



# NEXT GENERATION TRUST COMPANY

*CONTROL YOUR FUTURE, TODAY*

**Investment / Purchase Kit**

# Devalued Asset Kit

**Address:**

Next Generation Trust Company  
401 E. 8th Street, Suite 200H  
Sioux Falls, SD 57103

Next Generation Services, LLC  
75 Livingston Ave, Suite 304  
Roseland, NJ 07068

**Toll Free:** (888) 857-8058  
**Phone:** (973) 533-1880  
**Fax:** (973) 533-1088

**EMail:**

Transactions@NextGenerationTrust.com



**Get Started Today!**

**Visit us on the web:**

[www.nextgenerationtrust.com](http://www.nextgenerationtrust.com)

You have indicated that the value of the asset held within your account is zero. The following is a guide to have it devalued and distributed to you personally. If you do not wish to have the asset distributed to you personally, please disregard the Distribution Form and use this guide solely for devaluation. As the asset is held within a tax-advantaged account, and because our office is required to report to the IRS, please note that in order to devalue an asset we require further information.

While we understand that the following process can be cumbersome, it can also result in a lesser tax burden. We distribute all zero value assets as \$1 in-kind distributions, allowing you the ability to recover any lost funds in the future. All distributions under \$10 are not reported to the IRS – you will not incur any penalties or taxes. If you do receive funds after the asset has been distributed to you, it is your responsibility to report the earnings as personal income.

Our office will require the following items in order to devalue and distribute the asset:

- **Distribution Form/Notice of Withholding**

As this will be a \$1 distribution in-kind, please complete and return the Distribution Form/Notice of Withholding. We will need either the original form mailed to our New Jersey office, or a Docusigned copy.

- **Proof of Value**

Supporting documentation is required in order to devalue an asset. This can at times be difficult to obtain, as asset managers and borrowers can either be difficult to locate or refuse to cooperate. Please see below regarding examples of what is considered proof:

### **ACCEPTABLE**

- A letter, on letterhead, from either a managing member, CPA, attorney, or any qualified third-party valuator. MUST be an individual who is not disqualified from your IRA.
- Any official court documents, such as civil, criminal, and/or bankruptcy filings.

### **NOT ACCEPTABLE**

- Any personal research or documents created by you.
- Prior electronic correspondence between yourself and a contact from the asset, including any emails, voicemails, and text messages.
- Anything obtained from the news.
- Dissolution paperwork from the State.
- Schedule K-1s

If you have trouble locating an individual to value the asset, please take a look at [www.NextGenerationTrust.com/professional-resources/](http://www.NextGenerationTrust.com/professional-resources/)

**MAIL TO: NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088**

**PARTICIPANT INFORMATION:** *Please complete the following information.*

Name \_\_\_\_\_ Account # \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_ Phone \_\_\_\_\_

Date of Birth (MM/DD/YYYY)

□	□	□	□	□	□	□	□	□	□
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Social Security Number (Required)

□	□	□	-	□	□	-	□	□	□	□
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**DEATH DISTRIBUTIONS ONLY:** *Please complete the following information.*

Beneficiary Name \_\_\_\_\_

Beneficiary Home Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_ Phone \_\_\_\_\_

Date of Birth (MM/DD/YYYY)

□	□	□	□	□	□	□	□	□	□
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Social Security Number (Required)

□	□	□	-	□	□	-	□	□	□	□
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**TYPE OF DISTRIBUTION:** *Check only ONE box and fill in where applicable.*

- (1) Traditional/SEP IRA Early Distribution – Participant is under age 59½ and no known exception applies. (8,B,D,L,P)
- (2) Traditional/SEP IRA Early Distribution – Exception applies. (8,B,D,P)
- (3) Traditional/SEP/HSA IRA Disability Distribution – If you are disabled within the meaning of IRC 72(m)(7).
- (4) Traditional/SEP/HSA Death Distribution – If you are a beneficiary of this account you must provide a certified copy of the death certificate. (8,A,B,D,G,H,L,P)
- (7) Traditional/SEP Normal Distribution – If you are the Participant and age 59 ½ or older.
- (G) Direct Rollover by IRA – must be paid directly to Trustee of employer plan. (4,B)
- (J) Roth IRA Early Distribution – Participant is under age 59 ½ and no known exception applies. (8,P)
- (Q) Roth IRA Qualified Distribution – meets 5 year holding period, and participant has reached age 59 ½, or is dead or disabled.
- (T) Roth IRA Early Distribution – Exception applies.
- (S) SIMPLE IRA Early Distribution – taken in the first 2 years, no known exception applies.
- (8/P) Excess Contributions Plus Earnings – In what tax year was the contribution made? \_\_\_\_\_ (1,2,4,B,J)
- (N) Recharacterization of IRA (Current Year) – For contributions made and recharacterized during the same tax year.
- (R) Recharacterization of IRA (Prior Year) – For contributions made in one year and recharacterized the following year.
- (HSA1) HSA Normal Distribution – for direct payments to the account holder or a medical service provider.
- (HSA2) HSA Excess Contribution – for distributions of excess contributions.
- (HSA6) HSA Death Distributions After Year of Death – for payments to a non-spouse beneficiary, other than an estate, after the year of death.
- (CESA1) Coverdell ESA Distribution – to the account holder and any direct payments to a qualified educational facility.
- (CESA2) Coverdell ESA Excess Contribution (Current Year) – for distributions of contributions made during the current tax year.
- (CESA3) Coverdell ESA Excess Contribution (Prior Year) – for distributions of contributions made in a previous tax year.
- (CESA4) Coverdell ESA Disability Distribution – If you are disabled within the meaning of IRC 72(m)(7).
- (CESA5) Coverdell ESA Death Distribution – If you are a beneficiary of this account you must provide a certified copy of the death certificate.



