



Note: *The draft you are looking for begins on the next page.*

Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms** and do **not** rely on draft forms, instructions, and pubs for filing. We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).



2023

Instructions for Form 5329

Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts

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

General Instructions

Future Developments

For the latest information about developments related to Form 5329 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form5329](https://irs.gov/Form5329).

Reminders

Certain corrective distributions not subject to 10% early distribution tax. Beginning on December 29, 2022, the 10% additional tax on early distributions will not apply to a corrective IRA distribution, which consists of an excessive contribution (a contribution greater than the IRA contribution limit) and any earnings allocable to the excessive contribution, as long as the corrective distribution is made on or before the due date (including extensions) of the income tax return.

Qualified disaster distributions. The additional tax on early distributions doesn't apply to qualified disaster distributions nor does it apply to qualified disaster recovery distributions. See Publication 590-B for more details.

Maximum age for traditional IRA contributions. The age restriction for contributions to a traditional IRA has been eliminated.

Purpose of Form

Use Form 5329 to report additional taxes on:

- IRAs,
- Other qualified retirement plans,
- Modified endowment contracts,
- Coverdell ESAs,
- QTSPs,
- Archer MSAs,
- HSAs, or
- ABLE accounts.

Who Must File

You must file Form 5329 if any of the following apply.

- You received a distribution from a Roth IRA and either the amount on line 25c of Form 8606, Nondeductible IRAs, is more than zero, or the distribution includes a recapture amount subject to the 10% additional tax, or it's a qualified first-time homebuyer distribution (see [Distributions from Roth IRAs](#), later).
- You received a distribution subject to the tax on early distributions from a qualified retirement plan (other than a Roth IRA). However, if distribution code 1 is correctly shown in box 7 of all your Forms 1099-R and you owe the additional tax on the full amount shown on each Form 1099-R, you don't have to file Form 5329. Instead, see the instructions for Schedule 2 (Form 1040), line 8, in the Instructions for Form 1040, or the Instructions for Form 1040-NR, for how to report the 10% additional tax directly on that line.
- You received a distribution subject to the tax on early distributions from a qualified retirement plan (other than a

Roth IRA) and you meet an [exception](#) to the tax on early distributions from the list shown later, but box 7 of your Form 1099-R doesn't indicate an exception or the exception doesn't apply to the entire distribution.

- You received taxable distributions from Coverdell ESAs, QTSPs, or ABLE accounts.
- The contributions for 2023 to your traditional IRAs, Roth IRAs, Coverdell ESAs, Archer MSAs, HSAs, or ABLE accounts exceed your maximum contribution limit, or you had a tax due from an excess contribution on line 17, 25, 33, 41, or 49 of your 2022 Form 5329.
- You didn't receive the minimum required distribution from your qualified retirement plan. This also includes trusts and estates that didn't receive this amount. See [Waiver of tax for reasonable cause](#), later, for information on waiving the tax on excess accumulations in qualified retirement plans.



If you rolled over part or all of a distribution from a qualified retirement plan, the part rolled over isn't subject to the 10% additional tax on early distributions. See the instructions for Form 1040, or 1040-NR, lines 4a and 4b or lines 5a and 5b, for how to report the rollover.

When and Where To File

File Form 5329 with your 2023 Form 1040, 1040-SR, 1040-NR, or 1041 by the due date, including extensions, of your tax return.

If you don't have to file a 2023 income tax return, complete and file Form 5329 by itself at the time and place you would be required to file Form 1040, 1040-SR, or 1040-NR. If you file Form 5329 by itself, then it can't be filed electronically. Be sure to include your address on page 1 of the form and your signature and the date on page 2 of the form. Enclose, but don't attach, a check or money order payable to "United States Treasury" for any taxes due. Write your social security number and "2023 Form 5329" on the check. For information on other payment options, including credit or debit card payments, see the Instructions for Form 1040 or the Instructions for Form 1040-NR, or go to IRS.gov.

Prior tax years. If you are filing Form 5329 for a prior year, you must use the prior year's version of the form. If you don't have any other changes and haven't previously filed a federal income tax return for the prior year, file the prior year's version of Form 5329 by itself (discussed earlier). If you have other changes, file Form 5329 for the prior year with Form 1040-X, Amended U.S. Individual Income Tax Return.

Definitions

Qualified retirement plan. A qualified retirement plan includes:

- A qualified pension, profit-sharing, or stock bonus plan (including a 401(k) plan);
- A tax-sheltered annuity contract (403(b) plan);
- A qualified annuity plan; and
- An IRA.

Note. Modified endowment contracts aren't qualified retirement plans.

Traditional IRAs. For purposes of Form 5329, a traditional IRA is any IRA, including a simplified employee pension (SEP) IRA, other than a SIMPLE IRA or Roth IRA.

Early distribution. Generally, any distribution from your IRA, other qualified retirement plan, or modified endowment contract before you reach age 59½ is an early distribution.

Qualified retirement plan rollover. Generally, a rollover is a tax-free distribution of assets from one qualified retirement plan that is reinvested in another plan or the same plan. Generally, you must complete the rollover within 60 days of receiving the distribution. Any taxable amount not rolled over must be included in income and may be subject to the 10% additional tax on early distributions. The IRS may extend the 60-day rollover period for individuals affected by a disaster.

You can roll over (convert) amounts from a qualified retirement plan to a Roth IRA. Any amount rolled over to a Roth IRA is subject to the same rules for converting a traditional IRA to a Roth IRA. You must include in your gross income distributions from a qualified retirement plan that you would have had to include in income if you hadn't rolled them into a Roth IRA. The 10% additional tax on early distributions doesn't apply. For more information, see chapter 2 of Pub. 590-A.

