IRA and ESA Excess Contribution Removal Form

To remove an excess contribution from your traditional/rollover IRA, SEP-IRA, Roth IRA, inherited IRA, or education savings account (ESA)

This form enables you to remove your excess contribution and send the proceeds to your bank account, invest it in an existing nonretirement account, or have it mailed to you.

If you need to remove excess contributions from more than one type of account, complete a separate IRA and ESA Excess Contribution Removal Form for each type.

Your removal of an excess contribution is considered a distribution from your account and may be subject to taxes and penalties. Under most circumstances, you must report it on your income tax return.

Read the following tax information before you complete the form. **If you have questions about your personal situation, consult your tax advisor.**

Important tax information

Removal of excess *by* the correction deadline	To avoid a 6% federal penalty tax, you must remove the excess contribution ***by the applicable IRS correction deadline***. Generally, the deadline for IRAs is October 15, the deadline for SARSEPs is April 15, and the deadline for ESAs is May 31 (all deadlines are in the year *following* the tax year of your contribution). Earnings on the excess contribution also must be removed by the correction deadline.
	Vanguard will calculate and remove any earnings on the excess amount according to IRS regulations. The earnings on the excess are included in your income for the year in which your contribution was made. The earnings may also be subject to a 10% premature withdrawal penalty if you're under age 59½.
	Vanguard will send you Form 1099-R or 1099-Q (or Form 1042-S if you're a nonresident alien) in the year after the excess was removed. You may also need to file Form 5329 to indicate the additional 10% taxes due.
Removal of excess *after* the correction deadline	If you remove the excess contribution ***after the applicable IRS correction deadline***, the earnings stay in your account and the excess principal is generally subject to a 6% federal penalty tax each year it remains in your account. The penalty tax also applies to the year for which the excess was contributed.
	If you remove the excess deferral to a SARSEP ***after the applicable IRS correction deadline***, the excess will be treated as a traditional IRA contribution subject to IRS limits.
	Because earnings stay in the account, Vanguard won't calculate any earnings on the excess.
	Vanguard will send you Form 1099-R or 1099-Q (or Form 1042-S if you're a nonresident alien) in the year after the excess was removed. You may also need to file Form 5329 to indicate the additional 6% taxes due.
Carry forward to a future tax year	Instead of removing your excess contribution, you may correct an excess ***after the applicable IRS correction deadline*** by carrying it over to a subsequent tax year until the entire excess amount is depleted. This option is available if you're eligible to contribute and haven't met the contribution limit in the subsequent tax year. The excess is generally subject to a 6% federal penalty tax for each year, including the year for which the excess was contributed, until the entire excess amount is depleted. A prior year excess that's carried forward to a future tax year under this method can't be recharacterized to another IRA.
	If you wish to carry forward an excess contribution, you don't need to complete this form or contact Vanguard.* Vanguard won't report the correction on an IRS form because the excess isn't being removed from the account.
	Excess deferrals from a SARSEP ***can't*** be carried forward.
	You may need to file Form 5329 to indicate the additional 6% taxes due.

(over)

*It's the taxpayer's responsibility to keep accurate records and report to the IRS the excess that was carried forward as a new contribution. Vanguard doesn't record any distribution or change any year of contribution if an excess is carried forward.

Important correction deadlines

To avoid the 6% federal penalty tax on the excess, you must remove the excess by the applicable deadline.

- **Excess IRA contribution.** If you're correcting an excess contribution to an IRA for any tax year, you must withdraw the excess amount by **October 15** of the following year or face a federal penalty tax on the amount of the excess. **You're allowed an automatic extension to correct the excess (until October 15) only if you've filed your income tax return by your filing deadline, including any extensions. Generally, if you've already filed your tax return, you must submit an amended return for the year of the excess contribution.**

  Note: If you contributed to both a traditional/rollover IRA *and* a Roth IRA in the same tax year for which you contributed an excess amount and you're removing the excess after the deadline (including extensions), IRS regulations require you to remove the excess from your Roth IRA first.
- **Excess salary deferral contribution.** If you're correcting an excess deferral to a SARSEP for any tax year, you must withdraw the excess amount by **April 15** of the following year or you may incur additional taxes and penalties on the excess. **You're NOT allowed an automatic extension to correct the excess.** Your principal will be taxed in the year of deferral and any earnings will be taxed in the year they're distributed. See IRS Publication 560 for more information.
- **Excess ESA contribution.** Generally, the deadline for ESAs is May 31 of the year following the tax year of your contribution. Earnings on the excess contribution must also be removed by the deadline.

