

2010

Instructions for Form 8930



Department of the Treasury
Internal Revenue Service

Qualified Disaster Recovery Assistance Retirement Plan Distributions and Repayments

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

General Instructions

Purpose of Form

Use Form 8930 if you were adversely affected by the Midwestern severe storms, tornadoes, or flooding, and you received a distribution that qualified for favorable tax treatment. See Table 1 on page 4 for the Midwestern disaster areas.

Parts I and II

Use Parts I and II to:

- Report any repayments of qualified disaster recovery assistance distributions, and
- Figure the taxable amount, if any, of your qualified disaster recovery assistance distributions.

Note. Distributions from retirement plans (other than IRAs) are reported in Part I and distributions from IRAs are reported in Part II.

Additional Information

See Pub. 4492-B, Information for Affected Taxpayers in the Midwestern Disaster Areas, for more details.

Who Must File

File Form 8930 if any of the following apply.

- You received a qualified disaster recovery assistance distribution from an eligible retirement plan in 2009 that you are including in income in equal amounts over 3 years.
- You received a qualified disaster recovery assistance distribution from an eligible retirement plan in 2008 that you are including in income in equal amounts over 3 years.
- You made a repayment of a qualified disaster recovery assistance distribution in 2010.

When and Where To File

File Form 8930 with your 2010 Form 1040, 1040A, or 1040NR. If you are not required to file an income tax return but are required to file Form 8930, sign Form 8930 and send it to the Internal Revenue Service at the same time and place you would otherwise file Form 1040, 1040A, or 1040NR.

How Is a Qualified Disaster Recovery Assistance Distribution Taxed?

Generally, a qualified disaster recovery assistance distribution is included in your income in equal amounts over 3 years. However, you could have elected to include the entire distribution in your

income in the year of the distribution. Any repayments made before you file your return and by the due date (including extensions) reduce the amount of the distribution included in your income.

Also, qualified disaster recovery assistance distributions are not subject to the additional 10% tax on early distributions.



You cannot take a qualified disaster recovery assistance distribution after 2009.

Qualified Disaster Recovery Assistance Distribution

A qualified disaster recovery assistance distribution is any distribution you received on or after the applicable disaster date (see Table 1 on page 4) in 2008 or 2009 from an eligible retirement plan if both of the following conditions were met.

1. Your main home was located in a Midwestern disaster area on an applicable disaster date (see Table 1 on page 4).
2. You sustained an economic loss because of the severe storms, tornadoes, or flooding in the disaster area in which your main home was located. Examples of an economic loss include, but are not limited to (a) loss, damage to, or destruction of real or personal property from fire, flooding, looting, vandalism, theft, wind, or other cause; (b) loss related to displacement from your home; or (c) loss of livelihood due to temporary or permanent layoffs.

If (1) and (2) applied, you could have generally designated any distribution in 2008 or 2009 (including periodic payments and required minimum distributions) from an eligible retirement plan as a qualified disaster recovery assistance distribution, regardless of whether the distribution was made on account of the severe storms, tornadoes, or flooding in the Midwestern disaster areas. Qualified disaster recovery assistance distributions were permitted without regard to your need or the actual amount of your economic loss.

A reduction or offset on or after the applicable disaster date in 2008 or 2009 of your account balance in an eligible retirement plan in order to repay a loan also could have been designated as a qualified disaster recovery assistance distribution. See *Distribution of plan loan offsets* later.

Limit. The total of your qualified disaster recovery assistance distributions for 2008 and 2009 from all plans was limited to \$100,000. If you had distributions in

excess of \$100,000 from more than one type of plan, such as a 401(k) plan and an IRA, you could have allocated the \$100,000 limit among the plans any way you chose.

Eligible retirement plan. An eligible retirement plan can be any of the following.

- A qualified pension, profit-sharing, or stock bonus plan (including a 401(k) plan).
- A qualified annuity plan.
- A tax-sheltered annuity contract.
- A governmental section 457 deferred compensation plan.
- A traditional, SEP, SIMPLE, or Roth IRA.

Distribution of plan loan offsets. A distribution of a plan loan offset is a distribution that occurs when, under the terms of a plan, the participant's accrued benefit is reduced (offset) in order to repay a loan. A distribution of a plan loan offset amount can occur for a variety of reasons, such as when a participant terminates employment or does not comply with the terms of repayment. Plan loan offsets are treated as actual distributions and are reported on Form 1099-R, box 1.

Main home. Generally, your main home is the home where you live most of the time. A temporary absence due to special circumstances, such as illness, education, business, military service, evacuation, or vacation, will not change your main home.

