



**DETERMINING EARNINGS ATTRIBUTABLE TO A CONTRIBUTION**

Assuming the IRA holder timely filed his or her Federal income tax return, if the contribution is recharacterized before October 15 of the year following the year the contribution was completed (or the due date (plus extensions)), the earnings attributable to the contribution must also be recharacterized.

$$\text{Earnings} = \frac{\text{Contribution} \times \text{Total Earnings}}{\text{Adjusted Opening Balance}}$$

**Contribution**

The amount of the contribution to be recharacterized. \$ \_\_\_\_\_

**Total Earnings**

The total earnings on the IRA are determined in the following manner.

- |  |          |          | <b>ACCUMULATIVE<br/>TOTAL</b> |
|--|----------|----------|-------------------------------|
| 1. Determine the IRA balance as of the date of withdrawal .....  | \$ _____ |          | \$ _____                      |
| 2. Add the amount of any withdrawals taken between the period beginning immediately prior to the time the contribution was made and the date of withdrawal ..... | \$ _____ | \$ _____ | \$ _____                      |
| 3. Subtract all contributions made between the period beginning immediately prior to the time the contribution was made and the date of withdrawal .....         | \$ _____ | \$ _____ | \$ _____                      |
| 4. Subtract the IRA balance as of the period beginning immediately prior to the time the contribution was made .....   | \$ _____ | \$ _____ | \$ _____                      |
| 5. Subtract any time deposit (or other investment) penalties that will be applied due to the recharacterization .....  | \$ _____ |          |                               |

**TOTAL EARNINGS: \$ \_\_\_\_\_**

**Adjusted Opening Balance**

The balance of the IRA at the beginning of the period immediately prior to the time the contribution was made plus all contributions made up until the date of withdrawal of the contribution is the adjusted opening balance. \$ \_\_\_\_\_

**Earnings**

**Calculate the Earnings**

Earnings =  $\frac{\$ \text{_____ (Contribution)} \times \$ \text{_____ (Total Earnings)}}{\$ \text{_____ (Adjusted Opening Balance)}}$

Recharacterize the amount of earnings attributable to the contribution. This is the figure determined in the formula above. \$ \_\_\_\_\_