Pursuant to Rev. Proc. 2020-46 in Internal Revenue Bulletin 2020-45, available at https://www.irs.gov/irb/2020-45_IRB#REV-PROC-2020-46, you may make a written certification to a plan administrator or an IRA trustee that you missed the 60-day rollover contribution deadline because of one or more of the reasons listed in Rev. Proc. 2020-46. See Rev. Proc. 2020-46 for information on how to self-certify for a waiver. Also see *Time Limit for Making a Rollover Contribution* under *Can You Move Retirement Plan Assets?* in Pub. 590-A for more information on ways to get a waiver of the 60-day rollover requirement.

Note. The following were effective as of January 1, 2018.

- A qualified plan loan offset is a type of plan loan offset that meets certain requirements. In order to be a qualified plan loan offset, the loan, at the time of the offset, must be a loan in good standing and the offset must be solely by reason of (1) the termination of the qualified employer plan, or (2) the failure to meet the repayment terms is because the employee has a severance from employment. If you meet the requirements of a qualified plan loan offset, you have until the due date, including extensions, to file your tax return for the tax year in which the offset occurs to roll over the qualified plan loan offset amount.
- If a retirement account has been wrongfully levied by the IRS, the amount returned plus interest on such amount may be contributed to the account or to an IRA (other than an endowment contract) to which such a rollover contribution is permitted. You have until the due date, excluding extensions, for filing your tax return for the tax year in which the amount is returned to make the contribution.

In-plan Roth rollover. If you are a participant in a 401(k), 403(b), or governmental 457(b) plan, your plan may permit you to roll over amounts from those plans to a designated Roth account within the same plan. The rollover of any untaxed amounts must be included in income. The 10% additional tax on early distributions doesn't apply. For more information, see *In-plan Roth rollovers* under *Rollovers* in Pub. 575.

ABLE rollover. For an ABLE account, a rollover means a contribution to an ABLE account of a designated beneficiary (or of an eligible individual who is a member of the family of the designated beneficiary) of all or a portion of an amount withdrawn from the designated beneficiary's ABLE account. The contribution must be made within 60 days of the withdrawal date; and, if the rollover is to the designated beneficiary's ABLE account, there must have been no rollover to an ABLE account

of that beneficiary within the prior 12 months. The IRS may extend the 60-day rollover period for individuals affected by a disaster. An ABLE rollover doesn't include a contribution to an ABLE account of funds distributed from a QTP account.

Program-to-program transfer. For an ABLE account, a program-to-program transfer includes the direct transfer of the entire balance of an ABLE account into a second ABLE account if both accounts have the same designated beneficiary and the first ABLE account is closed upon completion of the transfer. A program-to-program transfer also occurs when part or all of the balance in an ABLE account is transferred to the ABLE account of an eligible individual who is a member of the family of the former designated beneficiary, as long as no intervening distribution is made to the designated beneficiary.

Additional Information

See the following publications for more information about the items in these instructions.

- Pub. 560, Retirement Plans for Small Business.
- Pub. 575, Pension and Annuity Income.
- Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs).
- Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs).
- Pub. 721, Tax Guide to U.S. Civil Service Retirement Benefits.
- Pub. 969, Health Savings Accounts and Other Tax-Favored Health Plans.
- Pub. 970, Tax Benefits for Education.

Specific Instructions

Joint returns. If both you and your spouse are required to file Form 5329, complete a separate form for each of you. Include the combined tax on Schedule 2 (Form 1040), line 8.

Amended returns. If you are filing an amended 2023 Form 5329, check the box at the top of page 1 of the form. Don't use the 2023 Form 5329 to amend your return for any other year. For information about amending a Form 5329 for a prior year, see *Prior tax years*, earlier.

Part I—Additional Tax on Early Distributions

In general, if you receive an early distribution (including an involuntary cashout) from an IRA, other qualified retirement plan, or modified endowment contract, the part of the distribution included in income is generally subject to the 10% additional tax. But see *Distributions from a designated Roth account* and *Distributions from Roth IRAs*, later.

The additional tax on early distributions doesn't apply to any of the following.

- A qualified disaster recovery distribution (certain distributions relating to disasters occurring on or after January 26, 2021), or qualified disaster distributions. See Form 8915-F for more details.
- A qualified distribution from a retirement plan for the birth or adoption of a child of up to \$5,000 if made during the 1-year period beginning on the date your child was born or adopted. Attach a statement that provides the name, age, and TIN of the child or eligible adoptee. If the child died before you obtained a TIN, then write that the child died on the statement and include a copy of the child's birth certificate, death certificate, or hospital records.

See Notice 2020-68, available at [IRS.gov/pub/irs-drop/n-20-68.pdf](https://www.irs.gov/pub/irs-drop/n-20-68.pdf), for more information.



An eligible adoptee includes any individual (other than a child of the taxpayer's spouse) who has not reached age 18 or who is an adult and is physically or mentally incapable of self-support.

- A qualified HSA funding distribution from an IRA (other than a SEP or SIMPLE IRA). See *Qualified HSA funding distribution* under *Health Savings Accounts* in Pub. 969 for details.
- A distribution from a traditional or SIMPLE IRA that was converted to a Roth IRA.
- A rollover from a qualified retirement plan to a Roth IRA.
- An in-plan Roth rollover.
- A distribution of certain excess IRA contributions (see the instructions for [line 15](#), later, and the instructions for [line 23](#), later).



Any related IRA earnings withdrawn with excess IRA contributions are taxable and must be reported on line 1. For distributions of excess contributions made on or after December 29, 2022, the 10% additional tax for early distributions does not apply. Report this amount on line 2 and enter exception number 21.

