

# Instructions for Form 8606

Nondeductible IRAs

# 2024

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Volume 1 of 2



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**Internal Revenue Service**

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Section references are to the Internal Revenue Code unless otherwise noted.

## **Future Developments**

For the latest information about developments related to 2024 Form 8606 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/ Form8606](https://www.irs.gov/Form8606).

## **What's New**

**New retirement plan distributions and their repayments.** References to the following retirement plan distributions have been added throughout as needed.

- Qualified birth or adoption distributions.
- Emergency personal expense distributions.
- Domestic abuse distributions.
- Terminal illness distributions.

For more information on these distributions, see [Notice 2020-68](#), [Notice 2024-02](#), and [Notice 2024-55](#).

Throughout 2024 Form 8606 and these instructions, we have placed the above distributions and qualified disaster distributions (also known as qualified disaster recovery distributions) made in 2024 and their repayments under the umbrellas "any 2024 retirement plan distributions whose repayments are treated as rollovers" and "certain 2024 retirement plan distribution repayments treated as rollovers," as applicable.

For more information, see [Certain 2024 retirement plan distribution repayments treated as rollovers](#) and [Any 2024 retirement plan distributions whose repayments are treated as rollovers](#), later.

**2024 Line 15c Worksheet.** We have added to the discussion under *Line 15c* a new worksheet for traditional IRAs showing how to figure the line 15c amount when all or part of a qualified birth or adoption distribution, emergency personal expense distribution, domestic abuse distribution, or terminal illness distribution is repaid within the 3-year repayment period for the distribution. Examples are included. See 2024 Line 15c Worksheet, later.

**New Line 25c section.** 2024 Line 25c Worksheet under new Line 25c, later, adds a new worksheet for Roth IRAs showing how to compute the line 25c amount when all or part of a qualified birth or adoption distribution, emergency personal expense distribution, domestic abuse distribution, or terminal illness distribution is repaid within the 3-year repayment period for the distribution. Examples are included.

**Basis adjustments.** See Line 22 and new Line 14 for basis adjustments arising from line 6 of the 2024 Line 15c Worksheet and the 2024 Line 25c Worksheet. Also, see the Total Basis Chart for line 2.

### **References to 2024 Form 8915-F.**

References to 2024 Form 8915-F in these instructions are to 2024 Form 8915-F (2023 disasters) and 2024 Form 8915-F (2024 disasters) as described below.

Form 8915-F is called Form 8915-F (2023 disasters) when the qualified disasters began in 2023. 2024 Form 8915-F (2023 disasters) is used to report qualified 2023 disaster distributions made in 2024, qualified distributions received in 2024 for the purchase or construction of a main home in the area of a 2023 disaster and reportable in 2024 on Part IV of 2024 Form 8915-F (2023 disasters), and repayments of those distributions made for 2024.



Form 8915-F is called Form 8915-F (2024 disasters) when the qualified disasters began in 2024. 2024 Form 8915-F (2024 disasters) is used to report qualified 2024 disaster distributions made in 2024, qualified distributions received in 2024 for the purchase or construction of a main home in the area of a 2024 disaster and reportable in 2024 on Part IV of 2024 Form 8915-F (2024 disasters), and repayments of those distributions made for 2024.

2024 Forms 8915-F are relevant to the calculations on 2024 Form 8606, lines 6, 7, 15b, 19, and 25b. The instructions for those lines have been updated as needed.

### **Coronavirus-related distributions.**

Coronavirus-related distributions don't appear on 2024 Form 8606 and aren't mentioned in these instructions, as they can't be made after December 30, 2020.

## **Modified adjusted gross income (AGI) limit for Roth IRA contributions**

**increased.** You can contribute to a Roth IRA for 2024 only if your 2024 modified AGI for Roth IRA purposes is less than:

- \$240,000 if married filing jointly or qualifying surviving spouse;
- \$161,000 if single, head of household, or married filing separately and you didn't live with your spouse at any time in 2024; or
- \$10,000 if married filing separately and you lived with your spouse at any time in 2024. See Roth IRAs, later.

**Due date for contributions.** The due date for making contributions for 2024 to your IRA for most people is Monday, April 15, 2025.

# General Instructions

## Purpose of Form

Use Form 8606 to report:

- Nondeductible contributions you made to traditional IRAs;
- Distributions from traditional, traditional SEP, or traditional SIMPLE IRAs, if you have a basis in these IRAs;
- Conversions from traditional, traditional SEP, or traditional SIMPLE IRAs to Roth, Roth SEP, or Roth
- SIMPLE IRAs; and
- Distributions from Roth, Roth SEP, or Roth SIMPLE IRAs.

