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**2011**  
**Instructions for Form 1099-R**  
**and 5498**

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**Volume 2 of 2**



Department of the Treasury  
**Internal Revenue Service**  
**Instruction 1099-R&5498**  
**(REV 2011)**  
Catalog Number **47762H**



**Annuity starting date after November 18, 1996, and before 1998.** Under the simplified method for figuring the taxable amount, the expected number of payments is based only on the primary annuitant's age on the annuity starting date. See Notice 98-2.

**Annuity starting date before November 19, 1996.** If you properly used the rules in effect before November 19, 1996, for annuities that started before that date, continue to report using those rules. No changes are necessary.

**Corrective distributions.** Enter in box 2a the amount of excess deferrals, excess contributions, or excess aggregate contributions (other than employee contributions or designated Roth contributions). See *Corrective Distributions* on page 6.

**Cost of current life insurance protection.** Include current life insurance protection costs (net premium costs) that were reported in box 1. However, do not report these costs

and a distribution on the same Form 1099-R. Use a separate Form 1099-R for each. For the cost of current life insurance protection, enter Code 9 in box 7.

**DVECs.** Include DVEC distributions in this box. Also see *Deductible Voluntary Employee Contributions (DVECs)* on page 3.

**Designated Roth account.** Generally, a distribution from a designated Roth account that is not a qualified distribution is taxable to the recipient under section 402 in the case of a plan qualified under section 401(a), under section 403(b)(1) in the case of a section 403(b) plan and under section 457(a)(1)(B) in the case of a governmental section 457(b) plan. For purposes of section 72, designated Roth contributions are treated as employer contributions as described in section 72(f)(1) (that is, as includible in the participant's gross income).

**Examples.** Participant A received a nonqualified distribution of \$5,000 from the participant's designated Roth account. Prior to the distribution, the participant's account balance was \$10,000, consisting of \$9,400 of

designated Roth contributions and \$600 of earnings. The taxable amount of the \$5,000 distribution is \$300 ( $\$600 / \$10,000 \times \$5,000$ ). The nontaxable portion of the distribution is \$4,700 ( $\$9,400 / \$10,000 \times \$5,000$ ). The issuer would report on Form 1099-R:

- Box 1, \$5,000 as the gross distribution;
- Box 2a, \$300 as the taxable amount;
- Box 4, \$60 ( $\$300 \times 20\%$ ) as the withholding on the earnings portion of the distribution;
- Box 5, \$4,700 as the designated Roth contribution basis (nontaxable amount);
- Box 7, Distribution Code B; and
- The first year of the 5-taxable-year period in box 11.

Using the same facts as in the example above, except that the distribution was a direct rollover to a Roth IRA, the issuer would report on Form 1099-R:

- Box 1, \$5,000 as the gross distribution;

- Box 2a, 0 (zero) as the taxable amount;
- Box 4, no entry;
- Box 5, \$4,700 as the designated Roth contribution basis (nontaxable amount);
- Box 7, Distribution Code H; and
- The first year of the 5-taxable-year period in box 11.

**Losses.** If a distribution is a loss, do not enter a negative amount in this box. For example, if stock is distributed from a profit-sharing plan but the value is less than the employee's after-tax contributions or designated Roth contributions, enter the value of the stock in box 1, leave box 2a blank, and enter the employee's contributions or designated Roth contributions in box 5.

For a plan with no after-tax contributions or designated Roth contributions, even though the value of the account may have decreased, there is no loss for reporting purposes.

Therefore, if there are no employer securities distributed, show the actual cash and/or FMV of property distributed in boxes 1 and 2a, and

make no entry in box 5. If only employer securities are distributed, show the FMV of the securities in boxes 1 and 2a and make no entry in box 5 or 6. If both employer securities and cash or other property are distributed, show the actual cash and/or FMV of the property (including employer securities) distributed in box 1, the gross less any NUA on employer securities in box 2a, no entry in box 5, and any NUA in box 6.

**Qualified rollover contributions.** See *Direct Rollovers* on page 3 for information on qualified rollover contributions.

