

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2013** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning \_\_\_\_\_, 2013, ending \_\_\_\_\_, 20 **See separate instructions.**

Your first name and initial **MICHAEL R** Last name **PENCE** Your social security number **[REDACTED]**

If a joint return, spouse's first name and initial **KAREN S** Last name **PENCE** Spouse's social security number **[REDACTED]**

Home address (number and street). If you have a P.O. box, see instructions. **[REDACTED]** Apt. no. **[REDACTED]** **▲ Make sure the SSN(s) above and on line 6c are correct.**

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **INDIANAPOLIS IN 46208-3540**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_ **Presidential Election Campaign**  
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
 You  Spouse

**Filing Status** 1  Single 4  Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. **2**  Married filing jointly (even if only one had income) 5  Qualifying widow(er) with dependent child  
3  Married filing separately. Enter spouse's SSN above and full name here. **Check only one box.**

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a } **Boxes checked on 6a and 6b** **2**  
b  Spouse } **No. of children on 6c who:**  
c **Dependents:** (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4)  if child under age 17 qual. for child tax credit (see instr.) **• lived with you** **3**  
**• did not live with you due to divorce or separation (see instructions)**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)
MICHAEL J	PENCE	[REDACTED]	Son	<input type="checkbox"/>
CHARLOTTE	PENCE	[REDACTED]	Daughter	<input type="checkbox"/>
AUDREY A	PENCE	[REDACTED]	Daughter	<input type="checkbox"/>

If more than four dependents, see instructions and check here  **Add numbers on lines above** **5**

<b>Income</b> 7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	116,513
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	3,560
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	-211
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount	15b	
16a	Pensions and annuities	16a	
b	Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	
b	Taxable amount	20b	
21	Other income. List type and amount	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income	22	119,862

<b>Adjusted Gross Income</b> 23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid	31a	
b	Recipient's SSN		
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income	37	119,862

**Tax and Credits**

38 Amount from line 37 (adjusted gross income) 38 119,862

39a Check  You were born before January 2, 1949,  Blind. } Total boxes checked 39a  
 if:  Spouse was born before January 2, 1949,  Blind. }

**Standard Deduction for—**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.  
 • All others:  
 Single or Married filing separately, \$6,100  
 Married filing jointly or Qualifying widow(er), \$12,200  
 Head of household, \$8,950

b If your spouse itemizes on a separate return or you were a dual-status alien, check here  39b

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 18,960

41 Subtract line 40 from line 38 41 100,902

42 Exemptions. If line 38 is \$150,000 or less, multiply \$3,900 by the number on line 6d. Otherwise, see instructions 42 19,500

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 81,402

44 Tax (see instr.). Check if any from: a  Form(s) 8814 b  Form 4972 c  44 12,214

45 Alternative minimum tax (see instructions). Attach Form 6251 45

46 Add lines 44 and 45 46 12,214

47 Foreign tax credit. Attach Form 1116 if required	47	
48 Credit for child and dependent care expenses. Attach Form 2441	48	
49 Education credits from Form 8863, line 19	49	4,500
50 Retirement savings contributions credit. Attach Form 8880	50	
51 Child tax credit. Attach Schedule 8812, if required	51	
52 Residential energy credits. Attach Form 5695	52	
53 Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	

54 Add lines 47 through 53. These are your total credits 54 4,500

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- 55 7,714

**Other Taxes**

56 Self-employment tax. Attach Schedule SE 56

57 Unreported social security and Medicare tax from Form: a  4137 b  8919 57

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 58

59a Household employment taxes from Schedule H 59a

b First-time homebuyer credit repayment. Attach Form 5405 if required 59b

60 Taxes from: a  Form 8959 b  Form 8960 c  Instructions; enter code(s) 60

61 Add lines 55 through 60. This is your total tax 61 7,714

**Payments**

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62 17,879

63 2013 estimated tax payments and amount applied from 2012 return 63

64a Earned income credit (EIC) 64a

b Nontaxable combat pay election 64b

65 Additional child tax credit. Attach Schedule 8812 65

66 American opportunity credit from Form 8863, line 8 66 3,000

67 Reserved 67

68 Amount paid with request for extension to file 68

69 Excess social security and tier 1 RRTA tax withheld 69 287

70 Credit for federal tax on fuels. Attach Form 4136 70

71 Credits from Form: a  2439 b  Reserved c  8885 d  71

72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments 72 21,166

**Refund**

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 73 13,452

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here  74a 13,452

Direct deposit? See instructions.

