



THE Pension Digest

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ALSO IN THIS ISSUE –

Final Review 2024 Form 5498,
Page 2

Discussion from IRS Instructions,
Page 8

IRS Issues 2025 Indexed Amounts
for HSAs, Page 9

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“The Pension Specialists”



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Primary Concerns for the 2024 Form 5498

An IRA custodian must prepare its 5498 forms correctly or the IRS may assess a fine of \$100 (\$50 x 2) per incorrect form. Not preparing a correct form is an incorrect form as is reporting the wrong contribution amount or the wrong type of IRA contribution.

The IRS uses the Form 5498 as an initial auditing tool in determining if a taxpayer is properly reporting their IRA contributions and other transactions correctly. The IRS should have a procedure for auditing an IRA custodian's preparation of Form 5498. It is believed that the IRS rarely audits an IRA custodian's preparation of the Form 5498.

The purpose of this article is to set forth the information a financial institution should review to determine if it is correctly preparing the Form 5498 for its IRA customers.

Question #1. Has an IRA custodian prepared as many as are required to be prepared? A Form 5498 must be prepared if any of the following apply:

1. An IRA accountholder has an IRA with a FMV as of 12/31/2024. There is to be a Form 5498 for each plan agreement.

2. The IRA accountholder made a reportable contribution. All contributions are IRS reportable except for certain transfers. There is to be a Form 5498 for each plan agreement.

3. The IRA accountholder died in 2024;

4. An IRA beneficiary has an inherited IRA with a FMV as of 12/31/2024.

Question #2. Is the recipient's TIN correct?

Question #3. Is the IRA custodian's TIN correct?

Question #4. Does the Form 5498 have the proper title for an inherited IRA

Question #5. Has the Account Number box been completed correctly when required?

Question #6. Has the Form 5498 been prepared correctly for Roth SEP IRAs and Roth SIMPLE IRAs?

Set forth on pages 2-7 is a comprehensive review of the 2024 Form 5498 which must be filed on or before May 31, 2025 unless there has been an extension granted because of a disaster.

Note. An IRA custodian is not required to mail or furnish the 2024 Form 5498 to any IRA accountholder or IRA beneficiary if the person during or for 2024 made no reportable IRA contributions, including annual, rollovers, recharacterizations, or Roth IRA conversions as long as the IRA custodian had furnished a complying FMV statement to the person by January 31, 2025. That FMV statement must have indicated that the IRA custodian would be filing with the IRS the 2024 Form 5498 which would indicate the FMV as of December 31, 2024. This provision allows an IRA custodian to save on mailing costs.

Final Review 2024 Form 5498

2024 ☐ VOID ☐ CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a)	OMB No. 1545-0747		IRA Contribution Information
		\$	2024		
TRUSTEE'S or ISSUER'S TIN		2 Rollover contributions	Form 5498		Copy A
		\$			
PARTICIPANT'S TIN		3 Roth IRA conversion amount	4 Recharacterized contributions	For Internal Revenue Service Center	
		\$	\$		
PARTICIPANT'S name		5 FMV of account	6 Life insurance cost included in box 1	File with Form 1096.	
		\$	\$		
Street address (including apt. no.)		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>	For Privacy Act and Paperwork Reduction Act Notice, see the 2024 General Instructions for Certain Information Returns.		
		8 SEP contributions			
City or town, state or province, country, and ZIP or foreign postal code		9 SIMPLE contributions			
		\$			
Account number (see instructions)		10 Roth IRA contributions	11 Check if RMD for 2025 <input type="checkbox"/>		
		\$			
		12a RMD date	12b RMD amount		
		\$			
		13a Postponed/late contrib.	13b Year 13c Code		
		\$			
		14a Repayments	14b Code		
		\$			
		15a FMV of certain specified assets	15b Code(s)		
		\$			

Form 5498 Cat. No. 50010C www.irs.gov/Form5498 Department of the Treasury - Internal Revenue Service

Deadlines to Furnish

The due dates for the 2024 Form 5498 are: furnish copy B to the IRA accountholder by May 31, 2025 and file Copy A with the IRS also by May 31, 2025. If you file electronically, you must comply with the filing specifications set forth in Publication 1220.

