

# IRA

## SUBSTANTIALLY EQUAL PERIODIC PAYMENT ELECTION

The term IRA will be used below to mean Traditional IRA, Roth IRA, and SIMPLE IRA, unless otherwise specified. This form is used to select an initial calculation method or to make a one-time change to an existing election. Refer to page 2 of this form for withholding notice information.

### PART 1. IRA OWNER

Name (First/MI/Last) \_\_\_\_\_  
Social Security Number \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Phone \_\_\_\_\_  
Email Address \_\_\_\_\_  
Account Number \_\_\_\_\_ Suffix \_\_\_\_\_

#### ACCOUNT TYPE (Select one)

☐ Traditional IRA ☐ Roth IRA ☐ SIMPLE IRA

### PART 3. CALCULATION ELECTION

If you are making your initial calculation election, complete option 1. If you are currently receiving substantially equal periodic payments but wish to make a one-time calculation change to the Required Minimum Distribution (RMD) Method, complete option 2.

#### 1. INITIAL CALCULATION ELECTION (Select one)

- ☐ RMD Method (Amount is calculated each year)  
☐ Amortization Method (Annual Amount \$ \_\_\_\_\_)  
☐ Annuitization Method (Annual Amount \$ \_\_\_\_\_)

#### 2. ONE-TIME CALCULATION CHANGE

☐ Switch to RMD Method

By selecting this option I hereby revoke my previous election and elect to change to the RMD method. All subsequent payments will be calculated using the RMD method.

### PART 2. IRA TRUSTEE OR CUSTODIAN

To be completed by the IRA trustee or custodian

Name \_\_\_\_\_  
Address Line 1 \_\_\_\_\_  
Address Line 2 \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Phone \_\_\_\_\_ Organization Number \_\_\_\_\_

Account Balance \_\_\_\_\_

### PART 4. WITHHOLDING ELECTION (Form W-4P/OMB No. 1545-0074)

Do not complete this section if you are a nonresident alien. Your withholding election will remain in effect for any subsequent withdrawal unless you change or revoke it.

#### FEDERAL WITHHOLDING (Select one)

- ☐ Withhold \_\_\_\_\_ % (Must be 10% or greater)  
Withhold Additional Federal Income Tax of \$ \_\_\_\_\_  
(If applicable)  
☐ Do Not Withhold Federal Income Tax

#### STATE WITHHOLDING (If applicable, select one)

Name of Withholding State \_\_\_\_\_  
☐ Withhold \_\_\_\_\_ %  
☐ Withhold \$ \_\_\_\_\_  
☐ Do Not Withhold State Income Tax

### PART 5. PAYMENT INSTRUCTIONS

#### PAYMENT START DATE AND FREQUENCY (Complete and select one frequency)

Start Date (Month/Year) \_\_\_\_\_ ☐ 1. Monthly ☐ 2. Quarterly ☐ 3. Semiannually ☐ 4. Annually

**ASSET HANDLING** (Assets identified below will be liquidated and distributed in the order in which they are listed, unless otherwise specified in the Special Instructions section.)

Asset Description	Amount to be Withdrawn	Special Instructions
_____	_____	_____
_____	_____	_____
_____	_____	_____

#### PAYMENT METHOD

- ☐ **Check** Make payable to \_\_\_\_\_  
☐ **Internal Account** Account Number \_\_\_\_\_ Type (e.g., checking, savings) \_\_\_\_\_  
☐ **External Account** (e.g., EFT, ACH, wire) (Additional documentation may be required and fees may apply.)  
Name of Organization Receiving the Assets \_\_\_\_\_ Routing Number (Optional) \_\_\_\_\_  
Account Number \_\_\_\_\_ Type (e.g., checking, savings) \_\_\_\_\_

### PART 6. SIGNATURES

I certify that all information provided by me is true and accurate. I have received a copy of the Withholding Notice Information. No tax advice has been given to me by the trustee or custodian. I understand that any modification of these payments may cause a retroactive 10 percent early distribution penalty tax to be imposed on the payments. All decisions regarding these payments are my own. I assume responsibility for any consequences that may result from these payments and I agree that the trustee or custodian is not responsible for any consequences that may result from executing these payments.

