

# Sec. 408. Individual retirement accounts

*TITLE 26, Subtitle A, CHAPTER 1, Subchapter D, PART I, Subpart A, Sec. 408*

## STATUTE

(a)

### Individual retirement account

For purposes of this section, the term "individual retirement account" means a trust created or organized in the United States for the exclusive benefit of an individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

(1)

Except in the case of a rollover contribution described in subsection (d)(3) in section 402(c), 403(a)(4), or 403(b)(8), no contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year in excess of \$2,000 on behalf of any individual.

(2)

The trustee is a bank (as defined in subsection (n)) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of this section.

(3)

No part of the trust funds will be invested in life insurance contracts.

(4)

The interest of an individual in the balance in his account is nonforfeitable.

(5)

The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

(6)

Under regulations prescribed by the Secretary, rules similar to the rules of section 401(a)(9) and the incidental death benefit requirements of section 401(a) shall apply to the distribution of the entire interest of an individual for whose benefit the trust is maintained.

(b)

### Individual retirement annuity

For purposes of this section, the term "individual retirement annuity" means an annuity contract, or an endowment contract (as determined under regulations prescribed by the Secretary), issued by an insurance company which meets the following requirements:

(1)

The contract is not transferable by the owner.

(2)

Under the contract -

**(A)**

the premiums are not fixed,

**(B)**

the annual premium on behalf of any individual will not exceed \$2,000, and

**(C)**

any refund of premiums will be applied before the close of the calendar year following the year of the refund toward the payment of future premiums or the purchase of additional benefits.

**(3)**

Under regulations prescribed by the Secretary, rules similar to the rules of section 401(a)(9) and the incidental death benefit requirements of section 401(a) shall apply to the distribution of the entire interest of the owner.

**(4)**

The entire interest of the owner is nonforfeitable. Such term does not include such an annuity contract for any taxable year of the owner in which it is disqualified on the application of subsection (e) or for any subsequent taxable year. For purposes of this subsection, no contract shall be treated as an endowment contract if it matures later than the taxable year in which the individual in whose name such contract is purchased attains age 70 1/2; if it is not for the exclusive benefit of the individual in whose name it is purchased or his beneficiaries; or if the aggregate annual premiums under all such contracts purchased in the name of such individual for any taxable year exceed \$2,000.

**(c)**

Accounts established by employers and certain associations of employees

A trust created or organized in the United States by an employer for the exclusive benefit of his employees or their beneficiaries, or by an association of employees (which may include employees within the meaning of section 401(c)(1)) for the exclusive benefit of its members or their beneficiaries, shall be treated as an individual retirement account (described in subsection (a)), but only if the written governing instrument creating the trust meets the following requirements:

**(1)**

The trust satisfies the requirements of paragraphs (1) through (6) of subsection (a).

**(2)**

There is a separate accounting for the interest of each employee or member (or spouse of an employee or member). The assets of the trust may be held in a common fund for the account of all individuals who have an interest in the trust.

**(d)**

Tax treatment of distributions

**(1)**

In general

Except as otherwise provided in this subsection, any amount paid or distributed out of an individual retirement plan shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72.

**(2)**

Special rules for applying section 72

For purposes of applying section 72 to any amount described in paragraph (1) -

**(A)**

all individual retirement plans shall be treated as 1 contract,

**(B)**

all distributions during any taxable year shall be treated as 1 distribution, and

**(C)**

the value of the contract, income on the contract, and investment in the contract shall be computed as of the close of the calendar year in which the taxable year begins. For purposes of subparagraph (C), the value of the contract shall be increased by the amount of any distributions during the calendar year.

**(3)**

Rollover contribution

An amount is described in this paragraph as a rollover contribution if it meets the requirements of subparagraphs (A) and (B).

