

IRA Recharacterization Facts



Effective January 1, 2018, pursuant to the tax reform bill, a conversion from an IRA to a Roth IRA cannot be recharacterized. The law also prohibits recharacterizing amounts rolled over to a Roth IRA from other retirement plans, such as 401(k) or 403(b) plans.

The information provided is not intended as tax or legal advice. Please consult your tax professional for more information prior to completing this form.

When to Recharacterize

The information provided here is only a summary. Consult Internal Revenue Service (IRS) Publication 590-A, 26 CFR 1.408A-5, and/or your tax professional for advice in applying the recharacterization rules to your situation. At any time prior to your tax filing deadline, including extensions, for the tax year for which the contribution was made to the first IRA, you may elect to recharacterize all or a portion of the IRA contribution. This may be to:

- Take advantage of a particular tax benefit.
- Minimize taxes for a year.
- Change your choice of IRA type.
- Recharacterize an amount contributed to your Roth IRA that exceeds the allowable annual limit based upon your Roth modified adjusted gross income (MAGI). See IRS Publication 590-A for the specific limitations. Depending upon your particular situation, the Traditional IRA contribution may be deductible or nondeductible.

Once you recharacterize an IRA contribution, you cannot later change your election to recharacterize.

NOTE: Although the deadline to recharacterize is generally your federal tax return due date, if you filed your tax return in a timely manner without recharacterizing, you may still make the election to recharacterize no later than six months after the normal due date of your tax return, excluding extensions (usually October 15). If you use this process, you must file an amended return with "FILED PURSUANT TO SECTION 301.9100-2" written at the top.

Penalties

If a recharacterization is required and you fail to recharacterize the assets by your federal tax filing deadline, the original contribution may be treated as an excess contribution.

If the excess contributions for a year are not withdrawn by the due date of your federal tax return for the year (including extensions), you may be subject to a 6% tax. The 6% penalty applies for each year the excess remains in the IRA. The additional tax is figured on IRS Form 5329.

Earnings Calculation

The IRS requires any earnings be removed along with any contribution amount. T. Rowe Price will calculate the earnings according to the method described in 26 CFR 1.408A-5. Earnings include both price fluctuation and fund distributions (dividends and capital gains). This means that all investments within the same type of T. Rowe Price IRA will be considered, regardless of whether the recharacterization amount actually had been contributed to a particular investment in that type of IRA.

For example: If you made a contribution to a Roth IRA in fund X but also have Roth IRAs in funds Y and Z, any earnings for the recharacterization must be calculated based on the earnings of all three funds for the specified period—even if no contributions were made to the other funds.

The earnings computation period is the period beginning with the date the particular contribution was made to the IRA and ending immediately prior to the recharacterization.

In the case of multiple contributions being recharacterized, you must specify the order in which these transactions should be recharacterized.

If you do not want T. Rowe Price to calculate the earnings, you may provide the associated earnings by attaching additional instructions. By signing the form, you indemnify T. Rowe Price and certify that any information you provide is accurate and true.

What if the market value of my IRA portfolio has gone down?

If the overall market value of the IRA type identified on this form has decreased, this means you have been at a negative earnings rate for the specified period. Due to negative earnings, the entire amount of the original contribution may not be transferred.

What if the market value of my portfolio has gone up?

If the overall market value of the IRA type identified on this form has increased, the amount of the contribution and the applicable earnings must be recharacterized.

What if I don't have enough money in the account to which I made my original contribution?

If insufficient assets are in the account(s), the difference will be taken from the additional account provided in Section 2.

Reporting

Will I receive a confirmation that the recharacterization was completed?

You will receive a statement confirming the recharacterization of the contribution and any associated earnings.

How will T. Rowe Price report the recharacterization to the IRS?

Forms 1099-R and 5498 will be issued for the year in which the recharacterization was completed. For recharacterizations completed for the current tax year, a special distribution code of "N" will be reported on Form 1099-R. If the recharacterization is completed for the prior tax year, a code of "R" is used. Recharacterizations are also reported on Form 5498 in Box 4. These requirements are explained more fully in the IRS Instructions for Forms 1099-R and 5498.

