

IRA Required Minimum Distribution (RMD) Election Form

for Traditional (including SEP) and SIMPLE IRA Owners



P.O. Box 2097, Universal City, TX 78148-2097
210-945-3300

IRA Owner Information

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

RMD Life Expectancy Calculation Method

A required minimum distribution (RMD) must be calculated for you each year using a divisor from one of two life expectancy tables, depending upon the age and relationship of your primary beneficiary. Please check the box that applies:

<input type="checkbox"/> My spouse is the sole primary beneficiary for the entire distribution year. Spouse's date of birth <ul style="list-style-type: none"> ◆ If your spouse is not more than 10 years younger than you, use the Uniform Lifetime Table. ◆ If your spouse is more than 10 years younger than you, use the Joint and Last Survivor Table.
<input type="checkbox"/> My spouse is not the sole primary beneficiary for the entire distribution year - use the Uniform Lifetime Table.
<input type="checkbox"/> I am not married - use the Uniform Lifetime Table.

Payment Instructions

A. Nonperiodic Payment Election. I am making the following nonperiodic payment election, which may satisfy all, some, or none of my RMD amount (select one):		
<input type="checkbox"/> Immediate distribution of my RMD amount of \$ _____ for tax year	<input type="checkbox"/> Scheduled distribution of my RMD amount. I authorize automatic distributions on a <ul style="list-style-type: none"> <input type="checkbox"/> monthly <input type="checkbox"/> quarterly <input type="checkbox"/> annual <input type="checkbox"/> other basis starting on _____ Continue scheduled distributions until I notify you in writing otherwise.	<input type="checkbox"/> Scheduled Distribution. I authorize automatic distributions of \$ _____ on a <ul style="list-style-type: none"> <input type="checkbox"/> monthly <input type="checkbox"/> quarterly <input type="checkbox"/> annual <input type="checkbox"/> other basis, starting on _____ . Continue scheduled distributions until I notify you in writing otherwise. Note: This may or may not satisfy my RMD amount.
<input type="checkbox"/> Other (including transfers)		
<input type="checkbox"/> I waive my RMD from this IRA and will take it from another traditional or SIMPLE IRA for all years until I notify you in writing otherwise.		

B. Payment Method (select one):
<input type="checkbox"/> Mail check(s) to me.
<input type="checkbox"/> Deposit(s) into my account at this financial organization. Account Type _____ Account Number _____
<input type="checkbox"/> Other (including qualified charitable distribution(s))

C. Payment Detail (completed by financial organization):	
Amount Requested	\$ _____
Penalties Charged	(-) _____
Administrative Fees	(-) _____
Subtotal (amount subject to withholding)	\$ _____
Federal Income Tax Withheld	(-) _____
State Income Tax Withheld	(-) _____
Local Tax Withheld	(-) _____
Net Amount Paid	\$ _____
Date of Distribution _____	

Withholding Election (See IRS Form W-8BEN if you are a foreign person.)

For your federal income tax withholding rate election, provide a Form W-4R to your IRA custodian/trustee. **If Form W-4R is not returned to the custodian/trustee, federal income taxes will be withheld from your distribution at the default 10% rate.**

For your state income tax withholding election, if allowed or as may be required under state law, complete the following information and return this form, and any other state withholding documentation that may also be required, to your IRA custodian/trustee.

- I elect to have \$ _____ or _____ % State income tax withheld from my IRA distribution (according to state law).
 I elect no state income tax withholding (according to state law).

Signatures

I am the IRA owner or individual legally authorized to complete this form. I certify the accuracy of the information set forth in this form, and I authorize the transactions resulting from this election. I understand the custodian/trustee may require me to provide and/or complete additional documents before processing any distributions. I assume full responsibility for any consequences associated with my distribution including any taxes and penalties owed. I acknowledge that the custodian/trustee cannot provide, and has not provided, me with tax or legal advice. I have been advised to seek the guidance of a tax or legal professional.

Signature of IRA Owner

Date

Signature of Custodian/Trustee

Date

Additional Information

Purpose. The IRA Required Minimum Distribution (RMD) Election Form for Traditional (including SEP) and SIMPLE IRA Owners is designed to document your life expectancy divisor table for your required minimum distribution (RMD) calculation. It will also allow you to document your RMD or other nonperiodic distribution and payment elections.

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 IRS Form W-4R, *Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions*, 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, or the IRS's website at www.irs.gov.