Important note about brokerage accounts

In order to take a cash distribution from stocks, ETFs (exchange-traded funds), CDs (certificates of deposit), and non-Vanguard mutual funds, you must have sold the assets and the proceeds need to be in your money market settlement fund. If you don't want to sell the investments, you can make an in-kind distribution into a new or existing nonretirement account. You'll need to meet the minimum investment requirement for Vanguard mutual funds. Otherwise, we'll send you a check.

Questions?

For details about:

- **Reporting requirements.** Review IRS Form 5329.
- **Tax consequences.** Refer to IRS Publications 590-A and 970, which can be accessed at irs.gov or by calling 800-829-3676.

Other information. For IRAs, refer to the Vanguard Traditional and Roth IRA Disclosure Statement (available at **vanguard.com**). For ESAs, refer to the Vanguard Education Savings Account Disclosure Statement (contact us for a copy).

If you need assistance, call us at 800-662-2739.

Mailing information

Mail your completed form and any other required forms in the enclosed postage-paid envelope.

If you don't have a postage-paid envelope, mail to:
Vanguard
P.O. Box 1110
Valley Forge, PA 19482-1110

For overnight delivery, mail to:
Vanguard
455 Devon Park Drive
Wayne, PA 19087-1815

Clear All

Vanguard®

IRA and ESA Excess Contribution Removal Form

Effective February 2018

Use this form to remove an excess contribution from your account. Complete a separate form for each account type.

Don't use this form for a SIMPLE IRA or for recharacterizations. Call us for the appropriate form.

Important: Please hold off on making any trades in your IRA or ESA until your excess removal is complete. For brokerage accounts, if you have any open orders on holdings you want to remove the excess from, we'll cancel those orders before removing the assets. Once the excess removal is complete, you may contact us to reenter the orders. **If there's a debit balance in your brokerage IRA, your excess removal may be delayed.**

Print in capital letters and use black ink.

Questions?
Call 800-662-2739.

If you need other forms, go to vanguard.com/serviceforms.

1. Account owner information

Provide your name as it appears on your account. >

Name *first, middle initial, last*	
Daytime phone *area code, number, extension* ☐ Mobile	Evening phone *area code, number, extension* ☐ Mobile
Last four digits of Social Security number	Zip code

2. Type of account

Check one.

☐ Traditional/Rollover IRA	☐ Roth IRA	☐ SEP-IRA employer	☐ ESA
☐ Inherited traditional IRA	☐ Inherited Roth IRA	☐ SEP-IRA employee	☐ SARSEP

3. Information about your excess contribution

If the excess resulted from contributions to a traditional/rollover IRA and a Roth IRA, IRS regulations require you to remove the excess from your Roth IRA first.

☐ I certify that the deadline for withdrawing excess contributions from my IRA or ESA to avoid the 6% penalty hasn't passed.

☐ The deadline has passed.

Account number (IRA or ESA to which you overcontributed) *Enter all digits.*	
Tax year of contribution *required*	Amount of excess $

4. Did your excess contribution occur at Vanguard?

*If the excess contribution was made at Vanguard, check **Yes** below and skip to Section 5. If the excess contribution was made at another firm and transferred to Vanguard, you must complete Section 4. This information is required because we need to know what your contribution earned (or lost) while it was at the other firm. Vanguard can't complete an earnings calculation for the assets while they were held elsewhere, so we can't accept statements from another firm.*

Check one.

☐ Yes *Skip to Section 5.* ☐ No

You're required to have the previous firm complete an earnings calculation. Simply enter the information from your earnings statement below. We'll combine that information with our calculation of the earnings of the assets while they were at Vanguard.

If the previous firm won't complete the calculation, consult a tax advisor or refer to IRS Publication 590-A.

Name of previous firm	Earnings at previous firm	or	Loss at previous firm
	$		$
Contribution date *mm/dd/yyyy*			

5. How you want to remove the excess

You can remove the excess contribution from any holding in the IRA or ESA you listed in Section 3.