What's New For 2024?

Form 5498

E-filing returns. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to [IRS.gov/InfoReturn](https://www.irs.gov/InfoReturn) for e-file options.

Roth SEP IRAs and Roth SIMPLE IRAs. For tax years beginning after December 31, 2022, a simplified employee pension (SEP) arrangement or SIMPLE-IRA plan may allow an employee to designate a Roth IRA as the IRA to which contributions under the arrangement or plan are made.

Include in box 8 contributions to a Roth SEP-IRA and also regular SEP-IRA Contributions.

Include in box 9 contributions to a Roth SIMPLE-IRA and also regular SIMPLE-IRA contributions.

See the new discussion for completing box 7.

Account Number

1. On the bottom left there is an "Account Number" box. The IRA custodian is required to insert an account number in this box when filing more than one Form 5498 for the same person. If your institution wants to earn some bonus points with the IRS, you will complete this box even though it is not required. IRS instructions state the account number must be unique. This instruction that this number must be unique can be confusing. It must be unique with respect to this particular IRA account older. If a person has 3 IRAs each one must have an account number which is different. The account numbers could be 01, 02 and 03. The purpose of the account number is to identify which Form 5498 is being corrected when there have been multiple 5498 forms

2024 Form 5498,
Continued from page 2

prepared for a person and a correction is now being submitted to IRS. It is best if the account number is not based on the person's SSN.

2. A person who has a traditional IRA, SEP IRA and Roth IRA would need to be furnished three 5498 forms.

Contribution Amounts

3. **Box 1. IRA Contributions** (other than amounts in boxes 2-4, 8-10, 13a and 14a). Enter the amount of the annual contributions made on or after January 1, 2024 through April 15, 2025 as designated for 2024. The IRA custodian is to report the gross amount of the annual contributions even if such contributions are excess contributions, or will be later recharacterized. A traditional IRA contribution, which is not properly reported in one of the other traditional IRA boxes, is to be reported in box 1. For example, if a person tries to roll over \$28,000, but does so on day 70 and does not furnish a late rollover certification and the IRA custodian learns of this fact prior to filing the current year's Form 5498, then the IRA custodian must report this \$28,000 in box 1. This same procedure would apply if somehow non-IRA funds had been mistakenly transferred into an IRA. If an excess contribution is treated as a contribution in a subsequent year under section 219(f)(6), do not report it on Form 5498 for the subsequent year. It has already been reported as a contribution on Form 5498 for the year it was actually contributed.

4. **Box 2. Rollover Contributions.** Enter the amount of the rollover contributions made on or after January 1, 2024 through December 31, 2024. Made means received by the traditional IRA custodian.

A late rollover contribution made pursuant to a late rollover certification is reported in box 13a and not box 2.

A rollover may either be an indirect rollover or a direct rollover.

A direct rollover occurs when an employer plan issues the check to the IRA custodian on behalf of the individual. By definition, a direct rollover cannot occur between IRAs. Employer plan means a qualified plan, section 403(b) plan or a governmental section 457(b) plan. The funds attributable to a

nonspouse beneficiary of such plans are eligible to be directly rollover to an inherited IRA and would be reported in Box 2.

An indirect rollover means the paying plan (could be an IRA or an employer plan) issues the distribution check to the individual who then makes a rollover contribution by the 60 day deadline. A 60 day indirect rollover may occur between two traditional IRAs, two SEP-IRAs, or between a traditional IRA and a SEP-IRA or vice versa.

Remember that nonspouse IRA beneficiaries are generally ineligible to roll over a distribution from one inherited IRA and redeposit it into another inherited IRA.

These contributions may be any of the following.

- A 60-day rollover between Roth IRAs or between other types of IRAs.
- A direct or indirect (within 60 days) rollover from a qualified plan, section 403(b) plan, or governmental section 457(b) plan.
- Any qualified rollover contribution as defined in section 408A(e) from an eligible retirement plan (other than an IRA) to a Roth IRA.
- A military death gratuity.
- An SGLI payment.