**Additional information.** For more details on IRAs, see Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs); Pub. 590-B,

Distributions from Individual Retirement Arrangements (IRAs); and Pub. 560, Retirement Plans for Small Business.



*If you received distributions from a traditional, traditional SEP, or traditional SIMPLE IRA in 2024 and you have never made nondeductible contributions (including nontaxable amounts you rolled over from a qualified retirement plan) to these IRAs, don't report the distributions on 2024 Form 8606. Instead, see Lines 4a and 4b in the 2024 Instructions for Form 1040 or the 2024 Instructions for Form 1040-NR. Also, to find out if any of your contributions to traditional IRAs are deductible, see the instructions for Schedule 1 in the Instructions for Form 1040.*

# Who Must File

File 2024 Form 8606 if any of the following apply.

- You made nondeductible contributions to a traditional IRA for 2024.
- You received distributions from a traditional, traditional SEP, or traditional SIMPLE IRA in 2024; your basis in these IRAs is more than zero; and you made a repayment to an IRA of a qualified reservist distribution or a repayment of "any 2024 retirement plan distributions whose repayments are treated as rollovers" (see *Definitions*, later). However, you do not need to file 2024 Form 8606 if your only distributions made in 2024 were qualified birth or adoption distributions, emergency personal expense distributions, domestic abuse

distributions, and/or terminal illness distributions, and you repaid them in full in 2024.

- You received distributions from a traditional, traditional SEP, or traditional SIMPLE IRA in 2024 and your basis in these IRAs is more than zero. For this purpose, a distribution doesn't include a distribution that is rolled over (other than a repayment of certain 2024 retirement plan distribution repayments treated as rollovers (see Definitions, later)), qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You or your spouse transferred all or part of their traditional, traditional SEP, or traditional SIMPLE IRA in 2024 to the other spouse under a divorce or

separation agreement where the transfer resulted in a change in the basis of the IRA of either spouse.

- You converted an amount from a traditional, traditional SEP, or traditional SIMPLE IRA to a Roth, Roth SEP, or Roth SIMPLE IRA in 2024.
- You received distributions from a Roth, Roth SEP, or Roth SIMPLE IRA in 2024 (other than a rollover, recharacterization, or return of certain contributions—see the instructions for Part III, later).
- You received a distribution from an inherited traditional, traditional SEP, or traditional SIMPLE IRA that has a basis, or you received a distribution from an inherited Roth, Roth SEP, or Roth SIMPLE IRA that wasn't a qualified distribution. You may need to file more than one Form 8606. See *IRA with basis* under *What if You Inherit an IRA?* in Pub. 590-B for more information.

**Note.** If you recharacterized a 2024 Roth IRA contribution as a traditional IRA contribution, or vice versa, treat the contribution as having been made to the second IRA, not the first IRA. See Recharacterizations, later.



*You don't have to file Form 8606 solely to report regular contributions to Roth, Roth SEP, or Roth SIMPLE IRAs. But see What Records Must I Keep, later.*

## **When and Where To File**

File 2024 Form 8606 with your **2024** Form 1040, 1040-SR, or 1040-NR by the due date, including extensions, of your return.

If you aren't required to file an income tax return but are required to file 2024 Form 8606, sign 2024 Form 8606 and send it to the IRS at the same time and place you would otherwise file 2024 Form 1040,



1040-SR, or 1040-NR. Be sure to include your address on page 1 of the form and your signature and the date on page 2 of the form.

## **Definitions**

### **Deemed IRAs**

A qualified employer plan (retirement plan) can maintain a separate account or annuity under the plan (a deemed IRA) to receive voluntary employee contributions. If in 2024 you had a deemed IRA, use the rules for either a traditional IRA or a Roth IRA depending on which type it was. See Pub. 590-A for more details.

### **Traditional IRAs**

For purposes of Form 8606, a traditional IRA is an individual retirement account or an individual retirement annuity other than a traditional SIMPLE, Roth, Roth SEP,

or Roth SIMPLE IRA. A traditional SEP IRA is a traditional IRA to which contributions under a SEP plan are made.

**Contributions.** An overall contribution limit applies to traditional IRAs. See *Overall Contribution Limit for Traditional and Roth IRAs*, later. Contributions to a traditional IRA may be fully deductible, partially deductible, or completely nondeductible.

**Basis.** Your basis in traditional, traditional SEP, and traditional SIMPLE IRAs is the total of all your nondeductible contributions and nontaxable amounts included in rollovers made to these IRAs minus the total of all your nontaxable distributions, adjusted if necessary (see the instructions for line 2, later). See *Line 22*, later, for your basis in Roth, Roth SEP, and Roth SIMPLE IRAs.