- A distribution of excess deferrals. Excess deferrals include distributions of excess contributions from a qualified cash or deferred arrangement (401(k) plan), excess contributions from a tax-sheltered annuity (403(b) plan), excess contributions from a salary reduction SEP IRA, and excess contributions from a SIMPLE IRA.
- A distribution of excess aggregate contributions to meet nondiscrimination requirements for employee contributions and matching employer contributions.
- A distribution from an eligible governmental section 457 deferred compensation plan to the extent the distribution isn't attributable to an amount transferred from a qualified retirement plan.

See the instructions for [line 2](#), later, for other distributions that aren't subject to the additional tax.

Line 1

Enter the amount of early distributions includable in income (other than qualified disaster distributions, including qualified disaster recovery distributions) that you received from:

- A qualified retirement plan including earnings on withdrawn excess contributions to your IRAs included in income in 2023; or
- A modified endowment contract.

Certain prohibited transactions involving your IRA, such as borrowing from your IRA or pledging your IRA assets as security for a loan, are considered to be distributions and are generally subject to the additional tax on early distributions. See *Prohibited Transactions* under *What Acts Result in Penalties or Additional Taxes?* in Pub. 590-B for details.

Distributions from a designated Roth account. If you received an early distribution from your designated Roth account, include on line 1 the amount of the distribution that you must include in your income. You will find this amount in box 2a of your 2023 Form 1099-R. You may also need to include a recapture amount on line 1 if you have ever made an in-plan Roth rollover (discussed later).



If you never made an in-plan Roth rollover, you need to include on line 1 of this form only the amount from box 2a of your 2023 Form 1099-R reporting the early distribution.

Recapture amount subject to the additional tax on early distributions. If you have ever made an in-plan Roth rollover and you received an early distribution for 2023, the recapture

amount to include on line 1 is a portion of the amounts you rolled over.

The recapture amount that you must include on line 1 won't exceed the amount of your early distribution; and, for purposes of determining this recapture amount, you will allocate a rollover amount (or portion thereof) to an early distribution only once.

For more information about the recapture amount for early distributions from a designated Roth account, including how to figure it, see *Tax on Early Distributions* under *Special Additional Taxes* in Pub. 575.

Distributions from Roth IRAs. If you received an early distribution from your Roth IRAs, include on line 1 the part of the distribution that you must include in your income. You will find this amount on line 25c of your 2023 Form 8606. You will also need to include on line 1 the following amounts.

- A qualified first-time homebuyer distribution from line 20 of your 2023 Form 8606. Also include this amount on line 2 and enter exception number 09.
- Recapture amounts attributable to any conversions or rollovers to your Roth IRAs in 2019 through 2023. See [Recapture amount subject to the additional tax on early distributions](#), next.

TIP *If you didn't have a qualified first-time homebuyer distribution in 2023, and you didn't convert or roll over an amount to your Roth IRAs in 2019 through 2023, you only need to include the amount from line 25c of your 2023 Form 8606 on line 1 of this form.*

Recapture amount subject to the additional tax on early distributions. If you converted or rolled over an amount to your Roth IRAs in 2019 through 2023 and you received an early distribution for 2023, the recapture amount you must include on line 1 is the amount, if any, of the early distribution allocated to the taxable portion of your 2019 through 2023 conversions or rollovers.

Generally, an early distribution is allocated to your Roth IRA contributions first, then to your conversions and rollovers on a first-in, first-out basis. For each conversion or rollover, you must first allocate the early distribution to the portion that was subject to tax in the year of the conversion or rollover, and then to the portion that wasn't subject to tax. The recapture amount is the sum of the early distribution amounts that you allocate to these taxable portions of your conversions or rollovers.

The recapture amount that you must include on line 1 won't exceed the amount of your early distribution; and, for purposes of determining this recapture amount, you will allocate a contribution, conversion, or rollover amount (or portion thereof) to an early distribution only once.

For more information about the recapture amount for distributions from a Roth IRA, including how to figure it, see *Ordering Rules for Distributions* under *Are Distributions Taxable?* in chapter 2 of Pub. 590-B. Also, see the [Example](#) next, which illustrates a situation where a taxpayer must include a recapture amount on line 1.

Example. You converted \$20,000 from a traditional IRA to a Roth IRA in 2019 and converted \$10,000 in 2020. Your 2019 Form 8606 had \$5,000 on line 17 and \$15,000 on line 18, and your 2020 Form 8606 had \$3,000 on line 17 and \$7,000 on line 18. You made Roth IRA contributions of \$2,000 for 2019 and 2020. You didn't make any Roth IRA conversions or contributions for 2021 through 2023, or take any Roth IRA distributions before 2023.

On July 10, 2023, at age 53, you took a \$33,000 distribution from your Roth IRA. Your 2023 Form 8606 shows \$33,000 on line 19; \$29,000 on line 23 (\$33,000 minus \$4,000 for your contributions on line 22); and \$0 on line 25a (\$29,000 minus your basis in conversions of \$30,000).

First, \$4,000 of the \$33,000 is allocated to your 2023 Form 8606, line 22; then \$15,000 to your 2019 Form 8606, line 18; \$5,000 to your 2019 Form 8606, line 17; and \$7,000 to your 2020 Form 8606, line 18. The remaining \$2,000 is allocated to the \$3,000 on your 2020 Form 8606, line 17. On line 1, enter \$22,000 (\$15,000 allocated to your 2019 Form 8606, line 18, plus the \$7,000 that was allocated to your 2020 Form 8606, line 18).

If you take a Roth IRA distribution in 2024, the first \$1,000 will be allocated to the \$1,000 remaining from your 2020 Form 8606, line 17, and won't be subject to the additional tax on early distributions.

Additional information. For more details, see *Are Distributions Taxable?* in chapters 1 and 2 of Pub. 590-B.

