Box 7 is to be completed by the IRA custodian with one descriptive code or with two
codes which will help the IRS determine if a person is paying the correct taxes with
respect to his or her IRA distributions. The IRS asks the IRA custodian to help in
determining if a person owes the 10% or 25% additional tax and for what year any income
is taxable, if any.

In some cases only one code is to be used to describe a certain IRA distribution. The solo
codes are: 1, 2, 3, 4, 5, 7, 8, G, J, K, N, P, Q, R, S and T.

In other cases it is mandatory to use two code. It is mandatory when there is an applicable
numeric code and an alpha code. It is not permitted to enter more than two codes. It is
also mandatory in three numeric code combination situations. They are: codes 81, 82 or
84 or 18, 28, or 48.

If two or more distribution codes are not valid combinations, then the IRA custodian must
file more than one Form 1099-R. That is, a separate Form 1099-R must be filed for each
distinct distribution code.

If two or more other numeric codes are applicable, an IRA custodian must file more than
one Form 1099-R. The various code combinations for IRA distribution are:
1 Early distribution, no known exception or individual to indicate exception on Form
5329
18 Withdrawal of an excess contribution in same year
   as contributed but also an early distribution no known exception.
   1P Withdrawal of an excess contribution in the year following the year contributed but
   also an early distribution no known exception.
1K Early distribution, no known exception of IRA assets not having a readily available
FMV
2 Early distribution, exception applies
28 Withdrawal of an excess contribution in same year as contributed but also an early
distribution, exception applies.
2P Withdrawal of an excess contribution in the year following the year contributed but
also an early distribution, exception applies.
2K Early distribution, exception applies, but involves an IRA asset not having a readily
available FMV
3 Disability
4 Distribution to a beneficiary regardless of age.
48 Distribution to a beneficiary regardless of age of an excess contribution made by the
accountholder one year and withdrawn by the beneficiary the same year.
4P Distribution to a beneficiary regardless of age of an excess contribution made by the
accountholder one year and withdrawn by the beneficiary the next year.
4K Distribution to a beneficiary regardless of age of an IRA asset not having a readily
available FMV.
4G Distribution to a beneficiary of a 401(k) or similar plan regardless of age which is
directly rolled over to an inherited traditional or Roth IRA.
4H Distribution to a beneficiary of a 401(k) or similar plan regardless of age with
Designated Roth funds which is directly rolled over to an inherited Roth IRA.
5 Prohibited Transaction
7 Normal Distribution – Age 59½ or older
7K Normal distribution of an IRA asset which does not have a readily available FMV
8 Withdrawal of an excess contribution by a person age 59½ or older the same year the
excess contribution was made
81 Withdrawal of an excess contribution in the same year as contributed but also an early
distribution no known exception
82 Withdrawal of an excess contribution in the same year as contributed but also an early
distribution, exception applies.
83 Distribution to a beneficiary regardless of age of an excess contribution made by the
account holder one year and withdrawn by the beneficiary the same year
8J Withdrawal of a Roth IRA excess contribution in the same year as contributed but also an early distribution no known exception
8K Withdrawal of an excess contribution made one year and withdrawn the same year
when the distribution involves an IRA asset not having a readily FMV

Code G is primarily used to report a direct rollover from an employer plan to an IRA.
However, it is also used to report a direct payment from an IRA to an employer plan

G Used to report a direct payment from a traditional IRA to an accepting employer plan.
G4 Not used for IRAs
GK Used to report a direct payment from a traditional IRA to an accepting employer plan.
when the distribution involves an IRA asset not having a readily FMV. Code
H is used to report a direct rollover from a Designated Roth account within an employer
plan to a Roth IRA.
J Used to report various distributions from a Roth IRA. It is primarily used to report non-
qualified distributions. However, it is also used to report a qualified distribution on
Account of meeting the first time home buyer rule.
J8 Withdrawal of a Roth IRA excess contribution in the same year as contributed
JP Withdrawal of a Roth IRA excess contribution in the year following the year it was
contributed
K Distribution of IRA assets not having a readily available FMV
K1 Early distribution, no known exception of IRA assets not having a readily available FMV
K2 Early distribution of IRA assets not having a readily available FMV, but exception known
K4 Distribution to an IRA beneficiary regardless of age of an IRA assets not having a readily available FMV.
K7 Distribution to an IRA account holder age 59½ or older of IRA assets not having a readily available FMV
K8 Withdrawal of an excess contribution made one year and withdrawn the same year
when the distribution involves an IRA asset not having a readily FMV
KG Used to report a direct payment from a traditional IRA to an accepting employer plan.
when the distribution involves an IRA asset not having a readily FMV
N Deemed distribution and the recharacterized IRA contribution occur the same year
P Withdrawal of an excess contribution by a person age 59½ or older in the year
following the year the excess contribution was made
P1 Withdrawal of an excess contribution in the year following the year the excess
contribution was made, but also an early distribution no known exception
P2 Withdrawal of an excess contribution in the year following the year the excess
contribution was made, but an exception known
P4 Distributions to a beneficiary regardless of age of an excess contribution made by the
account holder one year and withdrawn the next year
PJ Withdrawal of a Roth IRA excess contribution in the year following the year it was
contributed
Q Used to report a qualified distribution from a Roth IRA. Know 5-year holding period
met and the account holder is age 59½ or older or disable or a payment is made to a beneficiary.
R Used to report a recharacterization of an IRA contribution made for one year and
recharacterized in the following year.
Early distribution from a SIMPLE IRA by an accountholder who has not reached age 59½ in the first two years with no known exception.

Used to report a non-qualified distribution from a Roth IRA because it is known the 5-year holding period has not been met but the accountholder is age 59½ or older or disabled or a payment is made to a beneficiary.