

# IRA TAX REPORTING INFORMATION: FORM 5498



The 5498 tax form is a record of contribution, rollover, conversion, and/or recharacterization activity within your Janney Individual Retirement Account (IRA). **This report is for your information only and does not need to be attached to your tax return(s).**

For your protection, the form will show only the last four digits of your Social Security Number. Your complete Social Security or Tax Identification Number is used to report the appropriate tax information to the Internal Revenue Service (IRS).

For clients with a Tax Identification Number rather than a Social Security Number, the entire number is displayed to address IRS requirements. If your account has a Tax Identification Number, please confirm that it is correct. If it is incorrect, please contact your Financial Advisor promptly so the number can be updated for accurate reporting.

The IRS requires Janney to report the fair market value (FMV) and investment code for hard to value assets in Box 15a and 15b for IRA accounts. Only IRA accounts with hard to value assets will have Box 15a and 15b populated on Form 5498. A description of these types of assets along with the investment code can be found below.

Please review the “Frequently Asked Questions” below for additional information. If you have additional questions about your Form 5498, please contact the Janney Retirement Plans Client Services Department at 800-526-6397, extension 6108.



## FREQUENTLY ASKED QUESTIONS

### 1. What is Form 5498?

Form 5498 reflects specific reportable IRA activity, including contributions, rollovers, conversions, and re-characterizations in addition to the year-end fair market value. The IRS requires us to issue Form 5498 to you by May 31st.

### 2. Am I responsible for filing Form 5498 with the IRS?

No. You do not need to include the form when completing your tax reporting to the IRS and other tax authorities. The copy you receive is for your records only.

### 3. Why am I receiving Form 5498?

You are receiving the form because one or more of the following types of IRS-reportable activities occurred in your IRA: Traditional IRA or Roth IRA contributions, rollover contributions, Roth conversions, recharacterized contributions, and/or SEP and SIMPLE IRA contributions.

### 4. What are some transactions that are not included on Form 5498?

Custodian-to-custodian transfers where you never took possession of the assets are non-reportable transactions for the IRS and will not be reflected on Form 5498. In addition, any distributions that you took during the tax year were reported on Form 1099-R issued in January.

### 5. Can you provide a brief explanation of the boxes on Form 5498?

**(Box 1):** Traditional IRA contributions made for the specified tax year.

**(Box 2):** Rollovers made within the tax year, including: any 60-day rollover contribution to the IRA received; a direct rollover or 60-day rollover from an employer’s qualified plan, 403(b), governmental 457 plan, or the

federal employees' Thrift Savings Plan; a direct rollover or 60-day rollover from a designated Roth account under an employer's 401(k) or 403(b) plan to a Roth IRA; a direct rollover or 60-day rollover from an employer's plan to a Roth IRA as a rollover conversion, military death gratuity, or SGLI payments (Roth IRA or ESA); qualified settlement income received in connection with the Exxon Valdez litigation (Traditional IRA or Roth IRA); qualified airline payment amounts (Roth IRA); non-spouse beneficiary direct rollovers; and designated Roth contributions rolled into a Roth IRA.

**(Box 3):** Any amounts from a Traditional IRA, a SEP IRA, or a SIMPLE IRA (SIMPLE IRA accounts must meet the two-year holding period) which were converted to a Roth IRA during the specified tax year.

**(Box 4):** Any amounts re-characterized from transferring part or all of an eligible contribution, including earnings from one IRA type to another.

**(Box 5):** Reports the year-end fair market value.

**(Box 7):** The boxes are used to identify the type of IRA account (i.e., Traditional IRA, SEP, SIMPLE, or Roth IRA).

**(Box 8 & Box 9):** SEP and SIMPLE IRA contributions will appear on Form 5498 for the year in which the contribution was made.

**(Box 10):** Roth IRA contributions made for the specified tax year.

**(Box 11):** This box is checked if the account owner must take a Required Minimum Distribution (RMD). This does not apply to Roth IRA and Beneficiary (or Inherited) IRA accounts. Please note this includes IRA owners who will be attaining age 70 ½ during the tax year.

**(Box 13a):** Postponed contribution made for a prior year.

**(Box 13b):** The year for which the postponed contribution in Box 13a was made.

**(Box 13c):** The reason for the postponed contribution.

**(Box 14a):** Amount of repayment of qualified reservist distribution or a designated disaster distribution repayment.

**(Box 14b):** QR will be entered for repayment of a qualified reservist distribution or DD for repayment of a federally-designated disaster distribution.

**(Box 15a):** Shows the FMV of the investments in the IRA that are specified in the categories identified in box 15b.

**(Box 15b):** The following codes show the type(s) of investments held in your account for which the FMV is required to be reported in box 15a.

A: Stock or other ownership interest in a corporation that is not readily tradable on an established securities market.

B: Short- or long-term debt obligation that is not traded on an established securities market.

C: Ownership interest in a limited liability company or similar entity (unless the interest is traded on an established securities market).

D: Real Estate.

E: Ownership interest in a partnership, trust, or similar entity (unless the interest is traded on an established securities market).

F: Option contract or similar product that is not offered for trade on an established option exchange.

G: Other asset(s) that does not have a readily available FMV.

H: More than two types of assets (listed in A through G) are held in this IRA.

## 6. Why are my SEP IRA contributions or my SIMPLE IRA contributions different from my records?

SEP and SIMPLE IRA contributions credited to an account will reflect on the tax form applicable to the year the contribution was actually made.

The amount reflected in Box 8 represents any SEP contributions received in the tax year regardless of the year the contribution represents. For a SARSEP IRA this box will include salary deferral plus age-50 catch up deferrals made.

The amount reflected in Box 9 represents all employee and employer SIMPLE IRA contributions received during the calendar year, regardless of the year the contribution represents.

## 7. What happens if I take a distribution from my IRA in December and do not roll the proceeds over until January?

A form 5498 will be generated and will report the rollover for the year in which the rollover occurred. This should have been taken into account when completing your tax return.

Contact us for your tax-planning needs.