

# SUMMARY OF RULES AFFECTING THIS FORM

## REASON FOR THE WITHDRAWAL

We are required to report the reason for your withdrawal to the IRS. We rely on the information you provide us in assigning an IRS code to a withdrawal. If you are withdrawing money for more than one reason, then complete a separate form for each withdrawal reason. Check one of the boxes in the left column, even for a direct transfer or a withdrawal that will be rolled over to another Coverdell ESA.

- For a withdrawal of a contribution and the income attributable to it **before the early withdrawal deadline**:
  - For a withdrawal in the same year in which the contribution was made, **check box 1** and write in the amount of the income attributable that is included in the withdrawal amount.
  - For a withdrawal in the following year, **check box 2** and write in the amount of the income attributable that is included in the withdrawal amount.
- For a withdrawal while the designated beneficiary has a disability, **check box 3**.
- For a withdrawal following a designated beneficiary's death, **check box 4**.
- For any other withdrawal while the designated beneficiary is alive, **check box 5**.
- For a **direct transfer** to another Coverdell ESA or to a qualified tuition program, **check box 6** and follow the three steps listed below. A direct transfer is a transaction in which our financial organization sends the money directly to the trustee or custodian of another Coverdell ESA or to the administrator of a qualified tuition program.
  - Check box 3, box 4, or box 5.
  - Check box "a" if the money is going into a Coverdell ESA or to a qualified tuition program for the benefit of someone who is not a member of the current designated beneficiary's family.
  - Complete the line below box "a" and check one box in each of the columns under this line.

## MOVING MONEY TAX FREE

The responsible individual can roll over or directly transfer assets from this Coverdell ESA to a Coverdell ESA or qualified tuition program for the benefit of the current designated beneficiary, or for the benefit of certain members of the current designated beneficiary's family. These family members include the current designated beneficiary's husband, wife, son, daughter, stepson, stepdaughter, brother, sister, stepbrother, stepsister, father, mother, grandfather, grandmother, stepfather, stepmother, niece, nephew, aunt, uncle, a spouse of any of these people, or a first cousin of the designated beneficiary. The family member must be under age 30. The responsible individual of the receiving Coverdell ESA does not have to be the same person as the responsible individual of the disbursing Coverdell ESA.

In a rollover, the check is made payable to the responsible individual, who then contributes the funds to the receiving Coverdell ESA within 60 days after receipt of this check. A distribution from this Coverdell ESA can be rolled over to another Coverdell ESA or qualified tuition program only if there have been no distributions from this Coverdell ESA during the last 365 days that were subsequently rolled over to another Coverdell ESA or qualified tuition program.

In a direct transfer, the check from the disbursing Coverdell ESA is payable to the trustee or custodian of the receiving Coverdell ESA or qualified tuition program. A direct transfer is not subject to the once-a-year rule that applies to rollovers.

The responsible individual can also directly transfer assets from this Coverdell ESA to a Coverdell ESA for the benefit of the former spouse of the current designated beneficiary as required by the divorce court or pursuant to an agreement incident to a divorce. A rollover cannot be used in a divorce situation.

## HANDLING EXCESS CONTRIBUTIONS

**Withdrawing contributions by the early withdrawal deadline.** The deadline for withdrawing a regular contribution for 2012 is May 31 of the year after the year to which the contribution was attributed. The deadline for withdrawing a regular contribution for tax years 2013 and beyond is the due date for filing the designated beneficiary's tax return, including extensions. Both permitted contributions and excess contributions can be withdrawn, and this is the only way to avoid paying the 6% tax on excess contributions. The amount withdrawn belongs to the designated beneficiary. A responsible individual using this approach should check box 1 (if withdrawn in the contribution year) or box 2 (if withdrawn in the following year):