b Routing number b  Checking  Savings

d Account number d

75 Amount of line 73 you want applied to your 2014 estimated tax 75

**Amount You Owe**

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions 76

77 Estimated tax penalty (see instructions) 77

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)?  Yes. Complete below.  No

Designee's name **STEPHEN REED** Personal identification number (PIN) [REDACTED]

Phone no. **317-549-3091**

**Sign Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation <b>GOVERNOR</b>	Daytime phone number
Spouse's signature. If a joint return both must sign.	Date	Spouse's occupation <b>TEACHER</b>	If the IRS sent you an Identity Protection PIN, enter it here (see instr.)

**Paid**

Print/Type preparer's name **STEPHEN REED** Preparer's signature [REDACTED] Date **03/03/14** Check  if PTIN

**Preparer**

Firm's name **Cadick Williams McAllister Ford LLC** Firm's EIN [REDACTED]

**Use Only**

Firm's address **2905 East 46th Street Indianapolis IN 46205-2408** Phone no. **317-549-3091**

Form **8879**

**IRS e-file Signature Authorization**

OMB No. 1545-0074

**2013**

Department of the Treasury  
Internal Revenue Service

▶ Do not send to the IRS. This is not a tax return.  
▶ Keep this form for your records.  
▶ Information about Form 8879 and its instructions is at [www.irs.gov/form8879](http://www.irs.gov/form8879).

Submission Identification Number (SID) ▶

Taxpayer's name <b>MICHAEL R PENCE</b>	Social security number [REDACTED]
Spouse's name <b>KAREN S PENCE</b>	Spouse's social security number [REDACTED]

**Part I Tax Return Information — Tax Year Ending December 31, 2013 (Whole Dollars Only)**

1 Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	1	119,862
2 Total tax (Form 1040, line 61; Form 1040A, line 35; Form 1040EZ, line 10)	2	7,714
3 Federal income tax withheld (Form 1040, line 62; Form 1040A, line 36; Form 1040EZ, line 7)	3	17,879
4 Refund (Form 1040, line 74a; Form 1040A, line 43a; Form 1040EZ, line 11a; Form 1040-SS, Part I, line 13a)	4	13,452
5 Amount you owe (Form 1040, line 76; Form 1040A, line 45; Form 1040EZ, line 12)	5	

**Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)**

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2013, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

**Taxpayer's PIN: check one box only**

I authorize Cadick Williams McAllister Ford LLC to enter or generate my PIN [REDACTED] as my signature on my tax year 2013 electronically filed income tax return. ERO firm name  
Enter five numbers, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2013 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ▶ \_\_\_\_\_ Date ▶ 02/08/14

**Spouse's PIN: check one box only**

I authorize Cadick Williams McAllister Ford LLC to enter or generate my PIN [REDACTED] as my signature on my tax year 2013 electronically filed income tax return. ERO firm name  
Enter five numbers, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2013 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature ▶ \_\_\_\_\_ Date ▶ 02/08/14

**Practitioner PIN Method Returns Only—continue below**

**Part III Certification and Authentication — Practitioner PIN Method Only**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. [REDACTED]

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2013 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and **Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.**

ERO's signature ▶ \_\_\_\_\_ Date ▶ 02/08/14

**ERO Must Retain This Form — See Instructions  
Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8879** (2013)

Taxpayer Name MICHAEL R PENCE  
 Spouse Name KAREN S PENCE

**DO NOT SUBMIT THIS DOCUMENT TO IRS UNLESS REQUESTED TO DO SO**

**ERO Declaration**

I declare that the information contained in this electronic tax return is the information furnished to me by the taxpayer. If the taxpayer furnished me a completed tax return, I declare that the information contained in this electronic tax return is identical to that contained in the return provided by the taxpayer. If the furnished return was signed by a paid preparer, I declare I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am the paid preparer, under the penalties of perjury I declare that I have examined this electronic return, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge.

**ERO Signature**

I am signing this Tax Return by entering my PIN below.

ERO's PIN 

**Taxpayer Declarations**

**Perjury Statement**

Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

**Consent to Disclosure**

I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return to IRS and to receive the following information from IRS: a) an acknowledgment of receipt or reason for rejection of transmission; b) the reason for any delay in processing or refund; and, c) the date of any refund.

**Electronic Funds Withdrawal Consent**

If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH Electronic Funds Withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). I authorize EFTPS to issue me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To request that my PIN be mailed to me, or to revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal consent.