*Keep track of your basis to figure the nontaxable part of your future distributions.*

**Certain 2024 retirement plan distribution repayments treated as rollovers.** The term "certain 2024 retirement plan distribution repayments treated as rollovers" is used on 2024 Form 8606 in the Part I and III lead-ins, and in lines 6, 7, 15c, and 25c. It is used throughout these instructions as needed. The term describes repayments of the following distributions where the distributions were made in 2024.

- Qualified disaster distributions (also known as qualified disaster recovery distributions).
- Qualified birth or adoption distributions.
- Emergency personal expense distributions.
- Domestic abuse distributions.
- Terminal illness distributions.

**Any 2024 retirement plan distributions whose repayments are treated as rollovers.** The term "any 2024 retirement plan distributions whose repayments are treated as rollovers" is used in line 19 of 2024 Form 8606 and throughout these instructions as needed. The term describes the following distributions made in 2024.

- Qualified disaster distributions (also known as qualified disaster recovery distributions).
- Qualified birth or adoption distributions.
- Emergency personal expense distributions.
- Domestic abuse distributions.
- Terminal illness distributions.

## SEP IRAs: Traditional and Roth



*Prior to January 1, 2023, traditional SEP IRAs were called SEP IRAs in these instructions. The term "traditional" was added to the name to distinguish them from Roth SEP IRAs, which were introduced in section 601 of the SECURE 2.0 Act of 2022 and effective beginning January 1, 2023.*

A simplified employee pension (SEP) plan is an employer-sponsored plan under which an employer can make contributions to a traditional IRA (traditional SEP IRA) or a Roth IRA (Roth SEP IRA) for its employees. If you make contributions to a traditional SEP IRA (excluding employer contributions you make if you are self-employed), they are treated as contributions to a traditional IRA and may be deductible or nondeductible. Traditional SEP IRA distributions are reported in the same manner as traditional IRA distributions.

Beginning January 1, 2023, employers can contribute to Roth SEP IRAs under a SEP plan. Contributions to a Roth SEP IRA are nondeductible and includible in income. Roth SEP IRA distributions are reported in the same manner as Roth IRA distributions.

## **SIMPLE IRAs: Traditional and Roth**



*Prior to January 1, 2023, traditional SIMPLE IRAs were called SIMPLE IRAs in these instructions. The term "traditional" was added to the name to distinguish them from Roth SIMPLE IRAs, which were introduced in section 601 of the SECURE 2.0 Act of 2022 and effective beginning January 1, 2023.*

A SIMPLE IRA plan is a tax-favored retirement plan under which certain small employers (including self-employed individuals) can make contributions to traditional IRAs (traditional SIMPLE IRAs) or Roth IRAs (Roth SIMPLE IRAs) for their employees.

Your employer's contributions to a SIMPLE IRA plan don't prevent you from making contributions to a traditional IRA or Roth IRA. SIMPLE IRA plans are also known as Savings Incentive Match Plans for Employees.

Beginning January 1, 2023, certain small employers (including self-employed individuals) can contribute to Roth SIMPLE IRAs under a SIMPLE IRA plan. Contributions to a Roth SIMPLE IRA are nondeductible and includible in income.

## **Roth IRAs**

A Roth IRA is similar to a traditional IRA, but has the following features.

- Contributions are never deductible.
- No minimum distributions are required during the Roth IRA owner's lifetime.
- Qualified distributions aren't includible in income.

**Qualified distribution.** Generally, a qualified distribution is any distribution from your Roth IRA that meets the following requirements.

1. It is made after the 5-year period beginning with the first year for which a contribution was made to a Roth IRA (including a conversion or a rollover from a qualified retirement plan) set up for your benefit.
2. The distribution is made:
  - a. On or after the date you reach age 59<sup>1/2</sup>,
  - b. After your death,
  - c. Due to your disability, or
  - d. For qualified first-time homebuyer expenses.
  - e.



**Contributions.** You can contribute to a Roth IRA for 2024 only if your 2024 modified AGI for Roth IRA purposes is less than:

- \$240,000 if married filing jointly or qualifying surviving spouse;
- \$161,000 if single, head of household, or married filing separately and you didn't live with your spouse at any time in 2024; or
- \$10,000 if married filing separately and you lived with your spouse at any time in 2024.

