RIRA FEXES 01/14

Franklin Templeton **Retirement Plan Notification of Excess/Ineligible Contributions**

Use this form to request removal of excess contribution to any account for which Franklin Templeton Bank & Trust serves as custodian or trustee. Do not use this form for other distributions or recharacterizations. Go to franklintempleton.com for additional resources and forms. Please read the Excess Contribution Guide beginning on page 3 before completing this form.

If completing by hand, please print clearly in all CAPITAL LETTERS using blue or black ink.

1 PARTICIPANT INFORMATION

First name | M.I. | Last name | SSN

Primary phone number ( ) | Alternate phone number ( )

2 ACCOUNT INFORMATION

SELECT ONLY ONE type of account below. Complete a separate request form if distributing from different plan types.

Account number

TYPE OF PLAN

☐ TRADITIONAL IRA ☐ ROLLOVER IRA ☐ COVERDELL ESA ☐ ROTH/ROTH CONVERSION IRA ☐ SEP IRA
☐ SARSEP IRA ☐ SIMPLE IRA ☐ PROFIT SHARING PLAN ☐ MONEY PURCHASE PENSION PLAN ☐ 403(b) PLAN

3 NOTIFICATION OF EXCESS

3A FOR ALL PLAN TYPES

Amount of excess contribution: $ | Tax year for which contribution was made: 2 0

Please indicate where the excess contribution was originally made:

☐ To the Franklin Templeton account referenced in Section 2

☐ To another account

Account name | Enter the *value of the excess* at the time it was transferred or rolled over to your above-referenced retirement plan. $

3B FOR SIMPLE IRA, SARSEP IRA and 403(b) PLANS ONLY

Please indicate if excess contribution represents: (choose one)

☐ Employee salary deferral(s)

☐ Employer contribution(s)

4 ALLOCATION INSTRUCTIONS

APPLY EXCESS CONTRIBUTION AS CONTRIBUTION FOR NEXT TAX YEAR **(available starting in January of next calendar year)**

☐ Apply excess contribution to tax year 2 0 and refund earnings (if applicable)[1]

☐ Apply excess contribution AND earnings to tax year 2 0 [1]

REMOVE EXCESS

☐ Refund to Account Owner or Participant[2]

☐ Refund to Employer

5 EMPLOYER'S CERTIFICATION

FOR 403(b), PROFIT SHARING AND MONEY PURCHASE PENSION PLANS ONLY

I certify that an excess contribution has been made to the above-referenced plan.

SIGNATURE OF PLAN EMPLOYER OR AUTHORIZED THIRD PARTY ADMINISTRATOR

X | Date

Title | Name of business

1. This option is not available for 403(b), SIMPLE or SARSEP IRA excess salary deferrals.
2. This option is not available for Profit Sharing or Money Purchase Pension Plan excess contributions.

Questions? Please call your financial advisor or Franklin Templeton Retirement Services at **(800) 527-2020**.

(continued)

6 WITHHOLDING ELECTION

NOT REQUIRED FOR COVERDELL ESAs

Federal income tax withholding applies to any taxable portion of your distribution, such as earnings on the excess contribution (when applicable). A federal tax penalty of 10%, or as much as 25% if from a SIMPLE IRA, may also apply to the taxable portion of your distribution if you are under age 59½.

Please complete the withholding elections below. With the exception of Roth IRA, if no election is made, federal taxes will be withheld at a rate of 10% and, when applicable, the minimum required state taxes will be withheld.

- You are responsible for paying any tax due on the taxable portion of your distribution, regardless of your withholding election.
- You may be subject to penalty taxes if federal and state taxes are due and either your estimated tax payments or the amount of tax you have withheld is insufficient under IRS rules or your state's rules.

FEDERAL TAX WITHHOLDING

1. ☐ Withhold **NO** federal tax on my IRA distribution. 2. ☐ Withhold federal taxes from my distribution at the rate of ____ % (minimum 10%).

