

# IRA Election of Payment by Beneficiary for Traditional, Roth, and SIMPLE IRAs

## 1 IRA OWNER INFORMATION

NAME, ADDRESS, CITY, STATE AND ZIP			TYPE OF IRA (SELECT ONE):
			<input type="checkbox"/> Traditional IRA <input type="checkbox"/> SIMPLE IRA <input type="checkbox"/> Roth IRA
IRA ACCOUNT (PLAN) NUMBER	SOCIAL SECURITY NUMBER (SSN)	DATE OF BIRTH	DATE OF DEATH

## 2 BENEFICIARY INFORMATION

NAME, ADDRESS, CITY, STATE AND ZIP		IRA ACCOUNT (PLAN) NUMBER
		TAXPAYER IDENTIFICATION NUMBER/SSN
DATE OF BIRTH	DAYTIME PHONE NUMBER	E-MAIL (OPTIONAL)

## 3 BENEFICIARY ELECTION (Complete A, and either B, C, or D. See Additional Information included with this form.)

**A. Death Occurred:**  Before Required Beginning Date (RBD)  
 On or After RBD (Roth IRA owners are treated as having died before the RBD.)

**B. Total Distribution of Beneficiary's Share**

**C. Designated Beneficiary** [Elect one option under (1), (2), or (3)]:

**(1) Spouse as Sole Beneficiary**

Single Life Expectancy\* (Attained Age Method)  
 Five-Year Rule (Only if death occurred before RBD.)  
 Treat as Own

**(2) Other Individuals**

Single Life Expectancy\* (Reduction Method)  
 Five-Year Rule (Only if death occurred before RBD.)

**(3) Qualified Trust\*\* as Beneficiary**

Single Life Expectancy - Oldest Trust Beneficiary\*  
 Five-Year Rule (Only if death occurred before RBD.)

Trust's trustee has provided us with (check one):  
 Final list of trust's beneficiaries  Copy of the Trust

\* If death occurred on or after RBD, the longer of the IRA owner's single life expectancy or the beneficiary's single life expectancy is used.  
 \*\* As determined by the trust beneficiary.

**D. No Designated Beneficiary** (Applies to all beneficiaries if any non-individual has assets remaining on the determination date.)

Five-Year Rule (Only if death occurred before RBD.)  
 IRA Owner's Single Life Expectancy (Only if death occurred on or after RBD.) Not Applicable to Roth IRAs.

## 4 PAYMENT INSTRUCTIONS

A. PAYMENT ELECTION	B. PAYMENT METHOD	C. PAYMENT DETAIL (completed by financial organization)
I elect my required minimum distributions to be paid in the following manner (select one): (1) <input type="checkbox"/> <b>Immediate Distribution</b> of \$ _____. (2) <input type="checkbox"/> <b>Periodic Distribution</b> I authorize automatic distributions of \$ _____ on a <input type="checkbox"/> monthly <input type="checkbox"/> annual <input type="checkbox"/> quarterly <input type="checkbox"/> other _____ basis, starting on _____ determined by my election. Continue periodic distributions until I notify you in writing otherwise. (3) <input type="checkbox"/> <b>Other (including transfers)</b> _____ _____	(1) <input type="checkbox"/> <b>Mail check to me.</b> (2) <input type="checkbox"/> <b>Deposited into my account at this financial organization.</b> Account Type _____ Account Number _____ (3) <input type="checkbox"/> <b>Other</b> _____ _____ _____	Amount Requested \$ _____ Penalties Charged (-) _____ Administrative Fees (-) _____ <b>Subtotal</b> (amount subject to withholding) \$ _____ Federal Income Tax Withheld (-) _____ State Income Tax Withheld (if applicable) (-) _____ Local Tax Withheld (-) _____ <b>Net Amount Paid</b> \$ _____  Date of Distribution _____

**5 WITHHOLDING ELECTION** (Not applicable to Roth IRAs. See IRS Form W-8BEN if you are a foreign person.)

The instructions to Form W-4P (Withholding Certificate) are included in the Additional Information section of this form.