**Roth IRA.** For a distribution from a Roth IRA, report the total distribution in box 1 and leave box 2a blank except in the case of an IRA revocation or account closure (see page 3) and a recharacterization (see page 5). Use Code J, Q, or T as appropriate in box 7. Use Code 8 or P, if applicable, in box 7 with Code J. Do not combine Code Q or T with any other codes.

However, for the distribution of excess Roth IRA contributions, report the gross distribution in box 1 and only the earnings in

box 2a. Enter Code J and Code 8 or P in box 7.

**Roth IRA conversions.** Report the total amount converted or reconverted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA in box 2a. Check the "Taxable amount not determined" box in box 2b. A conversion or reconversion is considered a distribution and must be reported even if it is with the same trustee and even if the conversion is done by a trustee-to-trustee transfer. When an individual retirement annuity described in section 408(b) is converted to a Roth IRA, the amount that is treated as distributed is the FMV of the annuity contract on the date the annuity contract is converted. This rule also applies when a traditional IRA holds an annuity contract as an account asset and the traditional IRA is converted to a Roth IRA. Determining the FMV of an individual retirement annuity issued by a company Reconciliation Act of 2001. Enter the full amount eligible regularly engaged in the selling of contracts depends on for the capital gain election. You should not complete this



the timing of the conversion as outlined in Q/A-14 of box for a direct rollover. Regulations section 1.408A-4.

For a Roth IRA conversion, use Code 2 in box 7 if the participant is under age 59 1/2 or Code 7 if the participant is at least age 59 1/2. Also check the IRA/SEP/SIMPLE box in box 7.

### **Traditional, SEP, or SIMPLE IRA.**

Generally, you are not required to compute the taxable amount of a traditional, SEP, or SIMPLE IRA nor designate whether any part of a distribution is a return of basis attributable to nondeductible contributions.

Therefore, except as the total amount distributed from a traditional, SEP, or provided below or elsewhere in these instructions, report SIMPLE IRA in box 2a. This will be the same amount reported in box 1. Check the "Taxable amount not determined" box in box 2b.

However, for a distribution by a trust representing CDs redeemed early, report the net amount distributed. Do not include any amount paid for IRA insurance protection in this box.

For a distribution of contributions plus earnings from an IRA before the due date of the return under section 408(d)(4), report the gross distribution in box 1, only the earnings in box 2a, and enter Code 8 or P, whichever is applicable, in box 7. Enter Code 1 or 4 also, if applicable.

For a distribution of excess contributions without earnings after the due date of the individual's return under section 408(d)(5), leave box 2a blank, and check the "Taxable amount not determined" checkbox in box 2b. Use Code 1 or 7 in box 7 depending on the age of the participant.

For a traditional IRA or a SEP IRA directly rolled over to an accepting employer plan, or a SIMPLE IRA directly rolled over to an accepting employer plan after the 2-year period (see section 72(t)(6)), enter the gross amount in box 1, 0 (zero) in box 2a, and Code G in box 7.

## **Box 2b. Taxable amount not determined**

Enter an "X" in this box only if you are unable to reasonably obtain the data needed to compute the taxable amount. If you check this box, leave box 2a blank; but see Traditional, SEP, or SIMPLE IRA, above. Except for IRAs, make every effort to compute the taxable amount.

## **Box 2b. Total distribution**

Enter an "X" in this box only if the payment shown in box 1 is a total distribution. A total distribution is one or more distributions within 1 tax year in which the entire balance of the account is distributed. If periodic or installment payments are made, mark this box in the year the final payment is made.

## **Box 3. Capital gain (included in box 2a)**

If any amount is taxable as a capital gain, report it in box 3.

**Charitable gift annuities.** Report in box 3 any amount from a charitable gift annuity

that is taxable as a capital gain. Report in box 1 the total amount distributed during the year. Report in box 2a the taxable amount. Advise the annuity recipient of any amount in box 3 subject to the 28% rate gain for collectibles and any unrecaptured section 1250 gain. Report in box 5 any nontaxable amount. Enter Code F in box 7. See Regulations section 1.1011-2(c), Example 8.