Note. Do not use box 2 for late rollover contributions, including rollovers of qualified plan loan offset amounts after 60 days or any of the following repayments made after 60 days.

- Qualified reservist distributions.
- Qualified disaster distributions.
- Qualified birth or adoption distributions.
- Emergency personal expense distributions.
- Terminally ill individual distributions
- Eligible distributions to domestic abuse victims.

See the instructions for boxes 13a through 13c, 14a, and 14b, later.

For the rollover of property, enter the FMV of the property on the date you receive it. This value may be different from the value of the property on the date it was distributed to the participant.

Continued on page 4

2024 Form 5498,
Continued from page 3

We understand the late rollover certification procedures apply to rollovers made by a person because the IRS had to repay its levy and payments made to a beneficiary in error when the error was the fault of one or both of the IRA custodians.

5. Box 3. Roth IRA Conversion Amount. This box will be completed when a conversion contribution is made to a Roth IRA from a traditional IRA, SEP-IRA or SIMPLE-IRA. Do not include the rollover of non-Designated Roth funds from a 401(k) or similar plan into a Roth IRA. Such rollover contributions are to be reported in box 2.

6. Box 4. Recharacterized Contributions. The IRS instructions are very brief, "Enter any amounts recharacterized plus earnings from one type of IRA to another." If a person had made an annual contribution he or she may elect to recharacterize it as adjusted by earnings or losses. The total amount recharacterized is to be reported in box 4. Although the IRS instructions use the term, "plus earnings, the IRS should use the term, "plus or minus earnings or losses."

7. Box 5. Fair Market Value of Account. The IRS instructions for this box are also very brief, "Enter the FMV of the account on December 31."

The IRS added a caution to self-directed and trust IRAs as follows: "Trustees and custodians are responsible for ensuring that all IRA assets (including those not traded on established markets or with otherwise readily determinable market value) are valued annually at their fair market value."

The instruction to report the FMV as of December 31 applies whether there is a living IRA account holder or an inheriting IRA beneficiary.

If the IRA account holder or inheriting beneficiary is alive as of December 31, the individual closed his or her IRA during the year by taking a total distribution and he or she made no "reportable contribution", then the IRA custodian is not required to prepare and file the Form 5498. However, if the IRA account holder or inheriting beneficiary died during the year, the IRA custodian will need to prepare a final Form 5498 for the deceased IRA account holder or inheriting beneficiary as discussed below.

With respect to a deceased account holder, the IRS gives the IRA custodian two options. Option #1 - report the FMV as of the date of death. Option #2 - report the FMV as of the end of the year in which the decedent died. This alternate value will usually be zero because the IRA custodian will be reporting the end of year value on the Form 5498's for the beneficiary or beneficiaries. If Option #2 is used, the IRA custodian must inform the executor or administrator of the decedent's estate of his or her right to ask for the FMV as of the date of death.

If the IRA custodian does not learn of the individual's death until after the filing deadline for the Form 5498 (i.e May 31), then it is not required to prepare a corrected Form 5498. However, an IRA custodian must still furnish the FMV as of the date of death if requested to do so.

8. Box 6. Life Insurance cost included in box 1. An IRA custodian will leave this box blank or will insert a 0.00 since it is only to be completed if there was a contribution to an IRA endowment contract as sold by an insurance company a long time ago.

9. Box 7. Indicate the type of IRA - NEW Instructions. Previously only one of the four boxes was checked. As applicable, the proper box was checked - traditional, SEP, SIMPLE or Roth. One does not file the Form 5498 to report a SIMPLE 401(k) account.

The IRS now instructs that two boxes must be checked if the IRA account holder has either a Roth SEP-IRA or a Roth SIMPLE-IRA.

Check both "SEP" and "Roth IRA" if you are filing Form 5498 to report information about a Roth SEP-IRA.