Additional tax. Qualified disaster recovery assistance distributions were not subject to the additional 10% tax (or the 25% additional tax for certain distributions from SIMPLE IRAs) on early distributions and are not required to be reported on Form 5329. However, any distributions you received in excess of the \$100,000 qualified disaster recovery assistance distribution limit may have been subject to the additional tax.

Note. If you chose to treat a distribution as a qualified disaster recovery assistance distribution, it is not eligible for the 20% Capital Gain Election or the 10-Year Tax Option. For information on those options, see the instructions for Form 4972.

Repayment of a Qualified Disaster Recovery Assistance Distribution

If you choose, you can generally repay any portion of a qualified disaster recovery assistance distribution that is eligible for tax-free rollover treatment to an eligible retirement plan. Also, you can repay a qualified disaster recovery assistance distribution made on account of hardship from a retirement plan.

However, see *Exceptions*, below, for qualified disaster recovery assistance distributions you cannot repay.

You have 3 years from the day after the date you received the distribution to make a repayment. The amount of your repayment cannot be more than the amount of the original distribution. Amounts that are repaid are treated as a qualified rollover and are not included in income. Also, for purposes of the one-rollover-per-year limitation for IRAs, a repayment of a qualified disaster recovery assistance distribution to an IRA is not considered a qualified rollover.

Note. If a taxpayer who had previously received a qualified disaster recovery assistance distribution died in 2010, the distribution may no longer be spread over 3 years. The remainder of the distribution must be reported on the return of the deceased taxpayer.

Include on Form 8930 any repayments you make before filing your 2010 return. Any repayments you make will reduce the amount of qualified disaster recovery assistance distributions reported on your return for 2010. Do not include on your 2010 Form 8930 any repayments you make later than the due date (including extensions) for filing your 2010 return. If you make a repayment in 2011 after you file your 2010 return, the repayment will reduce the amount of your qualified disaster recovery assistance distributions included in income on your 2011 return, unless you are eligible to amend your 2008, 2009, or 2010 return. See *Amending Form 8930* below. Also, any excess repayments you make for 2010 will be carried forward to your 2011 return or, if you choose, carried back to your 2008 or 2009 return if applicable.

Also file Form 8606, Nondeductible IRAs, to report any repayment of a nondeductible contribution to a traditional IRA on line 1 of Form 8606. If you make a repayment of a previously deductible contribution to a traditional IRA, do not file Form 8606 solely because of such repayment. If you make a repayment to a Roth IRA, see Pub. 590 to figure your basis.

Exceptions. You cannot repay the following types of distributions.

1. Qualified disaster recovery assistance distributions received as a beneficiary (other than a surviving spouse).
2. Required minimum distributions.
3. Periodic payments (other than from an IRA) that are for:
 - a. A period of 10 years or more,
 - b. Your life or life expectancy, or
 - c. The joint lives or life expectancies of you and your beneficiary.

Note. If you included repayments on your 2008 or 2009 Form 8930, do not include those repayments on your 2010 Form 8930.

Amending Form 8930

If, after filing your original return, you make a repayment, the repayment may reduce the amount of your qualified disaster recovery assistance distributions reported on that return. Depending on when a repayment is made, you may

need to file an amended tax return to refigure your taxable income.

If you make a repayment by the due date of your original return (including extensions), include the repayment on your amended 2010 Form 8930.

If you make a repayment after the due date of your original return (including extensions), include the repayment on your 2011 Form 8930. However, you can file an amended Form 8930 for 2008, 2009, or 2010 if either of the following applies.

- You elected to include all of your qualified disaster recovery assistance distributions in income (instead of over 3 years) on your original return.
- The amount of the repayment exceeds the amount of your qualified disaster recovery assistance distributions that are included in income for 2011 and you choose to carry the excess back to your 2008, 2009, or 2010 tax return. See the example below.

Example. You received a qualified disaster recovery assistance distribution in the amount of \$90,000 on June 15, 2009. You choose to spread the \$90,000 over 3 years (\$30,000 in income for 2009, 2010, and 2011). On November 19, 2010, you make a repayment of \$45,000. For 2010, none of the qualified disaster recovery assistance distribution is included in income. The excess repayment of \$15,000 (\$45,000 - \$30,000) could have been carried back to 2009 or you could have chosen to carry it forward to 2011.

File Form 1040X, Amended U.S. Individual Income Tax Return, to amend a return you have already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later.

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 8930. If both you and your spouse are required to file Form 8930, file a separate Form 8930 for each of you.

Part I—Qualified Disaster Recovery Assistance Distributions From Retirement Plans (other than IRAs)

Complete Part I if any of the following apply.

- You had an amount on your 2008 Form 8930, line 9, and you did not check the box on that line.
- You had an amount on your 2009 Form 8930, line 11, and you did not check the box on that line.
- You made a repayment of a qualified disaster recovery assistance distribution.