**Special rule for participants born before January 2, 1936 (or their beneficiaries).**

For lump-sum distributions from qualified plans only, enter the amount in box 2a eligible for the capital gain election under section 1122(h)(3) of the Tax Reform Act of 1986 and section 641(f)(3) of the Economic Growth and Tax Relief Reconciliation Act of 2001. Enter the full amount eligible for the capital gain election. You should not complete this box for a direct rollover.

To compute the months of an employee's active participation before 1974, count as 12 months any part of a calendar year in which an employee actively participated under the plan; for active participation after 1973, count

as 1 month any part of a month in which the employee actively participated under the plan. See the Example, below.

Active participation begins with the first month in which an employee became a participant under the plan and ends with the earliest of:

- The month in which the employee received a lump-sum distribution under the plan;
- For an employee, other than a self-employed person or owner-employee, the month in which the employee separates from service;
- The month in which the employee dies; or
- For a self-employed person or owner-employee, the first month in which the employee becomes disabled within the meaning of section 72(m)(7).

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**Example for Computing Amount Eligible  
for Capital Gain Election (See Box 3.)**

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**Step 1. Total Taxable Amount**

A. Total distribution		XXXXX
B. Less:		
1. Current actuarial value of any annuity	XXXX	
2. Employee contributions or designated Roth contributions (minus any amounts previously distributed that were not includible in the employee's gross income)	XXXX	
3. Net unrealized appreciation in the value of any employer securities that was a part of the lump-sum distribution.	XXXX	
	<hr/>	
C. Total of lines 1 through 3		XXXXX
		<hr/>
D. Total taxable amount. Subtract line C from line A.		XXXXX

**Step 2. Capital Gain**

Total taxable amount		Months of active participation before 1974	
Line D	X	<hr/>	= Capital gain
		Total months of active participation	

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## Box 4. Federal income tax withheld

Enter any federal income tax withheld. This withholding under section 3405 is subject to deposit rules and the withholding tax return is Form 945. Backup withholding does not apply. See Pub. 15-A, Employer's Supplemental Tax Guide, and the Instructions for Form 945 for more withholding information.

Even though you may be using Code 1 in box 7 to designate an early distribution subject to the 10% additional tax specified in section 72(q), (t), or (v), you are not required to withhold that tax.



*The amount withheld cannot be more than the sum of the cash and the FMV of property (excluding employer securities) received in the distribution. If a distribution consists solely of employer securities and cash (\$200 or less) in lieu of fractional shares, no withholding is required.*

To determine your withholding requirements for any designated distribution under section

3405, you must first determine whether the distribution is an eligible rollover distribution. See Direct Rollovers on page 3 for a discussion of eligible rollover distributions. If the distribution is not an eligible rollover distribution, the rules for periodic payments or non periodic distributions apply.

**Eligible rollover distribution; 20% withholding.** If an eligible rollover distribution is paid directly to an eligible retirement plan in a direct rollover, do not withhold federal income tax. If any part of an eligible rollover distribution is not a direct rollover, you must withhold 20% of the part that is paid to the recipient and includible in gross income. This includes the earnings portion of any nonqualified designated Roth account distribution that is not directly rolled over. The recipient cannot claim exemption from the 20% withholding but may ask to have additional amounts withheld on Form W-4P, Withholding Certificate for Pension or Annuity Payments. If the recipient is not asking that additional amounts be withheld, Form W-4P is not required for an eligible



rollover distribution because 20% withholding is mandatory.

Employer securities and plan loan offset amounts that are part of an eligible rollover distribution must be included in the amount multiplied by 20%. However, the actual amount to be withheld cannot be more than the sum of the cash and the FMV of property (excluding employer securities and plan loan offset amounts). For example, if the only part of an eligible rollover distribution that is not a direct rollover is employer securities or a plan loan offset amount, no withholding is required. However, any cash that is paid in the distribution must be used to satisfy the withholding on the employer securities or plan loan offset amount.

Depending on the type of plan or arrangement, the payer or, in some cases, the plan administrator is required to withhold 20% of eligible rollover distributions from a qualified plan's distributed annuity and on eligible rollover distributions from a governmental section 457(b) plan. For additional information, see section 3405(d)

and Regulations sections 35.3405-1T, A-13; and 31.3405(c)-1, Q/A 4 and 5. For governmental section 457(b) plans only, see Notice 2003-20.

