



# EXCESS REMOVAL WORKSHEET AND DISTRIBUTION FORM

HORIZON TRUST COMPANY  
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## PART 1. IRA OWNER

Name (First/MI/Last): \_\_\_\_\_  
Social Security Number: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Phone: \_\_\_\_\_  
Account Number: \_\_\_\_\_ Suffix: \_\_\_\_\_

## PART 2. IRA TRUSTEE OR CUSTODIAN

Name: Horizon Trust Company  
Regular Mail Address: 6301 Indian School Rd. NE Ste.200  
City/State/ZIP: Albuquerque, NM 87110  
Physical Address: 6301 Indian School Rd. NE Ste.200  
City/State/ZIP: Albuquerque, NM 87110  
Fax: 505-288-3905

## PART 3. EXCESS CONTRIBUTION INFORMATION

1. Excess Contribution Amount \_\_\_\_\_
2. Contribution Date \_\_\_\_\_
3. Contribution for Tax Year \_\_\_\_\_
4. Excess Contribution Reason (Select One)

- a. **True Excess** (Roth IRA owner's contribution exceeded the annual limit or earned income, or Roth IRA owner exceeded modified adjusted gross income limits.)
- b. **Deemed Excess** (Roth IRA owner was eligible to make the contribution but is removing the contribution as an excess before the deadline.)

## PART 4. CORRECTION PROCEDURES

The correction procedure used depends on the timing of the removal. The deadline to remove an excess and avoid the excess contribution penalty tax is the Roth IRA owner's federal income tax filing deadline, including extensions (generally no later than October 15) of the year for which the contribution was made.

### EXCESS REMOVED BEFORE DEADLINE

Refer to page 2 for calculation instructions.

1. Calculate the net income attributable (NIA) to the excess
2. Remove the excess contribution amount and NIA (Total withdrawal amount from page 2) \_\_\_\_\_
3. Use the following distribution codes when completing IRS Form 1099-R
  - Excess contribution made during the prior year, use codes P and J
  - Excess contribution made during the current year, use codes 8 and J

### EXCESS REMOVED AFTER DEADLINE

Only true excess contributions may be removed as an excess after the deadline.

1. Remove the excess contribution amount (Do not calculate or remove the net income attributable)
2. Use the following distribution codes when completing IRS Form 1099-R
  - Roth IRA owner is under age 59½ and not disabled, use code J
  - Roth IRA owner is age 59½ or older or disabled and does not meet the requirements for a qualified distribution, use code T
  - Roth IRA owner is age 59½ or older or disabled and meets the requirements for a qualified distribution, use code Q

## DETERMINING NET INCOME ATTRIBUTABLE

When removing an excess contribution before the deadline, the net income attributable to the excess contribution must also be removed.

### PRIMARY BENEFICIARIES

The amount of the excess contribution to be removed \$ \_\_\_\_\_

$$\text{Net Income Attributable} = \frac{\text{Contribution} \times \text{Total Earnings}}{\text{Adjusted Opening Balance}}$$

### TOTAL EARNINGS

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

1. Determine the Roth IRA balance as of the date of withdrawal \$ \_\_\_\_\_
  2. Add the amount of any withdrawals taken after the excess contribution was made and before the excess removal + \$ \_\_\_\_\_
  3. Subtract the balance of the Roth IRA immediately before the excess contribution was made - \$ \_\_\_\_\_
  4. Subtract the excess contribution and all subsequent contributions made before the excess removal - \$ \_\_\_\_\_
  5. Subtract any time deposit (or other investment) penalties that will be applied due to the excess removal - \$ \_\_\_\_\_
- Total Earnings:** \$ \_\_\_\_\_

### ADJUSTED OPENING BALANCE

The adjusted opening balance is the balance of the Roth IRA immediately before the excess contribution was made plus the excess contribution and all subsequent contributions made before the excess removal. \$ \_\_\_\_\_

### NET INCOME ATTRIBUTABLE

\$ \_\_\_\_\_ (Contribution) x \$ \_\_\_\_\_ (Total Earnings)  
\_\_\_\_\_ = \$ \_\_\_\_\_  
\$ \_\_\_\_\_ (Adjusted Opening Balance) (Net Income Attributable)

### TOTAL WITHDRAWAL AMOUNT

The total amount to be removed equals the contribution amount to be removed plus the net income attributable. \$ \_\_\_\_\_

*Note: If the net income attributable is negative, reduce the amount of the excess contribution by the net income attributable.*

## PART 5. PAYMENT METHOD

Amount: \$ \_\_\_\_\_

### Payment Option 1:

- Fund by Check  
 Fund By Cashiers Check & Overnight (\$40)

### Payment Option 2:

- Fund by Wire (\$35)  
 Fund By ACH (Must include a voided check)

Make Check Payable To: \_\_\_\_\_ Bank Name: \_\_\_\_\_

Mail To (If different from payee): \_\_\_\_\_ ABA Routing #: \_\_\_\_\_

Address: \_\_\_\_\_ Name on Account: \_\_\_\_\_

City: \_\_\_\_\_ Account #: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_ For Further Credit to (Client Name): \_\_\_\_\_

Reference (Optional): \_\_\_\_\_ Reference (Optional): \_\_\_\_\_

My IRA account is self-directed and I alone am responsible for the selection, due diligence, management, review and retention of all investments in my account. I agree that the Custodian are not a "fiduciary" for my account, as the term is defined by in the Internal Revenue Code, ERISA or any other applicable federal, state or local laws. I hereby direct the Custodian, in a passive capacity, to enact this transaction for my account, in accordance with my agreement. I have read and received all pertinent information relating to the investment named herein.

Signature : \_\_\_\_\_ Date : \_\_\_\_\_

THIS FORM CAN BE FAXED, E-MAILED OR MAILED AFTER SIGNATURE.

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