Line 7

At any time during the 3-year period after the date you received a qualified disaster recovery assistance distribution, you can repay any portion of the distribution to an

eligible retirement plan that is permitted to accept rollover contributions. You cannot, however, repay more than the amount of the original distribution. See *Repayment of a Qualified Disaster Recovery Assistance Distribution* beginning on page 1 for details.

Enter on line 7 the amount of any repayments you made before filing your 2010 return. Do not include any repayments made later than the due date (including extensions) for that return. If you repaid more than the amount on line 3 (including any excess repayments from 2009 on line 6), the excess will be carried forward to your 2011 tax return. Repayments made after the due date of your 2010 return (including extensions) generally will be reported on your 2011 tax return. However, you may have to file an amended return in certain situations. See *Amending Form 8930* on this page.



Do not include on line 7 repayments of qualified disaster recovery assistance distributions made after 2009 that were included on your 2009 Form 8930.

Example. You received a \$90,000 qualified disaster recovery assistance distribution on June 9, 2009, from your 401(k) plan because of the severe storms in the Midwestern disaster areas. On April 1, 2011, you repay \$30,000 to an IRA. You file your return on April 10, 2011. Since the repayment was made before you filed your return, and not later than the due date (including extensions), you would enter the \$30,000 repayment on line 7.

Part II—Qualified Disaster Recovery Assistance Distributions From Traditional, SEP, SIMPLE, and Roth IRAs

Complete Part II if any of the following apply.

- You had an amount on your 2008 Form 8930, line 17, and you did not check the box on that line.
- You had an amount on your 2009 Form 8930, line 26, and you did not check the box on that line.
- You made a repayment of a qualified disaster recovery assistance distribution.

Line 16

At any time during the 3-year period after the date you received a qualified disaster recovery assistance distribution, you can repay any portion of the distribution to an eligible retirement plan that is permitted to accept rollover contributions. You cannot, however, repay more than the amount of the original distribution. See *Repayment of a Qualified Disaster Recovery Assistance Distribution* beginning on page 1 for details.

Enter on line 16 the amount of any repayments you made before filing your 2010 return. Do not include any repayments made later than the due date (including extensions) for that return. If you repaid more than the amount on line 12 (including any excess repayments from 2009 on line 15), the excess will be carried forward to your 2011 tax return. Repayments made after the due date of

your 2010 return (including extensions) generally will be reported on your 2011 tax return. However, you may have to file an amended return in certain situations. See *Amending Form 8930* on page 2.



Do not include on line 16 repayments of qualified disaster recovery assistance distributions made after 2009 that were included on your 2009 Form 8930.

Example. You received a \$90,000 qualified disaster recovery assistance distribution on October 1, 2009, from your Roth IRA because of the severe storms in the Midwestern disaster areas. On April 1, 2011, you repay \$30,000 to your Roth IRA. You file your return on April 10, 2011. Since the repayment was made before you filed your return, and not later than the due date (including extensions), you would enter the \$30,000 repayment on line 16.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal

Revenue laws of the United States. We need this information to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information if you made certain contributions or received certain distributions from qualified plans, including IRAs, and other tax-favored accounts. Our legal right to ask for the information requested on this form is sections 6001, 6011, 6012(a), and 6109 and their regulations. If you do not provide this information, or you provide incomplete or false information, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax

returns and return information are confidential, as required by section 6103. However, we may give this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Table 1. Midwestern Disaster Areas

The counties listed below are in the Midwestern disaster areas and are eligible for the special tax relief discussed in these instructions.