Use the Maximum Roth IRA Contribution Worksheet to figure the maximum amount you can contribute to a Roth IRA for 2024. **If you are married filing jointly, complete the worksheet separately for you and your spouse.**



*If you contributed too much to your Roth IRA, see Recharacterizations, later.*

**Modified AGI for Roth IRA purposes.** First, figure your AGI (2024 Form 1040, 1040-SR, or 1040-NR, line 11). Then, refigure it by:

- a. Subtracting:
  - a. Roth IRA conversions included on Form 1040, 1040-SR, or 1040-NR, line 4b; and
  - b. Roth IRA rollovers from qualified retirement plans included on Form 1040, 1040-SR, or 1040-NR, line 5b; and
- b. Adding:
  - a. IRA deduction from Schedule 1 (Form 1040), line 20;
  - b. Student loan interest deduction from Schedule 1 (Form 1040), line 21;
  - c. Reserved for future use;
  - d. Exclusion of interest from Form 8815, Exclusion of Interest From

Series EE and I U.S. Savings  
Bonds Issued After 1989;

- e. Exclusion of employer-provided adoption benefits from Form 8839, Qualified Adoption Expenses;
- f. Foreign earned income exclusion from Form 2555, Foreign Earned Income; and
- g. Foreign housing exclusion or deduction from Form 2555.



*When figuring modified AGI for Roth IRA purposes, you may have to refigure items based on modified AGI, such as taxable social security benefits and passive activity losses allowed under the special allowance for rental real estate activities. See Can You Contribute to a Roth IRA? in Pub. 590-A for details.*

**Distributions.** See the instructions for Part III, later.

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Maximum Roth IRA Contribution Worksheet

**Caution:** If married filing jointly and the combined taxable compensation (defined below) for you and your spouse is less than \$14,000 (\$15,000 if one spouse is age 50 or older at the end of 2024; \$16,000 if both spouses are age 50 or older at the end of 2024), **don't** use this worksheet. Instead, see Pub. 590-A for special rules.

|   |           |
|---|-----------|
| 1. If married filing jointly, enter \$7,000 (\$8,000 if age 50 or older at the end of 2024). All others, enter the <b>smaller</b> of \$7,000 (\$8,000 if age 50 or older at the end of 2024) or your <a href="#">taxable compensation</a> (defined later) ..... | 1. _____  |
| 2. Enter your total contributions to traditional IRAs for 2024 .....  | 2. _____  |
| 3. Subtract line 2 from line 1 .....  | 3. _____  |
| 4. Enter \$240,000 if married filing jointly or qualifying surviving spouse; \$10,000 if married filing separately and you lived with your spouse at any time in 2024. All others, enter \$161,000 .....  | 4. _____  |
| 5. Enter your <a href="#">modified AGI for Roth IRA purposes</a> (discussed earlier) .....  | 5. _____  |
| 6. Subtract line 5 from line 4. If zero or less, <b>stop here</b> ; you may not contribute to a Roth IRA for 2024. See <a href="#">Recharacterizations</a> , later, if you made Roth IRA contributions for 2024 .....   | 6. _____  |
| 7. If line 4 above is \$161,000, enter \$15,000; otherwise, enter \$10,000. If line 6 is more than or equal to line 7, skip lines 8 and 9 and enter the amount from line 3 on line 10 .....   | 7. _____  |
| 8. Divide line 6 by line 7 and enter the result as a decimal (rounded to at least 3 places) .....   | 8. _____  |
| 9. Multiply line 1 by line 8. If the result isn't a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). Enter the result, but not less than \$200 .....   | 9. _____  |
| 10. <b>Maximum 2024 Roth IRA Contribution.</b> Enter the <b>smaller</b> of line 3 or line 9. See <a href="#">Recharacterizations</a> , later, if you contributed more than this amount to Roth IRAs for 2024 .....  | 10. _____ |

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## **Overall Contribution Limit for Traditional and Roth IRAs**

If you aren't married filing jointly, your limit on contributions to traditional and Roth IRAs is generally the smaller of \$7,000 (\$8,000 if age 50 or older at the end of 2024) or your taxable compensation (defined below).

If you are married filing jointly, your contribution limit is generally \$7,000 (\$8,000 if age 50 or older at the end of 2024) and your spouse's contribution limit is \$7,000 (\$8,000 if age 50 or older at the end of 2024) as well. But if the combined taxable compensation of both you and your spouse is less than \$14,000 (\$15,000 if one spouse is age 50 or older at the end of 2024; \$16,000 if both spouses are age 50 or older at the end of 2024), see *Kay Bailey Hutchison Spousal IRA Limit* in Pub. 590-A for special rules.