Line 2

The additional tax on early distributions doesn't apply to the distributions described next. Enter on line 2 the amount that you can exclude. In the space provided, enter the applicable exception number (01–21). If more than one exception applies, enter 99.

Exceptions to the Additional Tax on Early Distributions

No. Exception

01 Qualified retirement plan distributions (doesn't apply to IRAs) you receive after separation from service when the separation from service occurs in or after the year you reach age 55 (age 50 for qualified public safety employees). For distributions to qualified public safety employees on or after December 30, 2022, include distributions to employees with 25 years of service with the plan, distributions to firefighters covered by private sector retirement plans, and distributions to those employees who provide services as a corrections officer or as a forensic security employee, providing for the care, custody, and control of forensic patients, who meet the age requirement above.

02 Distributions made as part of a series of substantially equal periodic payments (made at least annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary (if from an employer plan, payments must begin after separation from service). Distributions received as periodic payments on or after December 29, 2022, will not fail to be treated as substantially equal merely because they are received as an annuity.

03 Distributions due to total and permanent disability. You are considered disabled if you can furnish proof that you can't do any substantial gainful activity because of your physical or mental condition. A medical determination that your condition can be expected to result in death or to be of long, continued, and indefinite duration must be made.

04 Distributions due to death (doesn't apply to modified endowment contracts).

05 Qualified retirement plan distributions up to the amount you paid for unreimbursed medical expenses during the year **minus** 7.5% of your adjusted gross income (AGI) for the year.

06 Qualified retirement plan distributions made to an alternate payee under a qualified domestic relations order (doesn't apply to IRAs).

07 IRA distributions made to certain unemployed individuals for health insurance premiums.

08 IRA distributions made for qualified higher education expenses.

09 IRA distributions made for the purchase of a first home, up to \$10,000.

10 Qualified retirement plan distributions made due to an IRS levy.

11 Qualified distributions to reservists while serving on active duty for at least 180 days.

12 Distributions incorrectly indicated as early distributions by code 1, J, or S in box 7 of Form 1099-R. Include on line 2 the amount you received when you were age 59½ or older.

13 Distributions from a section 457 plan, which aren't from a rollover from a qualified retirement plan.

14 Distributions from a plan maintained by an employer if:

1. You separated from service by March 1, 1986;
2. As of March 1, 1986, your entire interest was in pay status under a written election that provides a specific schedule for the distribution of your entire interest; and
3. The distribution is actually being made under the written election.

15 Distributions that are dividends paid with respect to stock described in section 404(k).

16 Distributions from annuity contracts to the extent that the distributions are allocable to the investment in the contract before August 14, 1982. For additional exceptions that apply to annuities, see *Tax on Early Distributions* under *Special Additional Taxes* in Pub. 575.

17 Distributions that are phased retirement annuity payments made to federal employees. See Pub. 721 for more information on the phased retirement program.

18 Permissible withdrawals under section 414(w).

19 Qualified birth or adoption distributions. Attach a statement that provides the name, age, and TIN of the child or eligible adoptee.

20 Distributions due to terminal illness. Distributions that are made on or after the date on which your physician has certified that you have a terminal illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification. See Notice 2024-02, available at IRS.gov/pub/irs-drop/n-24-02.pdf, for more information.

21 Corrective distributions of the income on excess contributions distributed before the due date of the tax return (including extensions).

99 Enter this exception number if more than one exception applies.

Line 4

If any amount on line 3 was a distribution from a SIMPLE IRA received within 2 years from the date you first participated in the SIMPLE IRA plan, you must multiply that amount by 25% instead of 10%. These distributions are included in boxes 1 and 2a of Form 1099-R and are designated with code S in box 7.

Part II—Additional Tax on Certain Distributions From Education Accounts and ABLE Accounts

Line 5

Distributions from an ABLE account aren't included in income if made on or after the death of the designated beneficiary:

- To the estate of the designated beneficiary;
- To an heir or legatee of the designated beneficiary; or
- To pay outstanding obligations due for qualified disability expenses of the designated beneficiary, including a claim filed by a state under a state Medicaid plan.

Line 6

The additional tax doesn't apply to the distributions that are includable in income described next. Enter on line 6 the amount from line 5 that you can exclude.

- Distributions made due to the death or disability of the beneficiary.
- Distributions from an education account made on account of a tax-free scholarship, allowance, or payment described in section 25A(g)(2).
- Distributions from an education account made because of attendance by the beneficiary at a U.S. military academy. This exception applies only to the extent that the distribution doesn't exceed the costs of advanced education (as defined in title 10 of the U.S. Code) at the academy.
- Distributions from an education account included in income because you used the qualified education expenses to figure the American opportunity and lifetime learning credits.

Part III—Additional Tax on Excess Contributions to Traditional IRAs

If you contributed more for 2023 than is allowable or you had an amount on line 17 of your 2022 Form 5329, you may owe this tax. But you may be able to avoid the tax on any 2023 excess contributions (see the instructions for [line 15](#), later).

Line 9

Enter the amount from line 16 of your 2022 Form 5329 only if the amount on line 17 of your 2022 Form 5329 is more than zero.

Line 10

Enter the difference, if any, of your contribution limit for traditional IRAs less your contributions to traditional IRAs and Roth IRAs for 2023.

If you aren't married filing jointly, your contribution limit for traditional IRAs is the smaller of your taxable compensation or \$6,500 (\$7,500 if age 50 or older at the end of 2023). If you are married filing jointly, your contribution limit is generally \$6,500 (\$7,500 if age 50 or older at the end of 2023) and your spouse's contribution limit is \$6,500 (\$7,500 if age 50 or older at the end of 2023). But if the combined taxable compensation for you and your spouse is less than \$13,000 (\$14,000 if one spouse is 50 or older at the end of 2023; \$15,000 if both spouses are 50 or older at the end of 2023), see *How Much Can Be Contributed?* for special rules and *What Is Compensation?* in Pub. 590-A for additional information.

