

ROTH IRA EXCESS WORKSHEET

ROTH IRA HOLDER'S NAME AND ADDRESS			ROTH IRA TRUSTEE'S OR CUSTODIAN'S NAME AND ADDRESS	
Social Security Number	Date of Birth	Home Phone	Roth IRA Account Identification	Trustee's or Custodian's Phone Number

SECTION I: TYPE OF EXCESS	
<p>1. Amount of excess _____</p> <p>2. Reason for the excess (<i>Select one of the following.</i>)</p> <p><input type="checkbox"/> a. Contributions exceed the applicable limit</p> <p><input type="checkbox"/> b. Contributions exceed earned income</p> <p><input type="checkbox"/> c. Contributions exceed amount allowed under compensation limitations</p> <p><input type="checkbox"/> d. Neither (a), (b), nor (c) but choose to treat as excess</p>	<p>3. In what year was the excess contribution made? _____</p> <p>4. For what year was the excess contribution made? _____</p> <p>5. Total contributions for the year including excess indicated in No. 1 _____</p>

SECTION II: CORRECTION PROCEDURES	
<p>Assuming the Roth IRA holder timely filed a federal income tax return, is the excess contribution being corrected after October 15 of the year following the year the excess was created?* Follow the correction procedures corresponding to your response.</p> <p>*NOTE: If the Roth IRA holder DID NOT timely file his or her tax return, replace the October 15 date with the due date (plus extensions) for filing his or her federal income tax return.</p>	
<p><input type="checkbox"/> NO Correct as follows.</p>	
<p><input type="checkbox"/> 1. Remove the excess contribution (See No. 1 in Section I) _____ .</p> <p><input type="checkbox"/> 2. Remove the earnings attributable to the excess (See formula in Section III) _____ .</p> <p><input type="checkbox"/> 3. Complete IRS Form 1099-R</p> <p style="margin-left: 20px;">Was the excess contribution made during the prior year?</p> <p style="margin-left: 40px;"><input type="checkbox"/> Yes (Use Code PJ)</p> <p style="margin-left: 40px;"><input type="checkbox"/> No (Use Code 8J)</p> <p><input type="checkbox"/> 4. If Roth IRA holder is under age 59½, he or she may need to pay a 10 percent penalty tax on the earnings (using IRS Form 5329).</p>	
<p><input type="checkbox"/> YES Correct as follows. (Note: When after the tax filing deadline, including extensions, the contribution may only be removed as an excess if option (a), (b) or (c) was selected in No. 2 in Section I.)</p>	

<p><input type="checkbox"/> 1. The Roth IRA holder pays a six percent penalty tax on the amount indicated in No. 1 in Section I for each year the excess remained in the Roth IRA, excluding the year the excess is removed. (Roth IRA holder completes IRS Form 5329 to remit the penalty payment for each year.)</p> <p><input type="checkbox"/> 2. If the Roth IRA holder is eligible for a Roth IRA contribution in the current year, the Roth IRA holder may redesignate the contribution. The financial organization does not report the redesignation on IRS Form 5498.</p> <p style="margin-left: 20px;"><i>(Complete 3, 4 and 5 below only if excess amount is being removed. Do not complete 3, 4 and 5 below if the amount was redesignated.)</i></p> <p><input type="checkbox"/> 3. Remove the excess amount _____ (No. 1 in Section I). Leave the earnings in the Roth IRA.</p> <p><input type="checkbox"/> 4. The Roth IRA holder files IRS Form 8606 with his or her tax return to determine the taxable amount of the distribution, if any. (The Roth IRA holder should consult his or her tax advisor.)</p> <p><input type="checkbox"/> 5. Financial Organization completes IRS Form 1099-R. (Use either Code J, Q, or T depending upon the age of the Roth IRA holder, reason for the distribution, and timing of the distribution.)</p>	
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SECTION III: DETERMINING EARNINGS ATTRIBUTABLE TO AN EXCESS

Assuming the Roth IRA holder timely filed his or her federal income tax return, if the excess is removed on or before October 15 of the year following the year the excess was created (or the due date, plus extensions), the earnings attributable to the excess must also be removed. Use the following formula to calculate the earnings attributable to the excess contribution.

$$\text{Excess Earnings} = \frac{\text{Excess Contribution} \times \text{Total Earnings}}{\text{Adjusted Opening Balance}}$$

Excess Contribution

The amount listed in No. 1 in Section I. _____

Total Earnings

The total earnings on the Roth IRA are determined in the following manner.

	ACCUMULATIVE TOTAL
1. Determine the Roth IRA balance as of the date of withdrawal	\$ _____
2. Add the amount of any withdrawals taken between the period beginning immediately before the time the excess was made and ending on the date of withdrawal\$ _____	\$ _____
3. Subtract all contributions made between the period beginning immediately before the time the excess was made and ending on the date of withdrawal\$ _____	\$ _____
4. Subtract the Roth IRA balance as of the period beginning immediately before the time the excess was made\$ _____	\$ _____
5. Subtract any time deposit (or other investment) penalties that will be applied to the corrective distribution\$ _____	\$ _____
TOTAL EARNINGS:	\$ _____

Adjusted Opening Balance

The balance of the Roth IRA immediately before the time the excess was made plus all contributions made up until the date of withdrawal of the excess. _____

Excess Earnings

Calculate the excess earnings

$$\text{Excess Earnings} = \frac{\text{_____ (Excess Contribution)} \times \text{_____ (Total Earnings)}}{\text{_____ (Adjusted Opening Balance)}}$$

Withdraw the amount of earnings attributable to the excess contribution. This is the "Excess Earnings" figure determined in the formula above. _____
(Negative earnings attributable may reduce the amount of the excess being removed.) The amount of excess earnings is included in the Roth IRA holder's taxable income for the year in which the contribution was made.