Check both "SIMPLE" and "Roth IRA" if you are filing Form 5498 to report information about a Roth SIMPLE-IRA.

10. Box 8. SEP Contributions. Any SEP contributions including Roth SEP made to the IRA custodian during 2024 are to be reported in box 8. Such contributions could have been for 2023 or 2024. Contributions made in 2025 for 2024 are to be reported on the 2025 Form 5498.

11. Box 9. SIMPLE Contributions. Any SIMPLE-IRA including Roth SIMPLE contributions made during

Continued on page 5

2024 Form 5498,
Continued from page 4

2024 are to be reported in box 9. Such contribution could have been for 2023 or 2024. Contributions made in 2025 for 2024 are to be reported on the 2025 Form 5498.

12. Box 10. Roth IRA Contributions. Any Roth IRA contributions for 2024 are to be reported in box 10 as long as made between January 1, 2024 and April 15, 2025.

13. Box 11. Check if RMD for 2025. An IRA custodian is required to check this box if the traditional IRA SEP-IRA or SIMPLE-IRA accountholder attains or would attain age 73 or older during 2025. This box should not be checked for an inherited IRA. Completing this box is necessary only if the IRA custodian is required to prepare a 2024 Form 5498 for a person.

14. Boxes 12a (RMD date) and 12b (RMD Amount). An IRA custodian's use of these two boxes is optional, it is not mandatory.

Under current IRS procedures, the IRS does not require the traditional IRA custodian to furnish it with the RMD amount. The law is unsettled whether or not the IRS has the legal authority to require that an IRA custodian furnish the RMD amount. Since the IRS would like to be furnished this information, the IRS has added boxes 12a and 12b to the Form 5498.

The approach adopted by the IRS is that an IRA custodian by completing boxes 11, 12a and 12b on the Form 5498 and furnishing it to the IRA accountholder will meet the requirement that it must furnish a RMD Notice by January 31. The IRS instruc-

tions permit the IRA custodian to furnish to the IRA accountholder a separate Form 5498 with the only information being furnished is the information for boxes 11, 12a and 12b.

15. Box 13a. Postponed contributions and late rollover contributions. Our federal tax laws are complicated and the reporting of certain special IRA contributions is complicated.

There is a limit as to the number of boxes which are present on the Form 5498 (IRA Contributions) to be used to inform the IRS and the taxpayer that a taxpayer has made various types of IRA contributions. There are standard contributions and then there are special contributions such as postponed contributions, late rollover contributions and repayment contributions.

Boxes 13 and 14 are to be completed to report special contributions such as postponed contributions, late rollovers and repayments of disaster distributions.

The IRS has furnished the following instructions for completing the 3 boxes that make up Box 13. Box 13 reports postponed contributions and certain special late rollovers.

Some IRA owners are entitled to make an IRA contribution for a prior year in addition to make a current year contribution. Report the amount of the postponed contribution.

If the IRA owner makes a prior year contribution for more than one year, each year's prior year postponed contribution must be reported on a separate Form 5498.

Some IRA owners will make late rollover contributions pursuant to the IRS procedures set forth in Rev. Proc. 2016-47. Report the amount of the late rollover contribution.

Box 13a. This is titled Postponed/late Contribution in the 2019-2024 instructions. The IRS should change the title to somehow make clear it is a late rollover contribution.

If an IRA owner makes both a postponed contribution and a late rollover contribution, there must be two separate 5498 forms prepared.

Unless the IRS has issued special guidance, there cannot be two late rollover contributions in