This limit doesn't apply to employer contributions to a traditional SEP, traditional SIMPLE, Roth SEP, or Roth SIMPLE IRA.

**Note.** Rollovers, Roth IRA conversions, Roth IRA rollovers from qualified retirement plans, and repayments of qualified reservist distributions, qualified disaster distributions (also known as qualified disaster recovery distributions), qualified birth or adoption distributions, emergency personal expense distributions, domestic abuse distributions, and terminal illness distributions don't affect your contribution limit.



*The amount you can contribute to a Roth IRA may also be limited by your modified AGI (see Contributions, earlier, and the Maximum Roth IRA Contribution Worksheet).*

**Difficulty of care payments.** For contributions for 2024, you may elect to increase the nondeductible IRA contribution limit by some or all of the amount of difficulty of care payments, which are a type of qualified foster care payment, received. For details, see 2024 Pub. 590-A.



**Taxable compensation.** Taxable compensation includes the following.

- Wages, salaries, tips, etc. If you received a distribution from a nonqualified deferred compensation plan or nongovernmental section 457 plan that is included in box 1 of Form W-2 or in box 1 of Form 1099-NEC, don't include that distribution in taxable compensation. The distribution should be shown in (a) box 11 of Form W-2, (b) box 12 of Form W-2 with code Z, or (c) box 14 of Form 1099-MISC. If it isn't, contact your employer for the amount of the distribution.
- Nontaxable combat pay if you were a member of the U.S. Armed Forces.
- Self-employment income. If you are self-employed (a sole proprietor or a partner), taxable compensation is your net earnings from your trade or business (provided your personal services are a material income-producing factor) reduced by your

deduction for contributions made on your behalf to retirement plans and the deductible part of your self-employment tax.

- Alimony and separate maintenance pursuant to a divorce or separation agreement entered into before January 1, 2019, unless that agreement was changed after December 31, 2018, to expressly provide that alimony received isn't included in the recipient's income.
- Certain non-tuition fellowship and stipend payments. For details, see Pub. 590-A.

See *What Is Compensation?* under *Who Can Open a Traditional IRA?* in chapter 1 of Pub. 590-A for details.

## **Recharacterizations**

Generally, you can recharacterize (correct) an IRA contribution by making a trustee-to-trustee transfer from one IRA to another type

of IRA. Trustee-to-trustee transfers are made directly between financial institutions or within the same financial institution. You must generally make the transfer by the due date of your return (including extensions) and reflect it on your return. However, if you timely filed your return without making the transfer, you can make the transfer within 6 months of the due date of your return, excluding extensions. If necessary, file an amended return reflecting the transfer (see *Amending Form 8606*, later). Enter "Filed pursuant to section 301.9100-2" on the amended return.

**No recharacterizations of conversions made in 2018 or later.** A conversion of a traditional IRA to a Roth IRA, and a rollover from any other eligible retirement plan to a Roth IRA, made in tax years beginning after December 31, 2017, cannot be recharacterized as having been made to a traditional IRA.

**Reporting recharacterizations.** Treat any recharacterized IRA contribution as though the amount of the contribution was originally contributed to the second IRA, not the first IRA. For the recharacterization, you must transfer the amount of the original contribution plus any related earnings or less any related loss. In most cases, your IRA trustee or custodian figures the amount of the related earnings you must transfer. If you need to figure the related earnings, see *How Do You Recharacterize a Contribution?* in chapter 1 of Pub. 590-A. Treat any earnings or loss that occurred in the first IRA as having occurred in the second IRA. You can't deduct any loss that occurred while the funds were in the first IRA. Also, you can't take a deduction for a contribution to a traditional IRA if you later recharacterize the amount.

The following discussion explains how to report the two different types of recharacterizations, including the statement that you must attach to your return explaining the recharacterization.

1. You made a contribution to a traditional IRA and later recharacterized part or all of it in a trustee-to-trustee transfer to a Roth IRA. If you recharacterized only part of the contribution, report the nondeductible traditional IRA portion of the remaining contribution, if any, on Form 8606, Part I. If you recharacterized the entire contribution, don't report the contribution on Form 8606. In either case, attach a statement to your return explaining the recharacterization. If the recharacterization occurred in 2024, include the amount transferred from the traditional IRA on 2024 Form

1040, 1040-SR, or 1040-NR, line 4a. If the recharacterization occurred in 2025, report the amount transferred only in the attached statement, and not on your 2024 or 2025 tax return. See *Example* next.