Form **W-4P**  
Department of the Treasury  
Internal Revenue Service  
OMB No. 1545-0074

- I elect **not** to have Federal income tax withheld from my IRA distribution.
- I elect to have 10 percent Federal income tax withheld from my IRA distribution.  
I want the following **additional** dollar amount (\$ \_\_\_\_\_ ), or **additional** percentage ( \_\_\_\_\_ %) withheld from each IRA distribution.
- I elect to have \$ \_\_\_\_\_ or \_\_\_\_\_ % State income tax withheld from my IRA distribution (if applicable).

**6 SIGNATURES**

I certify that I am the beneficiary or individual legally authorized to complete this form. I accept the elections I made above. I understand that I must provide the custodian/trustee with a copy of the IRA owner's death certificate and any other applicable documents before the custodian/trustee will process any distributions. I understand that I am responsible for any consequences based upon the elections made above. I acknowledge that the custodian/trustee cannot provide me with legal advice. I have been advised to seek the guidance of a tax or legal professional.

\_\_\_\_\_  
Signature of Beneficiary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Custodian/Trustee

\_\_\_\_\_  
Date

## ADDITIONAL INFORMATION

**Purpose.** The IRA Election of Payment by Beneficiary for Traditional, Roth, and SIMPLE IRAs form is designed to assist you in selecting your IRA distribution method and payment elections. This form is not designed for use by beneficiaries of deceased plan participants of employer-sponsored retirement plans.

**For Additional Guidance.** It is in your best interest to seek the guidance of your tax or legal professional before completing this document. Your first reference should be the IRA agreement and disclosure statement you received upon establishing your IRA or amendments provided by the custodian/trustee. For more information refer to Internal Revenue Service (IRS) Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, IRS Publication 505—*Tax Withholding and Estimated Tax*, instructions to your federal income tax return, your local IRS office, or the IRS's web site at [www.irs.gov](http://www.irs.gov).

**Caution.** If you are one of multiple beneficiaries you may find that your possible methods of distribution are restricted by the other beneficiary types and/or the timing of the IRA owner's death. The IRA agreement and disclosure statement in effect at the later of the time the IRA was established or amended, provide valuable information concerning beneficiary options. Custodian/trustee policies, such as a separate accounting policy, should be reviewed to determine their effect on beneficiary options.

**Terms.** A general understanding of the following terms may be helpful in completing your transactions.

**Required Beginning Date (RBD).** The RBD is April 1 of the year following the year in which an IRA owner attains age 70 1/2.

**Determination Date.** The determination date is September 30 of the year following the IRA owner's death year.

**Designated Beneficiary.** A designated beneficiary is an individual who has a remaining interest in the IRA on the determination date. Though an individual named as a beneficiary by the IRA owner and has a right to all or a portion of the IRA assets, he/she is not necessarily a designated beneficiary under the law. A named beneficiary who takes his/her entire interest in the IRA or disclaims, under Internal Revenue Code (IRC) Section 2518, his/her interest in the IRA before the determination date will be eliminated from the designated beneficiary(ies) determination.

A beneficiary who dies after the IRA owner's death and before the determination date will still be considered for designated beneficiary status.

A designated beneficiary sets the life expectancy period for distributions after an IRA owner's death. Usually, if there are multiple designated beneficiaries, separate accounting applies in accordance with Treasury Regulation 1.401(a)(9)-8, Q&A 2 and 3 and the life expectancy period of each beneficiary is used in the calculation. When there are multiple designated beneficiaries, and separate accounting is not applied, the age of the oldest beneficiary on the determination date is used for calculating required minimum distributions for all of the beneficiaries.

The IRA will be considered to have *no designated beneficiary* if any named beneficiary, with an interest still remaining on the determination date, is not an individual or an individual named as a beneficiary of a qualified trust which is a named beneficiary of the IRA.

If an individual is the beneficiary of a trust which is the beneficiary of an IRA, he/she should determine his/her appropriate beneficiary status with the trustee of such trust.