I am signing this Tax Return/Form and Electronic Funds Withdrawal Consent, if applicable, by entering my Self-Select PIN below.

Date (all numerics) 02/08/14

Taxpayer's PIN (enter five numbers, other than all zeroes) 

Spouse's PIN (enter five numbers, other than all zeroes) 

**Form 1310 Signature and Verification**

Completion of this section indicates that I am requesting a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this Form 1310 claim, and to the best of my knowledge and belief, it is true, correct and complete.

\_\_\_\_\_  
Signature of person claiming refund

\_\_\_\_\_  
Date

**SCHEDULE A  
(Form 1040)**

**Itemized Deductions**

OMB No. 1545-0074

**2013**

Attachment  
Sequence No. **07**

Department of the Treasury  
Internal Revenue Service (99)

▶ Information about Schedule A and its separate instructions is at [www.irs.gov/schedulea](http://www.irs.gov/schedulea).

▶ Attach to Form 1040.

Name(s) shown on Form 1040

MICHAEL R & KAREN S PENCE

Your social security number

Caution. Do not include expenses reimbursed or paid by others.					
<b>Medical and Dental Expenses</b>	1 Medical and dental expenses (see instructions)	1	4,354		
	2 Enter amount from Form 1040, line 38	2	119,862		
	3 Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1949, multiply line 2 by 7.5% (.075) instead	3	11,986		
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		0	
<b>Taxes You Paid</b>	5 State and local (check only one box):	5	5,533		
	a <input checked="" type="checkbox"/> Income taxes, or				
	b <input type="checkbox"/> General sales taxes				
	6 Real estate taxes (see instructions)	6	1,928		
	7 Personal property taxes	7	230		
	8 Other taxes. List type and amount ▶	8			
	9 Add lines 5 through 8	9		7,691	
	<b>Interest You Paid</b>	10 Home mortgage interest and points reported to you on Form 1098	10	3,273	
		11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶	11		
12 Points not reported to you on Form 1098. See instructions for special rules		12	1,716		
13 Mortgage insurance premiums (see instructions)		13			
14 Investment interest. Attach Form 4952 if required. (See instructions.)		14			
15 Add lines 10 through 14		15		4,989	
<b>Gifts to Charity</b>		16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	16	6,280	
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500	17			
	18 Carryover from prior year	18			
	19 Add lines 16 through 18	19		6,280	
<b>Casualty and Theft Losses</b>	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20			
<b>Job Expenses and Certain Miscellaneous Deductions</b>	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21			
	22 Tax preparation fees	22	655		
	23 Other expenses—investment, safe deposit box, etc. List type and amount ▶	23			
	24 Add lines 21 through 23	24	655		
	25 Enter amount from Form 1040, line 38	25	119,862		
	26 Multiply line 25 by 2% (.02)	26	2,397		
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		0	
<b>Other Miscellaneous Deductions</b>	28 Other—from list in instructions. List type and amount ▶	28			
<b>Total Itemized Deductions</b>	29 Is Form 1040, line 38, over \$150,000?				
	<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.			18,960	
	<input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.				
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here				

**SCHEDULE C  
(Form 1040)**

**Profit or Loss From Business  
(Sole Proprietorship)**

M100406 03/03/2014

OMB No. 1545-0074

**2013**

Attachment Sequence No. **09**

Department of the Treasury  
Internal Revenue Service (99)

▶ For information on Schedule C and its instructions, go to [www.irs.gov/schedulec](http://www.irs.gov/schedulec).  
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor <b>KAREN S PENCE</b>		Social security number (SSN) [REDACTED]
<b>A</b> Principal business or profession, including product or service (see instructions) <b>WATERCOLOR ARTIST</b>	<b>B</b> Enter code from instructions ▶ <b>541920</b>	
<b>C</b> Business name. If no separate business name, leave blank. <b>KAREN PENCE</b>	<b>D</b> Employer ID number (EIN),(see instr.)	
<b>E</b> Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code <b>IN</b>		
<b>F</b> Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
<b>G</b> Did you "materially participate" in the operation of this business during 2013? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>H</b> If you started or acquired this business during 2013, check here ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>I</b> Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>J</b> If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Part I Income</b>	
<b>1</b> Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	<b>1</b>
<b>2</b> Returns and allowances	<b>2</b>
<b>3</b> Subtract line 2 from line 1	<b>3</b>
<b>4</b> Cost of goods sold (from line 42)	<b>4</b>
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3	<b>5</b> 0
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>
<b>7</b> <b>Gross income.</b> Add lines 5 and 6 ▶	<b>7</b> 0

