or direct support area, enter the appropriate executive order or public law as defined under *Special reporting for U.S. Armed Forces in designated combat zones*, earlier.
- For participants who are "affected taxpayers," as described in an IRS News

Release relating to a federally designated disaster area, enter "FD." (For a repayment of a designated disaster distribution, use box 14a.)

- For participants who are making a rollover of a qualified plan loan offset amount, enter "PO." See the discussion of qualified plan loan offsets in the second paragraph under the heading *Plan loan offsets* in the Form 1099 instructions.
- For participants who have certified that the rollover contribution is late because of one or more of the circumstances listed in section 3.02(2) of Rev. Proc. 2016-47, enter "SC."

Box 14a. Repayments

Enter the amount of any repayment of a qualified reservist distribution or of a designated disaster distribution (for example, a qualified 2017 disaster distribution).

Box 14b. Code

Enter “QR” for the repayment of a qualified reservist distribution, or “DD” for repayment of a federally designated disaster distribution.

Box 15a. FMV of Certain Specified Assets

Enter the FMV of the investments in the IRA that are specified in the categories identified below.

Box 15b. Code(s)

Enter the code for the type(s) of investments held in the IRA for which the FMV is reported in Box 15a. A maximum of two codes can be entered in Box 15b. If more than two codes apply, enter Code H.

- A—Stock or other ownership interest in a corporation that is not readily tradable on an established securities market.
- B—Short- or long-term debt obligation that is not traded on an established securities market.

- C—Ownership interest in a limited liability company or similar entity (unless the interest is traded on an established securities market).
- D—Real estate.
- E—Ownership interest in a partnership, trust, or similar entity (unless the interest is traded on an established securities market).
- F—Option contract or similar product that is not offered for trade on an established option exchange.
- G—Other asset that does not have a readily available FMV.
- H—More than two types of assets (listed in A through G) are held in this IRA.

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