- Any applicable earnings/losses attributable to your excess contribution will be applied proportionately across all holdings you indicate.
- On a partial in-kind excess removal from a brokerage account, the value of any holdings will be determined by the previous day's closing price. On a full in-kind excess removal from a brokerage account, the value of any holdings will be determined by the current day's closing price.
- All excess removals from Vanguard mutual fund accounts will be determined by the current day's closing price.
- Shares of Vanguard funds may be moved in kind as long as you meet the minimum investment requirement for each fund.
- For brokerage accounts, the option to receive your excess contribution amount by check or ACH is only available if you elected to remove your excess contribution from your settlement fund.

Provide the original contribution or conversion amounts. Vanguard will calculate the attributable earnings or losses.

☐ My money market settlement fund	Dollar amount *or* $	All ☐
Name of holding	Fund # *or* ticker symbol	Amount $
Name of holding	Fund # *or* ticker symbol	Amount $
Name of holding	Fund # *or* ticker symbol	Amount $
Name of holding	Fund # *or* ticker symbol	Amount $
		Total amount $

If you need more space to list additional holdings, photocopy this page. >

Return ALL pages of this form, even if some sections are left blank.

6. Additional holding for remaining excess

Important: As a result of market fluctuations, the account balances of the holdings you indicated in Section 5 might not be enough to remove the excess and any earnings. As a result, you must indicate an additional holding from which any remaining excess and attributable earnings should be withdrawn. This additional holding must be in the same IRA or ESA from which you're removing the excess.

If you designate your money market settlement fund for this purpose, shares will be liquidated and transferred in cash.

You MUST provide this information. >

Name, fund number, or ticker symbol of holding

7. Income tax withholding election for IRAs

- Regardless of your withholding election, you're responsible for paying any tax due on the taxable (earnings) portion of your distribution. If your account has no taxable earnings, Vanguard won't withhold federal or state income tax from your distribution.
- If you're removing the excess contribution *after* the correction deadline, earnings aren't removed. Vanguard won't withhold any taxes from your distribution, so skip to Section 8.
- If you're moving securities in kind from a brokerage account, withholding on earnings will be paid from your money market settlement fund. If you selected check or bank transfer, the earnings distribution will decrease by the amount of taxes withheld.
- If you're removing the excess contribution from your money market settlement fund or any holdings in a Vanguard mutual fund account, the earnings distribution will decrease by the amount of taxes withheld.
- You may be subject to penalty taxes if federal and state taxes are due and either your estimated tax payments or the amount of tax you have withheld is insufficient under IRS rules or your state's rules.
- Your withholding for federal and state taxes, when combined, can't exceed 99% of your distribution.
- Vanguard won't withhold any federal or state taxes if you're removing an excess contribution from an ESA. Skip to Section 8.

Federal income tax withholding

Federal taxes must be withheld at the minimum rate of 10% unless you check the **Don't withhold** box on the next page. If you want to withhold taxes at a higher rate, specify the percentage on the next page.

Special rules for addresses outside the U.S.

If your account is registered to an address outside the U.S. or your payment is being directed outside the U.S., we're required to presume your tax status to be foreign and withhold 30% federal income tax from your distribution *unless* one of the following applies:

- **You're a U.S. person (including a resident alien) and we have a valid IRS Form W-9 on file at the time of the distribution.** We're required to withhold 10% federal income tax from your distribution. *You can't elect out of federal income tax withholding for distributions delivered outside the U.S.*
- **You're not a U.S. person and we have on file at the time of the distribution a valid IRS Form W-8BEN on which you've claimed tax treaty benefits.** If you're eligible for a reduced withholding rate based on a tax treaty your country has with the U.S., you may claim the reduced rate by completing Form W-8BEN, including the section titled "Claim of Tax Treaty Benefits," and providing either your U.S. taxpayer identification number (TIN) or your foreign TIN. If your claim is valid, the reduced rate will be applied.

If you have an address outside the U.S. and aren't sure whether we have a Form W-9 or W-8BEN on file for your account, please call us. We'll provide you with further instructions for completing either a paper Form W-9 or an electronic Form W-8BEN.

Note: Vanguard is required to withhold a minimum of 10% of attributed earnings if neither box is checked.

- ☐ Don't withhold federal income tax from the earnings on the excess contributions.
- ☐ Withhold at a rate of _____% from earnings on the excess contributions. The rate must be at least 10%.