2024		VOID		CORRECTED	
TRUSTEE'S or ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a)		OMB No. 1545-0747	
		\$		2024	
TRUSTEE'S or ISSUER'S TIN		2 Rollover contributions		Form 5498	
PARTICIPANT'S TIN		\$		4 Reclassified contributions	
		3 Roth IRA conversion amount		Copy A	
PARTICIPANT'S name		\$		For Internal Revenue Service Center	
Street address (including apt. no.)		5 FMV of account		File with Form 1096.	
City or town, state or province, country, and ZIP or foreign postal code		\$		6 Life insurance cost included in box 1	
Account number (see instructions)		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>		8 SEP contributions	
		9 SIMPLE contributions		10 Roth IRA contributions	
		\$		11 Check if RMD for 2025	
		12a RMD date		12b RMD amount	
		\$		\$	
		13a Postponed/late contrib.		13b Year	
		\$		13c Code	
		14a Repayments		14b Code	
		\$		\$	
		15a RMD or certain specified assets		15b Code	
		\$		\$	
Form 5498		Cat. No. 50010C		www.irs.gov/Form5498	
		Department of the Treasury - Internal Revenue Service			

2024 Form 5498,
Continued from page 5

the same year because of the once per year rollover rule. However, a person could have made a rollover of a qualified plan loan off-set amount. A separate Form 5498 would need to be prepared.

Box 13b. Year

Enter the year for which the postponed contribution was made if a postponed contribution.

Leave blank if a late rollover contribution or a rollover of a qualified plan loan off-set amount.

Box 13c. Code

Enter the applicable reason code for a postponed contribution.

For service in a combat zone enter the appropriate code as set forth at end of this guidance.

Enter FD for affected taxpayers of a federally declared disaster.

Enter PO for taxpayers who made a rollover of a qualified plan loan off-set amount.

Enter SC for taxpayers who made a late rollover certification.

16. Box 14 reports repayment contributions.

A person can make three types of repayments, a repayment of a qualified reservist distribution, a designated disaster distribution or related to a qualified birth or adoption distribution.

Box 14a. Repayments.

Enter the amount of the repayments.

Box 14b. Code.

Enter QR for the repayment of a qualified reservist distribution.

Enter DD for the repayment of a federally designated disaster distribution.

Enter BA for the repayment of a qualified birth or adoption distribution.

Enter

- "EP" for emergency personal expense distribution,
- "TI" for terminally ill individual distribution, and
- "DA" for eligible distribution to a domestic abuse victim.

The instructions don't expressly state that separate forms are to be prepared if a person would have

both transactions, but it is implied by having separate codes.

Electronic filers. You may request an automatic waiver from filing Forms 5498 for combat zone participants by submitting Form 8508, Request for Waiver From Filing Information Returns Electronically. Once you have received the waiver, you may report all Forms 5498 for combat zone participants on paper. Alternatively, you may report contributions made by the normal contribution due date electronically and report the contributions made after the normal contribution due date on paper. You also may report prior year contributions by combat zone participants on a corrected Form 5498 electronically or on paper.

17. Box 15a. FMV of certain specified assets. Completion of Boxes 15a and 15b is mandatory for 2024 and subsequent years. If you are an IRA custodian or trustee with IRA assets of which the fair market values are not readily determinable, you should review the following.

Box 15a is titled FMV of certain specified assets.

Box 15b will be used to furnish info on the type of the investment. It is titled "Codes."

The IRS has developed an administrative approach so that it can better administer IRAs that hold non-market assets. Such IRAs may either be trust IRAs or self-directed custodial IRAs. It appears the IRS will choose to audit more IRAs holding non-market assets than those holding only market assets. Without a doubt, it is more likely that prohibited transactions occur with respect to IRAs holding non-market assets than market assets.

Box 5 will still be used to report the FMV of the entire IRA. The total FMV will equal the FMV of the easy to value assets plus the FMV of the hard to value assets. An asset where there is a readily available market to determine an asset's value is an easy to value asset. When there is no readily available market to be used to determine an asset, this is a hard to value asset. It is also known as a non-market asset.

2024 Form 5498,
Continued from page 6

Box 15a will be used to report the FMV of all of the non-market assets. These are the assets which are not readily tradable on an established U.S. or foreign securities market or option exchange or that do not have a readily available FMV. The IRS does not define what is meant by “does not have a readily available FMV.” As for box 5, the IRS states that the FMV must be determined annually. The amount in box 15a may be the same as in box 5, but most likely will be less as will be the case when there are both easy to value and hard to value assets in the same IRA.