<b>Part II Expenses</b>		<b>Enter expenses for business use of your home only on line 30.</b>	
<b>8</b> Advertising	<b>8</b>	<b>18</b> Office expense (see instructions)	<b>18</b>
<b>9</b> Car and truck expenses (see instructions)	<b>9</b>	<b>19</b> Pension and profit-sharing plans	<b>19</b>
<b>10</b> Commissions and fees	<b>10</b>	<b>20</b> Rent or lease (see instructions):	<b>20</b>
<b>11</b> Contract labor (see instructions)	<b>11</b>	<b>a</b> Vehicles, machinery, and equipment	<b>20a</b>
<b>12</b> Depletion	<b>12</b>	<b>b</b> Other business property	<b>20b</b>
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>	<b>21</b> Repairs and maintenance	<b>21</b>
<b>14</b> Employee benefit programs (other than on line 19)	<b>14</b>	<b>22</b> Supplies (not included in Part III)	<b>22</b>
<b>15</b> Insurance (other than health)	<b>15</b>	<b>23</b> Taxes and licenses	<b>23</b>
<b>16</b> Interest:	<b>16</b>	<b>24</b> Travel, meals, and entertainment:	<b>24</b>
<b>a</b> Mortgage (paid to banks, etc.)	<b>16a</b>	<b>a</b> Travel	<b>24a</b>
<b>b</b> Other	<b>16b</b>	<b>b</b> Deductible meals and entertainment (see instructions)	<b>24b</b>
<b>17</b> Legal and professional services	<b>17</b>	<b>25</b> Utilities	<b>25</b>
		<b>26</b> Wages (less employment credits)	<b>26</b>
		<b>27a</b> Other expenses (from line 48)	<b>27a</b> 211
		<b>b</b> Reserved for future use	<b>27b</b>
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a ▶	<b>28</b> 211		
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7	<b>29</b> -211		
<b>30</b> Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). <b>Simplified method filers only:</b> enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	<b>30</b>		
<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both <b>Form 1040, line 12</b> (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.	<b>31</b> -211		
<b>32</b> If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both <b>Form 1040, line 12</b> , (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.		<b>32a</b> <input checked="" type="checkbox"/> All investment is at risk.	
		<b>32b</b> <input type="checkbox"/> Some investment is not at risk.	



Form **8606**

**Nondeductible IRAs**

OMB No. 1545-0074

► Information about Form 8606 and its separate instructions is at [www.irs.gov/form8606](http://www.irs.gov/form8606).

**2013**

Department of the Treasury  
Internal Revenue Service (99)

► Attach to Form 1040, Form 1040A, or Form 1040NR.

Attachment  
Sequence No. **48**

Name. If married, file a separate form for each spouse required to file Form 8606. See instructions.

**KAREN S PENCE**

Your social security number

[REDACTED]

Fill in Your Address Only  
If You Are Filing This  
Form by Itself and Not  
With Your Tax Return

Home address (number and street, or P.O. box if mail is not delivered to your home)

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below (see instructions).

Foreign country name

Foreign province/state/county

Foreign postal code

**Part I Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, SEP, and SIMPLE IRAs**

Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2013.
- You took distributions from a traditional, SEP, or SIMPLE IRA in 2013 and you made nondeductible contributions to a traditional IRA in 2013 or an earlier year. For this purpose, a distribution does not include a rollover, qualified charitable distributions, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2013 (excluding any portion you recharacterized) and you made nondeductible contributions to a traditional IRA in 2013 or an earlier year.