**Example.** You are single, covered by an employer retirement plan, and you contributed \$4,000 to a new traditional IRA on May 27, 2024. On February 24, 2025, you determine that your 2024 modified AGI will limit your traditional IRA deduction to \$1,000. The value of your traditional IRA on that date is \$4,400. On the same date, you recharacterize \$3,000 of the traditional IRA contribution as a Roth IRA contribution, and have \$3,300 (\$3,000 contribution plus \$300 related earnings) transferred from your traditional IRA to a Roth IRA in a trustee-to-trustee transfer. You deduct the \$1,000 traditional IRA contribution on your 2024 Form 1040. You don't file a 2024 Form 8606.

You attach a statement to your 2024 return explaining the recharacterization. The statement indicates that you contributed \$4,000 to a traditional IRA on May 27, 2024; recharacterized \$3,000 of that contribution on February 24, 2025, by transferring \$3,000 plus \$300 of related earnings from your traditional IRA to a Roth IRA in a trustee-to-trustee transfer; and deducted the remaining traditional IRA contribution of \$1,000 on your 2024 Form 1040. You don't report the \$3,300 distribution from your traditional IRA on your 2024 Form 1040 because the distribution occurred in 2025. You don't report the distribution on your 2025 Form 1040 because the recharacterization related to 2024 and was explained in an attachment to your 2024 return.

2. You made a contribution to a Roth IRA and later recharacterized part or all of it in a trustee-to-trustee transfer to a traditional IRA. Report the

nondeductible traditional IRA portion of the recharacterized contribution, if any, on Form 8606, Part I. Don't report the Roth IRA contribution (whether or not you recharacterized all or part of it) on Form 8606. Attach a statement to your return explaining the recharacterization. If the recharacterization occurred in 2024, include the amount transferred from the Roth IRA on your 2024 Form 1040, 1040-SR, or 1040-NR, line 4a. If the recharacterization occurred in 2025, report the amount transferred only in the attached statement, and not on your 2024 or 2025 tax return. See *Example* next.

***Example.*** You are single, covered by an employer retirement plan, and you contributed \$4,000 to a new Roth IRA on June 17, 2024. On December 30, 2024,



you determine that your 2024 modified AGI will allow a full traditional IRA deduction. On that same date, you recharacterize the Roth IRA contribution as a traditional IRA contribution and have \$4,200, the balance in the Roth IRA account (\$4,000 contribution plus \$200 related earnings), transferred from your Roth IRA to a traditional IRA in a trustee-to-trustee transfer. You deduct the \$4,000 traditional IRA contribution on your 2024 Form 1040. You don't file a Form 8606. You attach a statement to your return explaining the recharacterization. The statement indicates that you contributed \$4,000 to a new Roth IRA on June 17, 2024; recharacterized that contribution on December 30, 2024, by transferring \$4,200, the balance in the Roth IRA, to a traditional IRA in a trustee-to-trustee transfer; and deducted the traditional IRA contribution of \$4,000 on your 2024 Form 1040. You include the \$4,200 distribution from your Roth IRA on your 2024 Form 1040, line 4a.

## **Return of IRA Contributions**

If, in 2024, you made traditional IRA contributions or Roth IRA contributions for 2024 and you had those contributions returned to you with any related earnings (or minus any loss) by the due date (including extensions) of your 2024 tax return, the returned contributions are treated as if they were never contributed. Don't report the contribution or distribution on Form 8606 or take a deduction for the contribution.

However, you must include the amount of the distribution of the returned contributions you made in 2024 and any related earnings on your 2024 Form 1040, 1040-SR, or 1040-NR, line 4a. Also include the related earnings on your 2024 Form 1040, 1040-SR, or 1040-NR, line 4b. Attach a statement explaining the distribution. Also, if you were under age 59<sup>1/2</sup> at the time of a distribution with related earnings, you are generally subject to the additional 10% tax on early distributions

(see Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, and its instructions).

If you timely filed your 2024 tax return without withdrawing a contribution that you made in 2024, you can still have the contribution returned to you within 6 months of the due date of your 2024 tax return, excluding extensions. If you do, file an amended return for your 2024 tax year with “Filed pursuant to section 301.9100-2” entered at the top. Report any related earnings on the amended return and include an explanation of the withdrawn contribution. Make any other necessary changes on the amended return (for example, if you reported the contributions as excess contributions on your original return, include an amended Form 5329 reflecting that the withdrawn contributions are no longer treated as having been contributed).

In most cases, the related earnings that you must withdraw are figured by your IRA trustee or custodian. If you need to figure the related earnings on IRA contributions that were returned to you, see *Contributions Returned Before Due Date of Return* in chapter 1 of Pub. 590-A. If you made a contribution or distribution while the IRA held the returned contribution, see Pub. 590-A.

