



# Instructions for Form 8915

## Qualified Hurricane Retirement Plan Distributions and Repayments

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### Purpose of Form

Use Form 8915 if you were adversely affected by Hurricane Katrina, Rita, or Wilma, and you received a distribution that qualifies for favorable tax treatment.

#### Part I

Use Part I to figure your:

- Total distributions from all retirement plans (including IRAs),
- Qualified distributions, and
- Distributions, other than qualified hurricane distributions.

#### Parts II and III

Use Parts II and III to:

- Report your qualified hurricane distributions,
- Report any repayments of qualified hurricane distributions, and
- Figure the taxable amount, if any, of your qualified hurricane distributions.

**Note.** Distributions from retirement plans (other than IRAs) are reported in Part II and distributions from IRAs are reported in Part III.

### Additional Information

See Pub. 4492, Information For Taxpayers Affected by Hurricanes Katrina, Rita, and Wilma, for more details.

### Who Must File

File Form 8915 if any of the following apply.

- You received a qualified hurricane distribution from an eligible retirement plan in 2006.
- You received a qualified hurricane distribution in 2005 that you are including in income in equal amounts over 3 years.
- You made a repayment of a qualified hurricane distribution in 2006.

### When and Where to File

File Form 8915 with your 2006 Form 1040, 1040A, or 1040NR. If you are not required to file an income tax return but are required to file Form 8915, sign Form 8915 and send it to the Internal Revenue Service at the same time and place you would otherwise file Form 1040, 1040A, or 1040NR.

### How is a Qualified Hurricane Distribution Taxed?

Generally, a qualified hurricane distribution is included in your income in equal amounts over 3 years. However, if you elect, you can include the entire distribution in your income in the year of the distribution. If you received more than one distribution during the year, you must treat all distributions for that year the same way. Any repayments made before you file your return and by the due date (including extensions) reduce the amount of the distribution included in your income.

Also, qualified hurricane distributions are not subject to the additional 10% tax on early distributions.

### Qualified Hurricane Distribution

A qualified hurricane distribution is any distribution you received in 2006 from an eligible retirement plan if both of the following conditions are met.

1. Your main home was located in a hurricane disaster area listed below on the date shown for that area.
  - a. August 28, 2005, for the Hurricane Katrina disaster area. For this purpose, that area includes the states of Alabama, Florida, Louisiana, and Mississippi.
  - b. September 23, 2005, for the Hurricane Rita disaster area. For this purpose, that area includes the states of Louisiana and Texas.
  - c. October 23, 2005, for the Hurricane Wilma disaster area. For this purpose, that area includes the state of Florida.
2. You sustained an economic loss because of Hurricane Katrina, Rita, or Wilma, and your main home was in that hurricane disaster area on the date in (1) above for that hurricane. Examples of an economic loss include, but are not limited to (a) loss, damage to, or destruction of real or personal property from fire, flooding, looting, vandalism, theft, wind, or other cause; (b) loss related to displacement from your home; or (c) loss of livelihood due to temporary or permanent layoffs.

If (1) and (2) apply, you can generally designate any distribution (including periodic payments and required minimum distributions) from an eligible retirement plan as a qualified hurricane distribution, regardless of whether the distribution was made on account of Hurricane Katrina,

Rita, or Wilma. Qualified hurricane distributions are permitted without regard to your need or the actual amount of your economic loss.

A reduction or offset in 2006 of your account balance in an eligible retirement plan in order to repay a loan can also be designated as a qualified hurricane distribution. See *Distribution of plan loan offsets* below.

**Limit.** The total of your qualified hurricane distributions for 2005 and 2006 from all plans is limited to \$100,000. If you have distributions in excess of \$100,000 from more than one type of plan, such as a 401(k) plan and an IRA, you may allocate the \$100,000 limit among the plans any way you choose.

**Eligible retirement plan.** An eligible retirement plan can be any of the following.

- A qualified pension, profit-sharing, or stock bonus plan (including a 401(k) plan).
- A qualified annuity plan.
- A tax-sheltered annuity contract.
- A governmental section 457 deferred compensation plan.
- A traditional, SEP, SIMPLE, or Roth IRA.