1	Enter your nondeductible contributions to traditional IRAs for 2013, including those made for 2013 from January 1, 2014, through April 15, 2014 (see instructions)			<b>1</b>				
2	Enter your total basis in traditional IRAs (see instructions)			<b>2</b>				
3	Add lines 1 and 2			<b>3</b>				
	<table border="1"> <tr> <td rowspan="2">In 2013, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?</td> <td>No</td> <td>→ Enter the amount from line 3 on line 14. Do not complete the rest of Part I.</td> </tr> <tr> <td>Yes</td> <td>→ Go to line 4.</td> </tr> </table>	In 2013, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?	No	→ Enter the amount from line 3 on line 14. Do not complete the rest of Part I.	Yes	→ Go to line 4.		
In 2013, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?	No		→ Enter the amount from line 3 on line 14. Do not complete the rest of Part I.					
	Yes	→ Go to line 4.						
4	Enter those contributions included on line 1 that were made from January 1, 2014, through April 15, 2014			<b>4</b>				
5	Subtract line 4 from line 3			<b>5</b>				
6	Enter the value of all your traditional, SEP, and SIMPLE IRAs as of December 31, 2013, plus any outstanding rollovers (see instructions)	<b>6</b>						
7	Enter your distributions from traditional, SEP, and SIMPLE IRAs in 2013. Do not include rollovers, qualified charitable distributions, a one-time distribution to fund an HSA, conversions to a Roth IRA, certain returned contributions, or recharacterizations of traditional IRA contributions (see instructions)	<b>7</b>						
8	Enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2013. Do not include amounts converted that you later recharacterized (see instructions). Also enter this amount on line 16	<b>8</b>						
9	Add lines 6, 7, and 8	<b>9</b>						
10	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000"	<b>10</b>						
11	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth IRAs. Also enter this amount on line 17	<b>11</b>						
12	Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth IRA	<b>12</b>						
13	Add lines 11 and 12. This is the nontaxable portion of all your distributions			<b>13</b>				
14	Subtract line 13 from line 3. This is your total basis in traditional IRAs for 2013 and earlier years			<b>14</b>				
15	Taxable amount. Subtract line 12 from line 7. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b			<b>15</b>				
	<b>Note.</b> You may be subject to an additional 10% tax on the amount on line 15 if you were under age 59½ at the time of the distribution (see instructions).							

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **8606** (2013)

**Part II 2013 Conversions From Traditional, SEP, or SIMPLE IRAs to Roth IRAs**

Complete this part if you converted part or all of your traditional, SEP, and SIMPLE IRAs to a Roth IRA in 2013 (excluding any portion you recharacterized).

<b>16</b>	If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2013. Do not include amounts you later recharacterized back to traditional, SEP, or SIMPLE IRAs in 2013 or 2014 (see instructions)	<b>16</b>	
<b>17</b>	If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see instructions)	<b>17</b>	
<b>18</b>	<b>Taxable amount.</b> Subtract line 17 from line 16. Also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b	<b>18</b>	

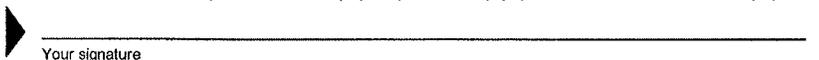
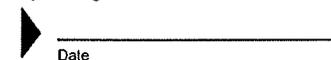
**Part III Distributions From Roth IRAs**

Complete this part only if you took a distribution from a Roth IRA in 2013. For this purpose, a distribution does not include a rollover, qualified charitable distributions, a one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see instructions).

<b>19</b>	Enter your total nonqualified distributions from Roth IRAs in 2013, including any qualified first-time homebuyer distributions (see instructions)	<b>19</b>	
<b>20</b>	Qualified first-time homebuyer expenses (see instructions). Do not enter more than \$10,000	<b>20</b>	
<b>21</b>	Subtract line 20 from line 19. If zero or less, enter -0- and skip lines 22 through 25	<b>21</b>	
<b>22</b>	Enter your basis in Roth IRA contributions (see instructions)	<b>22</b>	1,540
<b>23</b>	Subtract line 22 from line 21. If zero or less, enter -0- and skip lines 24 and 25. If more than zero, you may be subject to an additional tax (see instructions)	<b>23</b>	0
<b>24</b>	Enter your basis in conversions from traditional, SEP, and SIMPLE IRAs and rollovers from qualified retirement plans to a Roth IRA (see instructions)	<b>24</b>	
<b>25</b>	<b>Taxable amount.</b> Subtract line 24 from line 23. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b	<b>25</b>	0

**Sign Here Only If You Are Filing This Form by Itself and Not With Your Tax Return**

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 Your signature
  Date

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name	Firm's EIN			
	Firm's address	Phone no.			

Form **8863**

**Education Credits**

**(American Opportunity and Lifetime Learning Credits)**

OMB No. 1545-0074

**2013**

Attachment Sequence No. **50**

Department of the Treasury  
Internal Revenue Service (99)

▶ Information about Form 8863 and its separate instructions is at [www.irs.gov/form8863](http://www.irs.gov/form8863).

▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return  
**MICHAEL R & KAREN S PENCE**

Your social security number



Complete a separate Part III on page 2 for each student for whom you are claiming either credit before you complete Parts I and II.