Any NUA excludable from gross income under section 402(e)(4) is not included in the amount of any eligible rollover distribution that is subject to 20% withholding.

You are not required to withhold 20% of an eligible rollover distribution that, when aggregated with other eligible rollover distributions made to one person during the year, is less than \$200.

**IRAs.** The 20% withholding does not apply to distributions from any IRA, but withholding does apply to IRAs under the rules for periodic payments and nonperiodic distributions. For withholding, assume that the entire amount of an IRA distribution is taxable (except for the distribution of contributions under section 408(d)(4), in which only the earnings are taxable, and section 408(d)(5), as applicable). Generally, Roth IRA distributions are not subject to withholding except on the earnings portion of

excess contributions distributed under section 408(d)(4).

An IRA recharacterization is not subject to income tax withholding.

**Periodic payments.** For periodic payments that are not eligible rollover distributions, withhold on the taxable part as though the periodic payments were wages, based on the recipient's Form W-4P. The recipient may request additional withholding on Form W-4P or claim exemption from withholding. If a recipient does not submit a Form W-4P, withhold by treating the recipient as married with three withholding allowances. See Circular E, Employer's Tax Guide (Pub. 15), for wage withholding tables.



*Rather than Form W-4P, military retirees should give you Form W-4, Employee's Withholding Allowance Certificate.*

**Nonperiodic distributions.** Withhold 10% of the taxable part of a nonperiodic distribution that is not an eligible rollover distribution. In most cases, designated distributions from any

IRA are treated as nonperiodic distributions subject to withholding at the 10% rate even if the distributions are paid over a periodic basis. See Regulations section 35.3405-1T, Q/A F-14. The recipient may request additional withholding on Form W-4P or claim exemption from withholding.

**Failure to provide TIN.** For periodic payments and nonperiodic distributions, if a payee fails to furnish his or her correct TIN to you in the manner required, or if the IRS notifies you before any distribution that the TIN furnished is incorrect, a payee cannot claim exemption from withholding. For periodic payments, withhold as if the payee was single claiming no withholding allowances. For nonperiodic payments, withhold 10%. Backup withholding does not apply.

### **Box 5. Employee contributions/designated Roth contributions or insurance premiums**

Enter the employee's contributions to a profit-sharing or retirement plan, designated Roth

contributions, or insurance premiums that the employee may recover tax free this year (even if they exceed the box 1 amount). The entry in box 5 may include any of the following: (a) designated Roth contributions or contributions actually made on behalf of the employee over the years under the retirement or profit-sharing plan that were required to be included in the income of the employee when contributed (after-tax contributions), (b) contributions made by the employer but considered to have been contributed by the employee under section 72(f), (c) the accumulated cost of premiums paid for life insurance protection taxable to the employee in previous years and in the current year under Regulations section 1.72-16 (cost of current life insurance protection) (only if the life insurance contract itself is distributed), and (d) premiums paid on commercial annuities. Do not include contributions to any DVEC, section 401(k) plan, or any other contribution to a retirement plan that was not an after-tax contribution.

Generally, for qualified plans, section 403(b) plans, and nonqualified commercial annuities, enter in box 5 the employee contributions or insurance premiums recovered tax free during the year based on the method you used to determine the taxable amount to be entered in box 2a. On a separate Form 1099-R, include the portion of the employee's basis that has been distributed from a designated Roth account. See the Examples in the instructions for box 2a on page 9.

If periodic payments began before 1993, you are not required to, but you are encouraged to, report in box 5.



*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 on page 9.*

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.

If you are unable to reasonably obtain the data necessary to compute the taxable amount, leave boxes 2a and 5 blank, and check the first box in box 2b.

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 on page 10.