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**DATE PAYMENT TO COMMENCE:**

Start Date \_\_\_\_\_ Frequency of Payment  One Time Distribution  
 Monthly Distribution  
 Other \_\_\_\_\_  
End Date \_\_\_\_\_  
If you have elected a frequency other than "one time," please use the line above if you wish to stop a recurring distribution by a specific date.

**DISTRIBUTION AMOUNT:** *Fill in where applicable.*

All Assets (only cash is currently held)  All Assets (In-kind)  
 Partial – Cash \$ \_\_\_\_\_  Partial – Asset CUSIP \_\_\_\_\_

**DISTRIBUTION METHOD:**

Cash –  Wire (Please attach outgoing Wire instructions.)  
 ACH (Please attach ACH instructions)  
 Check Payable to: \_\_\_\_\_  
Mail to: \_\_\_\_\_  
 Check here if you want the check Express Delivered (minimum service fee \$30).  
Assets –  Mail to: \_\_\_\_\_  
*(Please attach separate asset re-registration documents. Please note, additional fees may apply.)*

**FEES TO BE PAID BY AND ACCOUNT STATUS:**

Deduct from Distribution  Check Will you be closing your account upon distribution?  
 Deduct from Remaining Cash Balance  Credit  Yes  No  
*(Please attach Credit Card Authorization Form.)*

**NOTICE OF WITHHOLDING ON DISTRIBUTIONS:**

The distributions you receive from your individual retirement account established at this institution are subject to Federal income tax withholding unless you elect not to have withholding apply. You may elect not to have withholding apply to your distribution payments by completing the "Withholding Election" section below. If you do not complete the "Withholding Election" section by the date your distribution is scheduled to begin, Federal income tax will be withheld from the amount withdrawn at a rate of 10%. If you elect not to have withholding apply to your distribution payments, or if you do not have enough Federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

**WITHHOLDING ELECTION:**

Choose either Option 1 or 2. Must be completed for any kind of distribution.

Option 1  Withhold Federal income tax at the rate of \_\_\_\_\_% (not less than 10%) plus an additional amount \$ \_\_\_\_\_ from the amount withdrawn.

Option 2  Effective \_\_\_\_\_, I elect not to have Federal income tax withheld. (Must have US Residence address on file.) I understand that I am still liable for the payment of Federal income tax on the taxable amount. I also understand that I may be subject to tax penalties under the estimated tax payment rules, if my payments of estimated tax and withholding, if any, are not adequate.


**SIGNATURES:**

I certify that I am the proper party to receive payment(s) from this account, and that all information provided by me is true and accurate. I acknowledge that I have read the Notice of Withholding above and have completed the Withholding Election above. I further certify that no tax advice has been given to me by the Custodian/Administrator, that distributions are reported to the IRS, and that all decisions regarding this withdrawal are my own. I expressly assume the responsibility for any adverse consequences that may arise from this withdrawal and I agree that the Custodian/Administrator shall in no way be responsible for those consequences. Please do not email this form. **Please contact a representative to obtain a digital form if you do not wish to mail originals.** I declare that I have examined this document, including accompanying information, and to the best of my knowledge and belief, it is true, correct, and complete.


Signature of Participant or Beneficiary \_\_\_\_\_ Date \_\_\_\_\_

**Please note that if you mail this form to South Dakota it could cause a delay in processing. Please mail it to Next Generation Services.**


## Please also note




An investment filing for bankruptcy does not necessarily mean that it is worthless, as there is a possibility that the IRA can receive funds at a later time. When notified of the bankruptcy filing, you must ensure that the IRA is listed as a creditor. Also, any applicable documentation must be signed by an authorized signor from Next Generation Trust Company.



For notes, if you decide to pursue legal action against the borrower on behalf of your IRA before declaring the note as uncollectable, you may do so, however it is your responsibility to find an attorney. The attorney must understand that he or she is representing the IRA, and not the IRA owner. All legal costs can also be paid through the IRA. We do offer a reduced Fee Schedule for assets involved in litigation.



Fees are still applicable despite the asset losing value. If you have questions or concerns please e-mail [Billing@NextGenerationTrust.com](mailto:Billing@NextGenerationTrust.com)



Due to the sensitive nature of these situations, the review time for submissions may be increased depending on volume.

### *Disclaimer:*

Next Generation Trust Company/Next Generation Services (NGTC/NGS) does not review the merits or legitimacy of any investment. NGTC/NGS does not endorse or recommend any companies, products, services, or investments. NGTC/NGS does not provide any financial, legal or investment advice.

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If there's anything further that we can assist you with, please do not hesitate to contact our office.