**(A)**

In general

Paragraph (1) does not apply to any amount paid or distributed out of an individual retirement account or individual retirement annuity to the individual for whose benefit the account or annuity is maintained if -

**(i)**

the entire amount received (including money and any other property) is paid into an individual retirement account or individual retirement annuity (other than an endowment contract) for the benefit of such individual not later than the 60th day after the day on which he receives the payment or distribution;

**(ii)**

no amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution (as defined in section 402) from an employee's trust described in section 401(a) which is exempt from tax under section 501(a) or from an annuity plan described in section 403(a) (and any earnings on such contribution), and the entire amount received (including property and other money) is paid (for the benefit of such individual) into another such trust or annuity plan not later than the 60th day on which the individual receives the payment or the distribution; or

**(iii)**

**(I)**

the entire amount received (including money and other property) represents the entire interest in the account or the entire value of the annuity,

**(II)**

no amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution from an annuity contract described in section 403(b) and any earnings on such rollover, and

**(III)**

the entire amount thereof is paid into another annuity contract described in section 403(b) (for the benefit of such individual) not later than the 60th day after he receives the payment or distribution.

**(B)**

Limitation

This paragraph does not apply to any amount described in subparagraph (A)(i) received by an individual from an individual retirement account or individual retirement annuity if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in that subparagraph from an individual retirement account or an individual retirement annuity which was not includible in his gross income because of the application of this paragraph.

**(C)**

Denial of rollover treatment for inherited accounts, etc.

**(i)**

In general

In the case of an inherited individual retirement account or individual retirement annuity -

**(I)**

this paragraph shall not apply to any amount received by an individual from such an account or annuity (and no amount transferred from such account or annuity to another individual retirement account or annuity shall be excluded from gross income by reason of such transfer), and

**(II)**

such inherited account or annuity shall not be treated as an individual retirement account or annuity for purposes of determining whether any other amount is a rollover contribution.

**(ii)**

Inherited individual retirement account or annuity

An individual retirement account or individual retirement annuity shall be treated as inherited if -

**(I)**

the individual for whose benefit the account or annuity is maintained acquired such account by reason of the death of another individual, and

**(II)**

such individual was not the surviving spouse of such other individual.

**(D)**

Partial rollovers permitted

**(i)**

In general

If any amount paid or distributed out of an individual retirement account or individual retirement annuity would meet the requirements of subparagraph (A) but for the fact that the entire amount was not paid into an eligible plan as required by clause (i), (ii), or (iii) of subparagraph (A), such amount shall be treated as meeting the requirements of subparagraph (A) to the extent it is paid

into an eligible plan referred to in such clause not later than the 60th day referred to in such clause.

**(ii)**

Eligible plan

For purposes of clause (i), the term "eligible plan" means any account, annuity, contract, or plan referred to in subparagraph (A).

**(E)**

Denial of rollover treatment for required distributions

This paragraph shall not apply to any amount to the extent such amount is required to be distributed under subsection (a)(6) or (b)(3).

**(F)**

Frozen deposits

For purposes of this paragraph, rules similar to the rules of section 402(c)(7) (relating to frozen deposits) shall apply.

**(4)**

Contributions returned before due date of return

Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an individual retirement account or for an individual retirement annuity if -

**(A)**

such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

**(B)**

no deduction is allowed under section 219 with respect to such contribution, and

**(C)**

such distribution is accompanied by the amount of net income attributable to such contribution. In the case of such a distribution, for purposes of section 61, any net income described in subparagraph (C) shall be deemed to have been earned and receivable in the taxable year in which such contribution is made.

**(5)**

Certain distributions of excess contributions after due date for taxable year

**(A)**

In general

In the case of any individual, if the aggregate contributions (other than rollover contributions) paid for any taxable year to an individual retirement account or for an individual retirement annuity do not exceed \$2,250, paragraph (1) shall not apply to the distribution of any such contribution to the extent that such contribution exceeds the amount allowable as a deduction under section 219 for the taxable year for which the contribution was paid -

**(i)**

if such distribution is received after the date described in paragraph (4),

**(ii)**

but only to the extent that no deduction has been allowed under section 219 with respect to such excess contribution. If employer contributions on behalf of the individual are paid for the taxable year to a simplified employee pension, the

dollar limitation of the preceding sentence shall be increased by the lesser of the amount of such contributions or the dollar limitation in effect under section 415(c)(1)(A) for such taxable year.