## **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 (See Notice 2009-75, Q/A 1). 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 SIMPLEIRA. 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 on pages 13 through 15 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 must also 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 on pages 13 through 15 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.*

Even if the employee/taxpayer is age 59 1/2 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 substantially 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 59 1/2. 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 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 [www.irs.gov/irb/2004-09\\_IRB/ar09.html](http://www.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 an eligible rollover 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. If part of a distribution is an eligible rollover distribution and part is not (for example, a minimum distribution required by section 401(a)(9)) and the part that is an eligible rollover distribution is directly rolled

over, you must file a separate Form 1099-R to report each part.

### **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.

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-taxable-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.



Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
1— Early distribution, no known exception.	Use Code 1 only if the employee/taxpayer has not reached age 59½, and you do not know if any of the exceptions under Distribution Code 2, 3, or 4 apply. 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 must also 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.	8, B, L, or P
2— Early distribution, exception applies.	Use Code 2 only if the employee/taxpayer has not reached age 59½ and you know the distribution is: <ul style="list-style-type: none"><li>• A Roth IRA conversion (an IRA converted to a Roth IRA).</li><li>• A distribution made from a qualified retirement plan or IRA because of an IRS levy under section 6331.</li><li>• A section 457(b) plan distribution that is not subject to the additional 10% tax. But see <i>Section 457(b) plan distributions</i> on page 12 for information on distributions that may be subject to the 10% additional tax.</li><li>• A distribution from a qualified retirement plan after separation from service in or after the year the taxpayer has reached age 55.</li><li>• A distribution from a governmental defined benefit plan to a public safety employee after separation from service in or after the year the employee has reached age 50.</li><li>• A distribution that is part of a series of substantially equal periodic payments as described in section 72(q), (t), (u), or (v).</li><li>• A distribution that is a permissible withdrawal under an eligible automatic contribution arrangement (EACA).</li><li>• 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.</li></ul>	8, B, or P
3— Disability.	For these purposes, see section 72(m)(7).	None
4— Death.	Use Code 4 regardless of the age of the employee/taxpayer 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.	8, A, B, G, H, L, or P
5— Prohibited transaction.	Use Code 5 if there was a prohibited transaction involving the 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
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 sections 7702(g) and (h). See Rev. Proc. 2008-42, 2008-29 I.R.B. 160, available at <a href="http://www.irs.gov/irb/2008-29_IRB/ar19.html">www.irs.gov/irb/2008-29_IRB/ar19.html</a> . Use Code 7 with Code A or Code B, if applicable. Generally, use Code 7 if no other code applies. Do not use Code 7 for a Roth IRA. <b>Note:</b> 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.	A or B

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
<b>8—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2011.</b>	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 <i>Corrective Distributions</i> on page 6 and <i>IRA Revocation or Account Closure</i> on page 3 for more information.	1, 2, 4, B, or J
<b>9—Cost of current life insurance protection.</b>	Use Code 9 to report premiums paid by a trustee or custodian for current life or other insurance protection. See box 2a beginning on page 8 for more information.	None
<b>A—May be eligible for 10-year tax option.</b>	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>B—Designated Roth account distribution.</b>	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, P, or U
<b>E—Distributions under Employee Plans Compliance Resolution System (EPCRS).</b>	See <i>Distributions under Employee Plans Compliance Resolutions System (EPCRS)</i> on page 6.	None
<b>F—Charitable gift annuity.</b>	See <i>Charitable gift annuities</i> on page 10.	None
<b>G—Direct rollover and rollover contribution.</b>	Use Code G for a direct rollover from a qualified plan, 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 <i>Direct Rollovers</i> on page 3. Also use Code G for IRA rollover contributions to an accepting employer plan and for IRRs. <b>Note:</b> Do not use Code G for a direct rollover from a designated Roth account to a Roth IRA. Use Code H.	4 or B
<b>H—Direct rollover of a designated Roth account distribution to a Roth IRA.</b>	Use Code H for a direct rollover of a distribution from a designated Roth account to a Roth IRA.	4
<b>J—Early distribution from a Roth IRA.</b>	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
<b>L—Loans treated as deemed distributions under section 72(p).</b>	Do not use Code L to report a loan offset. See <i>Loans Treated as Distributions</i> on page 7.	1, 4, or B
<b>N—Recharacterized IRA contribution made for 2011.</b>	Use Code N for a recharacterization of an IRA contribution made for 2011 and recharacterized in 2011 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
<b>P—Excess contributions plus earnings/excess deferrals taxable in 2010.</b>	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
<b>Q—Qualified distribution from a Roth IRA.</b>	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"><li>• The participant has reached age 59½,</li><li>• The participant died, or</li><li>• The participant is disabled.</li></ul> <b>Note:</b> If any other code, such as 8 or P, applies, use Code J.	None
<b>R—Recharacterized IRA contribution made for 2010.</b>	Use Code R for a recharacterization of an IRA contribution made for 2010 and recharacterized in 2011 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
<b>S—Early distribution from a SIMPLE IRA in the first 2 years, no known exception.</b>	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) are 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
<b>T—Roth IRA distribution, exception applies.</b>	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"><li>• The participant has reached age 59½,</li><li>• The participant died, or</li><li>• The participant is disabled.</li></ul> <b>Note:</b> If any other code, such as 8 or P, applies, use Code J.	None