STATE TAX WITHHOLDING POLICY—This service is only available to residents of CA, VT, UT and VA. State tax withholding requirements vary by state. If you have questions regarding state withholding, please consult with a tax advisor or your state's taxing authority.

If you are a resident of:	State tax withholding policy:
CALIFORNIA	If federal tax is withheld, state tax is withheld unless you specifically elect not to have state taxes withheld by checking this box: ☐ **NO state tax withholding on my distributions**
UTAH or VIRGINIA	State tax withholding is permitted whether or not federal tax is withheld. You may elect to have state tax withheld from your distribution by checking this box: ☐ **YES withhold state tax on my distributions**
VERMONT	If federal tax is withheld, state tax is withheld unless you specifically elect not to have state taxes withheld by checking this box: ☐ **NO state tax withholding on my distributions**

7 PAYMENT AND DEPOSIT OPTIONS

If you are refunding excess contributions/earnings or reinvesting into another account, complete one option below.

☐ Send check(s) to the address of record

☐ Send check(s) to my employer/the alternate payee/an alternate address (☐ Check here if this is your new address. A signature guarantee is required to send distribution checks to an alternate address. See Section 8, Certification & Authorization.)

Payee | Address | City | State | ZIP

☐ Deposit into an existing non-retirement Franklin Templeton account:

Fund–account number

☐ Deposit into a new non-retirement Franklin Templeton account. Please attach a completed Franklin Templeton Account Application.

☐ Send money to my bank account via electronic funds transfer.

Please provide your bank account information to enable transfers directly to and from your bank account.

☐ Checking
☐ Savings

Bank name | 9-digit ABA bank routing number | Bank account number

If the Franklin Templeton fund account(s) and the bank account identified above DO NOT include at least one common owner, all bank account owners must sign here and have their signatures guaranteed; and the Participant signing in Section 8 must also have his/her signature guaranteed.

Please have each signature separately guaranteed by a bank, savings and loan association, trust company, credit union, broker-dealer, or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP). **A notary public cannot provide a signature guarantee.**

SIGNATURE OF BANK ACCOUNT OWNER Date

X

SIGNATURE OF BANK ACCOUNT OWNER Date

X

SIGNATURE GUARANTEE STAMP

SIGNATURE GUARANTEE STAMP

(Payment and Deposit Options continued on next page.)

7 PAYMENT AND DEPOSIT OPTIONS (cont'd.)

Tape a preprinted voided check or preprinted savings account deposit slip here.

Bank account registration information (your name and address) cannot be blank or handwritten.

Do not staple.

J. A. Sample
123 Street
Anywhere, USA 00000

XXXXX

VOID

DATE

PAY TO THE ORDER OF:

DOLLARS

FOR

XXXX XXX XXXX XXXX XXXXX XXXXXX XXXXX

8 PARTICIPANT'S CERTIFICATION & AUTHORIZATION

NOT REQUIRED FOR PROFIT SHARING OR MONEY PURCHASE PENSION PLANS

I have read the accompanying Excess Contribution Guide, and I am aware of the tax consequences of this request to correct an excess contribution, which I hereby authorize, and assume full responsibility for same. I further certify, under penalty of perjury, that all information contained herein is true and correct.

SIGNATURE OF PARTICIPANT[4]

X

Date

SIGNATURE GUARANTEE*

***Your signature must be guaranteed if your distribution will be:**

- Over $100,000
- Sent to a new address or any address other than the address of record
- Made payable to a third party

A NOTARY SEAL IS NOT ACCEPTABLE

Please have each signature separately guaranteed by a bank, savings and loan association, trust company, credit union, broker-dealer, or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP). **A notary public cannot provide a signature guarantee.**

Please mail to	WEST COAST	EAST COAST
	Franklin Templeton Bank & Trust, F.S.B. **P.O. Box 997153** **Sacramento, CA 95899-7153**	**Franklin Templeton Bank & Trust, F.S.B.** **P.O. Box 33033** **St. Petersburg, FL 33733-8033**

Excess Contribution Guide

Before completing the Notification of Excess/Ineligible Contribution form, please read the following information concerning excess contributions.