**Distribution of plan loan offsets.** A distribution of a plan loan offset is a distribution that occurs when, under the terms of a plan, the participant's accrued benefit is reduced (offset) in order to repay a loan. A distribution of a plan loan offset amount can occur for a variety of reasons, such as when a participant terminates employment or does not comply with the terms of repayment. Plan loan offsets are treated as actual distributions and are reported on Form 1099-R, box 1.

**Main home.** Generally, your main home is the home where you live most of the time. A temporary absence due to special circumstances, such as illness, education, business, military service, evacuation, or vacation, will not change your main home.

**Additional tax.** Qualified hurricane distributions are not subject to the additional 10% tax (or the 25% additional tax for certain distributions from SIMPLE IRAs) on early distributions and are not required to be reported on Form 5329. However, any distributions you received in excess of the \$100,000 qualified hurricane distribution limit may be subject to the additional tax.

**Note.** If you choose to treat a distribution as a qualified hurricane distribution, it is not eligible for the 20% Capital Gain Election or the 10-Year Tax Option. For

information on those options, see the instructions for Form 4972.

## Repayment of a Qualified Hurricane Distribution

If you choose, you can generally repay any portion of a qualified hurricane distribution that is eligible for tax-free rollover treatment to an eligible retirement plan. Also, you can repay a qualified hurricane distribution made on account of hardship from a retirement plan. However, see *Exceptions* below for qualified hurricane distributions you cannot repay.

You have 3 years from the day after the date you received the distribution to make a repayment. The amount of your repayment cannot be more than the amount of the original distribution. Amounts that are repaid are treated as a qualified rollover and are not included in income. Also, for purposes of the one-rollover-per-year limitation for IRAs, a repayment to an IRA is not considered a qualified rollover.

Include on Form 8915 any repayments you make before filing your 2006 return. Any repayments you make will reduce the amount of qualified hurricane distributions reported on your return for 2006. Do not include on your 2006 Form 8915 any repayments you make later than the due date (including extensions) for filing your 2006 return. If you make a repayment in 2007 after you file your 2006 return, the repayment will reduce the amount of your qualified hurricane distributions included in income on your 2007 return, unless you are eligible to amend your 2005 or 2006 return. See *Amending Form 8915* below. Also, any excess repayments you make for 2006 will be carried forward to your 2007 return or, if you choose, carried back to your 2005 return if applicable.

Also file Form 8606 to report any repayment of a nondeductible contribution to a traditional IRA on line 1 of Form 8606. If you make a repayment of a previously deductible contribution to a traditional IRA, do not file Form 8606 solely because of such repayment. If you make a repayment to a Roth IRA, see Pub. 590 to figure your basis.

**Exceptions.** You cannot repay the following types of distributions.

1. Qualified hurricane distributions received as a beneficiary (other than a surviving spouse).
2. Required minimum distributions.
3. Periodic payments (other than from an IRA) that are for:
  - a. A period of 10 years or more,
  - b. Your life or life expectancy, or
  - c. The joint lives or life expectancies of you and your beneficiary.

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If, after filing your original return, you make a repayment, the repayment may reduce the amount of your qualified hurricane distributions reported on that return. Depending on when a repayment

is made, you may need to file an amended tax return to refigure your taxable income.

If you make a repayment by the due date of your original return (including extensions), include the repayment on your amended 2006 Form 8915.

If you make a repayment after the due date of your original return (including extensions), include the repayment on your 2007 Form 8915. However, you may file an amended Form 8915 for 2005 or 2006 if either of the following applies.

- You elected to include all of your qualified hurricane distributions in income (instead of over 3 years) on your original return.
- The amount of the repayment exceeds the amount of your qualified hurricane distributions that are included in income for 2007 and you choose to carry the excess back to your 2005 or 2006 tax return. See the example below.