<b>Part I Refundable American Opportunity Credit</b>			
1	After completing Part III for each student, enter the total of all amounts from all Parts III, line 30		7,500
2	Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	180,000	
3	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter	119,862	
4	Subtract line 3 from line 2. If zero or less, stop; you cannot take any education credit	60,138	
5	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	20,000	
6	If line 4 is: <ul style="list-style-type: none"> <li>Equal to or more than line 5, enter 1.000 on line 6</li> <li>Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places)</li> </ul>		1.000
7	Multiply line 1 by line 6. <b>Caution:</b> If you were under age 24 at the end of the year and meet the conditions described in the instructions, you <b>cannot</b> take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box <input type="checkbox"/>		7,500
8	<b>Refundable American opportunity credit.</b> Multiply line 7 by 40% (.40). Enter the amount here and on Form 1040, line 66, or Form 1040A, line 40. Then go to line 9 below		3,000
<b>Part II Nonrefundable Education Credits</b>			
9	Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions)		4,500
10	After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19		
11	Enter the smaller of line 10 or \$10,000		
12	Multiply line 11 by 20% (.20)		
13	Enter: \$127,000 if married filing jointly; \$63,000 if single, head of household, or qualifying widow(er)		
14	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter		
15	Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19		
16	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)		
17	If line 15 is: <ul style="list-style-type: none"> <li>Equal to or more than line 16, enter 1.000 on line 17 and go to line 18</li> <li>Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places)</li> </ul>		
18	Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions)		
19	<b>Nonrefundable education credits.</b> Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Form 1040, line 49, or Form 1040A, line 31		4,500

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8863** (2013)

Name(s) shown on return

MICHAEL R & KAREN S PENCE

Your social security number



**Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. Use additional copies of Page 2 as needed for each student.**

**Part III Student and Educational Institution Information**  
See instructions.

<p><b>20</b> Student name (as shown on page 1 of your tax return)</p> <p>MICHAEL J PENCE</p>	<p><b>21</b> Student social security number (as shown on page 1 of your tax return)</p> <p>[REDACTED]</p>
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**22** Educational institution information (see instructions)

<p><b>a.</b> Name of first educational institution</p> <p>PURDUE UNIVERSITY</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 130 HOVDE HALL WEST LAFAYETTE IN 47907</p> <p>(2) Did the student receive Form 1098-T from this institution for 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2012 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).</p>	<p><b>b.</b> Name of second educational institution (if any)</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.</p> <p>(2) Did the student receive Form 1098-T from this institution for 2013? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2012 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).</p>
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**23** Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2013?  Yes — **Stop!** Go to line 31 for this student.  No — Go to line 24.

**24** Was the student enrolled at least half-time for at least one academic period that began in 2013 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? (see instructions)  Yes — Go to line 25.  No — **Stop!** Go to line 31 for this student.

**25** Did the student complete the first 4 years of post-secondary education before 2013?  Yes — **Stop!** Go to line 31 for this student.  No — Go to line 26.

**26** Was the student convicted, before the end of 2013, of a felony for possession or distribution of a controlled substance?  Yes — **Stop!** Go to line 31 for this student.  No — See Tip below and complete either lines 27-30 or line 31 for this student.

**TIP** When you figure your taxes, you may want to compare the American opportunity credit and lifetime learning credits, and choose the credit for each student that gives you the lower tax liability. You **cannot** take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you complete lines 27 through 30 for this student, do not complete line 31.

<b>American Opportunity Credit</b>	
<b>27</b> Adjusted qualified education expenses (see instructions). Do not enter more than \$4,000	4,000
<b>28</b> Subtract \$2,000 from line 27. If zero or less enter -0-	2,000
<b>29</b> Multiply line 28 by 25% (.25)	500
<b>30</b> If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30 on Part I, line 1	2,500
<b>Lifetime Learning Credit</b>	

**31** Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10

Name(s) shown on return

MICHAEL R & KAREN S PENCE

Your social security number

[REDACTED]



**Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. Use additional copies of Page 2 as needed for each student.**

**Part III Student and Educational Institution Information**  
See instructions.

<b>20</b> Student name (as shown on page 1 of your tax return)  CHARLOTTE PENCE	<b>21</b> Student social security number (as shown on page 1 of your tax return)  [REDACTED]
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**22** Educational institution information (see instructions)

