

# SEP-IRA and SIMPLE IRA Excess Contribution Withdrawal Authorization

✓ **Use this form to:**

- Withdraw an excess contribution from a SEP-IRA or SIMPLE IRA. **Review the Excess Contribution Information on the next page and consult a tax advisor before completing this form.**

✗ **Do not use this form to:**

- Withdraw an excess contribution from a SAR-SEP.

**Mail to:**

T. Rowe Price  
P.O. Box 17350  
Baltimore MD 21297-1350

**Express delivery only:**

T. Rowe Price Mail Code 17350  
4515 Painters Mill Road  
Owings Mills, MD 21117-4903

✍ This paper clip indicates you may need to attach documentation.

## 1 Owner Information

Name		Social Security Number	
Plan Name		Plan ID/Account Number	
Day Phone	Evening Phone		

## 2 Excess Contribution Information

Provide the amount(s) and date(s) of the excess contribution. A separate form is required for each contribution type. **Check the applicable contribution type in either Section 2A or 2B.**

Date or Date Range	Excess Amount
—	\$
—	\$
—	\$
—	\$
—	\$
<b>Contribution Tax Year</b>	<b>Total Excess = \$</b>

For more dates, check this box and attach a separate page. ✍

T. Rowe Price will calculate gains and losses on the excess amount unless you attach a separate page with your own earnings calculation and check here: (See explanation under Earnings Calculation on the next page.)  ✍

The excess contribution and earnings will be withdrawn proportionately from all funds within the contribution type checked below (not just those into which the contribution was credited) unless you attach instructions and check here:  ✍

### 2A SEP Contributions

**Participant request for excess contribution withdrawal**

By checking this box,

- I am correcting an excess contribution before (i) my tax filing deadline (including extensions) for the tax year of the excess contribution, or (ii) within 6 months of the due date (excluding extensions) of my filed tax return for the tax year of the excess contribution.

I understand the excess employer contribution may first be relabeled as an IRA contribution.

For excess contribution withdrawals after the tax filing deadline (including extensions), complete the [IRA Distribution](#) form to request a distribution.

**Employer request for excess contribution withdrawal**

- SEP-IRA Employer Contribution—Employee Plans Compliance Resolution System (EPCRS).

### 2B SIMPLE Contributions

**Participant request for excess contribution withdrawal**

- SIMPLE IRA Salary Deferral—I am withdrawing this excess contribution prior to the April tax filing deadline. After the tax filing deadline, complete the [IRA Distribution](#) form to request a distribution.

**Employer request for excess contribution withdrawal**

- SIMPLE IRA Employer Contribution—EPCRS.  
 SIMPLE IRA Salary Deferral—EPCRS. If an excess elective deferral is the result of employer error, it may need to be reclassified as an employer contribution prior to withdrawal. **Check a box below.**
- Return to Participant  
or
  - Reclassify as Employer Contribution and return to Employer

## 3 Payment Options

A check will be made payable to the participant and mailed to the participant address on file.

**Employer excess contributions withdrawn through EPCRS are made payable to the employer and will be mailed to the plan address on file.** Call for additional payment options.

## 4 Signature(s)

As the participant, I understand that it is my responsibility to determine the amount of my excess contribution, and I request withdrawal of the excess (plus any earnings, if applicable) in accordance with IRS guidelines. I acknowledge that if insufficient assets are in the Excess contribution type due to a brokerage account, any remaining excess amount will be removed from the Trustee Transfer contribution type. I agree to indemnify and hold harmless T. Rowe Price for any claims arising as a result of untrue or inaccurate information supplied by me or my employer. I understand that, for SIMPLE IRAs, the withdrawal is intended to comply with Internal Revenue Code (IRC) Section 408(d)(4).

**Signature(s) and Date(s) Required**

Participant	Date (mm/dd/yyyy)
✍ X	

As the employer, I certify that the requested EPCRS contribution withdrawal is pursuant to EPCRS correction guidelines. I have reviewed the requirements of EPCRS and discussed them with my tax advisor.

**Signature(s) and Date(s) Required**

Employer (If EPCRS)	Date (mm/dd/yyyy)
✍ X	



# SEP-IRA and SIMPLE IRA Excess Contribution Information

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

## What Is an Excess Contribution?

The information provided here is a general summary of the different types of excess contribution.

- The amount contributed to a SEP-IRA or SIMPLE IRA for a taxable year that exceeds the IRS-prescribed contribution limits.
- An improper rollover contribution or a contribution based on compensation that is not eligible for a SEP-IRA or SIMPLE IRA contribution.
- An ineligible SEP-IRA or SIMPLE IRA conversion that is not recharacterized by the specified deadline (generally the tax filing deadline, including extensions). Pursuant to the tax reform bill, a conversion made after 12/31/2017 may not be recharacterized.