Guide to Distribution Codes		
Distribution Codes	Explanations	*Used with code ...(if applicable)
<b>U—Dividends distributed from an ESOP under section 404(k).</b>	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. <b>Note:</b> Do <b>not</b> report dividends paid by the corporation directly to plan participants or their beneficiaries. Continue to report those dividends on Form 1099-DIV.	B
<b>W—Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.</b>	Use Code W for charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements which are excludible 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 <b>Caution</b> for box 7 instructions on page 12.		



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# Specific Instructions for Form 5498

File Form 5498, IRA Contribution Information, with the IRS by May 31, 2012, for each person for whom in 2011 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 on pages 18 and 19. If no reportable contributions were made for 2011,

complete only boxes 5 and 7, and boxes 11, 12a, and 12b, if applicable.



*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 spousal IRA under section 219(c) on a separate Form 5498 using the name and taxpayer identification number (TIN) of the spouse.

For contributions made between January 1 and April 17, 2012, 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* on page 3.



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 2-year period specified in section 72(t)(6), report the amount as a regular contribution in box 1 even if the amount exceeds \$5,000 (\$6,000 for participants 50 or older).

***Transfers.*** Do not report on Form 5498 a direct trustee-to-trustee transfer from (a) a traditional IRA to another traditional IRA or to a simplified employee pension (SEP) IRA, (b) a SIMPLE IRA to another SIMPLE IRA, (c) a SEP IRA to another SEP IRA or to a traditional IRA, or (d) a Roth IRA to a Roth IRA. For reporting purposes, contributions and rollovers do not include these transfers.

***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.

**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 \$5,000 is increased to \$6,000 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 2011, up to \$5,500 in catch-up elective deferral contributions may be made under a SARSEP, and up to \$2,500 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 boxes 1, 8, 9, or 10.

**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* on page 3.

**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.

**Required minimum distributions (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 70 1/2. The distribution for the 70 1/2 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. **Note.** A qualified charitable distribution is counted for purposes of the RMD requirements under sections 408(a)(6), 408(b)(3), and 408A(c)(5).

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 boxes 11, 12a, and 12b, on page 18 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 2011 General Instructions for Certain Information Returns.

***Reporting to the IRS.*** If an RMD is required, checkbox 11. See page 18. For example, box 11 is checked on the Form 5498 for a 2012 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 on page 18 for using boxes 12a and 12b for reporting RMDs to participants.

For more details, see Notice 2002-27 on page 814 of Internal Revenue Bulletin 2002-18 at [www.irs.gov/pub/irs-irbs/irb02-18.pdf](http://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 [www.irs.gov/pub/irs-irbs/irb03-02.pdf](http://www.irs.gov/pub/irs-irbs/irb03-02.pdf) and modified by Notice 2009-9, 2009-05 I.R.B.

419, available at [www.irs.gov/irb/2009-05\\_IRB/ar12.html](http://www.irs.gov/irb/2009-05_IRB/ar12.html).

**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.

***Fair market value (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 (May 31), 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](http://IRS.gov) and enter the keyword "disaster" in the upper right hand corner. 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.

See the instructions for boxes 13a through 13c for reporting postponed contributions on page 19.

