

# IRA Distribution Form

for Traditional, Roth, and SIMPLE IRAs

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## IRA OWNER INFORMATION

NAME, ADDRESS, CITY, STATE AND ZIP		IRA ACCOUNT (PLAN) NUMBER	TYPE OF IRA (SELECT ONE)
		SOCIAL SECURITY NUMBER (SSN)	<input type="checkbox"/> Traditional IRA <input type="checkbox"/> SIMPLE IRA <input type="checkbox"/> Roth IRA
DATE OF BIRTH	DATE OF DEATH (IF APPLICABLE)	DAYTIME PHONE NUMBER	
Tax Year of First Roth IRA Contribution/Conversion: _____			

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## DISTRIBUTION REASON Select One. (For further information, see Additional Information included with this form.)

<b>For Traditional, Roth, and SIMPLE IRAs</b> <input type="checkbox"/> Early Distribution from a Roth IRA <input type="checkbox"/> Age 59½ or Older (Normal for Traditional IRAs) <input type="checkbox"/> Death <input type="checkbox"/> Disability <input type="checkbox"/> Revocation <input type="checkbox"/> Transfer to another IRA <input type="checkbox"/> Prohibited Transaction <input type="checkbox"/> IRS Levy	<input type="checkbox"/> Recharacterization of Conversion/Contribution for Tax Year _____ <input type="checkbox"/> Correction of Excess Contribution for Tax Year _____ Amount of excess \$ _____ Earnings attributable to excess (if applicable) \$ _____ <input type="checkbox"/> On or before my tax-filing due date, including extensions <input type="checkbox"/> In same calendar year the excess contribution was made <input type="checkbox"/> In calendar year after the year the excess contribution was made <input type="checkbox"/> After my tax-filing due date, including extensions <input type="checkbox"/> Qualified Health Savings Account Funding Distribution (QHSAFD)
<b>For Traditional and SIMPLE IRAs Only</b> <input type="checkbox"/> Early Distribution, no known exception <input type="checkbox"/> Early Distribution, exception applies	<input type="checkbox"/> Conversion. I am <input type="checkbox"/> age 59½ or older <input type="checkbox"/> younger than age 59½. <input type="checkbox"/> Direct Rollover to an employer-sponsored Eligible Retirement Plan <input type="checkbox"/> SIMPLE IRA Distribution in Two-Year Period (if less than age 59½)
<b>Recipient Information</b> (Complete for IRS Levy, Death, Transfer, Recharacterization, Direct Rollover, and QHSAFD transactions.)	
NAME, ADDRESS, CITY, STATE AND ZIP	
IRA ACCOUNT (PLAN) NUMBER (IF APPLICABLE)	
DAYTIME PHONE NUMBER	
TAXPAYER IDENTIFICATION NUMBER (TIN)/SSN (IF APPLICABLE)	BENEFICIARY DATE OF BIRTH (IF APPLICABLE)

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## PAYMENT INSTRUCTIONS

PAYMENT ELECTION <small>(select one)</small>	PAYMENT METHOD <small>(select one)</small>	PAYMENT DETAIL <small>(completed by financial organization)</small>																
I elect distributions to be paid in the following manner: <input type="checkbox"/> <b>Immediate Distribution</b> of \$ _____ <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 _____. Continue periodic distributions until I notify you in writing otherwise. <input type="checkbox"/> <b>Other</b> (including transfers) _____	<input type="checkbox"/> <b>Mail check to me.</b> <input type="checkbox"/> <b>Deposited into my account at this financial organization.</b> Account Type _____ Account Number _____ <input type="checkbox"/> <b>Other</b> _____	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Amount Requested</td><td style="text-align: right;">\$ _____</td></tr> <tr><td>Penalties Charged</td><td style="text-align: right;">(-) _____</td></tr> <tr><td>Administrative Fees</td><td style="text-align: right;">(-) _____</td></tr> <tr><td><b>Subtotal</b> (subject to withholding)</td><td style="text-align: right;"><b>\$ _____</b></td></tr> <tr><td>Federal Withholding</td><td style="text-align: right;">(-) _____</td></tr> <tr><td>State Withholding</td><td style="text-align: right;">(-) _____</td></tr> <tr><td>Local Withholding</td><td style="text-align: right;">(-) _____</td></tr> <tr><td><b>Net Amount Paid</b></td><td style="text-align: right;"><b>\$ _____</b></td></tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">           Earnings paid to date not already reported to IRA Administration Provider (optional). Include this figure in the Amount Requested. \$ _____            Does this distribution close the IRA? <input type="checkbox"/> Yes <input type="checkbox"/> No         </div> Date of Distribution _____	Amount Requested	\$ _____	Penalties Charged	(-) _____	Administrative Fees	(-) _____	<b>Subtotal</b> (subject to withholding)	<b>\$ _____</b>	Federal Withholding	(-) _____	State Withholding	(-) _____	Local Withholding	(-) _____	<b>Net Amount Paid</b>	<b>\$ _____</b>
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## ADDITIONAL INFORMATION

**Purpose.** The IRA Distribution Form for Traditional, Roth, and SIMPLE IRAs is designed to assist you in selecting your individual retirement account (IRA) distribution reason and method. This form does not allow for cost- and penalty-free SIMPLE IRA transfers from a designated financial institution (DFI). Your DFI will require additional documentation, such as an election form.