Applicable Disaster Dates*	State	Affected Counties—Midwestern Disaster Areas
05/02/2008 through 05/12/2008	Arkansas	Arkansas, Benton, Cleburne, Conway, Crittenden, Grant, Lonoke, Mississippi, Phillips, Pulaski, Saline, and Van Buren.
06/01/2008 through 07/22/2008	Illinois	Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Greene, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Madison, Mercer, Monroe, Pike, Randolph, Rock Island, St. Clair, Scott, Whiteside, and Winnebago.
05/30/2008 through 06/27/2008	Indiana	Adams, Bartholomew, Benton, Boone, Brown, Clay, Daviess, Dearborn, Decatur, Fountain, Franklin, Gibson, Grant, Greene, Hamilton, Hancock, Hendricks, Henry, Huntington, Jackson, Jay, Jefferson, Jennings, Johnson, Knox, Lawrence, Madison, Marion, Montgomery, Monroe, Morgan, Ohio, Owen, Parke, Pike, Posey, Putnam, Randolph, Ripley, Rush, Shelby, Sullivan, Switzerland, Tippecanoe, Union, Vermillion, Vigo, Wabash, Washington, and Wayne.
05/25/2008 through 08/13/2008	Iowa	Adair, Adams, Allamakee, Appanoose, Audubon, Benton, Black Hawk, Boone, Bremer, Buchanan, Butler, Carroll, Cass, Cedar, Cerro Gordo, Cherokee, Chickasaw, Clarke, Clayton, Clinton, Crawford, Dallas, Davis, Decatur, Delaware, Des Moines, Dubuque, Fayette, Floyd, Franklin, Fremont, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Henry, Howard, Humboldt, Iowa, Jackson, Jasper, Johnson, Jones, Keokuk, Kossuth, Lee, Linn, Louisa, Lucas, Lyon, Madison, Mahaska, Marion, Marshall, Mills, Mitchell, Monona, Monroe, Montgomery, Muscatine, Page, Palo Alto, Pocahontas, Polk, Pottawattamie, Poweshiek, Ringgold, Scott, Story, Tama, Taylor, Union, Van Buren, Wapello, Warren, Washington, Wayne, Webster, Winnebago, Winneshiek, Worth, and Wright.
05/22/2008 through 06/16/2008	Kansas	Barber, Barton, Bourbon, Brown, Butler, Chautauqua, Cherokee, Clark, Clay, Comanche, Cowley, Crawford, Decatur, Dickinson, Edwards, Elk, Ellis, Ellsworth, Franklin, Gove, Graham, Harper, Haskell, Hodgeman, Jackson, Jewell, Kingman, Kiowa, Lane, Linn, Logan, Mitchell, Montgomery, Ness, Norton, Osborne, Pawnee, Phillips, Pratt, Reno, Republic, Riley, Rooks, Rush, Saline, Seward, Sheridan, Smith, Stafford, Sumner, Thomas, Trego, Wallace, and Wilson.
06/06/2008 through 06/13/2008	Michigan	Allegan, Barry, Eaton, Ingham, Lake, Manistee, Mason, Missaukee, Osceola, Ottawa, Saginaw, and Wexford.
06/06/2008 through 06/12/2008	Minnesota	Cook, Fillmore, Freeborn, Houston, Mower, and Nobles.
05/10/2008 through 05/11/2008	Missouri	Barry, Jasper, and Newton.
06/01/2008 through 08/13/2008	Missouri	Adair, Andrew, Atchison, Audrain, Bates, Buchanan, Callaway, Cape Girardeau, Carroll, Cass, Chariton, Christian, Clark, Daviess, Gentry, Greene, Grundy, Harrison, Holt, Howard, Jefferson, Johnson, Knox, Lewis, Lincoln, Linn, Livingston, Macon, Marion, Mercer, Miller, Mississippi, Monroe, Morgan, New Madrid, Nodaway, Pemiscot, Perry, Pettis, Pike, Platte, Polk, Putnam, Ralls, Randolph, Ray, Saline, Schuyler, Scotland, Shelby, St. Charles, St. Genevieve, St. Louis, the Independent City of St. Louis, Scott, Stone, Sullivan, Taney, Vernon, Webster, and Worth.
04/23/2008 through 04/26/2008	Nebraska	Gage, Johnson, Morrill, Nemaha, and Pawnee.
05/22/2008 through 06/24/2008	Nebraska	Adams, Blaine, Boone, Boyd, Brown, Buffalo, Burt, Butler, Cass, Chase, Cherry, Colfax, Cuming, Custer, Dawson, Douglas, Dundy, Fillmore, Frontier, Furnas, Gage, Garfield, Gosper, Greeley, Hall, Hamilton, Hayes, Holt, Howard, Jefferson, Johnson, Kearney, Keya Paha, Lancaster, Lincoln, Logan, Loup, Merrick, McPherson, Morrill, Nance, Nemaha, Otoe, Phelps, Platte, Polk, Red Willow, Richardson, Rock, Saline, Sarpy, Saunders, Seward, Sherman, Stanton, Thayer, Thomas, Thurston, Valley, Webster, Wheeler, and York.
06/27/2008	Nebraska	Dodge, Douglas, Sarpy, and Saunders.
06/05/2008 through 07/25/2008	Wisconsin	Adams, Calumet, Crawford, Columbia, Dane, Dodge, Fond du Lac, Grant, Green, Green Lake, Iowa, Jefferson, Juneau, Kenosha, La Crosse, Lafayette, Manitowoc, Marquette, Milwaukee, Monroe, Ozaukee, Racine, Richland, Rock, Sauk, Sheboygan, Vernon, Walworth, Washington, Waukesha, and Winnebago.

*For more details, go to www.fema.gov.