<p><b>a.</b> Name of first educational institution  DEPAUL UNIVERSITY</p> <p><b>(1)</b> Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 25 E. JACKSON BLVD CHICAGO IL 60604</p> <p><b>(2)</b> Did the student receive Form 1098-T from this institution for 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(3)</b> Did the student receive Form 1098-T from this institution for 2012 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p><b>(4)</b> If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T). _____</p>	<p><b>b.</b> Name of second educational institution (if any)</p> <p><b>(1)</b> Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.</p> <p><b>(2)</b> Did the student receive Form 1098-T from this institution for 2013? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>(3)</b> Did the student receive Form 1098-T from this institution for 2012 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p><b>(4)</b> If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T). _____</p>
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**23** Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2013?  Yes — Stop! Go to line 31 for this student.  No — Go to line 24.

**24** Was the student enrolled at least half-time for at least one academic period that began in 2013 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? (see instructions)  Yes — Go to line 25.  No — Stop! Go to line 31 for this student.

**25** Did the student complete the first 4 years of post-secondary education before 2013?  Yes — Stop! Go to line 31 for this student.  No — Go to line 26.

**26** Was the student convicted, before the end of 2013, of a felony for possession or distribution of a controlled substance?  Yes — Stop! Go to line 31 for this student.  No — See Tip below and complete either lines 27-30 or line 31 for this student.

**TIP** When you figure your taxes, you may want to compare the American opportunity credit and lifetime learning credits, and choose the credit for each student that gives you the lower tax liability. You cannot take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you complete lines 27 through 30 for this student, do not complete line 31.

<b>American Opportunity Credit</b>	
<b>27</b> Adjusted qualified education expenses (see instructions). Do not enter more than \$4,000	4,000
<b>28</b> Subtract \$2,000 from line 27. If zero or less enter -0-	2,000
<b>29</b> Multiply line 28 by 25% (.25)	500
<b>30</b> If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30 on Part I, line 1	2,500
<b>Lifetime Learning Credit</b>	

**31** Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10

Name(s) shown on return

MICHAEL R & KAREN S PENCE

Your social security number

[REDACTED]



**Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. Use additional copies of Page 2 as needed for each student.**

**Part III Student and Educational Institution Information**  
See instructions.

<b>20</b> Student name (as shown on page 1 of your tax return)  AUDREY A PENCE	<b>21</b> Student social security number (as shown on page 1 of your tax return)  [REDACTED]
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**22 Educational institution information (see instructions)**

<b>a.</b> Name of first educational institution  NORTHEASTERN UNIVERSITY  (1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 360 HUNTINGTON AVE BOSTON MA 02115-5005  (2) Did the student receive Form 1098-T from this institution for 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  (3) Did the student receive Form 1098-T from this institution for 2012 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If you checked "No" in both (2) and (3), skip (4).  (4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).  _____	<b>b.</b> Name of second educational institution (if any)    (1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.    (2) Did the student receive Form 1098-T from this institution for 2013? <input type="checkbox"/> Yes <input type="checkbox"/> No  (3) Did the student receive Form 1098-T from this institution for 2012 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No  If you checked "No" in both (2) and (3), skip (4).  (4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).  _____
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**23** Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2013?  Yes — **Stop!** Go to line 31 for this student.  No — Go to line 24.

**24** Was the student enrolled at least half-time for at least one academic period that began in 2013 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? (see instructions)  Yes — Go to line 25.  No — **Stop!** Go to line 31 for this student.

**25** Did the student complete the first 4 years of post-secondary education before 2013?  Yes — **Stop!** Go to line 31 for this student.  No — Go to line 26.

**26** Was the student convicted, before the end of 2013, of a felony for possession or distribution of a controlled substance?  Yes — **Stop!** Go to line 31 for this student.  No — See Tip below and complete either lines 27-30 or line 31 for this student.

**TIP** When you figure your taxes, you may want to compare the American opportunity credit and lifetime learning credits, and choose the credit for each student that gives you the lower tax liability. You cannot take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you complete lines 27 through 30 for this student, do not complete line 31.

<b>American Opportunity Credit</b>	
<b>27</b> Adjusted qualified education expenses (see instructions). Do not enter more than \$4,000	27 4,000
<b>28</b> Subtract \$2,000 from line 27. If zero or less enter -0-	28 2,000
<b>29</b> Multiply line 28 by 25% (.25)	29 500
<b>30</b> If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30 on Part I, line 1	30 2,500

<b>Lifetime Learning Credit</b>	
<b>31</b> Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10	31

Form **8889**

**Health Savings Accounts (HSAs)**

OMB No. 1545-0074

**2013**

Department of the Treasury  
Internal Revenue Service

▶ Information about Form 8889 and its separate instructions is available at [www.irs.gov/form8889](http://www.irs.gov/form8889).  
▶ Attach to Form 1040 or Form 1040NR.