**Example.** You received a qualified hurricane distribution in the amount of \$90,000 on January 15, 2006. You choose to spread the \$90,000 over 3 years (\$30,000 in income for 2006, 2007, and 2008). On November 19, 2007, you make a repayment of \$45,000. For 2007, none of the qualified hurricane distribution is included in income. The excess repayment of \$15,000 (\$45,000 – \$30,000) can be carried back to 2006 or you can choose to carry it forward to 2008.

File Form 1040X, Amended U.S. Individual Income Tax Return, to amend a return you have already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later.

## Specific Instructions

**Name and social security number (SSN).** If you file a joint return, enter only the name and SSN of the spouse whose information is being reported on Form 8915. If both you and your spouse are required to file Form 8915, file a separate Form 8915 for each of you. If you and your spouse are both filing Forms 8915, the \$100,000 limit on qualified hurricane distributions and the election to include all qualified hurricane distributions in income are determined separately for each spouse.

### Part I—Total Distributions From All Retirement Plans (including IRAs)

 Complete Part I only if you have qualified hurricane distributions for 2006 and the total of your qualified hurricane distributions for 2005, if any, was less than \$100,000.

#### Column (a)

If you received a distribution from a retirement plan (including an IRA), you

should receive a Form 1099-R. The amount of the distribution should be shown in Form 1099-R, box 1. Enter the amounts from all your Forms 1099-R, box 1, on the appropriate lines in column (a).

#### Column (b)

Enter on the appropriate lines in column (b) any qualified hurricane distributions (including periodic payments and required minimum distributions) you received in 2006.

Include only those distributions you wish to designate as qualified hurricane distributions. See *Qualified Hurricane Distribution* on page 1.

#### Column (c)

Complete column (c) only if the total on line 5, column (b), is more than \$100,000.

If the amount on line 5, column (b), is more than \$100,000, you will need to make an allocation in column (c) of the distribution(s) included in column (b). This is because the total of your qualified hurricane distributions for 2005 and 2006 cannot exceed the \$100,000 limit. If you have distributions from more than one type of retirement plan, such as an IRA and a pension plan, you may allocate the \$100,000 limit among the plans any way you choose.

**Example 1.** You received a distribution from your Roth IRA in the amount of \$130,000 on February 1, 2006, because of Hurricane Rita. You had no qualified hurricane distributions in 2005. You would enter \$130,000 on line 4, columns (a) and (b). You would then enter \$100,000 on line 4, column (c), since the distribution is in excess of the \$100,000 limit.

**Example 2.** Assume the same facts as in *Example 1*, except on April 14, 2006, you also received a distribution from your 401(k) plan in the amount of \$20,000 because of Hurricane Rita. You would enter \$20,000 on line 2, columns (a) and (b). You will now need to make an allocation in column (c) between the two distributions, since the total on line 5, column (b), is \$150,000. You can choose to make the allocation in any way as long as the total in column (c) does not exceed \$100,000. You choose to allocate \$80,000 to your Roth IRA distribution on line 4, column (c), and the entire \$20,000 to your 401(k) plan distribution on line 2, column (c).

### Part II—Qualified Hurricane Distributions From Retirement Plans (other than IRAs)

Complete Part II if any of the following apply.

- You entered an amount on line 2, column (b).
- You had an amount on your 2005 Form 8915, line 9, and you did not check the box on that line.
- You made a repayment of a qualified hurricane distribution.

## Line 9

Enter on line 9 your cost, if any. Your cost is generally your net investment in the plan. It does not include pre-tax contributions. If there is an amount in Form 1099-R, box 2a (taxable amount), the difference between Form 1099-R, box 1, and box 2a is usually your cost. Enter the difference on line 9.

If there is no amount in Form 1099-R, box 2a, and the first box in box 2b is checked, the issuer of Form 1099-R may not have had all the facts needed to figure the taxable amount. You may want to get Pub. 575, Pension and Annuity Income, to help figure your taxable amount.

Also, see Pub. 575 if you use the Simplified Method Worksheet to figure the taxable amount of your periodic payments and you designated some of these payments as qualified hurricane distributions.