You may need to complete IRS Form 8606 to report the recharacterization to the IRS.



IRA Recharacterization



Use this form to:

- Treat a contribution made to one type of IRA as having been made to another IRA type.

Example: You made a contribution to a Traditional IRA for a year and decide you should have made all or part of your contribution for that year to a Roth IRA instead.

Please read IRA Recharacterization Facts for important changes effective January 1, 2018, pursuant to the tax reform bill.

Mail to:

T. Rowe Price
P.O. Box 17302
Baltimore, MD 21297-1302

Express delivery only:

T. Rowe Price Mail Code 17302
4515 Painters Mill Road
Owings Mills, MD 21117-4903

This paper clip indicates you may need to attach documentation.

1 Owner Information

Owner Name	Social Security Number
Investor Number	Phone

2 Recharacterization Information

Check IRA Type: Traditional Rollover Roth Roth Rollover

Use a separate form for each IRA type. Provide the amount and date or date range (if the intention is to recharacterize all contributions in that range) for the contribution to be recharacterized. If a date is not provided, the most recent contribution(s) will be the first to be recharacterized. T. Rowe Price will calculate earnings unless you attach a separate page with your own earnings calculation and check here.

Fund/Security Name	Date or Date Range	Tax Year Contribution was Made	Amount
	-		
	-		
	-		
	-		

For more items, check this box and attach a [separate page](#).

The recharacterization and earnings are taken from where the contribution(s) was made unless you attach instructions and check here.

Provide an additional account of the same IRA type in case insufficient assets are in the account.

Account Number/Symbol	Fund/Security Name
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For more accounts, check this box and attach a [separate page](#).

Systematic Plan. If you have a systematic plan on the IRA being recharacterized, it will remain active on that IRA unless you check a box below.

- Stop systematic plan
- Move systematic plan to the IRA in section 3.

3 Investment Instructions

Check IRA Type: Traditional Rollover Roth Roth Rollover

The recharacterization is invested in the same fund or security it is recharacterized from unless you attach instructions and check here.

If this is a new IRA type, check a box to name beneficiaries.

- Use my existing beneficiaries on the IRA identified in Section 2.
- Use the attached [IRA Beneficiary](#) form to name my beneficiaries.

4 Signature

I request T. Rowe Price Trust Company (T. Rowe Price) to transfer the amount of contributions indicated in section 2 and any applicable earnings to the IRA indicated in section 3. I understand that if there are insufficient assets in the account(s), the difference will be taken from the additional account provided in Section 2.

I understand that I am responsible for determining the amount of my recharacterization and requesting that associated earnings be transferred and calculated under the method prescribed in 26 Code of Federal Regulations (CFR) 1.408A-5. Any earnings information I have provided is accurate, and I agree to indemnify and hold T. Rowe Price, its parent and affiliates, successors, and employees harmless for any claims arising as a result of untrue or inaccurate information supplied by me.

If I am establishing a new type of IRA, I have accessed and read the [T. Rowe Price Traditional and Roth IRA Disclosure Statement and Custodial Agreement](#). I consent to opening an IRA in my name subject to the terms and conditions of this document, as may be amended from time to time. I understand that this document is available online at troweprice.com/forms or by calling the number at the bottom of this page.

I agree to be bound by the terms of the prospectus for each T. Rowe Price fund (Fund) in which I am investing. I have the authority and legal capacity to purchase mutual funds shares and am of legal age in my state.

I understand phone/computer services will be duplicated if establishing a new type of IRA. If I do not want these services, I will contact T. Rowe Price to terminate these services. With respect to those services, I authorize T. Rowe Price and their affiliates and agents to act on any instructions believed to be genuine, including phone/computer services. The Fund and T. Rowe Price use reasonable procedures to verify the identity of the shareholder and the person(s) granted trading privileges, if applicable, when servicing an account by phone.

If I am establishing a new Brokerage IRA, in addition to the above, I agree to be bound to the terms and conditions, including the pre-dispute arbitration policy, that were in place on my existing Brokerage IRA.

Signature and Date Required	
Owner	Date (mm/dd/yyyy)
X	