Attachment  
Sequence No. **53**

Name(s) shown on Form 1040 or Form 1040NR

MICHAEL R PENCE  
KAREN S PENCE

Social security number of HSA beneficiary. If both spouses have HSAs, see instructions ▶

**Before you begin:** Complete Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, if required.

**Part I HSA Contributions and Deduction.** See the instructions before completing this part. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part I for each spouse.

1	Check the box to indicate your coverage under a high-deductible health plan (HDHP) during 2013 (see instructions)		<input type="checkbox"/> Self-only	<input checked="" type="checkbox"/> Family
2	HSA contributions you made for 2013 (or those made on your behalf), including those made from January 1, 2014, through April 15, 2014, that were for 2013. Do not include employer contributions, contributions through a cafeteria plan, or rollovers (see instructions)	2		
3	If you were under age 55 at the end of 2013, and on the first day of every month during 2013, you were, or were considered, an eligible individual with the same coverage, enter \$3,250 (\$6,450 for family coverage). All others, see the instructions for the amount to enter	3		6,450
4	Enter the amount you and your employer contributed to your Archer MSAs for 2013 from Form 8853, lines 1 and 2. If you or your spouse had family coverage under an HDHP at any time during 2013, also include any amount contributed to your spouse's Archer MSAs	4		
5	Subtract line 4 from line 3. If zero or less, enter -0-	5		6,450
6	Enter the amount from line 5. But if you and your spouse each have separate HSAs and had family coverage under an HDHP at any time during 2013, see the instructions for the amount to enter	6		6,450
7	If you were age 55 or older at the end of 2013, married, and you or your spouse had family coverage under an HDHP at any time during 2013, enter your additional contribution amount (see instructions)	7		
8	Add lines 6 and 7	8		6,450
9	Employer contributions made to your HSAs for 2013	9		2,120
10	Qualified HSA funding distributions	10		
11	Add lines 9 and 10	11		2,120
12	Subtract line 11 from line 8. If zero or less, enter -0-	12		4,330
13	HSA deduction. Enter the smaller of line 2 or line 12 here and on Form 1040, line 25, or Form 1040NR, line 25	13		

**Caution:** If line 2 is more than line 13, you may have to pay an additional tax (see instructions).

**Part II HSA Distributions.** If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part II for each spouse.

14a	Total distributions you received in 2013 from all HSAs (see instructions)	14a		1,200
b	Distributions included on line 14a that you rolled over to another HSA. Also include any excess contributions (and the earnings on those excess contributions) included on line 14a that were withdrawn by the due date of your return (see instructions)	14b		
c	Subtract line 14b from line 14a	14c		1,200
15	Unreimbursed qualified medical expenses (see instructions)	15		1,200
16	Taxable HSA distributions. Subtract line 15 from line 14c. If zero or less, enter -0-. Also, include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. On the dotted line next to line 21, enter "HSA" and the amount	16		0
17a	If any of the distributions included on line 16 meet any of the <b>Exceptions to the Additional 20% Tax</b> (see instructions), check here		<input type="checkbox"/>	
b	<b>Additional 20% tax</b> (see instructions). Enter 20% (.20) of the distributions included on line 16 that are subject to the additional 20% tax. Also include this amount in the total on Form 1040, line 60, or Form 1040NR, line 59. On the dotted line next to Form 1040, line 60, or Form 1040NR, line 59, enter "HSA" and the amount	17b		

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8889** (2013)

**Part III** **Income and Additional Tax for Failure To Maintain HDHP Coverage.** See the instructions before completing this part. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part III for each spouse.

18 Last-month rule .....	18	
19 Qualified HSA funding distribution .....	19	
20 <b>Total income.</b> Add lines 18 and 19. Include this amount on Form 1040, line 21, or Form 1040NR, line 21. On the dotted line next to Form 1040, line 21, or Form 1040NR, line 21, enter "HSA" and the amount .....	20	
21 <b>Additional tax.</b> Multiply line 20 by 10% (.10). Include this amount in the total on Form 1040, line 60, or Form 1040NR, line 59. On the dotted line next to Form 1040, line 60, or Form 1040NR, line 59, enter "HDHP" and the amount .....	21	