If you made a contribution for 2023 and you had it returned to you in 2024 as described above, don't report the distribution on your 2024 tax return. Instead, report it on your 2023 original or amended return in the manner described above.

**Example.** On May 27, 2024, you contributed \$4,000 to your traditional IRA that has a basis. The value of the IRA was \$18,000 prior to the contribution. On December 30, 2024, when you are age 57 and the value of the IRA is \$23,600,

you realize you can't make the entire contribution because your taxable compensation for the year will be too small. You decide to have \$1,000 of the contribution returned to you and withdraw \$1,073 from your IRA (\$1,000 contribution plus \$73 earnings). You didn't make any other withdrawals or contributions. You don't file a 2024 Form 8606. You deduct the \$3,000 remaining contribution on your 2024 Schedule 1 (Form 1040), line 20. You include \$1,073 on your 2024 Form 1040, line 4a, and \$73 on line 4b. You attach a statement to your tax return explaining the distribution. Because you properly removed the excess contribution with the related earnings by the due date of your tax return, you aren't subject to the additional 6% tax on excess contributions, reported on Form 5329.

Because the distribution of the \$73 in earnings was made by the due date of your return, you also aren't subject to the additional tax on early distributions even though you were under age 59<sup>1/2</sup> at the time of the distribution.

## **Return of Excess Traditional IRA Contributions**

The return (distribution) in 2024 of excess traditional IRA contributions for years prior to 2024 isn't taxable if all three of the following apply.

1. The distribution was made after the due date, including extensions, of your tax return for the year for which the contribution was made (if the distribution was made earlier, see *Return of IRA Contributions*, earlier).
2. No deduction was allowable (without regard to the modified AGI limitation) or taken for the excess contributions.

3. The total contributions (excluding rollovers) to your traditional and traditional SEP IRAs for the year for which the excess contributions were made didn't exceed the amounts shown in the following table.

| <b>Year(s)</b>    | <b>Contribution limit</b> | <b>Contribution limit if age 50 or older at the end of the year</b> |
|-------------------|---------------------------|---|
| 2023              | \$6,500                   | \$7,500   |
| 2019 through 2022 | \$6,000                   | \$7,000   |
| 2013 through 2018 | \$5,500                   | \$6,500   |

|                         |         |         |
|-------------------------|---------|---------|
| 2008<br>through<br>2012 | \$5,000 | \$6,000 |
| 2006 or<br>2007         | \$4,000 | \$5,000 |
| 2005                    | \$4,000 | \$4,500 |
| 2002<br>through<br>2004 | \$3,000 | \$3,500 |
| 1997<br>through<br>2001 | \$2,000 | —       |
| before 1997             | \$2,250 | —       |

If the excess contribution to your traditional IRA for the year included a rollover and the excess occurred because the information the plan was required to give you was incorrect,



increase the contribution limit amount for the year shown in the table above by the amount of the excess that is due to the incorrect information.

If the total contributions for the year included employer contributions to a traditional SEP IRA, increase the contribution limit amount for the year shown in the table above by the smaller of the amount of the employer contributions or:

|      |          |
|------|----------|
| 2023 | \$66,000 |
| 2022 | \$61,000 |
| 2021 | \$58,000 |
| 2020 | \$57,000 |
| 2019 | \$56,000 |
| 2018 | \$55,000 |
| 2017 | \$54,000 |

|                     |          |
|---------------------|----------|
| 2015 or 2016        | \$53,000 |
| 2014                | \$52,000 |
| 2013                | \$51,000 |
| 2012                | \$50,000 |
| 2009, 2010, or 2011 | \$49,000 |
| 2008                | \$46,000 |
| 2007                | \$45,000 |
| 2006                | \$44,000 |
| 2005                | \$42,000 |
| 2004                | \$41,000 |
| 2002 or 2003        | \$40,000 |
| 2001                | \$35,000 |
| before 2001         | \$30,000 |

Include the total amount distributed on 2024 Form 1040, 1040-SR, or 1040-NR, line 4a; and attach a statement to your return explaining the distribution. See Example, later.

If you meet these conditions and are otherwise required to file Form 8606:

- Don't take into account the amount of the withdrawn contributions in figuring line 2 (for 2024 or for any later year), and
- Don't include the amount of the withdrawn contributions on line 7.

**Example.** You are single, you retired in 2021, and you had no taxable compensation after 2021. However, you made traditional IRA contributions (that you didn't deduct) of \$3,000 on December 15, 2022, and \$4,000 in 2023. In December 2023, a tax practitioner informed you that you had made excess contributions for those years because you had no taxable compensation.