Also include on line 11a or 11b of the IRA Deduction Worksheet—Schedule 1, Line 20, in the Instructions for Form 1040 or the Instructions for Form 1040-NR, the smaller of:

- Form 5329, line 10; or
- The excess, if any, of Form 5329, line 9, over the sum of Form 5329, lines 11 and 12 (which you will complete next).

Line 11

Enter on line 11 any withdrawals from your traditional IRAs that are included in your income. Don't include any withdrawn contributions reported on line 12.

Line 12

Enter on line 12 any amounts included on line 9 that are excess contributions to your traditional IRAs for 1976 through 2021 that you had returned to you in 2023 and any 2022 excess contributions that you had returned to you in 2023 after the due date (including extensions) of your 2022 income tax return if:

- You didn't claim a deduction for the excess contributions,
- No traditional IRA deduction was allowable (without regard to the modified AGI limitation) for the excess contributions, and

- The total contributions to your traditional IRAs for the tax year for which the excess contributions were made weren't more than the amounts shown in the following table.

| Year(s) | Contribution limit | Contribution limit if age 50 or older at the end of the year |
|-------------------|--------------------|--|
| 2019 through 2022 | \$6,000 | \$7,000 |
| 2013 through 2018 | \$5,500 | \$6,500 |
| 2008 through 2012 | \$5,000 | \$6,000 |
| 2006 or 2007 | \$4,000 | \$5,000 |
| 2005 | \$4,000 | \$4,500 |
| 2002 through 2004 | \$3,000 | \$3,500 |
| 1997 through 2001 | \$2,000 | — |
| before 1997 | \$2,250 | — |

If the excess contribution to your traditional IRA for the year included a rollover and the excess occurred because the information the plan was required to give you was incorrect, increase the contribution limit amount for the year shown in the table above by the amount of the excess that is due to the incorrect information.

If the total contributions for the year included employer contributions to a SEP, increase the contribution limit amount for the year shown in the table above by the smaller of the amount of the employer contributions or:

| | |
|---------------------|----------|
| 2022 | \$61,000 |
| 2021 | \$58,000 |
| 2020 | \$57,000 |
| 2019 | \$56,000 |
| 2018 | \$55,000 |
| 2017 | \$54,000 |
| 2015 or 2016 | \$53,000 |
| 2014 | \$52,000 |
| 2013 | \$51,000 |
| 2012 | \$50,000 |
| 2009, 2010, or 2011 | \$49,000 |
| 2008 | \$46,000 |
| 2007 | \$45,000 |
| 2006 | \$44,000 |
| 2005 | \$42,000 |
| 2004 | \$41,000 |
| 2002 or 2003 | \$40,000 |
| 2001 | \$35,000 |
| before 2001 | \$30,000 |

Line 15

Enter the excess of your contributions to traditional IRAs for 2023 (unless withdrawn—discussed next) over your contribution limit for traditional IRAs. Also, if you hadn't reached age 59 1/2 at the time of the withdrawal, include the earnings as an early distribution on line 1 on Form 5329 for the year in which you report the earnings. See the instructions for [line 10](#), earlier, to figure your contribution limit for traditional IRAs. Don't include

rollovers in figuring your excess contributions. See *Difficulty of care payments* in Pub. 590-A for an exception for nondeductible contributions made based on a type of foster care payment received.

You can withdraw some or all of your excess contributions for 2023 and they will be treated as not having been contributed if:

- You make the withdrawal by the due date, including extensions, of your 2023 tax return;
- You don't claim a traditional IRA deduction for the withdrawn contributions; and
- You withdraw any earnings on the withdrawn contributions and include the earnings in gross income (see the Instructions for Form 8606 for details). Also, if you hadn't reached age 59 1/2 at the time of the withdrawal, include the earnings as an early distribution on line 1 of Form 5329 for the year in which you report the earnings. Report this amount on line 2 and enter exception number 21.

If you timely filed your return without withdrawing the excess contributions, you can still make the withdrawal no later than 6 months after the due date of your tax return, excluding extensions. If you do, file an amended return with "Filed pursuant to section 301.9100-2" entered at the top. Report any related earnings for 2023 on the amended return and include an explanation of the withdrawal. Make any other necessary changes on the amended return (for example, if you reported the contributions as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed).

Part IV—Additional Tax on Excess Contributions to Roth IRAs

If you contributed more to your Roth IRA for 2023 than is allowable or you had an amount on line 25 of your 2022 Form 5329, you may owe this tax. But you may be able to avoid the tax on any 2023 excess contributions (see the instructions for [line 23](#), later).

Line 18

Enter the amount from line 24 of your 2022 Form 5329 only if the amount on line 25 of your 2022 Form 5329 is more than zero.

Line 19

If you contributed less to your Roth IRAs for 2023 than your contribution limit for Roth IRAs, enter the difference. Your contribution limit for Roth IRAs is generally your contribution limit for traditional IRAs (see the instructions for [line 10](#), earlier) reduced by the amount you contributed to traditional IRAs. But your contribution limit for Roth IRAs may be further reduced or eliminated if your modified AGI for Roth IRA purposes is over:

- \$218,000 if married filing jointly or qualifying surviving spouse;
- \$138,000 if single, head of household, or married filing separately and you didn't live with your spouse at any time in 2023; or
- \$0 if married filing separately and you lived with your spouse at any time in 2023.

See *Can You Contribute to a Roth IRA?* in Pub. 590-A for details.