A EXCESS CONTRIBUTIONS TO TRADITIONAL IRAs

1. In order to avoid a 6% excise tax, the excess (or nondeductible) contribution must be withdrawn by your tax-filing deadline (including extensions). Any earnings attributable to the excess contribution must also be withdrawn and are included as income in the year for which the excess contribution was made. [IRC §408(d)(4)] (Providing an account statement showing the excess amount(s) will expedite the processing of your request.)
2. After your tax filing deadline, only contributions in excess of the "contribution limit or 100% of compensation limit" are treated as excess contributions and, as a result, are subject to a 6% excise tax each year until corrected. [IRC §408(d)(5) & §4973] Any earnings attributable to the excess contribution may not be removed as excess earnings.

   An IRA contribution that does not exceed the "contribution limit or 100% of compensation limit" but is nondeductible due to the "active participant" rules, may not be withdrawn as an "excess contribution" and must be treated as a "nondeductible IRA contribution" by filing IRS Form 8606 with your tax return.
3. If your tax filing deadline has passed and your total IRA contribution for the year exceeded your contribution limit, the amount removed may be subject to ordinary income tax in the year in which it is removed, and a 10% tax penalty may apply if you are under age 59½. **You may avoid taxation on this amount by leaving the excess contribution amount in your account and automatically applying it to the following tax year. However, in either case, the 6% excise tax will still apply to your excess IRA contribution.** [IRC §408(d)(5) & §4973]

B EXCESS CONTRIBUTIONS TO ROTH IRAs

1. Contributions, which exceed the allowable maximum limits per year, are considered excess contributions. A 6% excise tax on the excess amount contributed will be incurred for each year in which the excess remains in your Roth IRA. Although the excess contribution withdrawn is not taxable, the earnings will be included as income for the tax year the excess was made and may be subject to a 10% premature penalty tax if you are under age 59½. [IRC §408(d)(4)]

B EXCESS CONTRIBUTIONS TO ROTH IRAs (cont'd.)

2. After the tax filing deadline, only Roth IRA contributions in excess of the "lesser of 100% of the compensation or the contribution limit" may be withdrawn, and are subject to a 6% excise tax on the amount of the excess for each year it remains in the Roth IRA. **You may avoid taxation on this amount by leaving the excess contribution amount in your account and automatically applying it to the following tax year. However, in either case, the 6% excise tax will still apply to your excess IRA contribution.** [IRC §408(d)(5) & §4973]
3. In general, the amount of any excess contribution withdrawn will not be considered a taxable distribution.

C EXCESS CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNT ("COVERDELL ESA")

Aggregate contributions for the benefit of a particular child ("beneficiary") in excess of $2000 for a tax year are treated as excess contributions. If the excess contributions (and any earnings attributable to them) are not withdrawn from the Coverdell ESA before the tax return is due, the excess contributions are subject to a 6% excise tax for each year the excess remains in the Coverdell ESA. Although the excess contribution withdrawn is not taxable, the earnings will be included as income for the tax year the excess was made and may be subject to a 10% premature penalty tax. The excise tax is imposed on the beneficiary and not the contributor. [IRC §§4973(a), 4973(e); Notice 97-60]

D INELIGIBLE IRA ROLLOVER CONTRIBUTIONS (RULES IN ADDITION TO THOSE LISTED ABOVE)

Generally, the rules for Traditional IRAs are applicable. Please note that if an excess contribution in your IRA is the result of incorrect information provided to you by the distributing plan when determining the rollover amount, the limit referenced in A-3 above, does not apply. The amount of the excess rollover is the amount exceeding the eligible IRA Rollover amount.

E EXCESS SALARY DEFERRALS TO 403(b) PLANS

1. To avoid any penalties, the removal of the excess salary deferral must be requested by March 1 and processed by April 15 of the following calendar year to which the deferrals relate. Any earnings attributable to the excess deferral must also be withdrawn and are included as income in the year for which the excess deferral was made. [IRS Notice 87-77] (Providing an account statement showing the excess amount(s) will expedite the processing of your request.)
2. If the excess deferral is not withdrawn by April 15, a distribution of this amount will be included in gross income and, if the participant is under age 59½, subject to the 10% tax penalty in the year withdrawn.
3. The amount of your excess deferral that (1) exceeds the lesser of the participant's exclusion allowance for the year or (2) 25% of included compensation may be subject to a 6% excise tax. For more information on this excise tax, please refer to IRS Publication 571.