In December 2024, you withdrew the \$7,000 and filed amended returns for 2022 and 2023 reflecting the additional 6% tax on excess contributions on Form 5329. You include the \$7,000 distribution on your 2024 Form 1040, line 4a; enter -0- on line 4b; and attach a statement to your return explaining the distribution, including the fact that you filed amended returns for 2022 and 2023 and paid the additional 6% tax on the excess contribution for 2022 because it was made before December 30, 2022. The statement indicates that the distribution isn't taxable because (a) it was made after the due dates of your 2022 and 2023 tax returns, including extensions; (b) your total IRA contributions for 2022 didn't exceed \$6,500 (\$7,500 if age 50 or older at the end of that year) and for 2023 didn't exceed \$6,000 (\$7,000 if age 50 or older at the end of that year); and (c) you didn't take a deduction for the contributions,

and no deduction was allowable because you didn't have any taxable compensation for those years. The statement also indicates that the distribution reduced your excess contributions to -0-, as reflected on your amended 2022 and 2023 Forms 5329. Don't file a 2024 Form 8606. If you are required to file Form 8606 in a year after 2024, don't include the \$7,000 you withdrew in 2024 on line 2.

## **Amending Form 8606**

Generally, after you file your return, you can change a nondeductible contribution to a traditional IRA to a deductible contribution or vice versa if you make the change within the time limit for filing Form 1040-X, Amended U.S. Individual Income Tax Return (see the Form 1040-X instructions). You may also be able to make a recharacterization (discussed earlier). If necessary, complete a new Form 8606 showing the revised information and file it with Form 1040-X.

## **Penalty for Not Filing**

If you are required to file Form 8606 to report a nondeductible contribution to a traditional IRA for 2024 but don't do so, you must pay a \$50 penalty, unless you can show reasonable cause.

## **Overstatement Penalty**

If you overstate your nondeductible contributions, you must pay a \$100 penalty, unless you can show reasonable cause.

## **What Records Must I Keep?**

To verify the nontaxable part of distributions from your IRAs, including Roth, Roth SEP, and Roth SIMPLE IRAs, keep a copy of the following forms and records until all distributions are made.

- Page 1 of Forms 1040 or 1040-SR (or Forms 1040A, 1040-NR, or 1040-T) filed for each year you made a nondeductible contribution to a traditional IRA.
- Forms 8606 and any supporting statements, attachments, and worksheets for all applicable years.
- Forms 5498, IRA Contribution Information, or similar statements you received each year showing contributions you made to a traditional IRA or Roth IRA.
- Forms 5498 or similar statements you received showing the value of your traditional IRAs for each year you received a distribution.
- Forms 1099-R or W-2P you received for each year you received a distribution.

**Note.** Forms 1040-T, 1040A, and W-2P are forms that were used in prior years.

# Specific Instructions

## **Name and social security number (SSN).**

If you file a joint return, enter only the name and SSN of the spouse whose information is being reported on Form 8606.

**More than one Form 8606 required.** If both you and your spouse are required to file 2024 Form 8606, file a separate 2024 Form 8606 for each of you. If you are required to file 2024 Form 8606 for IRAs inherited from more than one decedent, file a separate 2024 Form 8606 for the IRA from each decedent.



# **Part I—Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, Traditional SEP, and Traditional SIMPLE IRAs**

## **Line 1**

If you used the IRA Deduction Worksheet in the Form 1040 instructions or as referred to in the Form 1040-NR instructions, subtract line 12 of the worksheet (or the amount you chose to deduct on Schedule 1 (Form 1040), line 20, if less) from the smaller of line 10 or line 11 of the worksheet. Enter the result on line 1 of Form 8606. You can't deduct the amount included on line 1.

If you used the worksheet Figuring Your Reduced IRA

Deduction for 2024 in Pub. 590-A, enter on line 1 of Form 8606 any nondeductible contributions from the appropriate lines of that worksheet.

If you didn't have any deductible contributions, you can make nondeductible contributions up to your contribution limit (see Overall Contribution Limit for Traditional and Roth IRAs, earlier). Enter on line 1 of Form 8606 your nondeductible contributions.

Include on line 1 any repayment of a qualified reservist distribution.

Don't include on line 1 contributions that you had returned to you with the related earnings (or less any loss). See Return of IRA Contributions, earlier.

## **Line 2**

Generally, if this is the first year you are required to file Form 8606, enter -0-.

Otherwise, use the Total Basis Chart to find the amount to enter on line 2.