

Coverdell Education Savings Account Distribution Request Form



You can now complete this request online. Visit thornburg.com

Mail form to: Thornburg, PO Box 219017, Kansas City, MO 64121

Coverdell Distributions may have tax consequences. Please consult your tax advisor or financial representative for more information regarding the tax consequences of your distribution

1. Account Information

A. Student Name

Full Name (Please print name as it appears on account)

Address

Social Security Number (required)

Fund(s)/Account Number

Date of Birth (mm/dd/yyyy)

B. Responsible Individual

Full Name (Please print name as it appears on account)

Phone

Alternate Phone

Email Address

2. Reason for Distribution

We recommend that you speak with a tax or financial advisor regarding the consequences of this distribution.
(Select one. Your distribution type will default to Education Expense unless specified below.)

- ☐ Qualified Education Expense: Distributions used to pay for qualified education expenses for the designated beneficiary. Distribution must occur prior to age of 30. "Special Needs" designated beneficiaries are not subject to the age requirement.
- ☐ Non-qualified Expense: Distributions used for non-qualified expenses are subject to 10% additional tax penalty on the earnings.
- ☐ Redeem assets and use the proceeds to establish a new non-Coverdell account for the designated beneficiary (please complete Thornburg Account Application.)
- ☐ Excess contribution removal. (Complete section 4.)
- ☐ Transfer of Assets: Responsible individual is transferring assets to a Coverdell ESA for the same beneficiary at a new custodian. (Signature must be Medallion Guaranteed.)
- ☐ Distribution to a 529 Plan. (Signature must be Medallion Guaranteed.)
- ☐ Death: Designated Beneficiary has died. (Signature must be Medallion Guaranteed.)

(Continued on following page)

3. Options/Amount

I hereby authorize the Custodian to make the following distribution:

- ☐ Total Distribution/Account Termination
- ☐ Partial Distribution: \$ _____ (If you have more than one Fund under your Thornburg Coverdell ESA account, please indicate here how much should be taken from each fund: _____)
- ☐ Systematic Withdrawal Payments: \$ _____ should be taken ☐ Annually ☐ Semi-Annually ☐ Quarterly ☐ Monthly to begin _____ (Systematic Withdrawal Plans by check will be issued on or around the 1st of the month. SWP distributed via ACH will be sent on the 1st of the month unless otherwise indicated here _____)

4. Excess Contribution Removal (select one)

The designated beneficiary may be subject to a 6% excise tax penalty, imposed by the IRS, on the amount of the excess each year, until the excess is corrected. The deadline for removing the excess to avoid the penalty is May 31st of the year following the year during which the excess contribution was made (no extension). See IRS Form 5329 for details and requirements related to correcting excess contributions.

A. Select Removal Timing

- ☐ Removing Excess Prior to May 31st Deadline. I understand that I must remove both the excess amount as well as the earnings, if any. The earnings will be taxable to the designated beneficiary in the year that the excess contribution was made.
Amount of excess contribution: \$ _____ which was deposited in year _____
- ☐ Removing Excess After May 31st Deadline. I understand that only the amount of excess contribution will be removed. The excess amount will be treated as an educational distribution following qualified/non-qualified guidelines. Non-qualified educational distributions may be taxable and subject to a 10% additional tax.
Amount of excess contribution: \$ _____ which was deposited in year _____

B. Select Excess and Earnings Distribution

- ☐ Dual Distribution: Apply excess contribution to tax year _____ and send earnings to Coverdell beneficiary.
- ☐ Tax Distribution: Apply both excess contribution and earnings to tax year _____ .
- ☐ Single Distribution: Send proceeds to Coverdell beneficiary.

5. Death Distribution(s) Information (complete sections A & B)

We recommend that you speak with a tax or financial advisor regarding the consequences of this distribution.

- If you are completing this section, your signature must be Medallion Guaranteed in Section 7 below.
- If no death beneficiary is named on the account, any assets remaining in the account will be distributed to the designated beneficiary's estate.
- Upon death of the designated beneficiary, the death beneficiary(ies) may transfer these assets into a Coverdell ESA provided that they are an eligible family member as defined by the Internal Revenue Code and under age 30.
- If beneficiary is an estate or an individual who is not a family member or special needs, the death beneficiary may transfer to a Decedent Coverdell Savings Account (DCD CSA).

A. Death Beneficiary Information (select one)

- ☐ Eligible Family Member as defined by the Internal Revenue Code and under the age of 30 or Special Needs
- ☐ Non-Family Member or a Non-Eligible Family Member or Family Member age 30 or over
- ☐ Entity

Death Beneficiary's Full Name

Executor/Trustee/Personal Representative Name if Death Beneficiary is Entity Name (Please print)

Residential Address

City

State

Zip

Death Beneficiary's Social Security Number (or Tax Identification Number if Beneficiary is Entity)

Date of Birth (mm/dd/yyyy)

Daytime Phone Number

Phone Number

Designated Beneficiary's Date of Death

B. Distribution Instructions (select one)

- ☐ Distribute the entire account. (Please include form W9.)
- ☐ Transfer the account to Coverdell ESA for an eligible family member. (Coverdell application must be completed.)
- ☐ Transfer the account to a DCD Coverdell ESA. (Coverdell application must be completed.)

6. Method

- ☐ Please send distribution by check to address of record.
- ☐ Please send distribution by check to address of record for overnight delivery. This option is not available for delivery to P.O. Boxes. There is a \$13 dollar fee for this option (\$16 for Saturday delivery).
- ☐ Please send distribution by check to the following address (Signature must be Medallion Guaranteed in Section 7):

- ☐ Please send distribution directly to my bank account: Please indicate ☐ ACH or ☐ Wire
 - ☐ Banking instructions already on file on the account.
 - ☐ Please use the attached voided check to establish banking instructions. (The account holder's signature must be Medallion Guaranteed in Section 7 in order to redeem to new banking instructions.)
- ☐ Special instructions: _____

7. Signature

Sign: _____

Date: _____

A Medallion Signature Guarantee Stamp is required under the following circumstances:

- Redemption over \$25,000;
- The proceeds are being sent somewhere other than the address of record on your account, to a special payee or to new banking information;
- Your address has changed in the past 15 days;
- This is a distribution due to death.

This is not a complete list of requirements. Please contact a representative of the Fund at 800-847-0200 for more information.

Affix Guarantee Here