**(B)**

Excess rollover contributions attributable to erroneous information

If -

**(i)**

the taxpayer reasonably relies on information supplied pursuant to subtitle F for determining the amount of a rollover contribution, but

**(ii)**

the information was erroneous, subparagraph (A) shall be applied by increasing the dollar limit set forth therein by that portion of the excess contribution which was attributable to such information. For purposes of this paragraph, the amount allowable as a deduction under section 219 shall be computed without regard to section 219(g).

**(6)**

Transfer of account incident to divorce

The transfer of an individual's interest in an individual retirement account or an individual retirement annuity to his spouse or former spouse under a divorce or separation instrument described in subparagraph (A) of section 71(b)(2) is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest at the time of the transfer is to be treated as an individual retirement account of such spouse, and not of such individual. Thereafter such account or annuity for purposes of this subtitle is to be treated as maintained for the benefit of such spouse.

**(7)**

Special rules for simplified employee pensions

**(A)**

Transfer or rollover of contributions prohibited until deferral test met

Notwithstanding any other provision of this subsection or section 72(t), paragraph (1) and section 72(t)(1) shall apply to the transfer or distribution from a simplified employee pension of any contribution under a salary reduction arrangement described in subsection (k)(6) (or any income allocable thereto) before a determination as to whether the requirements of subsection (k)(6)(A)(iii) are met with respect to such contribution.

**(B)**

Certain exclusions treated as deductions

For purposes of paragraphs (4) and (5) and section 4973, any amount excludable or excluded from gross income under section 402(h) shall be treated as an amount allowable or allowed as a deduction under section 219.

**(e)**

Tax treatment of accounts and annuities

**(1)**

#### Exemption from tax

Any individual retirement account is exempt from taxation under this subtitle unless such account has ceased to be an individual retirement account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

#### **(2)**

Loss of exemption of account where employee engages in prohibited transaction

#### **(A)**

In general

If, during any taxable year of the individual for whose benefit any individual retirement account is established, that individual or his beneficiary engages in any transaction prohibited by section 4975 with respect to such account, such account ceases to be an individual retirement account as of the first day of such taxable year. For purposes of this paragraph -

#### **(i)**

the individual for whose benefit any account was established is treated as the creator of such account, and

#### **(ii)**

the separate account for any individual within an individual retirement account maintained by an employer or association of employees is treated as a separate individual retirement account.

#### **(B)**

Account treated as distributing all its assets

In any case in which any account ceases to be an individual retirement account by reason of subparagraph (A) as of the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

#### **(3)**

Effect of borrowing on annuity contract

If during any taxable year the owner of an individual retirement annuity borrows any money under or by use of such contract, the contract ceases to be an individual retirement annuity as of the first day of such taxable year. Such owner shall include in gross income for such year an amount equal to the fair market value of such contract as of such first day.

#### **(4)**

Effect of pledging account as security

If, during any taxable year of the individual for whose benefit an individual retirement account is established, that individual uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

#### **(5)**

Purchase of endowment contract by individual retirement account

If the assets of an individual retirement account or any part of such assets are used to purchase an endowment contract for the benefit of the individual for whose benefit the account is established -

**(A)**

to the extent that the amount of the assets involved in the purchase are not attributable to the purchase of life insurance, the purchase is treated as a rollover contribution described in subsection (d)(3), and

**(B)**

to the extent that the amount of the assets involved in the purchase are attributable to the purchase of life, health, accident, or other insurance, such amounts are treated as distributed to that individual (but the provisions of subsection (f) do not apply).

**(6)**

Commingling individual retirement account amounts in certain common trust funds and common investment funds

Any common trust fund or common investment fund of individual retirement account assets which is exempt from taxation under this subtitle does not cease to be exempt on account of the participation or inclusion of assets of a trust exempt from taxation under section 501(a) which is described in section 401(a). ((f) Repealed. Pub. L. 99-514, title XI, Sec. 1123(d)(2), Oct. 22, 1986, 100 Stat. 2475)

**(g)**

Community property laws

This section shall be applied without regard to any community property laws.