**X** \_\_\_\_\_  
Signature of IRA Owner

\_\_\_\_\_ Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
Notary Public/Signature Guarantee (If required by the trustee or custodian)

\_\_\_\_\_ Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
Authorized Signature of Trustee or Custodian

\_\_\_\_\_ Date (mm/dd/yyyy)

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## WITHHOLDING NOTICE INFORMATION (Form W-4P/OMB No. 1545-0074)

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**Basic Information About Withholding From Pensions and Annuities.** Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit sharing, stock bonus, annuity, and certain deferred compensation plans; from IRAs; and from commercial annuities.

**Caution:** There may be penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505, *Tax Withholding and Estimated Tax*. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using form W-4P.

**Purpose of Form W-4P.** Unless you elect otherwise, 10 percent federal income tax will be withheld from payments from individual retirement accounts (IRAs). You can use Form W-4P (or a substitute form, such as this form), provided by the trustee or custodian, to instruct your trustee or custodian to withhold no tax from your IRA payments or to withhold more than 10 percent. This substitute form should be used only for withdrawals from IRAs that are payable upon demand.

**Nonperiodic Payments.** Payments made from IRAs that are payable upon demand are treated as nonperiodic payments for federal income tax purposes. Generally, nonperiodic payments must have at least 10 percent income tax withheld.

Your election will remain in effect for any subsequent withdrawal unless you change or revoke it.

**Payments Delivered Outside of the U.S.** A U.S. citizen or resident alien may not waive withholding on any withdrawal delivered outside of the U.S. or its possessions. Withdrawals by a nonresident alien generally are subject to a tax withholding rate of 30 percent. A reduced withholding rate may apply if there is a tax treaty between the nonresident alien's country of residence and the United States and if the nonresident alien submits Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or satisfies the documentation requirements as provided under federal regulations. The Form W-8BEN must contain the foreign person's taxpayer identification number.

For more information, Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Publication 519, *U.S. Tax Guide for Aliens*, are available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM.

**Revoking the Exemption From Withholding.** If you want to revoke your previously filed exemption from withholding, file another Form W-4P with the trustee or custodian and check the appropriate box on that form.

**Statement of Income Tax Withheld From Your IRA.** By January 31 of next year, your trustee or custodian will provide a statement to you and to the IRS showing the total amount of your IRA distributions and the total federal income tax withheld during the year. Copies of Form W-4P will not be sent to the IRS by the trustee or custodian.

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## RULES AND CONDITIONS APPLICABLE TO SUBSTANTIALLY EQUAL PERIODIC PAYMENTS

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**Caution:** Before choosing a method for calculating substantially equal periodic payments, you should discuss your election with a competent tax advisor.

To avoid the 10 percent early distribution penalty tax, you must follow certain rules and restrictions.

- Payments must be made at least annually using one of three IRS approved methods described on this form.
- The series of payments begun before age 59½ must continue unchanged for at least five years or until you reach age 59½, whichever is later.  
Note: This rule is waived upon your death, disability, or depletion of the account as a result of the scheduled payments.
- Once payments begin, if the series of payments is modified in any way (other than by reason of one-time calculation change, death, disability, or depletion of the account as a result of scheduled payments), the 10 percent early distribution penalty tax, plus interest penalty, will be incurred retroactively as of January 1 of the first distribution year.

### INITIAL CALCULATION ELECTION

**RMD Method.** Payments are determined each year by dividing your account balance by a life expectancy factor from the Single Life Expectancy Table, the Joint Life Expectancy Table, or the Uniform Lifetime Table. Under this method your distribution amount will be calculated each year.

**Amortization Method.** Payments are determined by amortizing your IRA balance over a specified number of years using a chosen life expectancy table and an acceptable interest rate. Under this method your distributions will be the same amount each year.

**Annuitization Method.** Payments are determined by dividing your IRA balance by an annuity factor derived from an IRS provided table. Under this method your distributions will be the same amount each year.

### ONE-TIME CALCULATION CHANGE

The IRS allows you to make a one-time change from either the amortization method or the annuitization method to the RMD method. Once this change has been made the RMD method must be used in all subsequent years. Any subsequent calculation method change is considered a payment modification and subject to a retroactive 10 percent early distribution penalty tax and interest.