The FMV of the “market” assets may be determined by subtracting the FMV of the non-market assets (box 15a) from box 5.

In box 15b, one or two letter codes must be inserted to identify the type or types of the non-market investment. If only one code applies, insert that one code. If only two codes apply, then insert both codes. However, if more than two codes apply, then enter a Code H. Code H means there are more than two non-market assets held in the IRA. From the perspective of the IRA accountholder, he or she may prefer to have at least three hard to value assets rather than just one or two because when an “H” is used the IRS does not know specifically what assets are owned and would need to obtain this information from additional communications with presumably the IRA accountholder.

There are 7 identifying codes:

- A – Stock or other ownership interest in a corporation that is not readily tradable on an established U.S. or foreign securities market.
- B – Short or long-term debt obligation that is not traded on an established securities market.
- C – Ownership interest in a limited company or similar entity (unless the entity is traded on an established U.S. or foreign securities market).
- D – Real Estate
- E – Ownership interest in a partnership, trust, or similar entity (unless the entity is traded on an established U.S. or foreign securities market).
- F – Option contract or similar product that is not offered for trade on an established U.S. option exchange or established foreign option exchange.

G – Other asset (i.e. not described in A-F) that does not have a readily available FMV.

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

In summary, the IRS requires an IRA custodian/trustee to furnish certain information regarding hard to value assets. The IRS will presumably use this information to determine if it wishes to gather additional information. The deadline to furnish the 2024 Form 5498 to the individual and the IRS is May 31, 2025. The IRA custodian/trustee wants to know it has prepared as many 5498 forms as the rules require and that each form has been prepared correctly.

18. Duty To Prepare/Furnish Corrected Form 5498. An IRA custodian is required to prepare a corrected form 5498 as soon as possible after it learns there is an error on the original form as filed. The IRS furnishes the following example. “If you reported as rollover contributions in box 2, and you later discover that part of the contribution was not eligible to be rolled over and was, therefore, a regular contribution that should have been reported in box 1 (even if the amount exceeds the regular contribution limit), you must file a corrected Form 5498.

Discussion from IRS Instructions

Special reporting for U.S. Armed Forces in designated combat zones. A participant who is serving in, or in support of, the Armed Forces in a designated combat zone or qualified hazardous duty area has an additional period after the normal contribution due date of April 15 to make IRA contributions for a prior year. The period is the time the participant was in the designated zone or area plus at least 180 days. The participant must designate the IRA contribution for a prior year to claim it as a deduction on the income tax return.

Under section 219(f), combat zone compensation that is excluded from gross income under section 112 is treated as includible compensation for purposes of determining IRA contributions.

A qualifying participant is:

- Serving or has served in a combat zone;
- Serving or has served in a qualifying hazardous duty area; or
- Serving or has served in an active direct support area.

If a qualifying participant designates an IRA contribution for a prior year, other than an IRA contribution made by April 15 for the preceding year, you must report the type of IRA (box 7) and the amount on Form 5498. Report the amount either for (1) the year for which the contribution was made, or (2) a subsequent year. See the instructions for boxes 13a, 13b, and 13c, later.

1. If you report a contribution for 2024 made before April 15, 2025, no special reporting is required. Include the contribution in box 1 or 10 of an original Form 5498 or of a corrected Form 5498 if an original was previously filed.

2. If you report the contribution on Form 5498 in a subsequent year, you must include the year for which the contribution was made, the amount of the contribution, and one of the following indicators.

a. Use “EO13239” for Afghanistan and those countries in direct support, including Djibouti, Jordan, Kyrgyzstan, Pakistan, Somalia, Syria, Tajikistan, Uzbekistan, and Yemen.

b. Use “EO12744” for the Arabian Peninsula, including air space and adjacent waters (the Persian Gulf; the Red Sea; the Gulf of Oman, the Gulf of Aden; the portion of the Arabian Sea that lies north of 10 degrees north latitude and west of 68 degrees east longitude; the total land areas of Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates; Lebanon, and Turkey east of longitude 33.51E), and Jordan, which is in direct support of the Arabian Peninsula.

c. Use “EO13119” or “P.L.106-21” for the Federal Republic of Yugoslavia (Serbia and Montenegro), Albania, Kosovo,

the Adriatic Sea, and the Ionian Sea north of the 39th parallel. (Note. The combat zone designation for Montenegro and Kosovo (previously a province within Serbia) under Executive Order 13119 remains in force even though Montenegro and Kosovo became independent nations since EO13119 was signed.)

d. Use “P.L.115-97” for the Sinai Peninsula of Egypt.