Line 20

Generally, enter the amount from Form 8606, line 19, plus any qualified distributions. But if you withdrew the entire balance of all of your Roth IRAs, don't enter less than the amount on Form 5329, line 18 (see the [Example](#), next).

Example. You contributed \$1,000 to a Roth IRA in 2021, your only contribution to Roth IRAs. In 2023, you discovered you

weren't eligible to contribute to a Roth IRA in 2021. On September 7, 2023, you withdrew \$800, the entire balance in the Roth IRA. You must file Form 5329 for 2021 and 2022 to pay the additional taxes for those years. When you complete Form 5329 for 2023, you enter \$1,000 (not \$800) on line 20 because you withdrew the entire balance.

Line 23

Enter the excess of your contributions to Roth IRAs for 2023 (unless withdrawn—discussed below) over your contribution limit for Roth IRAs. See the instructions for [line 19](#), earlier, to figure your contribution limit for Roth IRAs.

Don't include rollovers in figuring your excess contributions.

You can withdraw some or all of your excess contributions for 2023 and they will be treated as not having been contributed if:

- You make the withdrawal by the due date, including extensions, of your 2023 tax return; and
- You withdraw any earnings on the withdrawn contributions and include the earnings in gross income (see the Instructions for Form 8606 for details). Also, if you hadn't reached age 59 1/2 at the time of the withdrawal, include the earnings as an early distribution on line 1 of Form 5329 for the year in which you report the earnings. Report this amount on line 2 and enter exception number 21.

If you timely filed your return without withdrawing the excess contributions, you can still make the withdrawal no later than 6 months after the due date of your tax return, excluding extensions. If you do, file an amended return with "Filed pursuant to section 301.9100-2" entered at the top. Report any related earnings for 2023 on the amended return and include an explanation of the withdrawal. Make any other necessary changes on the amended return (for example, if you reported the contributions as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed).

Part V—Additional Tax on Excess Contributions to Coverdell ESAs

If the contributions to your Coverdell ESAs for 2023 were more than is allowable or you had an amount on line 33 of your 2022 Form 5329, you may owe this tax. But you may be able to avoid the tax on any 2023 excess contributions (see the instructions for [line 31](#), later).

Line 26

Enter the amount from line 32 of your 2022 Form 5329 only if the amount on line 33 of your 2022 Form 5329 is more than zero.

Line 27

Enter the excess, if any, of the maximum amount that can be contributed to your Coverdell ESAs for 2023 over the amount actually contributed for 2023. Your contribution limit is the smaller of \$2,000 or the sum of the maximum amounts the contributor(s) to your Coverdell ESAs are allowed to contribute. The maximum contribution may be limited based on the contributor's modified AGI. See *Contributions* in chapter 7 of Pub. 970 for details.

Line 28

Enter your total distributions from Coverdell ESAs in 2023. Don't include rollovers or withdrawn excess contributions.

Line 31

Enter the excess of the contributions to your Coverdell ESAs for 2023 (unless withdrawn—discussed below) over your contribution limit for Coverdell ESAs. See the instructions for

line 27, earlier, to figure your contribution limit for Coverdell ESAs.

Don't include rollovers in figuring your excess contributions.

You can withdraw some or all of the excess contributions for 2023 and they will be treated as not having been contributed if:

- You make the withdrawal before June 1, 2024; and
- You also withdraw any income earned on the withdrawn contributions and include the earnings in gross income for the year in which the contribution was made.

If you filed your return without withdrawing the excess contributions, you can still make the withdrawal, but it must be made before June 1, 2024. If you do, file an amended return.

Report any related earnings for 2023 on the amended return and include an explanation of the withdrawal. Make any other necessary changes on the amended return (for example, if you reported the contributions as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed).

Part VI—Additional Tax on Excess Contributions to Archer MSAs

If you or your employer contributed more to your Archer MSA for 2023 than is allowable or you had an amount on line 41 of your 2022 Form 5329, you may owe this tax. But you may be able to avoid the tax on any 2023 excess contributions (see the instructions for [line 39](#), later).

Line 34

Enter the amount from line 40 of your 2022 Form 5329 only if the amount on line 41 of your 2022 Form 5329 is more than zero.

Line 35

If contributions to your Archer MSAs for 2023 were less than your contribution limit for Archer MSAs, enter the difference on line 35. Your contribution limit for Archer MSAs is the smaller of line 3 or line 4 of Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

Also include on your 2023 Form 8853, line 5, the smaller of:

- Form 5329, line 35; or
- The excess, if any, of Form 5329, line 34, over Form 5329, line 36.

Line 39

Enter the excess of your contributions to your Archer MSA for 2023 from Form 8853, line 2 (unless withdrawn—discussed next), over your contribution limit (the smaller of line 3 or line 4 of Form 8853). Also include on line 39 any excess contributions your employer made. See the Instructions for Form 8853 for details.

You can withdraw some or all of the excess contributions for 2023 and they will be treated as not having been contributed if:

- You make the withdrawal by the due date, including extensions, of your 2023 tax return; and
- You withdraw any income earned on the withdrawn contributions and include the earnings in gross income for the year in which you receive the withdrawn contributions and earnings.

Include the withdrawn contributions and related earnings on Form 8853, lines 6a and 6b.

If you timely filed your return without withdrawing the excess contributions, you can still make the withdrawal no later than 6 months after the due date of your tax return, excluding extensions. If you do, file an amended return with "Filed pursuant

to section 301.9100-2" entered at the top. Report any related earnings for 2023 on the amended return and include an explanation of the withdrawal. Make any other necessary changes on the amended return (for example, if you reported the contributions as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed).