**Qualified settlement income.** Qualified settlement income received in connection with the Exxon Valdez litigation may be contributed to a traditional or Roth IRA. See P.L. 110-343, Division C, sec. 504 for contribution limitations and Box 2. *Rollover contributions* on page 18.

**Airline payment amount.** Qualified airline employees may contribute the amounts received (money or other property) with

respect to the employee's interest in a bankruptcy claim against the airline carrier, to a Roth IRA as a rollover contribution. See P.L. 110-458, sec. 125 for contribution limitations and Box 2. Rollover contributions on page 18.

**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.

If a qualifying combat zone participant makes a contribution to an IRA after April 15 and

designates the contribution for a prior 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.

1. If you report the contribution for the year it is made, 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 "AF" (Allied Force) for the Kosovo area.
  - b. Use "EF" (Enduring Freedom) for Afghanistan, Uzbekistan, Kyrgyzstan, Pakistan, Tajikistan, Jordan, and Somalia.

- c. Use "IF" (Iraqi Freedom) for the Arabian Peninsula Areas (the Persian Gulf, the Red Sea, the Gulf of Oman, the portion of the Arabian Sea that lies north of 10 degrees north latitude and west of 68 degrees east longitude, the Gulf of Aden, and the total land areas of Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates and the airspace above such locations).

See boxes 13a, 13b, and 13c on page 19; also see Pub. 3, Armed Forces' Tax Guide, for a list of the locations within the designated combat zones and qualified hazardous duty areas.

***Example.*** For a \$4,000 IRA contribution designated for Enduring Freedom for the tax year 2008, enter "4000" in box 13a, "2008" in box 13b, and "EF" 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 [www.irs.gov/irb/2010-06\\_IRB/ar09.html](http://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 may also report prior year contributions by combat zone participants on a corrected Form 5498 electronically or on paper.

See part F in the 2011 General Instructions for Certain Information Returns for information on how to request a waiver on Form 8508.

**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 2011 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, 2012, you must provide participants with a statement of the December 31, 2011, value of the participant's account and RMD, if applicable. Trustees of SIMPLE IRAs also must provide a statement of the account activity by January 31. Contribution information for all other types of IRAs must be provided by May 31, 2012. 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, and RMD if applicable, to the participant by January 31, 2012, and no reportable contributions, including rollovers, recharacterizations, or Roth IRA conversions, were made for 2011, 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 May 31, 2012, to report the December 31, 2011, FMV of the account. This rule also

applies to beneficiary accounts under the inherited IRA rules on page 16.

For more information about the requirement to furnish statements to participants, see part M in the 2011 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.*

## **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 2011 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 2011 and through April 17, 2012, designated for 2011.

Report gross contributions, including the amount allocable to the cost of life insurance (see box 6) 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 \$5,000 (\$6,000 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 contributions 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 2011. These contributions may be any of the following:

- A 60-day rollover between IRAs of the same type.
- A direct or indirect rollover 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.
- Qualified settlement income received in connection with the Exxon Valdez litigation.
- Airline payment amounts.

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.

### **Box 3. Roth IRA conversion amount**

Enter the amount converted or reconverted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA during 2011. 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. For inherited IRAs, see *Inherited IRAs* on page 16.



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

## **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. See section 408(p).

**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 2011 including contributions made in 2011 for 2010, but not including contributions made in 2012 for 2011.

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 contributions, including deferrals, made to a SIMPLE IRA during 2011. 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. A distribution from one SIMPLE IRA rolled over to another SIMPLE IRA is reported in box 2.

### **Box 10. Roth IRA contributions**

Enter any contributions made to a Roth IRA in 2011 and through April 17, 2012, designated for 2011. 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 2012**

Check the box if the participant must take an RMD for 2012. 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. See page 16. 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 page 15.

## **Box 12b. RMD amount**

Enter the RMD amount if you are using Form 5498 to report the additional information under *Alternative one*. See page 16.

## **Box 13a. Postponed contribution**

Report the amount of any postponed contribution made in 2011 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.

## **Box 13b. Year**

Enter the year for which the postponed contribution in box 13a was made.

## **Box 13c. Code**

From the following list of codes, enter the reason the participant made the postponed contribution.