Caution! For additions to, or subtractions from, the list of combat zones or qualified hazardous duty areas implemented by executive orders and public laws, and direct support areas designated by the Secretary of Defense, after the publication date of these instructions, go to [IRS.gov/Form5498](https://www.irs.gov/Form5498).

Example. For a \$4,000 IRA contribution designated by a participant who served under EO13239 for the tax year 2023, enter “4000” in box 13a, “2023” in box 13b, and “EO13239” in box 13c only. Make no entry in box 1 or box 10.

Repayment of qualified reservist distributions. Report any repayment of a qualified reservist distribution as described in section 72(t)(2)(G) in boxes 14a (amount) and 14b (with indicator code “QR”).

Repayment of qualified disaster distributions. Report any repayment of a qualified disaster distribution, as described in applicable disaster legislation, in boxes 14a (amount) and 14b (with indicator code “DD”).

Repayment of qualified birth or adoption distributions. Report any repayment of a qualified birth or adoption distribution as described in section 72(t)(2)(H) in boxes 14a (amount) and 14b (with indicator code “BA”).

Repayment of emergency personal expense distributions. Report any repayment of an emergency personal expense distribution as described in section 72(1)(2), (1) in boxes 14a (amount) and 14b (with indicator code “EP”).

Repayment of eligible distributions to a domestic abuse victim. Report any repayment of an eligible distribution to a domestic abuse victim as described in section 72(t)(2)(K) in boxes 14a (amount) and 14b (with indicator code “DA”).

Repayment of terminally ill individual distributions. Report any repayment of a terminally ill individual distribution as described in section 72(t)(2)(L) in boxes 14a (amount) and 14b (with indicator code “TI”).

Military death gratuities and servicemembers’ group life insurance (SGLI) payments. Recipients of military death gratuities and SGLI payments may contribute amounts received to a Roth IRA, up to the amount of the gratuity or SGLI payment less any amounts contributed to Coverdell ESAs. Report the amount of the rollover contribution in box 2 only. See section 408A(e)(2), and Notice 2010-15, 2010-06 I.R.B. 390, available at [IRS.gov/irb/2010-06_IRB#NOT-2010-15](https://www.irs.gov/irb/2010-06_IRB#NOT-2010-15), for more information on limitations.

IRS Issues 2026 Indexed Amounts for HSAs

The HSA contribution limits for 2026 are \$100 higher for single HDHP coverage and \$200 higher for family HDHP coverage. The Treasury Department and Internal Revenue Service issued new guidance on the maximum contribution levels for High Deductible Health Plans (HDHPs) that must be used in conjunction with HSAs. The 2026 limits are set forth in Revenue Procedure 2025-19 as issued by the IRS on May 1, 2025.

Maximum Contribution Limits Under Age 55

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Single HDHP	\$4,150	\$4,300	\$4,400
Family HDHP	\$8,300	\$8,550	\$8,750

Maximum Contribution Limits Age 55 & Older

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Single HDHP	\$5,150	\$5,300	\$5,400
Family HDHP	\$9,300	\$9,550	\$9,750

HSA Catch-Up Contributions

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Age 55 and Older	\$1,000	\$1,000	\$1,000

High Deductible Health Plans

	Minimum Annual Deductible			Maximum Annual Out-of-Pocket Expenses		
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Single Coverage	\$1,600	\$1,650	\$1,700	\$8,050	\$8,300	\$8,500
Family Coverage	\$3,200	\$3,300	\$3,400	\$16,100	\$16,600	\$17,000