State income tax withholding

Vanguard will apply withholding for your state as you instruct below. If you have questions regarding state withholding, contact your tax advisor or your state's taxing authority. **If you aren't a resident of one of the following states, skip to Section 8.**

Residents of Connecticut, Iowa, Kansas, Maine, Massachusetts, and Nebraska	If federal tax is withheld, state tax withholding is mandatory. Vanguard will automatically withhold the minimum required by your state unless you specify a higher amount below.
Residents of Arkansas, California, Delaware, Georgia, Michigan, North Carolina, Oklahoma, Oregon, and Vermont	If federal tax is withheld, state tax withholding is mandatory unless you specifically elect not to have state tax withheld. Vanguard will automatically withhold the minimum required by your state unless you either check the **Don't withhold** box or specify a higher amount below.
Residents of Mississippi	State tax withholding is required if you're taking an early or excess distribution subject to the 10% federal penalty tax. State tax withholding isn't permitted for any other distribution types.
Residents of Indiana, Louisiana, Maryland, Missouri, Montana, New Jersey, New Mexico, New York, Utah, and Wisconsin	State tax may be withheld regardless of your federal withholding election. Vanguard will or won't withhold as you indicate below. If no box is checked, we won't withhold.

Provide your state of residence, if applicable.

Vanguard will use the address of record on your account to determine state withholding requirements. **If the state listed on your account isn't your legal state of residence, provide that information here.**	**State of residence**

Check one.

Note: We'll withhold at least your state's minimum requirement.

☐ Don't withhold state income tax from earnings on excess contributions.			
☐ Withhold this amount from earnings on excess contributions:	%	*or*	$

Return ALL pages of this form, even if some sections are left blank.

8. Distribution instructions

Check Option A, B, C, or D and provide any requested information. You can choose only one option for all your holdings. Not all options are available for each type of account, so read each option carefully.

☐ **Option A. Move my holdings in kind to my nonretirement account.**
This option is available for all account types and holdings as long as you meet the minimum investment requirement for each fund you're moving. If you don't meet the minimum, we'll send you a check instead.

- If you don't have a brokerage account to receive securities, you can open a Vanguard Brokerage Account online.
- If the excess is being removed from a Vanguard mutual fund account, the in-kind transfer can't go into a brokerage account. Similarly, an excess from a holding in a brokerage account can't go into a Vanguard mutual fund account.
- You'll need to meet the minimum investment requirement for Vanguard mutual funds. Otherwise, your request may be delayed.

Existing account number

☐ **Option B. Make a check payable to me for the full amount, and send it to the mailing address you have on file.**
This option is available only for holdings in a Vanguard mutual fund account or if you elected to remove the excess from your settlement fund in a brokerage account.

☐ **Option C. Send the distribution directly to a bank account I have on file.**
This option is available only if you elected to remove the excess from your settlement fund in a brokerage account.

Bank name	Account type	Last four digits of bank account number
	☐ Savings ☐ Checking	

☐ **Option D. Apply the proceeds as a current-year contribution to my existing IRA or ESA.**
This option is available only for holdings in a Vanguard mutual fund account. If you choose holdings in a brokerage account, your request will be delayed.

- You may choose this option only if you overcontributed to your account for a previous tax year and haven't contributed the maximum for the current tax year.
- Inherited IRAs can't receive contributions.
- If your contributions plus any earnings surpass the maximum allowed for the tax year, we'll send you a check for the value above the maximum.

Fund number	Account number	Contribution year	Percentage
			%
Fund number	Account number	Contribution year	Percentage
			%

You must sign on page 6.

Print

9. Authorization of account owner

I authorize The Vanguard Group, Inc., or Vanguard Brokerage Services® (collectively, "Vanguard") to remove an excess contribution according to the terms and conditions set forth in this IRA and ESA Excess Contribution Removal Form. I certify that all the information provided on this form is correct.

Sign and date here. If the IRA or ESA owner is a minor, a legal guardian or custodian must sign. >

Signature of account owner or custodian	Date *mm/dd/yyyy*
X	
Print name	

Return ALL pages of this form, even if some sections are left blank.

Brokerage assets are held by Vanguard Brokerage Services, a division of Vanguard Marketing Corporation, member FINRA and SIPC. Vanguard funds not held in a brokerage account are held by The Vanguard Group, Inc., and are not protected by SIPC.

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