**(h)**

Custodial accounts

For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in subsection (n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual retirement account described in subsection (a). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

**(i)**

Reports

The trustee of an individual retirement account and the issuer of an endowment contract described in subsection (b) or an individual retirement annuity shall make such reports regarding such account, contract, or annuity to the Secretary and to the individuals for whom the account, contract, or annuity is, or is to be, maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection -

**(1)**

shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

**(2)**

shall be furnished to individuals -

**(A)**

not later than January 31 of the calendar year following the calendar year to which such reports relate, and

**(B)**

in such manner as the Secretary prescribes in such regulations.

**(j)**

Increase in maximum limitations for simplified employee pensions

In the case of any simplified employee pension, subsections (a)(1) and (b)(2) of this section shall be applied by increasing the \$2,000 amounts contained therein by the amount of the limitation in effect under section 415(c)(1)(A).

**(k)**

Simplified employee pension defined

**(1)**

In general

For purposes of this title, the term "simplified employee pension" means an individual retirement account or individual retirement annuity -

**(A)**

with respect to which the requirements of paragraphs (2), (3), (4), and (5) of this subsection are met, and

**(B)**

if such account or annuity is part of a top-heavy plan (as defined in section 416), with respect to which the requirements of section 416(c)(2) are met.

**(2)**

Participation requirements

This paragraph is satisfied with respect to a simplified employee pension for a year only if for such year the employer contributes to the simplified employee pension of each employee who -

**(A)**

has attained age 21,

**(B)**

has performed service for the employer during at least 3 of the immediately preceding 5 years, and

**(C)**

received at least \$300 in compensation (within the meaning of section 414(q)(7)) from the employer for the year. For purposes of this paragraph, there shall be excluded from consideration employees described in subparagraph (A) or (C) of section 410(b)(3). For purposes of any arrangement described in subsection (k)(6), any employee who is eligible to have employer contributions made on the employee's behalf under such arrangement shall be treated as if such a contribution was made.

**(3)**

Contributions may not discriminate in favor of the highly compensated, etc.

**(A)**

In general

The requirements of this paragraph are met with respect to a simplified employee pension for a year if for such year the contributions made by the employer to simplified employee pensions for his employees do not discriminate in favor of any highly compensated employee (within the meaning of section 414(q)).

**(B)**

Special rules

For purposes of subparagraph (A), there shall be excluded from consideration employees described in subparagraph (A) or (C) of section 410(b)(3).

**(C)**

Contributions must bear uniform relationship to total compensation

For purposes of subparagraph (A), and except as provided in subparagraph (D), employer contributions to simplified employee pensions (other than contributions under an arrangement described in paragraph (6)) shall be considered discriminatory unless contributions thereto bear a uniform relationship to the compensation (not in excess of the first \$150,000) of each employee maintaining a simplified employee pension.

**(D)**

Permitted disparity

For purposes of subparagraph (C), the rules of section 401(l)(2) shall apply to contributions to simplified employee pensions (other than contributions under an arrangement described in paragraph (6)).

**(4)**

Withdrawals must be permitted

A simplified employee pension meets the requirements of this paragraph only if -

**(A)**

employer contributions thereto are not conditioned on the retention in such pension of any portion of the amount contributed, and

**(B)**

there is no prohibition imposed by the employer on withdrawals from the simplified employee pension.

**(5)**

Contributions must be made under written allocation formula

The requirements of this paragraph are met with respect to a simplified employee pension only if employer contributions to such pension are determined under a definite written allocation formula which specifies -

**(A)**

the requirements which an employee must satisfy to share in an allocation, and

**(B)**

the manner in which the amount allocated is computed.

**(6)**

Employee may elect salary reduction arrangement

**(A)**

Arrangements which qualify

**(i)**

In general

A simplified employee pension shall not fail to meet the requirements of this subsection for a year merely because, under the terms of the pension, an employee may elect to have the employer make payments -

**(I)**

as elective employer contributions to the simplified employee pension on behalf of the employee, or

**(II)**

to the employee directly in cash.

**(ii)**

50 percent of eligible employees must elect

Clause (i) shall not apply to a simplified employee pension unless an election described in clause (i)(I) is made or is in effect with respect to not less than 50 percent of the employees of the employer eligible to participate.