**Additional Documents.** Applicable law or policies of the IRA custodian/trustee may require additional documentation. A separate distribution form must be completed for each distribution reason.

**For Additional Guidance.** It is in your best interest to seek the guidance of a tax or legal professional before completing this document. You should also reference the IRA agreement and disclosure statement and/or amendments provided by the custodian/trustee. For more information, refer to Internal Revenue Service (IRS) Publication 590, *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).

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

**Age 59½ or Older (Normal).** If you are age 59½ or older, you are not subject to a 10 percent early distribution penalty tax.

**Conversion.** This is a distribution taken from a traditional or SIMPLE IRA that is exempt from the 10 percent early distribution penalty tax and deposited into a Roth IRA as a conversion contribution.

**Death.** This is a distribution taken by a beneficiary(ies) of a deceased IRA owner that is exempt from the early distribution penalty tax.

**Disability.** A distribution for a disability can avoid the 10 percent early distribution penalty tax if you are younger than age 59½ and meet the definition of disability under Internal Revenue Code (IRC) Section 72(m)(7).

**Early Distribution from a Roth IRA.** Follows the same guidelines as *Early Distribution, no known exception* with an additional exception of Substantially Equal Periodic Payments.

**Eligible Retirement Plan.** Eligible retirement plans include qualified trusts under IRC Section 401(a), annuity plans under IRC Section 403(a), annuity contracts under IRC Section 403(b), and certain governmental IRC Section 457 plans.

**Excess Contribution.** An excess contribution occurs when the contribution amount exceeds allowable limits or when an ineligible individual makes a contribution. For correction purposes, an IRA owner can treat an unwanted contribution as an excess.

**Early Distribution, exception applies.** The following types of distributions are automatically exempt from the 10 percent early distribution penalty tax:

- ◆ A distribution made to satisfy an IRS levy.
- ◆ Distributions based on an election to receive substantially equal periodic payments for the greater of a five-year period or until you attain age 59½.

**Early Distribution, no known exception.** If you are younger than age 59½, you may be subject to a 10 percent early distribution penalty tax unless you properly roll over the assets within 60 days (or 120 days in the case of the return of a first-time homebuyer distribution), or unless you meet an exception. The exceptions are for distributions used to pay for a:

- ◆ Higher Education Expense
- ◆ First-Time Home Purchase
- ◆ Medical Expense
- ◆ Health Insurance Premium
- ◆ Qualified Reservist Distribution

**Prohibited Transaction.** Violations of IRC Section 4975 due to improper investment or use of IRA assets could result in the IRA assets becoming fully taxable and subject to penalty tax.

**Qualified Health Savings Account Funding Distribution.** This is a distribution from an IRA, not including a SEP or SIMPLE IRA, to the

extent it is contributed to your health savings account. The election to make this distribution is irrevocable.

**Recharacterization.** A recharacterization is the method by which an IRA owner can redesignate the type of IRA contribution made for the year.

**Revocation.** You may revoke your IRA on or before seven (7) days after the date of establishment. For traditional and SIMPLE IRAs only, if you revoke a regular contribution, the distribution is reported to the IRS as a correction of excess contribution in the same year. If you revoke a rollover or transfer contribution, the distribution is reported to the IRS as a normal distribution if you are age 59½ or older, or as an early distribution—no known exception, if you are younger than age 59½.

**Separate Accounting.** Under Treasury Regulation Section 1.409(a)(9)-8, Q&A-3, a separate account in an IRA would be a separate portion of the IRA that reflects a beneficiary's separate interest in the IRA as of the date of the owner's death. If separate accounting is not immediate upon an IRA owner's death, an IRA custodian/trustee should allocate the post-death investment gains and losses for the period prior to the establishment of separate accounts on a reasonable and consistent pro-rata basis among the separate beneficiary accounts.

**Tax Year of First Roth IRA Contribution/Conversion.** Distribution of earnings in a Roth IRA may be tax free and penalty free when withdrawn if five years have passed since the tax year of the Roth IRA owner's first contribution/conversion.

**Transfer.** A transfer is the nonreportable movement of assets between IRAs of the same type.

**Two-Year Rule.** SIMPLE IRA funds cannot be rolled or transferred to a traditional IRA or converted to a Roth IRA within a two-year period that begins on the date of the initial contribution to your SIMPLE IRA. SIMPLE IRA funds transferred or distributed during the two-year period are subject to an additional 25 percent excise tax.

**Recipient Information.** The Recipient Information section must be completed for a distribution due to IRS levy, a death distribution, a transfer to another IRA, a transfer to a former spouse's IRA due to divorce or legal separation, a transfer to a spouse's IRA due to death (if sole beneficiary), a recharacterization, a direct rollover to an eligible retirement plan, or a qualified health savings account funding distribution. Provide complete information regarding the individual or entity receiving the assets.

**Withholding of Federal Income Tax.** Generally, federal income tax withholding applies to your 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.*

**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*, to the IRA custodian/trustee before receiving any payments. The Form W-8BEN must contain the foreign person's TIN.

If you are a foreign person who has provided an IRA custodian/trustee with IRS 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.

**Federal Withholding.** In general, the federal withholding rules do not apply to Roth IRA distributions. An exception to the general rule applies to excess contributions returned to the Roth IRA owner by the tax-filing due date. The federal withholding rules apply to the taxable earnings portion of such a distribution unless the taxable amount is less than \$200.

**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.