**Qualified Trust as Beneficiary.** The determination that a trust is a qualified trust beneficiary is made by the trustee of the trust beneficiary, pursuant to treasury regulation 1.401(a)(9)-4, Q&A-5. However, if this option is selected it requires the trustee to provide us, by October 31 following the year of IRA owner's death, with either a copy of the trust or a certified correct and complete final list of all trust beneficiaries.

**Spouse as Sole Designated Beneficiary.** Special rules apply to a surviving spouse who is the only beneficiary on the determination date. If the IRA owner died before his/her RBD, such spouse can postpone receipt of single life expectancy distributions until the year the deceased IRA owner would have reached age 70 1/2. Finally, such spouse can elect to treat the IRA as his/her own IRA and, if the surviving spouse is under age 70 1/2, not be required to take a distribution until the year he/she attains age 70 1/2.

**Single Life Expectancy.** The single life expectancy is the number of years an individual is expected to live based on various statistical and actuarial variables. The IRS provides a single life expectancy table in its regulations and in IRS Publication 590-B. A factor from the single life expectancy table will be divided into an IRA beneficiary's share of an IRA's previous year-end balance to calculate a required minimum distribution for the year for that beneficiary.

**Five-Year Rule.** The five-year rule requires the beneficiary's interest in the IRA to be fully distributed by the end of the fifth year following the IRA owner's death year.

**Spouse Beneficiary Rollovers.** Any spouse beneficiary can take a distribution of his/her share of a deceased spouse's IRA and roll it over to his/her own IRA.

**Withholding of Federal Income Tax.** Generally, federal income tax withholding applies to your taxable IRA distributions. The method and rate of withholding depends on (a) the type of distribution you receive, (b) whether the distribution is delivered outside the United States or its possessions, and (c) whether you (or your beneficiary after your death) are a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. Because your tax situation may change from year to year, you may want to change your withholding election each year. You can change the amount to be withheld by using IRS Form W-4P or an appropriate substitute form.

**Nonperiodic Payments—10% Withholding.** Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Your IRA custodian/trustee must withhold at a flat 10% rate from your IRA distributions unless you choose not to have federal income tax withheld. You can choose not to have income tax withheld from a nonperiodic payment by using IRS Form W-4P or an appropriate substitute form and providing your correct tax identification number (TIN). Generally, your choice to have income tax withheld or not will apply to any later distribution from your IRA. You may also specify an additional amount that you want withheld.

**Caution.** *If you do not provide your correct TIN, your IRA custodian/trustee cannot honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.*

**Choosing Not to Have Income Tax Withheld.** You (or in the event of death, your beneficiary or estate) can choose not to have income tax withheld from your payments by using Form W-4P or an appropriate substitute form. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. The executor/representative must provide the estate's TIN/employer identification number (EIN).

**Caution.** *There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see IRS Publication 505, Tax Withholding and Estimated Tax. It explains the estimated tax requirements and describes 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 or an appropriate substitute form. You can also use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to determine your tax withholding more accurately.*

**Changing Your "No Withholding" Choice.** If you previously chose not to have income tax withheld and you now want 10% withholding, write "Revoked" next to the checkbox on line 1 of IRS Form W-4P and provide a copy to your IRA custodian/trustee. To the extent you want a greater amount withheld, complete a new Form W-4P or an appropriate substitute form for your IRA custodian/trustee.

**Payments to Foreign Persons and Payments Outside the United States.** Unless you are a nonresident alien, withholding (in the manner described above) is required on any nonperiodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have income tax withheld on Form W-4P. See IRS Publication 505, *Tax Withholding and Estimated Tax* for additional details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% withholding tax under IRC Section 1441 on the taxable portion of a nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and IRS Publication 519, *U.S. Tax Guide for Aliens*, for details. A foreign person should submit IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting*, to the IRA custodian/trustee before receiving any payments. The Form W-8BEN must contain the foreign person's Taxpayer Identification Number (TIN).

If you are a foreign person who has taken an IRA distribution and has provided a Form W-8BEN, the IRA custodian/trustee will furnish a statement to you on IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, by March 15 of next year.

**State Withholding.** Your state may allow or require state income tax withholding on any taxable distribution.

**Local Withholding.** Your local governing authority may allow or require local income tax withholding on any taxable distribution.