F EXCESS EMPLOYER CONTRIBUTIONS TO SEP IRAs

1. The excess amount may be carried over to be deductible in the succeeding taxable year, subject to the plan's deductibility limit. [IRC §404(h)(1)(C)]
2. The employer may be subject to a 10% excise tax on any nondeductible employer contribution that remains in the account at the close of the year. [IRC §4972]
3. The SEP IRA participant may withdraw the excess contribution and earnings without penalty by his or her tax filing deadline (plus extensions). The earnings on an excess contribution are taxed in the year the contribution was made. Contributions left in the SEP IRA after the tax filing deadline (plus extensions) are subject to a 6% excise tax until withdrawn, and may be subject to the 10% tax penalty on withdrawal if the participant is under age 59½. [Instructions to IRS Form 5305-SEP]

G EXCESS SALARY DEFERRALS TO SARSEP-IRA PLANS

1. In order to avoid a 6% excise tax, the excess salary deferral amount must be withdrawn by the tax filing deadline, following the year in which the deferrals were made. Any earnings attributable to the excess deferral must also be withdrawn and are included as income in the year for which the excess contribution was made. [IRS Notice 87-77] (Providing an account statement showing the excess amount(s) will expedite the processing of your request.)
2. Excess deferrals that are not withdrawn by the tax filing deadline following the year in which the deferrals were made, are recharacterized as Traditional IRA contributions, subject to the IRA contribution limits under IRC §219 and §408A. A 6% excise tax is imposed each year on the recharacterized deferral amount that exceeds the Traditional IRA limits, until it is corrected. [IRS Form 5305A-SEP and IRC §4973]

H EXCESS CONTRIBUTIONS TO SIMPLE IRAs

1. The return of excess contributions from a SIMPLE IRA plan is handled the same as the return of excess contributions from a SEP IRA under Internal Revenue Code Section 408(p)(2)(D)(i). [IRRA 1998 §6018(b)]
2. If the participant withdraws the excess contribution and earnings by his/her tax-filing deadline (plus extensions), he/she will avoid a 6% excise tax. The earnings are taxed in the year that the contribution was made and, if the participant is under age 59½, will also be subject to a 10% tax penalty (or 25% if the withdrawal is within two years of plan participation). If the amounts are not withdrawn by the participant's tax-filing deadline (plus extensions) the participant will be subject to a 6% excise tax for each year the excess contribution remains in the account until it is corrected After the participant's tax filing deadline, earnings are left in the account, and the contributions withdrawn may be subject to the 10% or 25% tax penalty stated above.

I NONDEDUCTIBLE EMPLOYER CONTRIBUTIONS

(e.g., to Profit Sharing & Money Purchase Pension Plans):

1. The excess amount (not including earnings) may be carried over to be deductible in the succeeding taxable year, subject to the deductibility limit of the plan up to 25%. [IRC §404(a)]
2. The employer may be subject to a 10% excise tax on any nondeductible employer contribution that remains in the account at the close of the year. [IRC §4972]
3. The employer may only withdraw a nondeductible contribution if made due to a mistake of fact or law described in IRC §4980(c)(2)(B)(ii). Furthermore, only contributions made within the past 12 months may be withdrawn and only by the employer's tax-filing deadline (including extensions). [IRC §4972(c)]

IRS Form 5329

The IRS requires that Form 5329 – *Additional Taxes Attributable to IRAs* – be filed if your contribution to your IRAs, Roth IRAs, Coverdell Education Savings Accounts, or qualified plan is more than is allowable and you had an excess contribution. If you require this form or need additional information, you may contact the IRS at (800) TAX-FORM or at their website IRS.gov.