- For participants' service in the combat zone or hazardous duty area, enter:  
AF—Allied Force.  
EF—Enduring Freedom.  
IF—Iraqi Freedom.
- For participants who are "affected taxpayers," as described in an IRS News Release relating to a federally designated disaster area, enter FD.

## **Box 14a. Repayments**

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

## **Box 14b. Code**

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

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Index

<b>A</b>			Form 1099-R	1	Qualified settlement income	17
Account closure, IRA	3, 15		Form 5498	15	<b>R</b>	
Airline payment amount	17		Form 945	10	Recharacterized IRA contributions	5, 8, 11, 15
Alternate payee under QDRO	8		<b>G</b>		Required minimum distribution	15, 18
Annuity distributions	1-13		Guide to Distribution Codes	13, 14, 15	Retirement payments	1-13
Automatic contribution arrangements	6		<b>I</b>		Revocation, IRA	3, 15
Automatic rollovers	4, 5		Inherited IRAs	16, 18	RMD	15, 18
<b>B</b>			In-plan Roth rollover (IRR)	1, 2, 8, 13	RMD amount	18
Beneficiaries	8		Insurance contracts	1, 12	RMD date	18
<b>C</b>			Involuntary distributions	4, 5	Rollovers	3, 5, 7, 8, 10, 12, 15, 17, 18
Charitable gift annuities	8		IRA contributions	15	Roth IRA contributions	15, 18
Combat zones, designated	17		IRA distributions	1, 2, 12, 13	Roth IRA conversions	3, 5, 9, 11, 15, 17, 18
Corrected Form 1099-R	7		IRA recharacterizations	2, 5, 8, 11, 15, 17, 18	Roth IRA distributions	3, 9, 11
Corrected Form 5498	17		IRA revocation	3, 15	<b>S</b>	
Corrective distributions	6		<b>L</b>		Section 1035 exchange	2, 5, 8
Cost of current life insurance protection	8		Life insurance contract distributions	2	Section 402(f) notice	5
<b>D</b>			Loans treated as distributions	3, 7	Section 404(k) dividends	2
Death benefit payments	8		Losses, retirement distributions	6, 9	SEP contributions	3, 10, 15, 18
Deemed IRAs	2		<b>M</b>		SEP distributions	3, 10, 12
Designated Roth account, direct rollover	3, 4		Military death gratuities	17	Servicemembers' Group Life Insurance (SGLI) payments	17
Designated Roth account, distributions	1, 2, 8, 9, 13		Military retirement	1	SIMPLE contributions	15, 18
Direct rollovers	3, 4, 5, 7, 8, 10, 11, 12, 14, 15, 18		Missing retirement plan participants	7	SIMPLE distributions	3, 5, 9, 10, 12
Disaster relief reporting	16		<b>N</b>		State and local information	13
Disclaimer of an IRA	8		Net unrealized appreciation	3, 4, 9, 11, 12	Statements to recipients/participants	8, 17
Distributions under EPCRS	6		Nonperiodic distributions	10	<b>T</b>	
DVECs	3		Nonqualified plan distributions	2	Taxable amount, retirement distributions	8
<b>E</b>			Nonresident aliens	8	Transfers:	
Eligible rollover distribution	3, 11, 12		<b>P</b>		Form 1099-R	5, 6
Employee contributions, retirement plan	11, 12		Pension distributions	1-13	Form 5498	15
Employer securities, distributions	7, 8, 9, 10, 11, 12		Periodic payments	10	<b>U</b>	
Endowment contracts	2, 18		Permissible withdrawals under section 414(w)	7	U.S. Armed Forces, special reporting	17
Excess deferrals, excess contributions, corrective distributions of	6		Postponed contribution	19	<b>W</b>	
<b>F</b>			Profit-sharing distributions	1-13	Withholding	10
Failing ADP or ACP test, corrections	7		<b>Q</b>		Federal income tax	10
Federal income tax withholding	10		QDRO	3, 6, 8		
			Qualified HSA funding distributions	1		
			Qualified plan distributions	1-13		
			Qualified rollover contributions	5, 18		



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