The employer and participant are responsible for assuring that the amount contributed is not in excess of the prescribed limitations. The employer and/or the participant may be subject to IRS penalties for failure to meet the rules.

## Penalties

**SEP-IRA.** If the excess contribution for a SEP-IRA is not withdrawn by the due date of the federal tax return for the year (including extensions), a 6% penalty applies for each year that the excess remains in the SEP-IRA.

The 6% penalty will not apply if an excess contribution made during a tax year is withdrawn with earnings by the date that the tax return for that year is due, including extensions. The withdrawn earnings on the excess contribution may be subject to a 10% additional tax for early distribution. The additional tax is reported by the participant on IRS Form 5329. See IRS Publications 590 and 560 or IRC Section 408(d)(4) for further details.

**SIMPLE IRA.** If under age 59½, a 25% additional tax for early distribution may apply to the earnings withdrawn within two years after the first contribution was credited to the SIMPLE IRA. However, if more than two years, a 10% additional tax for early distribution may apply. The additional tax is reported by the participant on IRS Form 5329.

## Earnings Calculation

Earnings on the excess contributions will be calculated and removed according to IRS regulations. Earnings include both price fluctuation and fund distributions (dividends and capital gains). The excess contribution earnings will be calculated based on the entire contribution type's portfolio and not just the individual fund that received the excess.

**For example:** A SEP-IRA contains employer contributions invested in Funds X, Y, and Z. While an excess employer contribution was made to Fund X, the earnings for the excess contribution must be calculated based on the earnings of the three funds for the specified period—even if no excess employer contributions were made to the other funds.

The computation period is the period beginning immediately prior to the time the particular contribution was made to the SEP-IRA or SIMPLE IRA and ending immediately prior to the withdrawal of the contribution being returned. Salary deferral contributions are calculated from the time of the excess until December 31 of the year of the deferral, except for EPCRS corrections.

**NOTE:** If the excess SEP-IRA or SIMPLE IRA contribution was made at another financial institution, contact that financial institution to obtain the earnings information.

## What if the market value of my SEP-IRA or SIMPLE IRA portfolio has declined?

If the overall market value of your IRA portfolio has declined, the entire amount of the original excess contribution may not need to be withdrawn.

## What if the market value of my SEP-IRA or SIMPLE IRA portfolio has increased?

If the overall market value of your IRA portfolio has increased, the amount of the excess contribution and the applicable earnings must be withdrawn if removing the excess prior to your tax return due date.

## Tax Reporting

If an excess SEP-IRA contribution withdrawal request is being requested close to the tax filing deadline, consider filing for an extension (IRS Form 4868) so that the necessary figures are received for the return and to ensure that the excess withdrawal is complete.

If you filed your tax return without withdrawing the excess SEP-IRA contribution, you may still make the withdrawal no later than six months after your tax return due date (excluding extensions). An amended return must be filed with "Filed pursuant to Section 301.9100-2" written at the top. Report any related earnings and include an explanation of the withdrawal.

SIMPLE IRA salary deferral contributions must be withdrawn by the tax return due date, excluding extensions.

IRS Form 1099-R will be issued for the year in which the excess contribution was withdrawn from the IRA. For a withdrawal of an excess contribution, plus earnings, before the tax filing deadline including extensions, a distribution code of "8" or "P" is reported on IRS Form 1099-R. If an excess contribution is withdrawn after the IRS deadline, code "1" or "7" is used, depending on the age of the SEP-IRA or SIMPLE IRA owner (use the *SEP-IRA and SIMPLE IRA Distribution* form to request this type of distribution). These codes are explained in the IRS Instructions for Forms 1099-R and 5498. IRS Publication 590-A is available through the IRS website at [irs.gov](http://irs.gov) or may be ordered by calling the IRS at 800-TAX-FORM (800-829-3676).

## EPCRS Excess Withdrawal

Employers may use the Employee Plans Compliance Resolution System to correct SEP-IRA and SIMPLE IRA qualification failures without plan disqualification. If a plan is not operated in accordance with its terms, it is subject to disqualification. Disqualification may result in severe tax consequences for the plan sponsor, the trust, and the participants.

EPCRS permits plan sponsors (employers) to correct the qualification failures and continue to provide their employees with retirement benefits on a tax-favored basis. For more information on EPCRS, consult with a tax advisor or visit [irs.gov](http://irs.gov) and search for "EPCRS" to determine if corrections may occur under EPCRS.