Part VII—Additional Tax on Excess Contributions to Health Savings Accounts (HSAs)

If you, someone on your behalf, or your employer contributed more to your HSAs for 2023 than is allowable or you had an amount on line 49 of your 2022 Form 5329, you may owe this tax. But you may be able to avoid the tax on any 2023 excess contributions (see the instructions for [line 47](#), later).

Line 42

Enter the amount from line 48 of your 2022 Form 5329 only if the amount on line 49 of your 2022 Form 5329 is more than zero.

Line 43

If contributions to your HSAs for 2023 (line 2 of Form 8889, Health Savings Accounts (HSAs)) were less than your contribution limit for HSAs, enter the difference on line 43. Your contribution limit for HSAs is the amount on line 12 of Form 8889.

Also include on your 2023 Form 8889, line 13, the smaller of:

- Form 5329, line 43; or
- The excess, if any, of Form 5329, line 42, over Form 5329, line 44.

Line 47

Enter the excess of your contributions (made by you or on your behalf) to your HSAs for 2023 from Form 8889, line 2 (unless withdrawn—discussed next), over your contribution limit (Form 8889, line 12). Also include on line 47 any excess contributions your employer made. See the Instructions for Form 8889 for details.

You can withdraw some or all of the excess contributions for 2023 and they will be treated as not having been contributed if:

- You make the withdrawal by the due date, including extensions, of your 2023 return; and
- You withdraw any income earned on the withdrawn contributions and include the earnings in gross income for the year in which you receive the withdrawn contributions and earnings.

Include the withdrawn contributions and related earnings on Form 8889, lines 14a and 14b.

If you timely filed your return without withdrawing the excess contributions, you can still make the withdrawal no later than 6 months after the due date of your tax return, excluding extensions. If you do, file an amended return with "Filed pursuant to section 301.9100-2" entered at the top. Report any related earnings for 2023 on the amended return and include an explanation of the withdrawal. Make any other necessary changes on the amended return (for example, if you reported the contributions as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed).

Part VIII—Additional Tax on Excess Contributions to ABLE Accounts

If the contributions to your [ABLE account](#) for 2023 were more than is allowable, you may owe tax on the net income resulting from the excess contribution.

Line 50

Enter the excess, if any, of the contributions to your ABLE account for 2023 over the contribution limit. Total contributions (including contributions from a section 529 account) made to your ABLE account for 2023 may not exceed \$17,000 plus, in the case of an employed designated beneficiary, the applicable amount under section 529A(b)(2)(B)(ii).

Don't include [ABLE rollovers](#) or [program-to-program transfers](#) in figuring your excess contributions.

You won't incur a tax on a contribution to your ABLE account that is in excess of the contribution limit if the qualified ABLE program returns the contribution, including all net income attributable to the contribution, to the person who made the contribution (the "contributor"), and the contributor receives the contribution on or before the due date (including extensions) for filing your federal income tax return. Any net income distributed from the excess contribution to the ABLE account is includable in the gross income of the contributor in the tax year in which the excess contribution was made.

If the contributor receives the contribution after you have filed your original tax return but before the due date (including extensions) for filing your return, you may file an amended return reflecting the return of the contribution to the contributor with "Filed pursuant to section 301.9100-2" entered at the top. Make any necessary changes on the amended return. For example, if you reported the contribution as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed.

Part IX—Additional Tax on Excess Accumulation in Qualified Retirement Plans (Including IRAs)

You owe this tax if you don't receive the minimum required distribution from your qualified retirement plan, including an IRA or an eligible section 457 deferred compensation plan. The additional tax is 25% of the excess accumulation, which is the difference between the amount that was required to be distributed and the amount that was actually distributed. The tax is due for the tax year that includes the last day by which the minimum required distribution must be taken. The additional tax is reduced to 10% of the excess accumulation if you meet certain requirements. See [Line 55](#) for more information.

Line 52

IRA (other than a Roth IRA). Generally, you must start receiving distributions from your IRA by April 1 of the year following the year in which you reach age 72. However, if you become age 72 in 2023 or later, you must start receiving distributions from your IRA by April 1 of the year following the year in which you reach age 73. At that time, you can receive your entire interest in the IRA or begin receiving periodic distributions. If you choose to receive periodic distributions, you must receive a minimum required distribution each year. You can figure the minimum required distribution by dividing the account balance of your IRAs (other than Roth IRAs) on December 31 of the year preceding the distribution by the applicable life expectancy. For applicable life expectancies, see *Figuring the*

Owner's Required Minimum Distribution under When Must You Withdraw Assets? in Pub. 590-B.

If the trustee, custodian, or issuer of your IRA informs you of the minimum required distribution, you can use that amount.

For more details on the minimum distribution rules (including examples), see *When Must You Withdraw Assets?* in Pub. 590-B.

Trusts and estates. Include the amount of tax, if any, on Form 1041, Schedule G, line 8. Enter "From Form 5329" and the amount of the tax to the left of the line 8 entry space.

Roth IRA. There are no minimum required distributions during the lifetime of the owner of a Roth IRA. Following the death of the Roth IRA owner, required distribution rules apply to the beneficiary. See *Must You Withdraw or Use Assets?* in Pub. 590-B for details.

Qualified retirement plans (other than IRAs) and eligible section 457 deferred compensation plans. In general, you must begin receiving distributions from your plan no later than April 1 following the later of (a) the year in which you reach age 72 (age 73 if you reach age 72 in 2023 or later years), or (b) the year in which you retire.

Exception. If you owned more than 5% of the employer maintaining the plan, you must begin receiving distributions no later than April 1 of the year following the year in which you reach age 72 (age 73 if you reach age 72 in 2023 or later years), regardless of when you retire.

Your plan administrator should figure the amount that must be distributed each year.