**(iii)**

Requirements relating to deferral percentage

Clause (i) shall not apply to a simplified employee pension for any year unless the deferral percentage for such year of each highly compensated employee eligible to participate is not more than the product of -

**(I)**

the average of the deferral percentages for such year of all employees (other than highly compensated employees) eligible to participate, multiplied by

**(II)**

1.25.

**(iv)**

Limitations on elective deferrals

Clause (i) shall not apply to a simplified employee pension unless the requirements of section 401(a)(30) are met.

**(B)**

Exception where more than 25 employees

This paragraph shall not apply with respect to any year in the case of a simplified employee pension maintained by an employer with more than 25 employees who were eligible to participate (or would have been required to be eligible to participate if a pension was maintained) at any time during the preceding year.

**(C)**

Distributions of excess contributions

**(i)**

In general

Rules similar to the rules of section 401(k)(8) shall apply to any excess contribution under this paragraph. Any excess contribution under a simplified employee pension shall be treated as an excess contribution for purposes of section 4979.

**(ii)**

Excess contribution

For purposes of clause (i), the term "excess contribution" means, with respect to a highly compensated employee, the excess of elective employer contributions under this paragraph over the maximum amount of such contributions allowable under subparagraph (A)(iii).

**(D)**

Deferral percentage

For purposes of this paragraph, the deferral percentage for an employee for a year shall be the ratio of -

**(i)**

the amount of elective employer contributions actually paid over to the simplified employee pension on behalf of the employee for the year, to

**(ii)**

the employee's compensation (not in excess of the first \$150,000) for the year.

**(E)**

Exception for State and local and tax-exempt pensions

This paragraph shall not apply to a simplified employee pension maintained by -

**(i)**

a State or local government or political subdivision thereof, or any agency or instrumentality thereof, or

**(ii)**

an organization exempt from tax under this title.

**(F)**

Exception where pension does not meet requirements

necessary to insure distribution of excess contributions

This paragraph shall not apply with respect to any year for which the simplified employee pension does not meet such requirements as the Secretary may prescribe as are necessary to insure that excess contributions are distributed in accordance with subparagraph (C), including -

**(i)**

reporting requirements, and

**(ii)**

requirements which, notwithstanding paragraph (4), provide that contributions (and any income allocable thereto) may not be withdrawn from a simplified employee pension until a determination has been made that the requirements of subparagraph (A)(iii) have been met with respect to such contributions.

**(G)**

Highly compensated employee

For purposes of this paragraph, the term "highly compensated employee" has the meaning given such term by section 414(q).

**(7)**

Definitions

For purposes of this subsection and subsection (l) -

**(A)**

Employee, employer, or owner-employee

The terms "employee", "employer", and "owner-employee" shall have the respective meanings given such terms by section 401(c).

**(B)**

Compensation

Except as provided in paragraph (2)(C), the term "compensation" has the meaning given such term by section 414(s).

**(C)**

Year

The term "year" means -

**(i)**

the calendar year, or

**(ii)**

if the employer elects, subject to such terms and conditions as the Secretary may prescribe, to maintain the simplified employee pension on the basis of the employer's taxable year.

**(8)**

Cost-of-living adjustment

The Secretary shall adjust the \$300 amount in paragraph (2)(C) at the same time and in the same manner as under section 415(d) and shall adjust the \$150,000 amount in paragraphs (3)(C) and (6)(D)(ii) at the same time, and by the same amount, as any adjustment under section 401(a)(17)(B).

**(9)**

Cross reference

For excise tax on certain excess contributions, see section 4979.

**(l)**

Simplified employer reports

An employer who makes a contribution on behalf of an employee to a simplified employee pension shall provide such simplified reports with respect to such contributions as the Secretary may require by regulations. The reports required by this subsection shall be filed at such time and in such manner, and information with respect to such contributions shall be furnished to the employee at such time and in such manner, as may be required by regulations.

**(m)**

Investment in collectibles treated as distributions

**(1)**

In general

The acquisition by an individual retirement account or by an individually-directed account under a plan described in section 401(a) of any collectible shall be treated (for purposes of this section and section 402) as a distribution from such account in an amount equal to the cost to such account of such collectible.