 *If you have a Form 1099-R with both qualified hurricane distributions and non-qualified distributions, you must separately calculate the cost attributable to each distribution.*

## Line 11

If you do not check the box on line 11, you must spread the amount on line 10 over 3 years. If you use this method to figure the taxable amount of your distributions, you cannot change it after the due date (including extensions) for your tax return.

If the taxpayer died during 2006 after receiving a qualified hurricane distribution, the distribution may not be spread over 3 years. The entire distribution (including any remaining amounts from 2005) must be reported on the tax return of the deceased taxpayer.

## Line 17

At any time during the 3-year period after the date you received a qualified hurricane distribution, you can repay any portion of the distribution to an eligible retirement plan that is permitted to accept rollover contributions. You cannot, however, repay more than the amount of the original distribution. See *Repayment of a Qualified Hurricane Distribution* on page 2 for details.

Enter on line 17 the amount of any repayments you made before filing your 2006 return. Do not include any repayments made later than the due date (including extensions) for that return. If you repaid more than the amount on line 13 (including any excess repayments from 2005 on line 16), the excess will be carried forward to your 2007 tax return. Repayments made after the due date of your 2006 return (including extensions) generally will be reported on your 2007 tax return. However, you may have to file an amended return in certain situations. See *Amending Form 8915* on page 2.

**Example.** You received a \$90,000 qualified hurricane distribution on January

7, 2006, from your 401(k) plan because of Hurricane Wilma. On April 1, 2007, you repay \$30,000 to an IRA. You file your return on April 10, 2007. Since the repayment was made before you filed your return, and not later than the due date (including extensions), you would enter the \$30,000 repayment on line 17.

## Part III—Qualified Hurricane Distributions From Traditional, SEP, SIMPLE, and Roth IRAs

Complete Part III if any of the following apply.

- You entered an amount on line 3, column (b).
- You entered an amount on line 4, column (b).
- You had an amount on your 2005 Form 8915, line 17, and you did not check the box on that line.
- You made a repayment of a qualified hurricane distribution.

Before completing this section, complete Form 8606 if either of the following applies.

- You received a qualified hurricane distribution from a traditional, SEP, or SIMPLE IRA, and you have a basis in the IRA.
- You received a qualified hurricane distribution from a Roth IRA.

For more information, see Form 8606 and its instructions.

## Line 26

If you do not check the box on line 26, you must spread the amount on line 25 over 3 years. If you use this method to figure the taxable amount of your distributions, you cannot change it after the due date (including extensions) for your tax return.

If the taxpayer died during 2006 after receiving a qualified hurricane distribution, the distribution may not be spread over 3 years. The entire distribution (including any remaining amounts from 2005) must be reported on the tax return of the deceased taxpayer.

## Line 32

At any time during the 3-year period after the date you received a qualified hurricane distribution, you can repay any portion of the distribution to an eligible retirement plan that is permitted to accept rollover contributions. You cannot, however, repay more than the amount of the original distribution. See *Repayment of a Qualified Hurricane Distribution* on page 2 for details.

Enter on line 32 the amount of any repayments you made before filing your 2006 return. Do not include any repayments made later than the due date (including extensions) for that return. If you repaid more than the amount on line 28 (including any excess repayments from 2005 on line 31), the excess will be

carried forward to your 2007 tax return. Repayments made after the due date of your 2006 return (including extensions) generally will be reported on your 2007 tax return. However, you may have to file an amended return in certain situations. See *Amending Form 8915* on page 2.

**Example.** You received a \$60,000 qualified hurricane distribution on February 1, 2006, from your Roth IRA because of Hurricane Katrina. On April 1, 2007, you repay \$30,000 to your Roth IRA. You file your return on April 10, 2007. Since the repayment was made before you filed your return, and not later than the due date (including extensions), you would enter the \$30,000 repayment on line 32.

## Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need this information to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information if you made certain contributions or received certain distributions from qualified plans, including IRAs, and other tax-favored accounts. Our legal right to ask for the information requested on this form is sections 6001, 6011, 6012(a), and 6109 and their regulations. The reason we need your social security number is to secure proper identification in order to gain access to the tax information in our files to properly process the form.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, we may give this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.