Line 53

Enter the amount actually distributed towards the required minimum distribution from all plans. Do not include on line 53 any distribution(s) received after the deadline for taking the minimum required distribution or during the [correction window](#).

Distributions that satisfy minimum distribution rules.

Generally, all distributions from an account count towards the minimum distribution requirements. If you have multiple qualified retirement plans, you may be able to combine the distributions from accounts of the same type to satisfy the minimum distribution requirement for all accounts of that type. Distributions from different types of retirement accounts cannot be combined. If you received more than the minimum required distribution from any account (or, type of account if the distributions can be combined), do not include the excess on line 53.

TIP A qualified charitable distribution will count towards your minimum required distribution. See *Qualified charitable distributions under Are Distributions Taxable?* in chapter 1 of Pub. 590-B for more information.

IRA (other than a Roth IRA). The minimum required distribution must be figured separately for each IRA you own, but you can generally withdraw the total amount from one or more of your IRAs. This rule does not apply to inherited IRAs. Only distributions from IRAs inherited from the same decedent can be combined to satisfy the minimum required distribution for all inherited Roth IRAs from that decedent. For more information, see Treas. Reg. 1.408-8.

Roth IRA. Only withdrawals from Roth IRAs inherited from the same decedent can be combined to satisfy the minimum required distribution for all inherited Roth IRAs from that decedent. For more information, see Treas. Reg. 1.408-8.

Qualified retirement plans (other than IRAs). Qualified plans cannot aggregate distributions for purposes of meeting the minimum required distribution requirement. You must figure the

amount of the minimum required distribution separately for each plan and withdraw that amount from the specific plan. See Treas. Reg. 1.401(a)(9)-8 for more information.



If you have more than one 403(b) tax-sheltered annuity account, you can total the RMDs and then take them from any one (or more) of the tax-sheltered annuities.

Line 54

This is your total excess accumulation.

Waiver of tax for reasonable cause. The IRS can waive part or all of this tax if you can show that any shortfall in the amount of distributions was due to reasonable error and you are taking reasonable steps to remedy the shortfall. If you believe you qualify for this relief, attach a statement of explanation and file Form 5329 as follows.

1. Complete lines 52 and 53 as instructed.
2. Enter "RC" and the amount of the shortfall you want waived in parentheses on the dotted line next to line 54. Subtract this amount from the total shortfall you figured without regard to the waiver, and enter the result on line 54.
3. Complete line 55 as instructed. You must pay any tax due that is reported on line 55.

The IRS will review the information you provide and decide whether to grant your request for a waiver. If your request is not granted, the IRS will notify you regarding any additional tax you may owe on the shortfall.

Line 55

To figure the additional tax on the excess accumulation, you must first determine which tax rate applies.

If you had an excess accumulation in only one qualified retirement plan, including an IRA, or eligible section 457 deferred compensation plan, then you will apply:

- 25%, if you did not satisfy the requirements under *Reduced tax rate*; or

- 10%, if you satisfied the requirements under *Reduced tax rate*.

Enter 25% or 10%, as applicable, of line 54. If you apply the 10% rate, then check the box on line 55. Also include this amount on Schedule 2 (Form 1040), line 8 or Form 1041, Schedule G, line 8.

If you had excess accumulations in more than one qualified retirement plan, including an IRA, or eligible section 457 deferred compensation plan, then use the *Line 55 Worksheet* to figure the additional tax.

Reduced tax rate. Generally, the additional tax rate for distributions that are less than the minimum required distribution amount (excess accumulations) is 25% for tax years beginning after December 29, 2022.

You may be eligible for a reduced tax rate of 10% if, during the correction period, you:

1. Receive a distribution of the amount that resulted in the excess accumulation from the same plan for which the tax was imposed; and
2. Submit a return reflecting the additional tax.

Correction window. The correction window is the period of time beginning on the date on which the additional tax is imposed on the distribution shortfall and ends on the earliest of the following dates:

- The date of mailing the deficiency notice with respect to the imposition of this tax; or
- The date the tax is assessed; or
- The last day of the second taxable year that begins after the date of the taxable year in which the additional tax is imposed.

Line 55 Worksheet

Part I. Excess Accumulation(s) Subject to 10% Tax

1. Did you receive a distribution of the full amount of the excess accumulation from at least one qualified plan during the *correction window*?

Note: You can answer both Yes and No, if you are subject to multiple rates because of multiple distributions or distributions from multiple plans.

[] **Yes.** Go to line 2. Also, check the box on Form 5329, line 55. [] **No.** Go to **Part II**

2. Enter the portion of line 52 from all plans for which you answered "Yes" on line 1 2. _____
3. Enter the portion of line 53 from all plans for which you answered "Yes" on line 1 3. _____
4. Subtract line 3 from line 2 4. _____
5. Multiply the amount on line 4 by 10% (0.10). Continue to Part II if you had an excess accumulation in at least one plan from which you did not receive a distribution of the full amount of the excess accumulation during the *correction window* 5. _____

Part II. Excess Accumulation(s) Subject to 25% Tax

6. Enter the portion of line 52 from all plans for which you answered "No" on line 1 6. _____
7. Enter the portion of line 53 from all plans for which you answered "No" on line 1 7. _____
8. Subtract line 7 from line 6 8. _____
9. Multiply the amount on line 8 by 25% (0.25) 9. _____
10. Add line 5 and line 9. Enter the total on Form 5329, line 55 and on Schedule 2 (Form 1040), line 8 or Form 1041, Schedule G, line 8 10. _____

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. If you do not provide this information, or you provide incomplete or false information, you may be subject to penalties.

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, the District of Columbia, and U.S. commonwealths and territories 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.

ONLY DRAFT
January 8, 2024