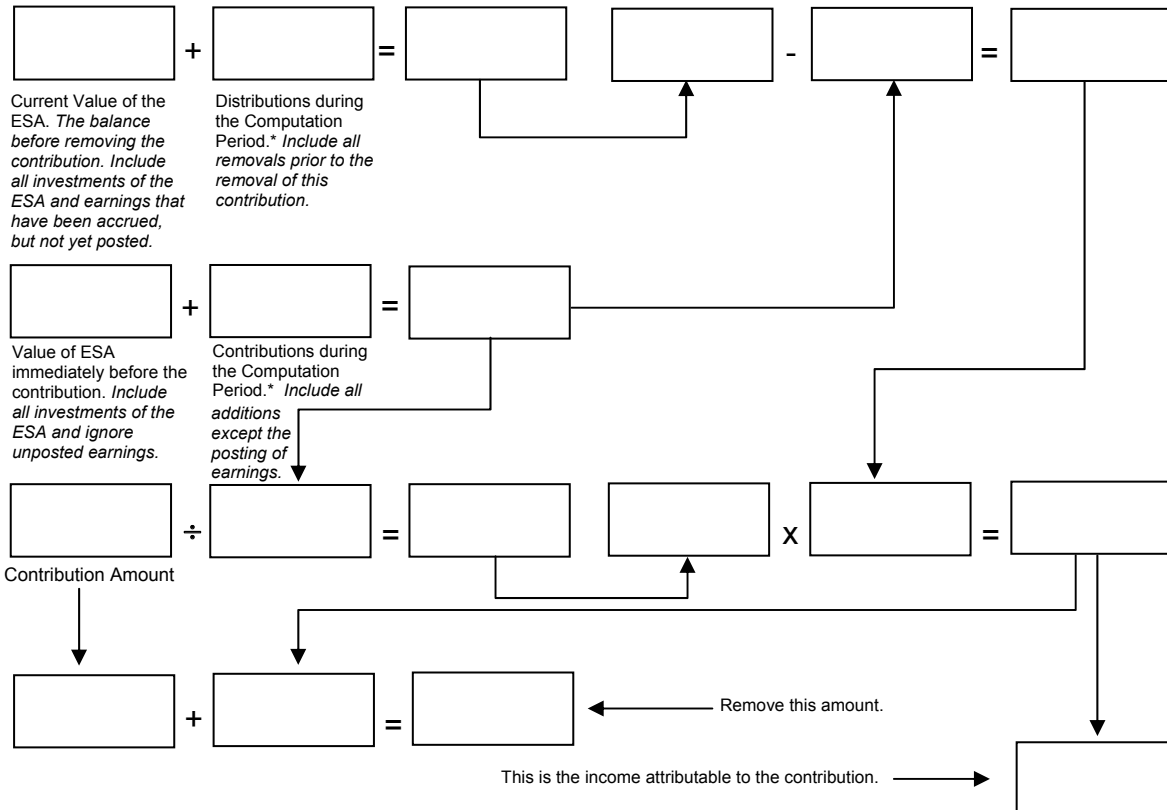
- Compute the income attributable to the contribution using the worksheet below.
- Add the income attributable and the contribution and write the total on the "Total Withdrawal Amount" line.
- Write the income attributable on the blank line at box 1 or 2.

**Contributing less than the maximum in a future year.** A contribution that exceeds the amount authorized by the tax laws (a true excess) that is not removed is automatically attributed as a regular ESA contribution in the next year or years for which less than the maximum amount is contributed for the designated beneficiary. A tax equal to 6% of the excess contribution is due for the year the excess was created and each subsequent year until the excess has been eliminated. Do not complete this form if you are using this approach.

**Withdrawing excess after early withdrawal deadline.** An excess contribution situation can be corrected by withdrawing the excess after the early withdrawal deadline for the year for which it was contributed. There are no special provisions for a tax-free withdrawal in this situation, so the normal rules for determining income tax on a Coverdell ESA distribution apply. The portion that is subject to income tax is also subject to the 10% Coverdell ESA tax unless an exception applies. A tax equal to 6% of the excess contribution is due for the year the excess was created and each subsequent year until the excess has been withdrawn.

## COMPUTATION OF INCOME ATTRIBUTABLE

Date of Contribution Being Withdrawn \_\_\_\_\_  
(If there are several, use the date of the first contribution.)



\* The Computation Period begins immediately before the first contribution being withdrawn and ends immediately before the withdrawal of the contribution.