Failure to Distribute. The penalty for failing to take your RMD in any taxable year is a 25 percent excise tax for that year on the amount not distributed as required. However, this excess accumulation penalty tax may be reduced to 10 percent if the failure to take the RMD is corrected within the correction window. IRS Form 5329 is used to report the tax on excess accumulations.

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

Life Expectancy Divisor. Most IRA owners will calculate their RMD using the Uniform Lifetime Table. This table is indexed to the age of an IRA owner as of the end of a year and automatically provides a joint and last survivor expectancy divisor assuming a beneficiary ten years younger than the IRA owner. You will use this table each year, and your age at the end of the year, to determine your life expectancy divisor.

However, if your only beneficiary is your spouse who is more than ten years younger than you for the entire distribution year, your RMD for that year will be calculated with the divisor from the Joint and Last Survivor Table using your and your spouse's ages at the end of that year. Your RMD for that year will not change if your spouse dies or if you become divorced during the year. Any other change will require a new calculation using the Uniform Lifetime Table.

Previous Year-End Balance. The account balance used in the calculation is the fair market value of the IRA on the previous December 31. Several adjustments may be necessary to the previous year-end balance before you can calculate your RMD for the year.

Required Minimum Distribution (RMD). Certain traditional and SIMPLE IRA owners must satisfy an annual RMD. Those IRA owners include individuals who attained age 70 1/2 in 2019 or earlier, individuals who attained age 72 in 2020, 2021 or 2022, and individuals who attain age 73 in 2023 or later. Generally, the previous year-end balance in your IRA will be divided by a life expectancy divisor to determine your RMD for each distribution year.

Required Beginning Date (RBD). Your RBD is April 1 of the year following the year in which you attain the age that you are first required to start taking an RMD. You have until this date to take the first required distribution. All subsequent distributions must be received by December 31 of each distribution year.

Required Minimum Distribution (RMD) Amount. If you request an RMD amount to be paid to you, we will generally use the amount calculated and provided to you on the January 31 RMD Notice. In some cases, this amount may be different than your actual RMD amount due to the assumptions we used in calculating your RMD for the January 31 Notice.

Traditional IRA. Traditional IRA also means a SEP IRA for purposes of this form.

Waivers. The law permits you to waive your RMD from one of your traditional or SIMPLE IRAs if you take it from a different traditional or SIMPLE IRA. For this purpose, you must calculate the RMD for each traditional and SIMPLE IRA you own and add the individual required minimums together. This aggregate total can be distributed from any one or more of your traditional or SIMPLE IRAs. You should provide a written notice of waiver to any custodian/trustee affected by your election to take a distribution elsewhere. You can only use this aggregation and waiver for the traditional or SIMPLE IRAs you actually own. IRAs, including Roth IRAs, that you have a right to as beneficiary cannot be aggregated with your personal traditional or SIMPLE IRAs.

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. 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 from a nonperiodic payment by using IRS Form W-4R.

Nonperiodic Payments—10% Withholding. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Periodic pension or annuity payments are not nonperiodic distributions. Periodic payments are not payable on demand. Your IRA custodian/trustee must withhold at a default 10% rate from your taxable IRA distributions unless you choose a different rate or 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-4R, by indicating "0%" on line 2 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.

Additional Information, Continued

Caution. *If you do not provide your correct TIN, your IRA custodian/trustee cannot honor your request to have a lower (or no) income tax amount withheld and must withhold 10% of the payment for federal income tax.*

Choosing Not to Have Income Tax Withheld in the Event of Your Death. In the event of death, your beneficiary or estate can choose not to have income tax withheld from your payments by using Form W-4R. 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-4R.*

Changing Your Withholding Choice. Your withholding choice (or an election not to have withholding) on a nonperiodic payment, including an election for payments that began before 2022, will generally apply to any future payment from the same IRA. Provide a new Form W-4R to your IRA custodian/trustee if you want to change your federal withholding.

Payments to Foreign Persons and Payments Outside the United States. Unless you are a nonresident alien, generally withholding (in the manner described above) is required on any nonperiodic payments that are delivered to you outside the United States or its possessions and you cannot waive having federal income tax withheld or choose a withholding rate of less than 10% on Form W-4R. See IRS Publication 505, *Tax Withholding and Estimated Tax*, for additional details.

Nonresident aliens, nonresident alien beneficiaries, and foreign estates cannot use Form W-4R on the taxable portion of a nonperiodic payment that is from U.S. sources. 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.

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.