**(2)**

Collectible defined

For purposes of this subsection, the term "collectible" means -

**(A)**

any work of art,

**(B)**

any rug or antique,

**(C)**

any metal or gem,

**(D)**

any stamp or coin,

**(E)**

any alcoholic beverage, or

**(F)**

any other tangible personal property specified by the Secretary for purposes of this subsection.

**(3)**

Exception for certain coins

In the case of an individual retirement account, paragraph (2) shall not apply to -

**(A)**

any gold coin described in paragraph (7), (8), (9), or (10) of section 5112(a) of title 31,

**(B)**

any silver coin described in section 5112(e) of title 31, or

**(C)**

any coin issued under the laws of any State.

**(n)**

Bank

For purposes of subsection (a)(2), the term "bank" means -

**(1)**

any bank (as defined in section 581),

**(2)**

an insured credit union (within the meaning of section 101(6) of the Federal Credit Union Act), and

**(3)**

a corporation which, under the laws of the State of its incorporation, is subject to supervision and examination by the Commissioner of Banking or other officer of such State in charge of the administration of the banking laws of such State.

**(o)**

Definitions and rules relating to nondeductible contributions to individual retirement plans

**(1)**

In general

Subject to the provisions of this subsection, designated nondeductible contributions may be made on behalf of an individual to an individual retirement plan.

**(2)**

Limits on amounts which may be contributed

**(A)**

In general

The amount of the designated nondeductible contributions made on behalf of any individual for any taxable year shall not exceed the nondeductible limit for such taxable year.

**(B)**

Nondeductible limit

For purposes of this paragraph -

**(i)**

In general

The term "nondeductible limit" means the excess of -

**(I)**

the amount allowable as a deduction under section 219 (determined without regard to section 219(g)), over

**(II)**

the amount allowable as a deduction under section 219 (determined with regard to section 219(g)).

**(ii)**

Taxpayer may elect to treat deductible contributions as nondeductible

If a taxpayer elects not to deduct an amount which (without regard to this clause) is allowable as a deduction under section 219 for any taxable year, the nondeductible limit for such taxable year shall be increased by such amount.

**(C)**

Designated nondeductible contributions

**(i)**

In general

For purposes of this paragraph, the term "designated nondeductible contribution" means any contribution to an individual retirement plan for the taxable year which is designated (in such manner as the Secretary may prescribe) as a contribution for which a deduction is not allowable under section 219.

**(ii)**

Designation

Any designation under clause (i) shall be made on the return of tax imposed by chapter 1 for the taxable year.

**(3)**

Time when contributions made

In determining for which taxable year a designated nondeductible contribution is made, the rule of section 219(f)(3) shall apply.

**(4)**

Individual required to report amount of designated nondeductible contributions

**(A)**

In general

Any individual who -

**(i)**

makes a designated nondeductible contribution to any individual retirement plan for any taxable year, or

**(ii)**

receives any amount from any individual retirement plan for any taxable year, shall include on his return of the tax imposed by chapter 1 for such taxable year and any succeeding taxable year (or on such other form as the Secretary may prescribe for any such taxable year) information described in subparagraph (B).

**(B)**

Information required to be supplied

The following information is described in this subparagraph:

**(i)**

The amount of designated nondeductible contributions for the taxable year.

**(ii)**

The amount of distributions from individual retirement plans for the taxable year.

**(iii)**

The excess (if any) of -

**(I)**

the aggregate amount of designated nondeductible contributions for all preceding taxable years, over

**(II)**

the aggregate amount of distributions from individual retirement plans which was excludable from gross income for such taxable years.

**(iv)**

The aggregate balance of all individual retirement plans of the individual as of the close of the calendar year in which the taxable year begins.

**(v)**

Such other information as the Secretary may prescribe.

**(C)**

Penalty for reporting contributions not made

For penalty where individual reports designated nondeductible contributions not made, see section 6693(b).

**(p)**

Cross references

**(1)**

For tax on excess contributions in individual retirement accounts or annuities, see section 4963.

**(2)**

For tax on certain accumulations in individual retirement accounts or annuities, see section 4974.